



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd
Hywel Dda
Health Board

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Date: 25th June 2012

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Mr Mark Drakeford AC AM
Chair of Health and Social Care Committee,
National Assembly for Wales,
Cardiff Bay,
CF99 1NA

Dear Mr Drakeford

National Assembly for Wales Health and Social Care Committee: Financial Scrutiny

Further to your letter of 1st June 2012, requesting information to help inform your financial scrutiny of the Welsh NHS's Financial Position, please find attached response from Hywel Dda Local Health Board.

I trust this will satisfy your requirements, but please get in touch if you have any further questions.

Yours sincerely

Karen Miles
Director of Finance & Economic Reform

Cc: Trevor Purt, Chief Executive Officer, Hywel Dda Health Board

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NATIONAL ASSEMBLY FOR WALES HEALTH & SOCIAL CARE COMMITTEE: FINANCIAL SCRUTINY

HYWEL DDA HEALTH BOARD RESPONSE TO REQUEST FOR INFORMATION OF 1ST JUNE 2012

Query	Response	Pertinent Documents
<p>Details of your original revenue and capital allocations from the Welsh Government for the 2011-12 and 2012-13 financial years</p>	<p>Attached are the Ministerial Letters & Allocation Tables outlining the <u>original</u> Revenue Allocations for 2011-12 and 2012-13, which form the basis of the Health Board's Financial Plan approved at Public Board in March of each year.</p> <p>These original allocations routinely increase every year to reflect, for example, the conclusion of negotiated settlements for General Medical Services, Community Pharmacy – usually settled after the issue of the Allocation Letter. As such, they are not additional allocations, but later notifications, as contract negotiations are concluded.</p> <p>Allocations are also routinely made for new in-year Ministerial priorities, for example, developing Musculo-Skeletal Pathways to deliver sustainable Orthopaedics, Rheumatology and Pain Management services.</p> <p>To this end, within the 2011/12 year (October 2011), every health board in Wales received a non-recurrent allocation to achieve and deliver Ministerial priorities. For Hywel Dda, this was £33m.</p> <p>For 2012/13, for Hywel Dda, this is now £23m, £3m recurrent funding and £20m transitional funding and has been built into the 2012/13 Allocation Letter, again non-recurrently.</p> <p>This is categorised under table B in the 2012/13 Allocation letter and is provided to Health Boards as follows:</p> <p><i>'Additional funding totalling £123 million has been included in the ring-fenced allocation in 2012-13. This represents the £103 million allocated recurrently in 2011-12, plus £20 million transitional funding for Hywel Dda Health Board. The ongoing distribution of the £103 million recurrent funding has still to be</i></p>	<p>2011-12 Revenue:</p> <ul style="list-style-type: none"> • Annexes 1 - 8 <p>2012-13 Revenue:</p> <ul style="list-style-type: none"> • Annexes 9 - 13

	<p><i>determined. To provide some continued stability, this funding will be distributed non-recurrently again in 2012-13 on the same shares as 2011-12.'</i></p> <p>Attached are the <u>original</u> capital resource limit notifications from Welsh Government, issued in May 2011 and May 2012, for financial years 2011-12 and 2012-13 respectively.</p>	<p>2011-12 CRL: 2012-13 CRL:</p> <ul style="list-style-type: none"> • Annexes 14 - 15
<p>Copies of your financial plans (both revenue and capital), including details of savings to be achieved, and from which service areas, for the 2011-12 and 2012-13 financial years</p>	<p>Attached are the Service & Financial Plan papers which were approved at HDHB Public Board Meetings in March 2011 & March 2012 for 2011-12 & 2012-13 respectively. The Financial Plans are included as Annex 2 in each report.</p> <p>Savings Plans are as reported in Board Finance Reports and cover all of our service areas, and, operate within ring-fencing rules. For 2011/12, there were in-year savings plans of £42.8m and for 2012/13, we have identified further in-year detailed plans of £23.652m, with detail on a remaining £12.8m savings currently being worked up.</p> <p>Similarly, Capital Plans are also as itemised in the Board reports and do not exceed the capital allocation.</p>	<ul style="list-style-type: none"> • Annexes 16 - 19
<p>Details of any additional funding provided during the 2011-12 financial year by the Welsh Government, and the purpose for which it was provided</p>	<p>In 2011/12, with cost pressure containment and savings plans of £48.8m (8%), and a reduction in Welsh Government Assistance by £10m from £43m to £33m, we achieved breakeven.</p> <p>Detail on the £33m for 2011/12 is as per 1st Query. Routine, in-year allocations are not classed as 'additional' but later notifications.</p>	<ul style="list-style-type: none"> • Annex 20
<p>Information on the year-end financial position for the 2011-12 financial year, and details of progress against the financial plans and savings</p>	<p>The audited annual financial statements for 2011/12 were adopted by the Board on 6th June 2012 and confirm that the Hywel Dda LHB achieved the following;</p> <ul style="list-style-type: none"> • Met its statutory duty as set out in the National Health Service (Wales) Act 2006 that net operating costs incurred by Local Health Boards should not exceed their allocated resource limit – in 2011/12 costs were £93,000 below the resource limit. • Kept within the Capital Resource Limit set by Welsh Government – the 	<ul style="list-style-type: none"> • Annex 21

<p>targets in each service area</p>	<p>charge against the capital resource limit was £65,000 below the limit.</p> <ul style="list-style-type: none"> • Achieved targets set by Welsh Government to pay 95% of the number of non-NHS creditors within 30 days of delivery. • Cash draw down was in line with drawing limits. Cash balances held at the end of the year are within the parameters set by Welsh Government. <p>Hywel Dda Health Board achieved all of our savings plans in 2011/12, and the detail of this is as provided in the Board Finance Reports as per 2nd Query.</p>	
<p>Information about, and examples of, how financial planning and the requirement for savings has impacted on your ability to deliver against the Welsh Government's stated policy priorities</p>	<p>In terms of this query, there is no inability to deliver against Welsh Government stated policies and priorities, as:</p> <ul style="list-style-type: none"> • LHBS in Wales have rigorous and robust plans in place to ensure delivery against the Government's key priorities. • The NHS in Wales has delivered an unprecedented level of financial savings, whilst at the same time making progress on a range of performance areas, targets and quality outcomes. • The NHS in Wales exceeded £313million in savings last financial year by reducing costs, containing costs, reducing capacity and redesigning services. • As well as reducing costs, this is about improving NHS services to ensure patients benefit from a modern health services. • We are working in a tough financial climate, but many of these changes have to be made to improve the quality, safety and sustainability of services. This is the case for any public service. • However, the NHS in Wales is operating in a challenging financial environment and there are difficult choices ahead. The current model of NHS services in Wales is not sustainable and the way health services are delivered to patients needs to change. Service change is needed to ensure LHBS continue to deliver and meet the Government's key priorities and targets. 	



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

To:
Chief Executives - Health Boards
Chief Executives - NHS Trusts

Mr Paul Williams OBE OStJ DL
Director General, Health & Social Services
Chief Executive, NHS Wales
Cyfarwyddwr Cyffredinol, Iechyd a
Gwasanaethau Cymdeithasol,
Prif Weithredwr, GIG Cymru

Eich cyf/ Your ref:
Ein cyf / Our ref: SF/EH/0037/11 and
EH/ML/004/11

18th February 2011

Dear Colleague,

HEALTH BOARD 2011-12 REVENUE ALLOCATIONS

Please find attached the Minister's letter ML/EH/004/11 to NHS Chairs formally issuing the 2011-12 Revenue Allocations.

This letter should be considered in conjunction with the Annual Quality Framework for 2011-12, issued as Minister's letter ML/EH/002/11. The requirements set out in the AQF are the Minister's priorities for the year ahead, and as such I expect your organisation to deliver these within the funding set out in this allocation without exception.

Yours sincerely

Mr Paul Williams
Director General, Health & Social Services
Chief Executive, NHS Wales
Cyfarwyddwr Cyffredinol, Iechyd a Gwasanaethau Cymdeithasol
Prif Weithredwr, GIG Cymru

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Health Board Revenue Allocation 2011-12

INTRODUCTION

1. This document details the Health Boards revenue allocations for 2011-12.
2. The allocation reflects the Minister for Health and Social Service's decisions about the distribution of resources to Health Boards.
3. This document is complimentary to the NHS Annual Quality Framework, which sets out the priorities for 2011-12.
4. This allocation is made under:
 - Section 174 of the National Health Service Act 2006 and the amounts payable to the Assembly in respect of capital charges under section 174(10). The powers are conferred directly on Welsh Ministers.
 - Section 70 of the Government of Wales Act 2006

ACTION

5. Health Boards and NHS Trusts are expected to achieve and deliver the annual priorities for 2011-12, as outlined in the Annual Quality Framework, from within this allocation. The exceptions to this are:
 - As in previous years, the Assembly will meet the costs of the Welsh Risk Pool in 2011-12.
 - Funding for the following issues is being held centrally until the amounts required for 2011-12 are confirmed:
 - The costs of first eye treatment for Wet AMD will be allocated in 2011-12 as set out in Richard Roberts' letter to Chief Executives dated 28th January 2011.
 - GMS and GDS contractor allocations are issued at this stage at 2010-11 levels with adjustments for completed primary care premises for GMS.
 - Funding for SIFT, Postgraduate Medical and Dental Education, Research and Development and PHLS, including depreciation funding as indicated in Table 1, will be issued as direct funding to the relevant health boards and NHS trusts.

GENERAL POLICY FRAMEWORK

Unified budgets

6. Health Boards are responsible for managing the totality of their budget, and making the best use of all available resources. The only restrictions to virement between

different allocations relate to ring-fenced HCCHS services (see Table B) and the totality of both the GMS contract and the Dental Contract (see Table C and F and the explanatory notes enclosed).

7. Following work undertaken through the Health Reform Programme, the HCCHS and Primary Care Prescribing Allocations have been combined in 2011-12.
8. The 2011-12 allocation comprises:
 - Summary
 - Hospital and community Health Service (HCCHS) and prescribing revenue discretionary allocation (tables A1 and A2)
 - HCCHS protected and ring-fenced Services (table B1)
 - HCCHS Directed Expenditure Allocations (table B2)
 - New General Medical Services Contract Allocation (table C)
 - Revenue Allocation for Community Pharmacy Contract (table E)
 - Revenue Allocation for Dental Contract (table F)
 - Memorandum Tables (tables 1 to 4)
9. For Hospital and Community Health Services (HCCHS) and prescribing costs, Health Boards are responsible for commissioning services for their resident population for HCCHS, with the exception of some cross border flows, referred to in paragraph 35 and on the basis of registered population for the prescribing element. The GMS Contract allocation is issued on the basis of registered populations, and the Community Pharmacy allocation is issued primarily on the basis of numbers of scripts dispensed within Health Board areas.

Equality Impact Assessments

10. You are reminded of the duty to ensure that you have 'due regard' to the Equality Agenda in achieving your efficiency targets.

HOSPITAL AND COMMUNITY HEALTH SERVICES (HCCHS) AND PRESCRIBING REVENUE

Recurrent discretionary allocation (Table A)

11. This provides the total discretionary funding available to Health Boards to fund hospital and community healthcare services and primary care prescribing costs. The distribution of the allocation is derived from the 2010-11 baseline, adjusted for new funding issued and funding top-sliced.

12. The Assembly Government will continue to hold a budget for the difference between the cost of prescribing and the cost of dispensing (and any risk on that budget will be borne centrally). There is no income budget relating to prescription charges

13. Discretionary HCCHS and prescribing allocations will attract no uplift in 2011-12.

HCHS Ring-Fenced Services (Table B)

14. The second component of the HCHS allocation is the funding allocated for ring-fenced allocations. Former ring-fenced funding for Wanless and Sexual Health has been transferred back to discretionary allocations. Ring fencing now remains for Learning Disabilities, Mental Health, Cardiac Rehabilitation and Renal Services, and Depreciation costs, and new ring-fenced allocations for screening services and continuing healthcare. There is no flexibility about the use of this funding, although Health Boards are free to invest additional funding in these services to meet national priorities. Health Boards are reminded that ring-fenced funding can not be deferred into future financial years.

15. The depreciation funding makes recurrent the adjustments actioned in 2010-11 regarding Treasury's Clear Line of Sight (Alignment) project, i.e. to remove funding for cost of capital and to increase baseline funding for depreciation to reflect current commitments as well as commitments at 2010-11 levels for approved strategically supported schemes. Further funding will be made available as an in-year adjustment following confirmation of any increased charges for strategically supported schemes and also to meet the non-recurrent impact of accelerated depreciation and DEL impairments in 2011-12. In line with Treasury requirements, all depreciation funding (to include DEL impairments and accelerated depreciation) is ring fenced. You will not be able to transfer funding out of this ring-fence, however transfers in are allowable from other revenue sources to offset any shortfall. It is intended to recover underspends within the depreciation ring fence at the year end.

16. HCHS Ring-fenced funding will attract no uplift in 2011-12.

Healthcare Agreements between Health Boards and with NHS Trusts

17. Health Boards should ensure that they confirm the financial values of Healthcare Agreements for services provided by other Boards or by NHS Trust for their populations in a timely manner. An All-Wales approach will be agreed through the Directors of Finance Forum.

PRIMARY CARE REVENUE

GMS Contract and Dental Contract (Tables C and F)

18. Contract negotiations have not been finalised for 2011-12 in time for this document. These allocations have therefore been issued based on 2010-11 final allocation (recurrent elements) for general medical and dental services, with adjustments for known 2011-12 changes.

19. These allocations will be re-issued for 2011-12 when contract negotiations have been concluded (if the negotiations conclude that additional funding is to be allocated - allocations to be contained within the available funding envelope).

Revenue allocation for Community Pharmacy Contract (Table E)

20. The Community Pharmacy contract allocation for 2011-12 is funded on the basis of the 2010-11 final allocation, with an uplift of 5% to account for growth in dispensing volumes and any in year changes. No further funding will be made available.

21. It is expected that dispensing volume growth in 2011-12 will be lower than in previous years (approx 3%) primarily as a result of reductions in medicines waste brought about by:

- An increased focus within Health Boards on addressing inappropriate prescribing
- The work of the National Programme Board for Medicines Management particularly relating to reducing inappropriate poly-pharmacy
- The full year effect of the national '*Wasting Medicines Wastes Money*' campaign

22. There will be no reduction in 2011-12 to account for further in year reductions in dispensing volume, although it is our intention to reduce growth in future years to reflect this.

23. HBs will be expected to use the balance of the uplift to meet any additional costs associated with the implementation of the Pharmacy enhanced services, as described in paragraph 23 of the 2010-11 Allocation letter (ML/EH/004/10).

OTHER ISSUES

Mental Health

24. As in previous years, funding for mental health services is ring-fenced in line with the One Wales commitment to placing a new priority on providing for mental health, including child and adolescent mental health. Table 3 details the total amount of the mental health ring-fence, shown by relevant allocation stream. This funding forms a floor, below which expenditure on core mental health services must not fall. This does not exclude mental health services from making efficiencies, but these savings must be re-invested in these services to meet cost increases and new developments.

Renal Services

25. As in 2010-11, funding for renal services is ring-fenced and will be managed collaboratively by the Renal Networks and health boards through the Welsh Health Specialised Services Committee (WHSCC). The funding issued in 2010-11 for renal dialysis and the renal networks has been added to the 2010-11 ring-fenced total as detailed in Table 4.

Continuing Healthcare

26. The revenue allocations now include funding previously issued annually on a non-recurrent basis for Strategic Continuing Healthcare schemes. This money is now included as ring-fenced funding within the allocation for projects to be taken forward in local partnerships. Further guidance will be issued on the ongoing monitoring arrangements for this funding.
27. Funding previously issued as “tranche 2” funding to support continuing healthcare pressures has been allocated recurrently as discretionary funding. Health Boards should ensure that they are working with partners in determining the use of this funding.

Substance Misuse

28. The substance misuse allocation remains ring fenced in 2011-12 and will be withheld from Health Boards until confirmation is received from the Chair of the relevant Area Planning Board that the use of these resources complements the delivery of the Welsh Assembly Government Substance Misuse Strategy three year implementation plan, the Health Board local delivery plans and local substance misuse action plans. The amounts for each Health Board are set out in Table 2.
29. These resources should not be used to fund General Medical Services (including National, Local and Designated Enhanced Services) or Community Pharmacy Contracts as these should be funded from Table C and Table E respectively.

Public Health

30. Funding for services provided by the Public Health Wales NHS Trust, with the exception of screening services, is retained as a central budget by the Health and Social Services Directorate General.
31. In 2011-12 an additional £31.692 million has been allocated to Health Boards to fund the delivery of the Breast, Bowel, Cervical and Newborn Hearing national screening programmes and for the governance of national antenatal screening standards and protocols. This funding has been distributed on a population basis and is ring fenced for these national screening programmes and must be allocated as a minimum baseline via the Welsh Health Specialised Services Committee (WHSSC) to Public Health Wales for the delivery of these services.
32. In addition, Health Boards have already been notified of their expected commitment to work with WHSSC and Public Health Wales to establish a national abdominal aortic aneurysm screening programme and a safe national newborn bloodspot screening programme that includes the introduction of Sickle Cell and MCADD tests, together with the review of DMD testing.
33. Screening policy and standards for existing and new national screening programmes will be agreed nationally. Policies, standards and funding for national screening programmes will be informed by the advice provided to the Minister for Health &

Social Services from the re-established Wales Screening Committee (WSC) which is due to re-convene in February 2011. The WSC will include representation from all key stakeholders (including Health Boards, WHSSC and Public Health Wales). Health Boards must ensure that they build a robust relationship with all these partners to ensure the effective delivery of these services.

34. Health Boards are reminded that they have a duty to ensure that due regard is taken of the Equality Agenda in the development and delivery of these programmes.

Cross Border Financial Flows

35. As in previous years, an in-year adjustment to allocations will be made to reflect cross border commissioning responsibility, where Health Boards in Wales have English residents registered with their GPs and vice versa.

36. As in 2010-11, an in-year adjustment to allocations will be made to reflect the increased costs to Health Boards incurred by paying for activity in English hospitals at Payment by Results mandatory tariff rates.

The Direct Needs Allocation Formula

37. The Welsh Assembly Government remains committed to the implementation of the (Townsend) Direct Needs Formula when a differential distribution of growth funding allows.

QUERIES

38. If you have any queries about this Circular please contact Steve Elliot (029 2082 3245) or Julie Broughton (029 2080 5747).

39. Further information surrounding specific policy issues and contact details are provided in the explanatory notes

Edwina Hart MBE OStJ AM

Y Gweinidog dros Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

Our ref: SF/EH/0037/11 - ML/EH/004/11
Your ref:



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

To: Chairs of Local Health Boards, Velindre
Trust, WAST and Public Health Wales

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18 February 2011

Dear Chair

REVENUE ALLOCATION 2011-12

This letter informs you of the issue of the 2011-12 revenue allocation for health boards.

I recognise that the year ahead provides further significant financial challenges, but it is essential that organisations operate within the funding provided.

This allocation should be considered in conjunction with the Annual Quality Framework for 2011-12, which was issued under a separate Ministerial Letter (ML/EH/002/11).

I am expecting you to ensure that your organisations deliver the AQF requirements within the funding set out in this allocation.

I will be kept apprised of progress by my officials.

A handwritten signature in black ink, appearing to be 'Edwina Hart', written in a cursive style.



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

2011-12

Health Board

Revenue Allocations

Issue Date: 18th February 2011
Finance Directorate
Health and Social Services Directorate General

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Summary: Unified Budget Allocations - Total HCHS, Drug Prescribing and Primary Care Contracts Resource Limit

	1	2	3	4	5	6	7	8
	2011-12 Recurrent HCHS and Prescribing Discretionary Allocation	2011-12 HCHS Ring Fenced Allocation	2011-12 Directed Expenditure	Total HCHS and Prescribing Revenue Allocation	GMS Contract - Table C	Community Pharmacy Contract - Table E	Dental Contract - Table F	Total Revenue Resource Limit
	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	588.646	143.817	0.369	732.832	69.086	26.517	24.836	853.271
Aneurin Bevan HB	669.349	136.744	0.700	806.794	79.153	28.470	25.073	939.490
Betsi Cadwaladr University HB	795.892	194.484	0.952	991.328	108.528	30.201	25.103	1,155.160
Cardiff and Vale University HB	452.760	139.602	1.146	593.509	58.065	20.029	22.142	693.745
Cwm Taf HB	354.921	84.631	-	439.552	43.035	16.580	10.639	509.806
Hywel Dda HB	436.956	105.336	-	542.292	56.445	18.866	15.995	633.598
Powys HB	132.195	40.967	4.454	177.616	29.471	4.284	5.131	216.502
Total	3,430.720	845.581	7.621	4,283.923	443.783	144.947	128.919	5,001.572

Table A1: Hospital, Community and Health Services (HCHS) and Prescribing - Discretionary Allocation for 2011-12 - £ million

	1	2	3	4	5
	Distribution of 2010-11 Recurrent Allocation (Summary, Column 1 of ML/04/10)	Baseline Adjustments (Table A2 Column 10)	Adjusted Baseline (sum of Columns 1 & 2)	Prescribing Allocation (Table D of ML/04/10)	2011-12 Recurrent HCHS and Prescribing Discretionary Allocation
	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	456.952	24.990	481.941	106.705	588.646
Aneurin Bevan HB	528.088	31.667	559.755	109.594	669.349
Betsi Cadwaladr University HB	642.101	21.434	663.535	132.357	795.892
Cardiff and Vale University HB	352.194	20.339	372.533	80.227	452.760
Cwm Taf HB	279.523	15.285	294.808	60.113	354.921
Hywel Dda HB	344.543	18.611	363.153	73.803	436.956
Powys HB	111.666	5.043	116.709	15.486	132.195
All Wales Total	2,715.066	137.369	2,852.435	578.285	3,430.720

Table A2: Baseline Adjustments - (Column 2, Table A1)

	1	2	3	4	5	6	7	8	9	10
	SAS Doctors	Additional WHSSC Funding (Column 12 Table A2(a))	Transfer of Ring Fenced Funding into Discretionary (Column 5 Table A2(b))	BSC IM&T	CHC	PFI	HCHS/GMS Transfers	Home Oxygen Patient Assessment Service	Resource Mapping Adjustments	Total Adjustments (Carried forward to Table A1, Column 2)
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	3.070	4.136	10.919	(0.697)	1.856	5.481		0.225		24.990
Aneurin Bevan HB	1.358	3.968	22.564	(0.715)	1.920		2.197	0.375		31.667
Betsi Cadwaladr University HB	3.043	5.108	9.952	(0.905)	2.491		1.393	0.450	(0.098)	21.434
Cardiff and Vale University HB	1.418	2.838	15.057	(0.524)	1.302			0.150	0.098	20.339
Cwm Taf HB	1.678	1.996	10.840	(0.427)	1.048			0.150		15.285
Hywel Dda HB	2.900	3.063	9.048	(0.524)	1.399		2.500	0.225		18.611
Powys HB	0.037	0.898	1.278	(0.186)	0.484		2.432	0.075	0.025	5.043
Total	13.504	22.007	79.658	(3.978)	10.500	5.481	8.522	1.650	0.025	137.369

Table A2(a): Additional WHSSC Funding

	1	2	3	4	5	6	7	8	9	10	11	12
	IVF	Neonatal	FH Testing	Breast Cancer Screening	Cochlear backlog	Wheelchairs	AAA Screening	WHSST Running Costs	HCW Recurrent Deficit	PET Scanner	Resource Mapping Adjustment	Total Adjustments (Carried forward to Table A2, Column 2)
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	0.135	0.337	0.076	0.008	0.141		0.101	0.399	2.763	0.176		4.136
Aneurin Bevan HB	0.151	0.377	0.085	0.009	0.054		0.113	0.446	2.537	0.196		3.968
Betsi Cadwaladr University HB	0.186	0.464	0.105	0.012		0.366	0.139	0.549	2.999		0.288	5.108
Cardiff and Vale University HB	0.111	0.278	0.063	0.007	0.100		0.083	0.329	1.722	0.145		2.838
Cwm Taf HB	0.083	0.207	0.047	0.005	0.026		0.062	0.246	1.212	0.108		1.996
Hywel Dda HB	0.100	0.250	0.056	0.006	0.052	0.007	0.075	0.296	2.091	0.130		3.063
Powys HB	0.035	0.087	0.020	0.002	0.002	0.002	0.026	0.103	0.576	0.045		0.898
Total	0.801	2.000	0.452	0.049	0.375	0.375	0.599	2.368	13.900	0.800	0.288	22.007

Table A2(b): Transfer of Ring-Fenced Funding into Discretionary Allocation

	1	2	3	4	5
	Sexual Health	Integrated Sexual Health Services	Wanless	Capital Charges Adjustment	Total Adjustments (Carried forward to Table A2, Column 3)
	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	0.130	2.778	2.779	5.232	10.919
Aneurin Bevan HB	0.137	3.149	13.938	5.340	22.564
Betsi Cadwaladr University HB	0.177	2.406	7.233	0.136	9.952
Cardiff and Vale University HB	0.097	2.986	3.498	8.476	15.057
Cwm Taf HB	0.085	2.739	1.448	6.568	10.840
Hywel Dda HB	0.098	1.340	5.191	2.419	9.048
Powys HB	0.032	0.048	0.265	0.933	1.278
Total	0.756	15.447	34.352	29.103	79.658

Table B1: HCHS Protected and Ring-Fenced Revenue Allocations for 2011-12 £-million

	1	2	3	4	5	6	7	8
	Learning Disabilities	Depreciation (Table 1)	Mental Health Services (Table 3 column 1)	Cardiac Rehab	Renal Services (Table 4)	Screening Services	Strategic Continuing Healthcare Funding	Total 2011-12 HCHS Ring Fenced Allocation
	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	-	24.038	96.182	0.355	11.298	5.314	6.630	143.817
Aneurin Bevan HB	13.800	23.082	77.606	0.386	9.090	5.922	6.859	136.744
Betsi Cadwaladr University HB	17.214	30.697	110.658	0.483	19.365	7.172	8.895	194.484
Cardiff and Vale University HB	24.146	15.238	83.909	0.257	6.533	4.869	4.650	139.602
Cwm Taf HB	-	14.942	57.155	0.228	5.498	3.065	3.743	84.631
Hwyel Dda HB	7.909	17.212	64.724	0.262	6.275	3.958	4.995	105.336
Powys HB	7.494	4.640	23.786	0.085	1.841	1.392	1.729	40.967
Total	70.562	129.849	514.020	2.054	59.902	31.692	37.501	845.581

Table B1(a): Capital Charges Adjustment

	1	2	3	4	5	6	7	8
	Discretionary Capital Charges (column 4 Table B1 of 2010-11 Allocation)	Residual Estate Capital Charges (column 4 Table B2 of 2010-11 Allocation)	Dental Hospital Capital Charges (column 3 Table B2 of 2010-11 Allocation)	Capital Charges Funding in 2010-11 Allocation	Capital Charges Adjustment actioned in 2010-11	Residual capital charges funding in 2010-11 Allocation (after adjustment)	Recurrent Depreciation (Table 1)	Transfer of residual funding into discretionary allocation
	£m	£m	£m	£m	£m	£m	£m	
Abertawe Bro Morgannwg University HB	36.897	-	-	36.897	(7.627)	29.270	24.038	5.232
Aneurin Bevan HB	32.565	2.109	-	34.674	(6.253)	28.421	23.082	5.340
Betsi Cadwaladr University HB	35.878	1.241	-	37.119	(6.286)	30.833	30.697	0.136
Cardiff and Vale University HB	24.437	1.038	1.211	26.686	(2.972)	23.714	15.238	8.476
Cwm Taf HB	27.920	-	-	27.920	(6.410)	21.510	14.942	6.568
Hywel Dda HB	21.062	0.093	-	21.155	(1.524)	19.631	17.212	2.419
Powys HB	7.399	-	-	7.399	(1.826)	5.573	4.640	0.933
Total	186.158	4.482	1.211	191.851	(32.898)	158.953	129.849	29.103

Table B2 - HCHS Directed Expenditure Analysis

	1	2	3	4	5	6	7	8	9
	Core CHC SLA Funding	Independent Review Panel	Dental SIFT	Mental Health CALL Helpline	Cardiac Network	Cancer Network	Critical Care Network	Radiotherapy	Total (carried forward to Summary Table)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	-	-	-	-	-	0.369	-	-	0.369
Aneurin Bevan HB	-	-	-	-	-	-	0.256	0.444	0.700
Betsi Calwaldr University HB	-	-	-	0.306	0.156	0.162	0.128	0.199	0.952
Cardiff and Vale University HB	-	-	0.820	-	0.326	-	-	-	1.146
Cwm Taf HB	-	-	-	-	-	-	-	-	-
Hywel Dda HB	-	-	-	-	-	-	-	-	-
Powys HB	3.832	0.360	-	-	-	-	-	0.263	4.454
Total	3.832	0.360	0.820	0.306	0.482	0.531	0.384	0.907	7.621

Table C: Revenue Allocation for GMS Contract - £ million

	1	2	3	4	5	6	7
	Provisional allocation for 2010-11	In year allocations (for DDRB etc.) - Issued Aug 2010	In year allocations- Issued Aug 2010	In year allocations - Transfers to HCHS - Issued Dec 2010	Final allocation for 2010-11 (recurrent elements)	Adjustments to start position for 2011-12 (Recurrent completed Primary Care Estates schemes)	Provisional allocation 2011-12
	£m	£m	£m	£m	£m	£m	£m
Abertawe and Bro Morgannwg University HB	68.064	0.507	0.515		69.086		69.086
Aneurin Bevan HB	81.193	0.157		-2.197	79.153		79.153
Betsi Cadwaladr University HB	108.130	0.746		-1.393	107.483	1.045	108.528
Cardiff and Vale University HB	57.613	0.406			58.019	0.046	58.065
Cwm Taf HB	42.541	0.240			42.781	0.254	43.035
Hywel Dda HB	58.574	0.361		-2.500	56.435	0.010	56.445
Powys HB	31.623	0.280		-2.432	29.471		29.471
Total	447.738	2.697	0.515	-8.522	442.428	1.355	443.783

Table E: Revenue Allocation for Community Pharmacy Contract - £ million

	1	2	3
	Allocation for 2010-11	Uplift for 2011-12: 5% to cover volume increases and in year changes	Final allocation 2011-12
	£m	£m	£m
Abertawe and Bro Morgannwg University HB	25.254	1.263	26.517
Aneurin Bevan HB	27.114	1.356	28.470
Betsi Cadwaladr University HB	28.763	1.438	30.201
Cardiff and Vale University HB	19.075	0.954	20.029
Cwm Taf HB	15.790	0.790	16.580
Hywel Dda HB	17.968	0.898	18.866
Powys HB	4.080	0.204	4.284
Total	138.044	6.903	144.947

Table F: Revenue Allocation for Dental Contract - £ million

	1	2	3	4
	Provisional allocation 2010-11	In year Design to Smile 2010-11	In Year DDRB/PCR/Additional Access funding	Sub Total/ Provisional allocation 2011-12
	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	24.027	0.382	0.427	24.836
Aneurin Bevan HB	24.358	0.613	0.102	25.073
Betsi Cadwaladr University HB	24.421	0.382	0.300	25.103
Cardiff and Vale University HB	21.509	0.537	0.096	22.142
Cwm Taf HB	10.365	0.000	0.274	10.639
Hywel Dda HB	14.758	0.388	0.849	15.995
Powys HB	4.434	0.099	0.598	5.131
Total	123.872	2.401	2.646	128.919

Annex 5

Table 1 - Revised Depreciation Funding

Commissioner > Provider v	ABMU	Aneurin Bevan	BCU	Cardiff and Vale U	Cwm Taf	Hywel Dda	Powys	SIFT	Postgrad Dean	R&D	PHLS	Other	Total
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Depreciation													
Non-WHSSC													
ABMU	18.792	0.054	0.000	0.585	0.206	0.837	0.269	0.242	0.088	0.002	0.091	0.168	21.334
Aneurin Bevan	0.000	18.087	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.021	0.000	0.000	18.108
BCU	0.000	0.000	26.987	0.000	0.000	0.000	0.000	0.235	0.349	0.000	0.011	0.000	27.582
Cardiff and Vale U	0.110	0.483	0.009	10.518	0.256	0.070	0.015	2.698	0.045	0.839	0.056	1.475	16.574
Cwm Taf	0.160	0.000	0.000	0.171	12.044	0.000	0.000	0.000	0.012	0.000	0.000	0.000	12.387
Hywel Dda	0.000	0.000	0.000	0.000	0.000	12.846	0.000	0.002	0.020	0.003	0.014	0.000	12.885
Powys	0.000	0.000	0.000	0.000	0.000	0.000	3.174	0.000	0.000	0.000	0.000	0.000	3.174
Velindre	0.123	0.489	0.000	0.357	0.231	0.019	0.026	0.020	0.060	0.039	0.000	0.599	1.962
NWIS	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	5.903	5.903
WAST	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000
PHW	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	1.116	1.116
sub-total	19.185	19.113	26.996	11.631	12.737	13.772	3.484	3.197	0.574	0.904	0.172	9.261	121.025
WHSSC													
ABMU	2.419	0.211	0.021	0.168	0.165	1.265	0.096						4.345
Aneurin Bevan	0.000	0.000	0.000	0.000	0.000	0.000	0.000						0.000
BCU	0.000	0.000	0.446	0.000	0.000	0.000	0.000						0.446
Cardiff and Vale U	0.479	1.337	0.057	1.675	0.734	0.254	0.093						4.629
Cwm Taf	0.000	0.000	0.000	0.000	0.000	0.000	0.000						0.000
Hywel Dda	0.000	0.000	0.000	0.000	0.000	0.099	0.000						0.099
Powys	0.000	0.000	0.000	0.000	0.000	0.000	0.000						0.000
Velindre	0.227	0.363	0.000	0.288	0.187	0.131	0.054					0.000	1.249
WAST	1.728	2.058	3.177	1.476	1.119	1.692	0.914						12.164
PHW	0.000	0.000	0.000	0.000	0.000	0.000	0.000						0.000
sub-total	4.853	3.969	3.701	3.607	2.205	3.441	1.157	0.000	0.000	0.000	0.000	0.000	22.932
Total Allocation	24.038	23.082	30.697	15.238	14.942	17.212	4.640	3.197	0.574	0.904	0.172	9.261	143.957

Table 2: Substance Misuse Funding

	1
	2011-12 Substance Misuse Ring- Fenced Funding
	£m
Abertawe Bro Morgannwg University HB	2.948
Aneurin Bevan HB	2.428
Betsi Cadwaladr University HB	4.829
Cardiff and Vale University HB	2.153
Cwm Taf HB	2.523
Hywel Dda HB	1.747
Powys HB	0.506
Total	17.134

Table 3 - Total Mental Health Ring-Fenced funding

	1	2	3	4	5
	HCHS Ring-Fenced Allocation	Primary Care Prescribing	GMS (QOF and ES)	Other Primary Care	Total Mental Health Ring-Fenced Allocation
	£m	£m	£m	£m	£m
Abertawe and Bro Morgannwg University HB	96.182	8.090	1.583	0.013	105.868
Aneurin Bevan HB	77.606	9.061	1.070	0.019	87.756
Betsi Calwaladr University LHB	110.658	10.896	1.551	0.581	123.686
Cardiff and Vale University HB	83.909	6.648	1.001	0.480	92.038
Cwm Taf HB	57.155	5.489	0.700	0.037	63.381
Hwyl Dda HB	64.724	6.263	0.878	0.970	72.835
Powys HB	23.786	2.402	0.267	0.000	26.455
Total	514.020	48.849	7.050	2.100	572.019

Table 4 - Renal Services Ring-Fenced funding

	1	2	3	4
	2010-11 Renal Ring- Fenced Funding (Column 8 of Table B1)	2010-11 Dialysis Funding	2010-11 Renal Network Funding	2011-12 Renal Ring- Fenced Funding
	£m	£m	£m	£m
Abertawe and Bro Morgannwg University HB	10.820	0.430	0.048	11.298
Aneurin Bevan HB	8.556	0.481	0.053	9.090
Betsi Calwaladr University LHB	18.708	0.591	0.066	19.365
Cardiff and Vale University HB	6.140	0.354	0.039	6.533
Cwm Taf HB	5.204	0.265	0.029	5.498
Hwyel Dda HB	5.921	0.319	0.035	6.275
Powys HB	1.718	0.111	0.012	1.841
Total	57.069	2.551	0.282	59.902

Chris Hurst
Cyfarwyddwr Cyllid,
Cyfarwyddiaeth Cyffredinol, Iechyd a Gwasanaethau
Cymdeithasol
Director of Finance,
Health & Social Services Directorate General



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

To: Health Board Chief Executives

1 April 2011

Eich cyf ▪ Your ref:
Ein cyf ▪ Our ref: CH/04/1

Dear Colleague

EH/ML/004/11 – Amendment to 2011-12 Health Board Revenue Allocations

I am writing to inform you of an amendment to the 2011-12 Health Board Revenue Allocations that were issued on 18th February.

After further consideration, it has been decided that the delivery of Breast, Bowel and Cervical Cancer, Newborn Hearing Screening services and the governance arrangements for Antenatal screening should continue to be funded directly from the Welsh Assembly Government to the Public Health Wales NHS Trust.

However, the new screening programmes for Abdominal Aortic Aneurism and Newborn Bloodspot will continue to be the responsibility of Health Boards to be funded through the Welsh Health Specialised Services Committee and clear working arrangements with Public Health Wales put in place. It will be for Health Boards to make adequate financial provision for the roll-out of these programmes above the Welsh Assembly Government support that has already been notified.

As a consequence, your initial revenue allocations for 2011-12 have been amended to remove the ring-fenced allocation for screening. The revised allocations are detailed in the attached schedule at Annex 1. The adjustments will be made as an in-year amendment to your Resource and Cash Limits for 2011-12.

Yours sincerely



Chris Hurst
Director of Finance

Cc: Director of Finance, Local Health Boards
Bob Hudson, Chief Executive, Public Health Wales, NHS Trust
Huw George, Director of Finance, Public Health Wales, NHS
Cerilan Rogers, Director of Specialised Services
Stuart Davies, Director of Finance, Specialised Services

Health Board	2011-12 HCHS Ring- Fenced Allocation as per ML/004/11 £m	Removal of Screening Services Funding £m	Revised 2011-12 Ring-Fenced Allocation £m	Revised 2011-12 Total HCHS and Prescribing Allocation £m
Abertawe Bro Morgannwg University	143.817	(5.314)	138.503	727.518
Aneurin Bevan	136.744	(5.922)	130.822	800.872
Betsi Cadwaladr University	194.484	(7.172)	187.312	984.156
Cardiff and Vale University	139.602	(4.869)	134.733	588.639
Cwm Taf	84.631	(3.065)	81.566	436.487
Hywel Dda	105.336	(3.958)	101.378	538.334
Powys	40.967	(1.392)	39.575	176.224
Total	845.581	(31.692)	813.889	4,252.231

Yr Adran Iechyd, Gwasanaethau Cymdeithasol a Phlant
Cyfarwyddwr Cyffredinol • Prif Weithredwr, GIG Cymru

Department for Health, Social Services and Children
Director General • Chief Executive, NHS Wales



Llywodraeth Cymru
Welsh Government

Chief Executives – NHS Local Health Boards
Chief Executives – NHS Trusts

Our Ref : DS/SE/TLT

20 December 2011

Dear Colleague

HEALTH BOARD 2012-13 REVENUE ALLOCATIONS

Please find attached the Minister's letter ML/LG/005/11 to NHS Chairs formally issuing the 2012-13 Revenue Allocations.

This Allocation specifies the initial funding for your organisation for 2012-13. It should be considered alongside the Tier 1 priorities set out in the Delivery Framework issued in August; the relevant commitments included in the Programme for Government; and the five year vision for the NHS in Wales - "Together for Health".

You are of course aware of the requirement to operate with the funding made available in the Allocation. In the first place I look forward to receiving your balanced financial plan for 2012-13.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'DS', written over a horizontal line.

David Sissling

Lesley Griffiths AC / AM
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services



Llywodraeth Cymru
Welsh Government

Ein cyf/Our ref: LG/6916/11
ML/LG/005/11

To: Chairs of Local Health Boards, Velindre Trust, WAST
and Public Health Wales

19th

December 2011

Dear Colleague,

Revenue allocation 2012-13

This letter informs you of the issue of the 2012-13 Revenue Allocation for Health Boards, and the 2012-13 Public Health Wales NHS Trust Grant Funding Allocation.

This Allocation sets out the initial funding for your organisation for 2012-13. It should be considered alongside the Tier 1 priorities set out in the Delivery Framework issued in August; the relevant commitments for the Welsh Government for 2012-13 set out in the Programme for Government; and the five year vision for the NHS in Wales set out in "Together for Health".

I am expecting you to ensure that your organisations operate within the funding set out in this Allocation, and I will be holding you to account for the development and delivery of a balanced financial plan for 2012-13.

I will be kept apprised of progress by my officials.

Regards
Lesley

Lesley Griffiths AC / AM
Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol
Minister for Health and Social Services

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Llywodraeth Cymru
Welsh Government

2012-13

Health Board

Revenue Allocations

Health Board Revenue Allocation 2012-13

Introduction

1. This document details the Health Boards revenue allocations for 2012-13.
2. The allocation reflects the Minister for Health and Social Service's decisions about the distribution of resources to Health Boards.
3. This allocation is made under:
 - Section 174 of the National Health Service Act 2006 and the amounts payable to the Assembly in respect of depreciation charges under section 174(10). The powers are conferred directly on Welsh Ministers.
 - Section 70 of the Government of Wales Act 2006

Action

4. Health Boards and NHS Trusts are expected to achieve and deliver the annual priorities for 2012-13, as outlined in the Delivery Framework, the Programme for Government and Together for Health, from within this allocation. The exceptions to this are:
 - As in previous years, the Welsh Government will meet the costs of the Welsh Risk Pool in 2012-13.
 - Funding for the following issues is being held centrally until the amounts required for 2012-13 are confirmed:
 - The costs of first eye treatment for Wet AMD will be allocated in 2012-13 as set out in Richard Roberts' letter to Chief Executives dated 28th January 2011.
 - GMS and GDS contractor allocations are issued at this stage at 2011-12 levels.
 - Revenue funding for SIFT, Postgraduate Medical and Dental Education, Research and Development and PHLS will be issued as direct funding to the relevant health boards and NHS trusts. Depreciation funding for these funding streams is included in this allocation.
 - Allocations for accelerated depreciation, AME depreciation for donated assets and DEL and AME impairments will be issued as direct funding to the relevant health boards and NHS trusts. This also applies to any increases in depreciation related to approved schemes with confirmed strategic support.

GENERAL POLICY FRAMEWORK

Unified budgets

5. Health Boards are responsible for managing the totality of their budget, and making the best use of all available resources. The only restrictions to virement between different allocations relate to ring-fenced HCHS services (see Table B) and the totality of both the GMS contract and the Dental Contract (see Table C and F and the explanatory notes enclosed).
6. The 2012-13 allocation comprises:
 - Summary
 - Hospital and community Health Service (HCHS) and prescribing revenue discretionary allocation (tables A1, A2 and A2(a))
 - HCHS protected and ring-fenced Services (table B1)
 - HCHS Directed Expenditure Allocations (table B2)
 - New General Medical Services Contract Allocation (table C)
 - Revenue Allocation for Community Pharmacy Contract (table E)
 - Revenue Allocation for Dental Contract (table F)
 - Memorandum Tables (tables 1 to 3)
7. For Hospital and Community Health Services (HCHS) and prescribing costs, Health Boards are responsible for commissioning services for their resident population for HCHS, with the exception of some cross border flows, referred to in paragraph 31 and on the basis of registered population for the prescribing element. The GMS Contract allocation is issued on the basis of registered populations, and the Community Pharmacy allocation is issued primarily on the basis of numbers of scripts dispensed within Health Board areas.

Equality Impact Assessments

8. You are reminded of the duty to ensure that you have 'due regard' to the Equality Agenda in achieving your efficiency targets.

HOSPITAL AND COMMUNITY HEALTH SERVICES AND PRESCRIBING REVENUE (HCHSP)

Recurrent discretionary allocation (Table A)

9. This provides the total discretionary funding available to Health Boards to fund hospital and community healthcare services and primary care prescribing costs. The distribution of the allocation is derived from the 2011-12 baseline, adjusted for new funding issued and funding top-sliced.

10. It is recognised that there will be pressures on the prescribing budget in 2012-13 from volume growth and introduction of new primary care drugs. However there are significant opportunities from drugs coming off patent and known Category M savings to offset against the pressure. Health Boards will need to work with their Pharmacy professionals and the Medicines Management Programme Board to maximise all available opportunities.
11. The Welsh Government will continue to hold a budget for the difference between the cost of prescribing and the cost of dispensing (and any risk on that budget will be borne centrally). There is no income budget relating to prescription charges
12. Discretionary HCHSP will attract no uplift in 2012-13.

HCHS Ring-Fenced Services (Table B)

13. The second component of the HCHS allocation is the funding allocated for ring-fenced allocations. There is no flexibility about the use of this funding, although Health Boards are free to invest additional funding in these services to meet national priorities. Health Boards are reminded that ring-fenced funding can not be deferred into future financial years.
14. Additional funding totalling £123 million has been included in the ring-fenced allocation in 2012-13. This represents the £103 million allocated recurrently in 2011-12, plus £20 million transitional funding for Hywel Dda Health Board. The ongoing distribution of the £103 million recurrent funding has still to be determined. To provide some continued stability, this funding will be distributed non-recurrently again in 2012-13 on the same shares as 2011-12.
15. Funding for depreciation is based on levels agreed in 2010-11. For clarity, the depreciation ring-fence includes the allocation made here as well as for any non-recurrent funding that is issued in-year to cover accelerated depreciation, DEL impairments and further support for strategic schemes.
16. HCHS Ring-fenced funding will attract no uplift in 2012-13.

Healthcare Agreements between Health Boards and with NHS Trusts

17. Health Boards should ensure that they confirm the financial values of Healthcare Agreements for services provided by other Boards or by NHS Trust for their populations in a timely manner. An All-Wales approach will be agreed through the Directors of Finance Forum.

PRIMARY CARE REVENUE

GMS Contract and Dental Contract (Tables C and F)

18. Contract negotiations have not been finalised for 2012-13 in time for this document. These allocations have therefore been issued based on 2011-12 final allocation (recurrent elements) for general medical and dental services, with adjustments for known 2012-13 changes.
19. These allocations will be re-issued for 2012-13 when contract negotiations have been concluded.

Revenue allocation for Community Pharmacy Contract (Table E)

20. The Community Pharmacy contract allocation for 2012-13 is funded on the basis of the 2011-12 final allocation, with an uplift of 5% to cover the expected increase in costs as a result of prescription volume growth, fees and service changes, plus a transfer of £3.6 million from Hospital, Community and Prescribing allocations to the Pharmacy allocation in respect of Discharge Medicine Review service funding. No further funding will be made available
21. Dispensing volume growth in 2011-12 has been lower than in previous years, so whilst there will be no reduction in 2012-13 to account for further in year reductions in dispensing volume it is our intention to reduce growth in future years.
22. Health Boards will be expected to use the balance of the uplift to meet any additional costs associated with the implementation of service changes including the standardisation of Pharmacy national enhanced services. This expectation was described in the 2011-12 Allocation letter (ML/EH/004/11).

OTHER ISSUES

Orthopaedic Waiting times

23. £11.6 million has been allocated recurrently in 2012-13 to invest in capacity to reduce orthopaedic waiting times, using allocation shares as the basis of distribution. This funding is ring-fenced and must be used for this purpose. A further £3.7 million recurrent funding and £12.2 million non-recurrent funding is expected to be provided in 2012-13 to make further progress on removing the backlog of long-waiters. The distribution of this funding will be considered by the Orthopaedic Innovation and Delivery Board.

Mental Health

24. The Minister has confirmed that funding for mental health services will continue to be ring-fenced in 2012-13. Compliance of individual organisations with the ring-fencing requirement will be monitored on an annual basis. Any organisation whose expenditure on mental health services falls below the ring-fenced quantum will be required to account for the shortfall in expenditure. Additional funding has been allocated in 2012-13 for Eating Disorders, Local Mental Health Grant Scheme and Deprivation of Liberty Safeguards, and these have been added to the ring-fenced quantum. Table 2 details the total amount of the mental health ring-fence, shown by relevant allocation stream. This funding forms a floor, below which expenditure on core mental health services must not fall. This does not exclude mental health services from making efficiencies,

but these savings must be re-invested in these services to meet cost increases and new developments.

Continuing Healthcare

25. The ring-fenced Continuing Healthcare allocation will remain in place for 2012-13 and will be reviewed during the year.

Shared Services

26. To provide some protection for the establishment of the hosted Shared Services organisation, Health Boards current expenditure on shared services has been top-sliced from the allocation, and will be held as a central budget and paid directly to the new organisation. The funding has been top-sliced based on agreed budgets for 2011-12, or where appropriate, key principles agreed with Directors of Finance. Funding for general non-pay costs has been calculated as a percentage of identified pay budgets to reflect a reasonable level of non staffing expenditure. Adjustments have been made to specifically identifiable non-pay budgets to ensure they are aligned with actual expenditure levels.

Infrastructure SIFT

27. Funding for infrastructure SIFT has been included as a Directed Expenditure Allocation. This funding must be used to support medical undergraduate education, and recipients of this funding will still be required to account for its use as part of the annual SIFT accountability agreements. The distribution of this funding will continue to be determined annually by the All-Wales Medical SIFT Working Group. Any proposed changes to the distribution agreed during 2012-13 will be actioned in 2013-14.

Substance Misuse

28. The substance misuse allocation remains ring fenced in 2012-13 and will be withheld from Health Boards until confirmation is received from the Chair of the relevant Area Planning Board that the use of these resources complements the delivery of the Welsh Government Substance Misuse Strategy three year implementation plan, the Health Board local delivery plans and local substance misuse action plans. The amounts for each Health Board are set out in Table 1.

29. These resources should not be used to fund General Medical Services (including National, Local and Designated Enhanced Services) or Community Pharmacy Contracts as these should be funded from Table C and Table E respectively.

Public Health

30. Funding for services provided by the Public Health Wales NHS Trust, including screening services, is retained as a central budget by the Department for Health, Social

Services and Children. The Public Health Wales NHS Trust core funding grant for 2012-13 is issued simultaneously with this allocation.

Cross Border Financial Flows

31. This allocation includes an adjustment to previous baselines to reflect cross border commissioning responsibility, where Health Boards in Wales have English residents registered with their GPs and vice versa, in line with the Protocol agreed with the Department of Health. There is not expected to be any further adjustments for these patient flows in 2012-13.
32. This allocation also includes an adjustment to allocations to reflect the increased costs to Health Boards incurred by paying for activity in English hospitals at Payment by Results mandatory tariff rates. Again, there is not expected to be any further adjustment for these costs in 2012-13.

Queries

33. If you have any queries about this Circular please contact Steve Elliot (029 2082 3245) or Julie Broughton (029 2080 5747).
34. Further information surrounding specific policy issues and contact details are provided in the explanatory notes

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Summary: Unified Budget Allocations - Total HCHS, Drug Prescribing and Primary Care Contracts Resource Limit

	1	2	3	4	5	6	7	8
	2012-13 Recurrent HCHS and Prescribing Discretionary Allocation	2012-13 HCHS Ring Fenced Allocation	2012-13 Directed Expenditure	Total HCHS and Prescribing Revenue Allocation	GMS Contract - Table C	Community Pharmacy Contract - Table E	Dental Contract - Table F	Total Revenue Resource Limit
	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	584.060	158.225	5.037	747.322	69.478	28.481	25.226	870.507
Aneurin Bevan HB	671.781	151.149	1.710	824.641	79.717	30.537	25.347	960.242
Betsi Cadwaladr University HB	801.415	208.080	2.634	1,012.129	109.490	32.496	25.703	1,179.818
Cardiff and Vale University HB	447.525	154.064	30.848	632.437	59.588	21.571	22.712	736.308
Cwm Taf HB	351.578	100.234	0.047	451.859	43.286	17.802	10.709	523.656
Hywel Dda HB	432.138	126.465	0.039	558.642	56.775	20.314	16.128	651.859
Powys HB	135.189	55.361	4.095	194.644	29.534	4.615	5.214	234.007
Total	3,423.686	953.578	44.410	4,421.675	447.868	155.816	131.039	5,156.398

Table A1: Hospital, Community and Health Services (HCHS) and Prescribing - Discretionary Allocation for 2012-13 -

	1	2	3
	Distribution of 2011-12 Recurrent Allocation (Summary, Column 1 of ML/04/11)	Baseline Adjustments (Table A2 Column 9)	2012-13 Recurrent HCHS and Prescribing Discretionary Allocation
	£m	£m	£m
Abertawe Bro Morgannwg University HB	588.646	(4.586)	584.060
Aneurin Bevan HB	669.349	2.432	671.781
Betsi Cadwaladr University HB	795.892	5.523	801.415
Cardiff and Vale University HB	452.760	(5.235)	447.525
Cwm Taf HB	354.921	(3.343)	351.578
Hywel Dda HB	436.956	(4.818)	432.138
Powys HB	132.195	2.994	135.189
All Wales Total	3,430.719	(7.033)	3,423.686

Table A2: Baseline Adjustments - (Column 2, Table A1)

	1	2	3	4	5	6	7	8	9
	Essendene Practice Transfer	MWW Cancer Network Transfer	Lymphodema	PbR funding (non-WHSSC)	Shared Services Top-Slice (Table 3 Column 9)	Cross Border Commissioner Adjustment	Transfer from HCHS to Pharmacy contract for Discharge Medicines Service funding £3.6m	Additional WHSSC Funding (from A2(a))	Total Adjustments (Carried forward to Table A1, Column 2)
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	-	1.688	0.149	-	(6.368)	-	(0.638)	0.584	(4.586)
Aneurin Bevan HB	(0.243)	-	0.138	0.500	(4.829)	6.870	(0.643)	0.640	2.432
Betsi Cadwaladr University HB	-	-	0.138	8.267	(6.013)	-	(0.785)	3.916	5.523
Cardiff and Vale University HB	-	-	0.292	-	(5.516)	-	(0.541)	0.531	(5.235)
Cwm Taf HB	-	-	0.083	-	(3.341)	-	(0.393)	0.308	(3.343)
Hywel Dda HB	-	-	0.120	-	(4.080)	(0.794)	(0.505)	0.441	(4.818)
Powys HB	0.243	(1.688)	0.065	5.510	(1.034)	(0.247)	(0.117)	0.262	2.994
Total	-	-	0.985	14.277	(31.182)	5.829	(3.622)	6.680	(7.033)

Table A2(a): Additional WHSSC Funding

	1	2	3	4	5	6	7
	Children's Wheelchairs (North Wales)	Children's Wheelchairs (South Wales)	FH Testing	AAA Screening	PbR funding	Air Ambulance	Total Adjustments (Carried forward to Table A2, Column 8)
	£m	£m	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	-	0.227	0.033	(0.101)	0.340	0.085	0.584
Aneurin Bevan HB	-	0.299	0.037	(0.113)	0.316	0.101	0.640
Betsi Cadwaladr University HB	0.684	0.024	0.040	(0.139)	3.151	0.156	3.916
Cardiff and Vale University HB	-	0.360	0.038	(0.083)	0.144	0.072	0.531
Cwm Taf HB	-	0.140	0.020	(0.062)	0.155	0.055	0.308
Hywel Dda HB	0.013	0.137	0.023	(0.075)	0.260	0.083	0.441
Powys HB	0.003	0.033	0.005	(0.026)	0.202	0.045	0.262
Total	0.700	1.220	0.194	(0.599)	4.568	0.597	6.680

Table B1: HCHS Protected and Ring-Fenced Revenue Allocations for 2012-13 £-million

	1	2	3	4	5	6	7	8	9
	Learning Disabilities	Depreciation	Mental Health Services (Table 2 column 5)	Cardiac Rehab	Renal Services	Recurrent Orthopaedic Funding	Additional Financial Support	Strategic Continuing Healthcare Funding	Total 2012-13 HCHS Ring Fenced Allocation
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	-	24.038	96.930	0.355	11.298	1.974	17.000	6.630	158.225
Aneurin Bevan HB	13.800	23.082	78.738	0.386	9.090	2.194	17.000	6.859	151.149
Betsi Cadwaladr University HB	17.214	30.697	111.756	0.483	19.365	2.670	17.000	8.895	208.080
Cardiff and Vale University HB	24.146	15.238	84.626	0.257	6.533	1.614	17.000	4.650	154.064
Cwm Taf HB	-	14.942	57.627	0.228	5.498	1.196	17.000	3.743	100.234
Hwyel Dda HB	7.909	17.212	65.348	0.262	6.275	1.463	23.000	4.995	126.465
Powys HB	7.494	4.640	24.073	0.085	1.841	0.499	15.000	1.729	55.361
Total	70.562	129.849	519.100	2.054	59.902	11.610	123.000	37.501	953.578

Table B2 - HCHS Directed Expenditure Analysis

	1	2	3	4	5	6	7	8	9	10	11
	Core CHC SLA Funding	Dental SIFT	Mental Health CALL Helpline	Cardiac Network	Cancer Network	Critical Care Network	Radiotherapy	Primary Care complaints	Infrastructure SIFT	SIFT, PHS, R&D and PGMDI Depreciation	Total (carried forward to Summary Table)
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	-	-	-	-	0.369	-	-	-	4.245	0.423	5.037
Aneurin Bevan HB	-	-	-	0.326	-	0.256	0.444	-	0.663	0.021	1.710
Betsi Calwaldr University HB	-	-	0.314	0.156	0.162	0.128	0.199	-	1.080	0.595	2.634
Cardiff and Vale University HB	-	0.820	-	-	-	-	-	0.056	26.334	3.638	30.848
Cwm Taf HB	-	-	-	-	-	-	-	0.035	-	0.012	0.047
Hywel Dda HB	-	-	-	-	-	-	-	-	-	0.039	0.039
Powys HB	3.832	-	-	-	-	-	0.263	-	-	-	4.095
Total	3.832	0.820	0.314	0.482	0.531	0.384	0.907	0.091	32.322	4.728	44.410

Table C: Revenue Allocation for GMS Contract - £ million

	1	2	3
	Provisional allocation 2011-12	In year allocations (for DDRB etc.) - Issued July 2011	Final allocation for 2011-12 (recurrent elements) & Provisional allocation 2012-13
	£m	£m	£m
Abertawe and Bro Morgannwg University HB	69.086	0.392	69.478
Aneurin Bevan HB	79.153	0.564	79.717
Betsi Cadwaladr University HB	108.528	0.962	109.490
Cardiff and Vale University HB	58.065	1.523	59.588
Cwm Taf HB	43.035	0.251	43.286
Hywel Dda HB	56.445	0.330	56.775
Powys HB	29.471	0.063	29.534
Total	443.783	4.085	447.868

Table E: Revenue Allocation for Community Pharmacy Contract - £ million

	1	2	3	4
	Final allocation 2011-12	Uplift for 2012-13: 5% to cover volume increases and in year changes	Transfer from HCHS and Prescribing to Pharmacy contract for Discharge Medicines Service funding	Final allocation 2012-13
	£m	£m	£m	£m
Abertawe and Bro Morgannwg University HB	26.517	1.326	0.638	28.481
Aneurin Bevan HB	28.470	1.424	0.643	30.537
Betsi Cadwaladr University HB	30.201	1.510	0.785	32.496
Cardiff and Vale University HB	20.029	1.001	0.541	21.571
Cwm Taf HB	16.580	0.829	0.393	17.802
Hywel Dda HB	18.866	0.943	0.505	20.314
Powys HB	4.284	0.214	0.117	4.615
Total	144.947	7.247	3.622	155.816

Table F: Revenue Allocation for Dental Contract - £ million

	1	2	3	4	5
	Provisional allocation 2011-12	In Year DDRB (0.5%) funding - Issued Aug 2011	Final allocation for 2011-12 (recurrent elements)	Transfer of Inequalities in Health - Designed to Smile revenue funding	Sub Total/ Provisional allocation 2012-13
	£m	£m	£m	£m	£m
Abertawe Bro Morgannwg University HB	24.836	0.148	24.984	0.242	25.226
Aneurin Bevan HB	25.073	0.149	25.222	0.125	25.347
Betsi Cadwaladr University HB	25.103	0.154	25.257	0.446	25.703
Cardiff and Vale University HB	22.142	0.130	22.272	0.440	22.712
Cwm Taf HB	10.639	0.070	10.709	0.000	10.709
Hywel Dda HB	15.995	0.091	16.086	0.042	16.128
Powys HB	5.131	0.034	5.165	0.049	5.214
Total	128.919	0.776	129.695	1.344	131.039

Table 1: Substance Misuse Funding

	1
	2012-13 Substance Misuse Ring- Fenced Funding
	£m
Abertawe Bro Morgannwg University HB	2.948
Aneurin Bevan HB	2.428
Betsi Cadwaladr University HB	4.829
Cardiff and Vale University HB	2.153
Cwm Taf HB	2.523
Hywel Dda HB	1.747
Powys HB	0.506
Total	17.134

Annex 13

Table 2 - Total Mental Health Ring-Fenced funding

	1	2	3	4	5	6	7	8	9
	2011-12 HCHS Ring- Fenced Allocation	Eating disorders	LMHGS	DoLS	2012-13 HCHS Ring- Fenced Allocation	Primary Care Prescribing	GMS (QOF and ES)	Other Primary Care	Total Mental Health Ring- Fenced Allocation
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe and Bro Morgannwg University HB	96.182	0.087	0.629	0.032	96.930	8.090	1.583	0.013	106.616
Aneurin Bevan HB	77.606	0.250	0.846	0.036	78.738	9.061	1.070	0.019	88.888
Betsi Calwaladr University LHB	110.658	0.250	0.803	0.045	111.756	10.896	1.551	0.581	124.784
Cardiff and Vale University HB	83.909	0.125	0.569	0.024	84.626	6.648	1.001	0.480	92.755
Cwm Taf HB	57.155	0.125	0.327	0.020	57.627	5.489	0.700	0.037	63.853
Hwyl Dda HB	64.724	0.163	0.437	0.024	65.348	6.263	0.878	0.970	73.459
Powys HB	23.786	-	0.279	0.008	24.073	2.402	0.267	0.000	26.742
Total	514.020	1.000	3.890	0.190	519.100	48.849	7.050	2.100	577.099

Table 3 - Shared Services Funding top-slice

	1	2	3	4	5	6	7	8	9
	Audit Services	Employment Services	Procurement Services	WHS	Contractor Services	Prescribing Services	Legal and risk Services	Facilities Services	Total Shared Services Funding
	£m	£m	£m	£m	£m	£m	£m	£m	£m
Abertawe and Bro Morgannwg University HB	0.314	1.682	1.161	1.707	1.505	-	-	-	6.368
Aneurin Bevan HB	0.283	1.164	1.464	0.045	1.874	-	-	-	4.829
Betsi Calwaladr University LHB	0.272	1.807	1.570	1.017	1.348	-	-	-	6.013
Cardiff and Vale University HB	0.417	1.500	1.875	0.348	1.377	-	-	-	5.516
Cwm Taf HB	0.060	0.861	0.648	0.652	1.120	-	-	-	3.341
Hwyl Dda HB	0.245	1.215	1.179	0.313	1.128	-	-	-	4.080
Powys HB	0.064	0.171	0.288	0.108	0.403	-	-	-	1.034
Welsh Ambulance Services NHST	0.073	0.007	-	0.060	-	-	-	-	0.140
Velindre NHST	-	0.072	0.478	0.121	-	-	-	-	0.670
Public Health Wales NHST	-	-	-	0.015	-	-	-	-	0.015
NWIS	-	-	-	0.110	-	-	-	-	0.110
Welsh Government	-	-	-	1.519	0.270	5.960	2.781	3.864	14.394
Total	1.727	8.478	8.661	6.015	9.025	5.960	2.781	3.864	46.511

Hywel Dda LHB		Comments
Capital Resource Limit (CRL)	Capital Resource Limit (CRL) - Date Last Updated 19th May 2011	2011/12 £m
	1) DISCRETIONARY CAPITAL FUNDING [A]	4.683
	2) CAPITAL PROJECTS WITH APPROVED FUNDING [B]	1.154
	Bronglais Front of House Development (Enabling Works)	0.090
	Bronglais Boiler House Upgrade MRF	0.850
	PPH Breast Care Phase 2	0.008
	WWGH Mortuary Main Build	0.071
	S2S - Modifications to existing estate to provide accommodation for PICU	0.135
	TOTAL CRL [C = A+B] (Approved Funding)	5.837
	3) FORECAST CAPITAL PROJECTS WITHOUT APPROVED FUNDING	
	Bronglais Redevelopment	6.673
	Cardigan Community Services	2.300
	PPH Elective Short Stay Surgery	0.762
	WWGH Engineering Infrastructure Scheme D-G	2.640
WWGH Critical Care Centre	5.442	
Withybush Renal Unit	0.500	
Glangwili Clinical Decision Unit/Short Stay Unit	6.873	
Aberaeron Community Hospital	0.150	
3) Sub Total Forecast Capital Projects Without Approved Funding [D]	25.340	
4) Total Potential CRL if all Funding Approved [E=C+D]	31.177	
Capital Cash Limit	Capital Cash Limit	2010/11 £m
	TOTAL CRL (Approved Funding)	5.837
	Less	
	1) Capital Cash Limit 2011/12 [A]	5.837
	Cash Drawn Down:	
	2) Total Capital Cash Drawn Against Limit 2011/12 [B]	0.000
3) Balance of Capital Cash Limit Available 2011/12 [C = A-B]	5.837	

Hywel Dda LHB		Comments
Capital Resource Limit (CRL)	Capital Resource Limit (CRL) - April 11th 2012	2012/13 £m
	1) DISCRETIONARY CAPITAL FUNDING [A]	4.356
	2) CAPITAL PROJECTS WITH APPROVED FUNDING [B]	14.760
	GGH Critical Care Centre	0.107
	Bronglais Front of House Development	10.572
	GGH Clinical Decision Unit/Short Stay Unit	3.931
	Renal	0.150
	TOTAL CRL [C = A+B] (Approved Funding)	19.116
	3) FORECAST CAPITAL PROJECTS WITHOUT APPROVED FUNDING	
	PPH Elective Short Stay	0.837
	Aberaeron Community Services	0.150
	Cardigan Community Services	1.784
	Withybush Renal Unit	4.996
	Angiography/Pacing	0.500
Neonatal Level 2 & Complex Obstetrics Units	1.500	
IM&T Infrastructure	1.000	
Energy Project	9.068	
Cylch Caron Project (Ceredigion County Council)	0.290	
3) Sub Total Forecast Capital Projects Without Approved Funding [D]	20.125	
4) Total Potential CRL if all Funding Approved [E=C+D]	39.241	
Capital Cash Limit	Capital Cash Limit	2012/13 £m
	TOTAL CRL (Approved Funding)	19.116
	Less	
	1) Capital Cash Limit 2012/13 [A]	19.116
	Cash Drawn Down:	
2) Total Capital Cash Drawn Against Limit 2012/13 [B]	0.000	
3) Balance of Capital Cash Limit Available 2012/13 [C = A-B]	19.116	

HEALTH BOARD MEETING

Date of Meeting:	31st March 2011
Agenda Item:	15.1
Subject:	INTERIM SERVICE & FINANCIAL PLAN 2011/12
Reporting Officer:	KAREN MILES

Purpose of the Interim Service & Financial Plan 2011/2012

To provide the Health Board with a summary of the funding headlines in the 2011/12 Allocation Letter on an All-Wales and Hywel Dda basis, which then informs the Interim Service & Financial Plan for Hywel Dda for 2011/12.

Governance:

Link to HB Strategic Objectives:	The report identifies how the Health Board's funding is aligned to Ministerial objectives, as laid down in the Annual Quality Framework, and how this will be delivered within the Resource Allocation received from Welsh Assembly Government.
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Health Board Resolution:

	✓	
To approve	✓	To Support
Recommendation	The Health Board approves the Interim Service & Financial Plan for 2011/12, as part of the overall requirement to achieve balance in recurring service income and service expenditure, over the next 3-4 years.	

Key Implications for the Following

Financial	The Health Board has a statutory duty to set a balanced financial plan within the Resource Allocation voted to it by Welsh Assembly Government.
Value For Money	The setting of a Financial Plan allows the Health Board's financial operations to be gauged against budgets so driving the value for money agenda.
Risk	Failure to achieve financial balance represents a key risk to the Health Board and the services that it provides.
Legal	The Health Board has a statutory duty to break even within the Resource Limit from Welsh Assembly Government.
Workforce	Not applicable in the context of this report.

Equality Impact Assessment

Included in Health Board Paper	n/a	✓
Comments		
Patient and Public Involvement		
Impact on Patient Outcomes		
Clinical Engagement		
Parties/Committees consulted prior to Health Board		
Glossary of Terms		

INTERIM SERVICE & FINANCIAL PLAN 2011/12

1. INTRODUCTION

- 1.1 The revenue allocations to Health Boards for 2011/12 were announced on the 18th February 2011 (reference ML/EH/004/11). This Allocation Letter should be considered in conjunction with the Annual Quality Framework for 2011/12, which was issued as Ministerial Letter ML/EH/002/11.
- 1.2 The requirements set out in the Annual Quality Framework are the Ministers' priorities for the year ahead and as such, organisations are expected to deliver these within the funding set out in the Allocation Letter.
- 1.3 This briefing aims to summarise funding headlines in the revenue Allocation Letter on an All-Wales basis and in the context of Hywel Dda.

2. REVENUE ALLOCATIONS 2011/12

- 2.1 With the exception of the Community Pharmacy contract, none of the other main allocation items have received an inflationary uplift. However, in the context of the challenges facing Public Services overall, the Health settlement cannot be seen as unduly disadvantageous. Consequently, 2011/12 funding has been increased to reflect a number of 2010/11 in-year allocations only.
- 2.2 A comparison between the 2010/11 and 2011/12 Allocation Letters is summarised in the following table:

Allocation Item	2010/11 All Wales Allocation Letter £m	2011/12 All Wales Allocation Letter £m	2011/12 Increase All Wales £m	2010/11 Hywel Dda Allocation Letter £m	2011/12 Hywel Dda Allocation Letter £m	2011/12 Hywel Dda Increase £m
Hospital and Community Health Service and Prescribing allocation	4,186.649	4,283.923	97.274	524.946	542.292	17.346
GMS Contract	447.738	443.783	(3.955)	58.574	56.445	(2.129)
Community Pharmacy contract	138.044	144.947	6.903	17.968	18.866	0.898
Dental Contract	123.872	128.919	5.047	14.758	15.995	1.237
Total Revenue Resource Limit	4,896.303	5,001.572	105.269	616.246	633.598	17.352

A summary table showing the movements for Hywel Dda Health Board is set out as Annex 1 to this report. The £17.3m increase in the total Hywel Dda Resource Allocations is analysed in the following table:

Hywel Dda	£m
Allocations Issued in Year in 2010./11	11.1
Ring Fenced Allocations	4.0
New Allocations	1.4
Inflationary Uplift	0.8
Allocation Increase	17.3

Details of different Resource Allocations and the changes set out in the Allocation Letter are set out in the following paragraphs.

3. HOSPITAL AND COMMUNITY HEALTH SERVICES (HCHS) AND PRESCRIBING ALLOCATION

3.1 The prescribing allocation has now been combined with the HCHS allocation for the year 2011/12. Whilst the allocation has received no inflationary uplift, the total increase in the 2010/11 in-year allocation is £97.274m across Wales, and £17.3m in Hywel Dda. The increase comprises of the following:

ALLOCATION	2011/12 All Wales £m	2011/12 HDHB £m
SAS Doctors	13.504	2.900
Welsh Health Specialised Services Committee funding	22.007	3.063
Business Services Centre IM & T	(3.978)	(0.524)
Home Oxygen Service	1.650	0.225
Resource Mapping adjustment	0.025	
Continuing Health Care (CHC) funding tranche 1	37.501	4.995
Renal funding	2.583	0.354
Capital charges	(32.898)	(1.524)
Cardiac / Cancer / Critical Care networks	1.397	0.000
General Medical Services to HCHS Transfer	8.522	2.500
Public Finance Initiative	5.481	0.000
Core Committee Health Council Service Level Agreement	0.530	0.000
Delivery Support Unit	(0.817)	0.000
Second Offer	(0.425)	0.000
Ring Fenced Screening Services (new funding)	31.692	3.958
CHC funding tranche 2 (new funding)	10.500	1.399
TOTAL	97.274	17.346

3.2 The majority of these increases in funding are due to 2010/11 in year allocations being made recurrent. There are however two items to note that affect all Health Boards and these are:

- **Screening Services** - £31.692m has been allocated to Health Boards to fund the delivery of the Breast, Bowel, Cervical and Newborn National Screening programmes and for the governance of National Antenatal Screening. This funding has been distributed on a population basis and is ring fenced for investment with WHSSC to fund Public Health Wales who were previously funded directly for screening services. Health Boards have no discretion over the use of this income.
- **Continuing Health Care tranche 2** - £10.500m funding has been released for Continuing Healthcare. Whilst this was provided in 2008/09 and 2009/10, it was withheld in 2010/11. This, therefore, represents additional funding for LHBs.

3.3 Within the Allocation Letter Sexual Health Services and Wanless funding have been removed from ring fenced services, with the remaining HCHS ring fenced services being:

Remaining Ring Fenced Services	2011/12 All Wales £m	2011/12 HDHB £m
Learning Disabilities	70.562	7.909
Depreciation	129.849	17.212
Mental Health	514.020	64.724
Cardiac Rehabilitation	2.054	0.262
Renal Services	59.902	6.275
Screening Services	31.692	3.958
Strategic Continuing Healthcare funding	37.501	4.995
Total	845.581	105.336

4. GMS AND DENTAL CONTRACT ALLOCATIONS

- 4.1 Both these allocations are ring fenced and provisional funding included in the Allocation Letter is £443.783m for the GMS contract and £128.919m for the Dental contract.
- 4.2 It should be noted that £8.522m of allocation that was earmarked for GMS drugs was transferred into the HCHS allocation confirming the in year transfer enacted in 2010/11.
- 4.3 The settlement for 2011/12 has not, however, been finished and the provisional allocations have therefore been made on the basis of the final 2010/11 recurrent allocations. Supplementary allocations will be issued when there is more clarity on the 2011/12 agreements.

5. COMMUNITY PHARMACY CONTRACT

- 5.1 The allocation for 2011/12 is funded on the basis of the 2010/11 final allocation, with an uplift of 5% to account for growth in dispensing volumes and any in year changes. This allocation is summarised in the following table:

	2011/12 All Wales £m	2011/12 HDHB £m
Allocation for 2010/11	138.044	17.968
2011/12 uplift (5%)	6.903	0.898
Final allocation	144.947	18.866

5.2 This, therefore, represents an increase in resources above the 2010/11 funded level of £6.903m. It is the WAG expectation that the dispensing volume growth will only be approximately 3% in 2011/12 and that Health Boards will be expected to use the balance of the uplift to meet any additional costs associated with the implementation of Pharmacy enhanced services.

6. OTHER ALLOCATIONS

6.1 As in previous years, the WAG will meet the costs of the Welsh Risk Pool centrally. Funding for the first treatment of wet Aged Macular Degeneration is also being held centrally and will be released once the amounts required for 2011/12 are confirmed.

6.2 Substance misuse allocations remain ring fenced in 2011/12 and will only be released once approved expenditure plans are received, and approved. Funding for Public Health Wales NHS Trust, with the exception of Screening Services, is to be retained by WAG as a central budget.

6.3 Funding for Medical Service Increment for Training, Dental Service Increment for Training, Postgraduate Medical and Dental Education and Research and Development are managed outside of the main allocation and will be issued as direct funding.

7. HYWEL DDA INTERIM SERVICE & FINANCIAL PLAN 2011/12

7.1 The Interim Service & Financial Plan is fully informed by the 2011/12 Allocation Letter, and is attached in Annex 2.

7.2 As was the case in 2010/11, the Plan excludes the additional income in the form of strategic assistance, which we will require from WAG over the next 3-4 years, in order to plan to breakeven. Welsh Assembly Government has stated that it is essential that our plans, including the Interim 2011/12 Service & Financial Plan, provide for this additional funding to reduce each year and come to an end within the foreseeable future. Discussion with WAG has been ongoing, and over the next few months, as part of the planning discussions for 2011/12, WAG intends to agree the level of transitional funding Hywel Dda can expect in each of the next 3 - 4 years, after which point, the Health Board will be expected to live within the allocation on a recurrent basis.

7.3 As the Board is already aware, the 2011/12 Plan also assumes that £42.8m full year effect savings will need to be delivered, and this delivery will be performance managed by the Integrated Governance Committee on behalf of the Board.

7.4 The Plan also assumes that just under £10m of new 2011/12 cost pressures deemed unavoidable are pro-actively managed, and more importantly, that £18m of cost pressures will be contained, the composition of which have already been shared with the Board.

7.5 The Allocation income included in the financial plan at Annex 2 is £636.485m, comprising of confirmed allocations of £633.598m as set out in the Allocation Letter (see Annex 1) and allocations pending of £2.887m. Allocations pending are allocations that the Health Board received in 2010/11 and expects to receive again in 2011/12 but have not yet been confirmed by Welsh Assembly Government as part of the allocation process.

8. SUMMARY & ACTION REQUIRED

The main allocation headlines are:

- HCHS and prescribing have no inflationary uplift;
- There is £10.5m new all Wales funding available for tranche 2 CHC funding;
- Final funding for GMS and Dental contracts have not yet been confirmed;
- The Community Pharmacy contract has been increased by 5%, with an expectation of 3% dispensing growth and 2% to fund Pharmacy enhanced services;

Informed on the basis of the above recurrent allocations from WAG, the Hywel Dda Interim Service & Financial Plan for 2011/12 also comprises assumptions on savings plans & cost pressure containment measures, already shared with the Board and Committees, and requires approval by the Board.

Annex 1

	Discretionary HCHS £(000)	Ring Fenced HCHS £(000)	Drugs £(000)	Total HCHS and Prescribing Allocation £(000)	Community Pharmacy £(000)	GMS £(000)	Dental £(000)	Total Revenue Resource Limit £(000)
2010/11 Allocation Letter	344,543	106,600	73,803	524,946	17,968	58,574	14,758	616,246
Drugs to HCHS Allocation	73,803		-73,803	0				0
<u>Transfers Out of Ring Fenced Allocations</u>								
Sexual Health	1,438	-1,438		0				0
Wanless	5,191	-5,191		0				0
Capital Charges	2,419	-2,419		0				0
<u>In Year 2010/11 Allocation Adjustments</u>								
HCHS								
Capital Charges		-1,524		-1,524				-1,524
SAS Doctors	2,900			2,900				2,900
Business Services Centre IM&T	-494			-494				-494
GMS to HCHS	2,500			2,500		-2,500		0
Oxygen	225			225				225
Welsh Health Specialised Services Committee Renal		354		354				354
Welsh Health Specialised Services Committee Continuing Healthcare	3,063	4,995		3,063				3,063
				4,995				4,995
Dental								
Design to Smile							388	388
Uplift and Patient Charge Revenue adjustment							849	849
GMS								
2010/11 GMS Uplift						361		361
Roll Forward 2010/11 In Year Adjustments	435,588	101,377	0	536,965	17,968	56,435	15,995	627,363
<u>Additional Allocations</u>								
HCHS								
Business Services Centre IM&T	-30			-30				-30
Continuing Healthcare	1,399			1,399				1,399
Screening Services		3,958		3,958				3,958
GMS								
Primary Care Estates						10		10
Communtiy Pharmacy								
Uplift					898			898
Roundings	-1	1		0				0
Total Issued Allocations	436,956	105,336	0	542,292	18,866	56,445	15,995	633,598

2011/12 Roll Forward Interim Financial Plan

	2011/12 Recurring Roll Forward Plan £(000)	Discretionary £(000)	Ring Fenced £(000)	Unavoidable £(000)	Projected 2010/11 Outturn Based on Month 10 Monitoring Return £(000)
Miscellaneous Income					
Fees and Charges	2,883	2,883			9,775
Dental Patient Charge Income	2,257		2,257		2,257
Income from Other NHS Bodies	21,201	21,201			22,396
Injury Cost Recovery Scheme	995	995			1,076
Non NHS Patient Income	147	147			151
Local Authorities	2,559	2,559			3,316
Education, Training and Research	6,954	6,954			7,733
Other Income from the Assembly	2,663	2,663			6,383
Other	6,745	6,745			7,942
Miscellaneous Income Sub Total	46,404	44,147	2,257	0	61,029
Primary Care Services					
General Medical Services	57,142	629	56,513		57,135
Pharmaceutical Services	17,745	17,745			18,326
General Dental Services	18,252		18,252		18,921
Other Primary Care Services	6,611	2,635	577	3399	6,976
Prescribed Drugs and Appliances	59,237	59,237			69,134
Primary Care Services Sub Total	158,987	80,246	75,342	3,399	170,492
LHB Provided Services					
Pay					
Chair, Non Exec, Board & Senior Manager	10,642				12,915
Medical & Dental	62,859				71,415
Nursing & Health Visiting	107,511				124,506
Scientific, Therapeutic & Technical	37,644				42,608
Admin & Clerical	26,584				28,009
HCA's & Other Support Staff	16,405				18,399
Maintenance Staff	3,047				3,398
Ambulance, Non Trust staff, Other Employees & Payroll	354				193
Pay Sub Total	265,046	0	0	0	301,443
Non Pay					
Clinical Services & Supplies	40,691				48,507
General Supplies & Services	3,502				3,744
Establishment Expenses	8,904				9,341
Premises & Fixed Plant	12,221				12,460
Capital & Depreciation	12,862				127
External Contract Staffing & Consultancy	100				8,986
Miscellaneous Services	1,514				13,066
Non Pay Sub Total	79,794	0	0	0	96,231
LHB Provided Services Sub Total	344,840	257,913	86,927	0	397,674
Healthcare Services Provided by Other NHS Bodies					
Abertawe Bro Morgannwg University	21,802				
Aneurin Bevan	227				
Betsi Cadwaladr University	91				
Cardiff & Vale University	5,828				
Cwm Taf	195				
Powys	168				
Welsh Ambulance Service	1,956				
Velindre	485				
Public Health Wales	1,347				
Robert Jones & Agnes Hunt	661				
United Bristol Hospital Trust	119				
North Bristol Trust	20				
RNHRD - Bath	96				
Royal Shrewsbury & Telford	77				
Hereford	26				
Gloucestershire	10				
Other NHS Providers	1,822				
Healthcare Services Provided by Other NHS Bodies Sub Total	34,930	34,004	926	0	34,605
Private & Voluntary Sector					
NHS Funded Nursing Care	3,859	3,859			4,009
Continuing Care	41,205	36,210	4,995		48,343
Voluntary Sector	741	741			766
Prison Services	0				
Asylum Seekers	0				
Other Services eg Private Providers	1,935	1,935			2,217
Private & Voluntary Sector Sub total	47,740	42,745	4,995	0	55,335
Joint Financing					
Community Equipment	490	490			480
Other	2,906	2,906			2,711
Joint Financing Sub Total	3,396	3,396	0	0	3,191
Other					
Community Health Councils					
Business Service Centre	1,412			1,412	1,135
WHSSC	74,149		13,675	60,474	70,245
Non Allocated contingency/savings target (Reserves)	17,435	17,435			3,565
Other Sub Total	92,996	17,435	13,675	61,886	74,945
NET OPERATING COST	636,485	391,592	179,608	65,285	675,213
Revenue Resource Limit (Allocations)	-636,485	-456,877	-179,608		-675,213
UNDER/(OVER) SPEND AGAINST REVENUE RESOURCE LIMIT	0	-65,285	0	65,285	0

**eCYFARFOD BWRDD IECHYD
HEALTH BOARD MEETING**

Dyddiad y Cyfarfod: Date of Meeting:	29 th March 2012
Eitem ar yr Agenda: Agenda Item:	9
Pwnc: Subject:	Financial Position as at 29th February 2012
Swyddog Adrodd: Reporting Officer:	Karen Miles, Director of Finance & Economic Reform

**Pwrpas y Papur i'r Bwrdd Iechyd
Purpose of the Health Board Paper**

This paper updates the Board on:

- The financial performance as at 29th February 2012;
- The action being taken to secure Full Year Effect Savings Plans as part of the longer-term Service, Workforce & Financial Framework.

Llywodraethu:
Governance:
**Cyswllt ag
Amcanion Strategol
y BI:
Link to HB
Strategic
Objectives:**

This report demonstrates progress against our key service and financial challenges, which take us to the requirement for both efficiency and productivity savings as well as transformational service redesign over a number of years, whilst ensuring the highest level of financial governance in the current financial year.

**Penderfyniad y Bwrdd Iechyd:
Health Board Resolution:**

I gymeradwyo To approve		I gefnogi To Support	X
Argymhelliad Recommendation	<p>It is recommended that the Board notes:</p> <ul style="list-style-type: none"> • The financial performance as at 29th February 2012; • The on-going work to mitigate financial risk by continued management action to secure Full Year Effect Savings Plans, as well as service and financial sustainability plans as part of the Service, Workforce & Financial Framework. 		

Prif oblygiadau ar y canlynol Key Implications for the Following	
Ariannol Financial	Reports on the plans to deliver financial breakeven and the ongoing sustainability achievements.
Gwerth am Arian Value For Money	Value for money considerations are inherent in the report
Risg Risk	Risks, both service and financial to the achievement of ongoing financial stability are detailed in the report
Cyfreithiol Legal	As appropriate
Gweithlu Workforce	Discusses financial implications of variable pay elements and reports on total pay bill.

Asesiad Effaith Cydraddoldeb Equality Impact Assessment			
Wedi'i gynnwys yn y Papur i'r Bwrdd Included in Health Board Paper		Dim yn berthnasol n/a	X
Sylwadau Comments			
Ymchwil/ Ar sail tystiolaeth Research/Evidence Base			
Cynnwys Cleifion a'r Cyhoedd Patient and Public Involvement			
Effaith ar ganlyniadau i'r Claf Impact on Patient Outcomes			
Ymgysylltu Clinigol Clinical Engagement			
Partïon/ Pwyllgorau â ymgynhorwyd ymlaen llaw i'r Bwrdd Parties/Committees consulted prior to Health Board	Audit Committee, Integrated Governance Committee and Sub-Committees and the Senior Management Team		
Rhestr Termau Glossary of Terms			

Financial Performance Report as at 29th February 2012

1 *Pwrpas yr Adroddiad* Purpose of the Report

This report updates the Board on the financial performance for the year to the 29th February 2012. In order to discharge Board accountability between Board meetings, this has been tracked and scrutinised in detail by the Integrated Governance Committee (IGC) / IGC sub-committees, and the Audit Committee, on behalf of the Board.

2 *Crynodeb Gweithredol* Executive Summary

The Yearend Forecast is **break-even**. The Health Board has consistently improved the in-year position from **£39m deficit** to **£37m deficit**, and then currently, surpassing the stretch target of **£35m deficit** to breakeven, net of Welsh Government Strategic Assistance of **£33m**.

Based on concerted management actions taken by the Health Board since September, good December, January and February performances have been sustained. Taken together with the actions to manage the overall year end performance – both financial and performance targets – we have amended our forecast to **break-even at yearend**.

The financial position as at 29th February is **£0.048m surplus**.

3 2011/12 Revenue Resource Performance

The Health Board is assuming Resource Allocation income of **£704.450m** in our financial planning assumptions; this comprises notified allocations of **£704.795m** and allocations pending of (**£0.345m**). We are using all allocations available to us to deliver breakeven (See Annex 1).

Financial Performance

The position as at the period end is **£0.048** surplus and **break-even** at year end (see annex 2).

In addition to the **£33m** WG assistance received for 2011/12, a further **£50m** WG Strategic Assistance has been confirmed to bridge the residual gap in our finances over 2012/14, 2014/15 and 2015/16. These are not new development monies, but instead are helpful 'bridging monies' which provide certainty in the level of WG strategic assistance, which in turn helps us to more meaningfully align our Service, Workforce & Financial Plans (SWAFF), as we have always ascertained that the achievement of breakeven would be over a greater period than the current annual funding allocation framework permitted.

To this end, returning to 2011/12 our current in-year performance is as follows:

What financial performance we're tracking and why we're tracking it in the manner we are

Board members are aware that we are tracking the Health Board's progress as follows:

- Our starting position as the newly-formed Hywel Dda Health Board was an inherited structural deficit of £32m;
- In our first full year as a Health Board, 2010/11, we received WG Strategic Assistance of £43m, mainly because we could not contain the impact of unfunded pay awards and increments of £8m, and, we couldn't contain our higher than average costs of medical agency, incurred because of underlying recruitment challenges;
- In 2011/12, we started with a standstill challenge of £39m deficit, before new 2011/12 cost pressures of £28m - our gross challenge was therefore significant. We knew we were going to receive tapering WG Assistance, and this was confirmed in-year as a reduction of £10m from £43m to £33m. Very ambitiously, therefore, we knew we had to achieve savings of at least £42.8m. Savings of this magnitude would effectively contain all 2011/12 cost pressures (the £28m), would deal with the £10m less Assistance, and would deal with non-recurring savings made in previous years (£5m). These savings would also need to cover any unplanned contingencies in-year, in particular the costs of Referral to Treatment (RTT) Waiting Times and the impact of Noro-virus on our pay costs;
- To achieve breakeven against the WG Assistance of £33m is therefore a significant achievement – extra 'stretch savings' of £6m (tracking our progress from the £39m to the £33m) has been achieved from improved medical agency control and 'Over the Counter' prescribing savings, and has been the only way in which we have countered unplanned in-year contingencies;
- It means that we have successfully made cash savings, and contained costs, of 8%;

Tactically, we know that the Tapering WG Strategic Assistance will reduce further in future years, and we have already received notice that 2012/13's assistance is reduced by another £10m to £23m.

Consequently, from the outset, we have set out affordability-based budgets at service level which reflects where we will need to be at the end of the 3 year period, and this is what we have reported on to every Board.

Annex 3 is another way of looking at current effort and the scale of the residual challenge, as it shows that if we gave service areas their share of the WG Assistance and Reserves, where our residual challenges still remain by service area.

It is academic in some way, as we will need for the remainder of the 2011/12 year to report as we have done, but for 2012/13, it is our intention to reflect this in Board reports, and in particular, how the areas in the 'Provider Services Arm' are performing – be it acute, community, mental health or learning disabilities.

In the meantime, as we have always reported year to date progress is as follows:

Acute & Community Services

Provider services are £42.970m in deficit year to date, £46.765m forecast yearend - Although this is a reflection of setting budgets at long term affordability levels, in arriving at the **break-even** forecast the Health Board is releasing **£62.762m** annual unallocated reserves pro-rata to offset against this position. The reserve comprises:

- **£33m** WG Strategic Assistance,
- **£15m** step-up savings targets and **£4.7m** arising from further savings (Prescribing - £1m) and a balance sheet review (£3.8m),
- **£7.578m** general reserves,
- **£1.463m** Orthopaedic recurrent allocation and **£0.521m** of the £0.929m NR Orthopaedic Waiting List funding, and **£0.5m** Non Orthopaedic RTT funding.

Pay improvement versus trend has continued as a result of continuing overall improvement in medical staffing costs in particular. Whilst Non-pay has increased, as the one-off effects of the 'Christmas elective shutdown plans' work out, income over-achievement has countered this.

Continuing Health Care (CHC), Community Pharmacy & Primary Care Drugs Prescribing

Continuing Healthcare is £5.755m in deficit year to date, £6.478m forecast to year-end – As CHC moves to year end there is a net decrease in the forecast CHC costs of £89k. Whilst we had a number of new clients in February these costs are off-set by the reduction in existing care packages.

In respect of Ombudsman / Retrospective Reviews, to date very few outcomes have been received, and we expect no more than 5% of the claims to be settled this year.

Pharmacy Contract £1.013m deficit year to date, £1.207m yearend deficit forecast – Our projected year end position has improved during the month principally due to the release of £0.200m that was previously covering in-year, unknown risks from the new Discharge Medicines Scheme, where uptake has been less than signalled.

Prescribed Drugs £7.935m deficit year to date, £8.700m yearend deficit forecast – Based on prescribing information for December 2011 the decrease in the cost per item seen since October has continued into December. As a result of we have revised our year end projected outturn down by £0.400m in the current month.

4 Statement of Financial Position – Balance Sheet

The Health Board has achieved **97.2%** against the overall 30 day payments target as at 29th February 2012 and cumulatively **95.89%**. The Health Board achieved 93.44% against the NHS target this month, and plans are in place to address this to ensure the 95% target is met.

We also held a cash book balance of **£0.242m**.

In terms of Aged Debts analysis, the Health Board has no outstanding invoices over 13 weeks.

Our Statement of Financial Position at the end of the period is as follows:

	Opening Balance Beginning of Apr-2011	Closing Balance End of Feb 12
	£'000	£'000
Non-Current Assets		
Property, plant and equipment	241,007	239,317
Intangible assets	160	312
Trade and other receivables	16,843	23,310
Other financial assets		
Other assets		
Non-Current Assets sub total	258,010	262,939
Current Assets		
Inventories	6,170	6,248
Trade and other receivables	12,431	12,232
Other financial assets		
Other current assets		
Cash and cash equivalents	1,911	242
Non-current assets classified as held for sale	125	0
Current Assets sub total	20,637	18,722
TOTAL ASSETS	278,647	281,661
Current Liabilities		
Trade and other payables	71,725	76,883
Other financial liabilities		
Provisions	8,225	12,071
Other liabilities		
Current Liabilities sub total	79,950	88,954
NET ASSETS LESS CURRENT LIABILITIES	198,697	192,707
Non-Current Liabilities		
Trade and other payables		
Other financial liabilities		
Provisions	19,619	19,619
Other liabilities		
Non-Current Liabilities sub total	19,619	19,619
TOTAL ASSETS EMPLOYED	179,078	173,088
FINANCED BY:		
Taxpayers' Equity		
General Fund	163,564	150,661
Revaluation Reserve	10,811	17,056
Donated Asset Reserve	4,703	5,371
Government Grant Reserve		
Total Taxpayers' Equity	179,078	173,088

5 Capital Resource Limit

The Health Board's Capital Resource Limit (CRL) for financial period ending 29th February 2012, based on the notified Discretionary Capital Allocation, and the All-Wales Capital Programme allocation as confirmed with Welsh Government, is **£27.775m**, as follows:

£000s	27,775
Approved CRL issued at :	6/3/12

Performance against CRL	Year To Date			Forecast		
	Plan £000	Actual £000	Variance £000	Plan £000	F'cast £000	Variance £000
Gross expenditure (accrued, to include capitalised finance leases)						
All Wales Capital Programme:						
Schemes:						
ACDU WWGH	3,930	3,912	(18)	4,932	4,932	0
PICU	135	279	144	135	279	144
Bronglais Front of House (enabling)	90	0	(90)	90	90	0
Boiler House Upgrade	830	1,471	641	850	1,471	621
Breast Care PPH	8	13	5	8	13	5
Mortuary WWGH	71	93	22	71	93	22
Bronglais Front of House (main)	6,316	5,906	(410)	6,673	6,674	1
Cardigan Hospital	93	89	(4)	850	850	0
Short Stay Surgery PPH	4	0	(4)	0	0	0
Renal Unit WGH	585	644	59	500	644	144
Engineering Infrastructure	1,285	1,175	(110)	2,640	2,640	0
Critical Care Unit WWGH	4,447	4,314	(133)	5,442	5,442	0
Aberaeron Development	0	0	0	0	0	0
Cylch Caron Fees	1	7	6	0	7	7
BJC- Pharmacy Robotics Upgrades	120	120	0	175	175	0
EOY Funding	0	0	0	399	399	0
Fundus Camera's	0	0	0	249	249	0
Telemedicine Equipment (Tranche 2)	0	0	0	63	63	0
			0			0
Sub Total	17,915	18,024	109	23,077	24,021	944
Discretionary:						
I.T.	391	424	33	375	424	49
Equipment	1,409	1,264	(145)	2,009	2,009	0
Statutory Compliance	322	358	36	535	541	6
Estates	46	46	(0)	63	63	0
Other	640	607	(33)	1,716	717	(999)
Sub Total	2,808	2,699	(109)	4,698	3,754	(944)
Other Schemes:						
Use of proceeds of disposal - Capel Road	105	105	0	105	105	0
			0			0
Sub Total	105	105	0	105	105	0
Total Expenditure	20,828	20,828	(0)	27,880	27,880	0
Less:						
Capital grants:						
Nil			0			0
Sub Total	0	0	0	0	0	0
Donations:						
			0			0
Sub Total	0	0	0	0	0	0
Asset Disposals:						
Capel Road	105	105	0	105	105	0
Sub Total	105	105	0	105	105	0
Technical Adjustments			0			0
CHARGE AGAINST CRL	20,723	20,723	(0)	27,775	27,775	0
PERFORMANCE AGAINST CRL (Under)/Over		(7,052)			0	

The Health Board has endeavoured to link the savings plans as overtly as we can to budgetary performance, and budgets have been reduced by our £42.8m Full Year Effect savings plans to show how we are getting a grip, in terms of what longer-term breakeven needs to look like for each service area.

The additional actions instigated last quarter, to reduce the monthly run-rate and target areas to help the overall bottom-line position, continue to impact positively on the reported achievement position. **The savings improvements seen in December and January have been consolidated, and as at 29th February we have achieved both the monthly forecast target of £4.314m and 100% of the year to date target.** This mirrors the improvement in the overall position and the forecast delivery of breakeven. The actions taken to achieve savings are summarised below:

Saving Scheme	Key Mechanism / Management Action	Feb Plan	Feb Actual	(Under) / Over
		£'000	£'000	£'000
Continuing Health Care	<ul style="list-style-type: none"> • Repatriation of Low Secure Mental Health • Repatriation of Low Secure Learning Disabilities • Control of Frail Elderly General Nursing Home Placements by Chronic Condition & Long-term Care actions – growing the Virtual Ward • Section 33 Joint LA & LHB service provision for cost containment • 3rd Sector Co-design – all keeping the elderly, as independent as they can be, for longer 	9,720	12,532	2,812
Estates/ Energy	<ul style="list-style-type: none"> • Energy Conservation measures • Disposal of under-utilised Estate / Property 	630	140	(490)
Externally Commissioned Services	<ul style="list-style-type: none"> • Demand management of our major external contracts • Repatriation of Orthopaedics • Also significant demand management work around Individual Patient Commissioning (IPC) • Pro-active recovery of Non-Commissioned Activity 	1,350	3,774	2,424
Medicines Management	<ul style="list-style-type: none"> • Joint Secondary & Primary Care Prescribing Management Scheme. • Standardising Formularies 	11,250	7,526	(3,724)
Procurement & other Non-pay	<ul style="list-style-type: none"> • All Wales Value for All actions • Orthopaedic Implant Standardisation • Stringent Non-pay Purchase Order Controls through very regulated scheme of delegation • Forensic Review of VAT recovery • Pro-active Credit Control 	1,643	4,933	3,290
Shared Services	<ul style="list-style-type: none"> • As per National Programme. • E-Expenses project plan developed across Wales 			

Management Costs	<ul style="list-style-type: none"> Review of clinical management costs undertaken which has led to an auditable reduction in %s classified as management cost. Undertaking the same exercise with other posts in corporate functions 	450	0	(450)
Specialist Services	<ul style="list-style-type: none"> Pro-active local demand management through IPC and prior approval Cost containment as per national Specialist Services work 	1,350	339	(1,011)
Workforce Modernisation	<ul style="list-style-type: none"> Control of all Variable Pay – Agency, Locums & Overtime Forensic Review of Payroll for Pension Agency Recovery Pro-active Staff Sickness Monitoring E-Rostering Roll-out with Interface between ESR & E-rostering commenced in October. Time & Attendance system successfully implemented in Glangwili hospital and Roll out to Prince Philip is underway. Recruitment which supports Community Services / Virtual Ward 	12,128	9,330	(2,797)
Total Savings February 2012		38,521	38,574	54
Percentage of Savings Delivery Year to Date			100%	

Conclusion

As a result of these savings measures, for February 2012 Hywel Dda Health Board is reporting a **year to date surplus of £0.048m** inclusive of £33m WG Strategic Assistance. The forecast at yearend is **break-even** in 2011/12.

7	<i>Argymhellion/ Penderfyniad sydd ei angen</i> Recommendations/Resolution required
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Recommended Actions required by the Board

It is recommended that the Board notes:

- The financial performance to 29th February 2012 including WG Strategic Assistance;
- The update in the out-turn projection to **break-even**.
- Notes the on-going work to mitigate financial risk by continued management action to reduce the underlying run rate, as well as service and financial sustainability plans as part of the 3-5 year Service, Workforce & Financial Framework.

Swyddog Adrodd Reporting Officer	Karen Miles, Director of Finance & Economic Reform.
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Annex 1

Welsh Assembly Government Resource Allocations 2011/12

	Disc £(000)	RF £(000)	Drugs £(000)	CP £(000)	GMS £(000)	Dental £(000)	Total £(000)
Total Issued Allocations - Allocation Letter Number 1	436,956	105,336	0	18,866	56,445	15,995	633,598
Contractor Services Funding	2	-1,128					-1,128
Screening Services Transfer	3		-3,958				-3,958
Additional WHSSC Funding	4	812					812
Llangennech Stores	5	78					78
NHS Redress Facilitators Post	6	13					13
NHS Redress Putting Things Right	7	34					34
Designed to Smile	8	42					42
Lymphoedema	9	119					119
Independent Mental Health Advocacy	10	40					40
HPV Vaccines	11	49					49
Blood Borne Viral Hepatitis Action Plan	12	153					153
AAA Screening Repatriation	13	-75					-75
NHS Redress Facilitators Post	14	14					14
Specialist CAMHS Planning Network	15	360					360
CAMHS Mental Health Workers	16	160					160
Substance Misuse Funding	17		1,747				1,747
Consultant Clinical Excellence Awards	18	45					45
Additional WHSSC Funding	19	91					91
Cross Border	20	-794					-794
Orthopaedic Services	21	1,463					1,463
Cash Limit Adjustment	22	0					0
Provider Depreciation Adjustment	23	39					39
One Wales School of Nursing Staff Costs	24	52					52
Palliative Care	25	399					399
Local Mental Health Grant	26	391					391
I2S	27	588					588
I2S	28	-267					-267
NHS Redress Post Q3	29	14					14
Eating Order Community Service	30	163					163
Consultant Clinical Excellence Awards	31	45					45
Putting Things Right - Q3 Funding	32	19					19
Calman Registrars	33	11					11
Additional Allocation to Support NHS Financial Position	34	33,000					33,000
Non Orthopaedic	35	500					500
Vaccination Allocation	36	330					330
Invest to save MH Rehab Scheme	37	-563					-563
Pre Reg Pharmacy Trainees	38	68					68
Non Orecurrent Orthopaedic funding - 1st tranche	39	170					170
Non Orecurrent Orthopaedic funding - Wating List Validation	40	30					30
Non Orecurrent Orthopaedic funding - 2ND tranche	41	729					729
Clinical Excellence Awards	42	45					45
Invest to save E rostering	43	69					69
DOLS	44	24					24
One Wales School of Nursing	45	120					120
All Wales Vetrans Health and Wellbeing Service	46	30					30
Putting Things Right - Q4 Funding	47	11					11
Depreciation	48	1,514					1,514
AME	49	31,620					31,620
AME Depreciation on Donated Assets	50	612					612
Calman Registrars	51	11					11
Clinical Excellence Awards	52	27					27
	53	920					920
GMS							
GMS Allocation	2				330		330
Vaccination Allocation	3				71		71
Dental							
Vocational Training	2					185	185
Marches Scheme	3					17	17
Dental uplift	4					91	91
Vocational Training	5					517	517
							0
	72,197	-2,211	0	0	401	810	71,197
Issued Allocations	509,153	103,125	0	18,866	56,846	16,805	704,795
Allocations Pending							
2010/11 All Lett Ref							
HCHS Allocations							
Consultant Distinction Award	22						0
Consultant Excellence Award/Consultant Distinction Award		n/a					0
Electronic Staff Record		n/a	-366				-366
Putting Things Right			20				20
Adult Community Forensic Service			61				61
Donated Asset Impairment			-60				-60
Total Allocations Pending		-345	0	0	0	0	-345
Total Assumed Allocation Income	508,808	103,125	0	18,866	56,846	16,805	704,450

Annex 2 (part 1)

SECTION A-REVENUE BREAKEVEN - ALL SERVICES	YEAR TO DATE			FORECAST YEAR END		
	Plan	Actual	Variance	Annual	Annual	Variance
	YTD	YTD	YTD	Plan	Forecast	Forecast
	£'000	£'000	£'000	£'000	£'000	£'000
Miscellaneous Income						
Income from Welsh Risk Pool	9,086	9,086	0	9,086	9,086	0
Dental Patient Charge income	2,153	2,386	233	2,349	2,603	254
Income from other NHS bodies	20,863	22,099	1,236	22,726	24,074	1,348
Injury Cost Recovery Scheme	912	1,291	379	995	1,409	414
Non NHS patient income	134	185	51	147	202	55
Local Authorities	2,664	3,096	432	2,899	3,370	471
Education, training and research	6,892	7,270	378	7,505	7,918	413
Other income from the Assembly	6,272	6,917	645	6,823	7,526	703
Income for the Shared Services	508	438	(70)	554	478	(76)
Other	6,953	6,951	(2)	7,591	7,588	(3)
Miscellaneous Income sub total	56,437	59,719	3,282	60,675	64,254	3,579
Primary Care Services						
General Medical Services	52,598	52,598	0	58,300	58,300	0
Pharmaceutical Services	16,328	17,341	1,013	17,813	19,020	1,207
General Dental Services	17,444	17,569	125	19,104	19,410	306
General Ophthalmic Services (Non resource limited)	2,989	2,989	0	3,773	3,773	0
Other primary care services	5,173	5,180	7	5,543	5,418	(125)
Prescribed drugs and appliances	53,128	61,063	7,935	57,831	66,531	8,700
Difference between prescribing and dispensing (Non resource limited)	(2,498)	(2,498)	0	(2,894)	(2,894)	0
Primary Care Services sub total	145,162	154,242	9,080	159,470	169,558	10,088
LHB Provided Services						
Chair, Non Exec & Board - Pay	3,364	3,204	(160)	3,651	3,476	(175)
Medical & Dental - Pay	58,002	67,463	9,461	63,248	73,526	10,278
Nursing & Health Visiting - Pay	101,095	116,918	15,823	110,270	127,459	17,189
Scientific, Therapeutic & Technical - Pay	36,507	39,505	2,998	39,830	43,087	3,257
Senior Managers and Admin & Clerical - Pay	30,915	33,663	2,748	33,719	36,704	2,985
HcAs & Other Support staff - Pay	15,105	16,728	1,623	16,480	18,243	1,763
Maintenance staff - Pay	2,903	3,224	321	3,165	3,514	349
Ambulance, Non Trust staff and other employees - Pay	283	286	3	325	328	3
LHB Provided Services- Pay sub total	248,174	280,991	32,817	270,688	306,337	35,649
Clinical Services & Supplies - Non Pay	36,984	45,491	8,507	40,347	49,588	9,241
General Services & Supplies - Non Pay	3,744	3,849	105	4,039	4,153	114
Establishment & Transport Expenses - Non Pay	8,308	9,407	1,099	9,065	10,260	1,195
Premises and Fixed Plant - Non Pay	11,044	12,495	1,451	11,968	13,545	1,577
External Contract staffing & consultancy - Non Pay	295	375	80	303	390	87
Other services - Non Pay	9,354	9,503	149	10,359	10,521	162
Depreciation	35,586	34,348	(1,238)	46,670	45,320	(1,350)
LHB Provided Services- Non Pay sub total	105,315	115,468	10,153	122,751	133,777	11,026
LHB Provided Services sub total	353,489	396,459	42,970	393,439	440,114	46,675

Annex 2 (cont'd)

Healthcare Services Provided By Other NHS Bodies						
Abertawe Bro Morgannwg University	21,932	23,324	1,392	23,925	25,444	1,519
Aneurin Bevan	208	210	2	227	229	2
Betsi Cadwaladr University	83	206	123	91	224	133
Cardiff & Vale University	5,109	4,681	(428)	5,573	5,106	(467)
Cwm Taf	179	189	10	195	206	11
Hywel Dda	0	0	0	0	0	0
Powys	154	194	40	168	212	44
A English Trust	977	661	(316)	1,066	721	(345)
B English Trust etc	0	0	0	0	0	0
Welsh Ambulance Service	1,789	2,292	503	1,952	2,500	548
Velindre	522	553	31	562	596	34
Public Health Wales	1,234	1,249	15	1,347	1,363	16
WHSSC	60,003	62,592	2,589	65,458	68,283	2,825
Other NHS providers	2,130	577	(1,553)	2,316	622	(1,694)
Healthcare Services Provided By Other NHS Bodies sub total	94,320	96,728	2,408	102,880	105,506	2,626
Non Healthcare Services Provided By Other NHS Bodies						
Welsh NHS Organisations	0	0	0	0	0	0
Non Welsh Organisations	0	0	0	0	0	0
on Healthcare Services Provided By Other NHS Bodies sub total	0	0	0	0	0	0
Private & Voluntary Sector						
NHS Funded Nursing Care	3,537	3,543	6	3,859	3,893	34
Continuing Care	34,287	40,042	5,755	37,284	43,762	6,478
Voluntary Sector	679	805	126	741	878	137
Other Services e.g. Private Providers	1,750	2,194	444	1,910	2,394	484
Private & Voluntary Sector sub total	40,253	46,584	6,331	43,794	50,927	7,133
Joint Financing						
Community Equipment	449	504	55	490	550	60
Other	2,548	2,318	(230)	2,780	2,529	(251)
Joint Financing sub total	2,997	2,822	(175)	3,270	3,079	(191)
Other						
Community Health Councils	0	0	0	0	0	0
Shared Services - Contract Payment	356	366	10	389	399	10
Non allocated contingency	57,390		(57,390)	62,762		(62,762)
Unidentified Savings target	0		0	0		0
Other sub total	57,746	366	(57,380)	63,151	399	(62,752)
NET OPERATING COST	637,530	637,482	(48)	705,329	705,329	0
Less non resource limited expenditure	490	490	0	879	879	0
Revenue resource limit	637,040	637,040	0	704,450	704,450	0
UNDER / (OVER) SPEND AGAINST REVENUE RESOURCE LIMIT	0	48	48	0	0	0

Impact of the Allocation of Reserves Across Budgets	YEAR TO DATE			Application of Reserves	Revised Variance
	Plan	Actual	Variance		Variance
	£'000	£'000	£'000	£'000	£'000
Miscellaneous Income	56,437	59,719	3,282	0	3,282
Primary Care Services					
General Medical Services	52,598	52,598	0		0
Pharmaceutical Services	16,328	17,341	1,013		1,013
General Dental Services	17,444	17,569	125		125
General Ophthalmic Services (Non resource limited)	2,989	2,989	0		0
Other primary care services	5,173	5,180	7		7
Prescribed drugs and appliances	53,128	61,063	7,935	(6,747)	1,188
Difference between prescribing and dispensing (Non resource limited)	(2,498)	(2,498)	0		0
Primary Care Services	145,162	154,242	9,080	(6,747)	2,333
LHB Provided Services					
Pay sub total	248,174	280,991	32,817	(9,145)	23,672
Non Pay sub total	105,315	115,468	10,153	(3,085)	7,068
LHB Provided Services	353,489	396,459	42,970	(12,230)	30,740
Healthcare Services Provided By Other NHS Bodies	94,320	96,728	2,408	(1,262)	1,146
Private & Voluntary Sector (including CHC & Free Nursing Care)	40,253	46,584	6,331	(7,067)	(736)
Joint Financing sub total	2,997	2,822	(175)	0	(175)
Other					
Shared Services - Contract Payment	356	366	10		10
Non allocated contingency	57,390		(57,390)	27,306	(30,084)
Other sub total	57,746	366	(57,380)	27,306	(30,074)
NET OPERATING COST	637,530	637,482	(48)	0	(48)

**CYFARFOD BWRDD IECHYD
HEALTH BOARD MEETING**

Dyddiad y Cyfarfod: Date of Meeting:	29 th March 2012
Eitem ar yr Agenda: Agenda Item:	13
Pwnc: Subject:	Service and Financial Plan 2012/13
Swyddog Adrodd: Reporting Officer:	Karen Miles, Director of Finance & Economic Reform

**Pwrpas y Papur i'r Bwrdd Iechyd
Purpose of the Health Board Paper**

This paper updates the Board on:

- The Allocation Letter for 2012/13;
- The Financial and Service Plan for 2012/13;
- The challenges in ensuring that the Health Board breaks even against our statutory Resource Limit in 2012/13.

Llywodraethu:
Governance:

**Cyswllt ag
Amcanion Strategol
y BI:
Link to HB
Strategic
Objectives:**

This report demonstrates progress against our key service and financial challenges, which take us to the requirement for both efficiency and productivity savings as well as transformational service redesign over a number of years, whilst ensuring the highest level of financial governance in the financial year 2012/13.

**Penderfyniad y Bwrdd Iechyd:
Health Board Resolution:**

**I gymeradwyo
To approve**

X

**I gefnogi
To Support**

**Argymhelliad
Recommendation**

It is recommended that the Board:

- Notes the amendment to the Resource Allocation income assumptions; and
- Approves the Service and Financial Plan for 2012/13.

Prif oblygiadau ar y canlynol Key Implications for the Following	
Ariannol Financial	Reports on the plans to deliver financial breakeven and the ongoing sustainability achievements.
Gwerth am Arian Value For Money	Value for money considerations are inherent in the report.
Risg Risk	Risks, both service and financial to the achievement of ongoing financial stability are detailed in the report.
Cyfreithiol Legal	As appropriate.
Gweithlu Workforce	Looks at the financial implications of workforce cost pressures in 2012/13.

Asesiad Effaith Cydraddoldeb Equality Impact Assessment			
Wedi'i gynnwys yn y Papur i'r Bwrdd Included in Health Board Paper		Dim yn berthnasol n/a	X
Sylwadau Comments			
Ymchwil/ Ar sail tystiolaeth Research/Evidence Base			
Cynnwys Cleifion a'r Cyhoedd Patient and Public Involvement			
Effaith ar ganlyniadau i'r Claf Impact on Patient Outcomes			
Ymgysylltu Clinigol Clinical Engagement			
Partïon/ Pwyllgorau â ymgynhorwyd ymlaen llaw i'r Bwrdd Parties/Committees consulted prior to Health Board			
Rhestr Termau Glossary of Terms			

1 *Pwrpas yr Adroddiad* Purpose of the Report

- 1.1 This briefing sets out the Hywel Dda Health Board Service and Financial Plan for 2012/13 and highlights the financial challenges that will be faced by the Health Board during 2012/13.

2 *Crynodeb Gweithredol* Executive Summary

- 2.1 The Health Board is expecting another £0.067m of Resource Allocation from Welsh Government in 2012/13 compared to that reported in the January 2012 Board report.
- 2.2 The Health Board's Service and Financial Plan for 2012/13 currently shows a break even position on the assumption that either an additional £12.8m of savings will be generated in 2012/13 compared to those in the Service Workforce and Financial Framework or that the Strategic Assistance provided by the Welsh Government is re-phased. The SWAFF plan submitted to Welsh Government proposes the latter.

3 2012/13 Revenue Resource Allocations

- 3.1 The Board received a report on the 2012/13 Health Board Revenue Allocations in the January 2012 meeting. Since this time there has been one update to allocations pending which has increased the expected income by £0.067m. The reconciliation between the Resource Allocation income reported in Annex 1 of the January Board report and the income reported in Annex 1 of this report is set out below:

	£(000)
Allocation Income reported to the Board in January 2012	656,494
Allocation Pending Pre Registration Pharmacists	67
Allocation Income as reported in Annex 1	656,561

- 3.2 It should also be noted that since the issue of the Allocation Letter the Health Board has been advised by Welsh Government that the capital charges depreciation allocation of £17.212m is no longer ring-fenced. The Health Board is awaiting confirmation of this allocation adjustment and the change has not been reflected in this paper.

4 Service and Financial plan 2012/13

- 4.1 A recurring Service & Financial Plan fully informed by the 2012/13 Allocation Letter is attached as Annex 2 to this report. The Health Board's accounting system has been updated to reflect this position subject to additional work being undertaken to review medical and nursing staff budgets using a zero-based budgeting approach.

4.2 The 2012/13 plan includes £20m of Strategic Financial Support as set out in the Allocation Letter plus £3m of recurring support (£23m in total). The £20m is part of £50m in strategic support confirmed by Welsh Government over the next three years, in order to assist the Health Board in tackling the structural deficit as set out below:

Strategic Support	
	£'m
2011/12	33
2012/13	20
2013/14	20
2014/15	10
	50

4.3 Assessments have been undertaken as part of the Service Workforce and Financial Framework process with Welsh Government of cost pressures, cost containment and the impact existing savings plans will have on the 2012/13 plan. This is set out in the table below. Based on the phasing of the strategic support included in allocations so far for 2012/13 this will leave a deficit balance of £12.8m. Discussions are ongoing with Welsh Government to re-phase how the approved level of strategic support is applied. This is important against the fact that the Health Board is still in a "listening phase" regarding the Clinical Services Strategy.

	£'m
Outturn 2011/12	33.0
2011/12 non recurring savings	6.0
2012/13 Gross Cost Pressures	20.5
21012/13 In year CIP and cost containment	-12.4
2012/13 In year potential savings	-11.3
	35.8
In year WG Strategic Assistance	-23.0
	12.8

4.4 Based on the above additional savings of £12.8m will be required in order to break even against the current Resource Limit from Welsh Government in 2012/13.

4.5 Details of the anticipated cost pressures of £20.8m that the Health Board is likely to face in 2012/13 are set out in Annex 3 to this report.

4.6 The savings plans focus on the following:

- **Improving Medical Rotas:** Eradication of premium medical agency payments arising because of failure to recruit to arduous and unattractive sub-optimal on-call rotas;
- **Best in Class Efficiency & Productivity:** Eradicating sub-optimal theatre and ward capacity, as routine elective work would be split from more complex work, reducing the incidence of patient infections as well as significantly improving patient throughput. In particular, helping us maintain and indeed improve upon RTT waiting times targets, which are currently often sustained at premium cost, using waiting list initiatives;
- **Reducing Harm, Waste & Variation:** Significantly improve access to Diagnostics and Expert Opinion, so that patients do not unnecessarily need to be admitted into hospital and can be discharged quickly and more efficiently;

- **Appropriate Setting** - Care Closer To Home: Significantly improve community and primary care so ensuring that patients are not unnecessarily admitted to acute hospital settings where they often become frailer and more dependent. In addition, our strategy ensures that Outpatient Follow-Up checks are undertaken by their GP in General Practice.
- 4.7 At the start of the new Health Board, the well-documented structural deficit legacy of £32m has been the most significant financial challenge to Hywel Dda, as year on year, despite substantial effort, this has essentially remained intact.
- 4.8 This is because, whilst 'Flat-cash' settlements have led to considerable annual cost improvement savings targets of 5% (as per the National Finance Agreement) just to stand still, it has not allowed the Board to make inroads into the structural deficit.
- 4.9 Nevertheless, good progress on driving efficiency and productivity gains has been made, and this is evidenced by a real-terms reduction in Welsh Government Strategic Assistance from £43m (for 2010/11) to £33m (anticipated for 2011/12). Indeed, since our inception, the Health Board has developed an evidenced-based approach ('Due Diligence') which demonstrates that we have achieved both cash-releasing and cost containment savings of nearly £49m (8%) in order to achieve the current 2011/12 out-turn.

5.	<i>Asesiad Risg</i> Assessment of Risk
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- 5.1 Risk will continue to be reviewed over the next month as our working assumption on the level of Strategic Assistance is agreed with Welsh Government.

6.	<i>Argymhellion/ Penderfyniad sydd ei angen</i> Recommendations/Resolution required
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Recommended Actions required by the Board
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It is recommended that the Board:

- Notes the amendment to the Resource Allocation income assumptions; and
- Approves the Service and Financial Plan for 2012/13, including the ongoing clarity around re-profiling WG Strategic Assistance.

<i>Swyddog Adrodd</i> Reporting Officer	Karen Miles, Director of Finance & Economic Reform.
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Welsh Government Resource Allocations 2012/13

	Discretionary £(000)	Ring Fenced £(000)	Directed £(000)	Community Pharmacy £(000)	General Medical Services £(000)	Dental £(000)	Total £(000)
2011/12 Allocation Letter	436,956	105,336	0	18,866	56,445	15,995	633,598
HCHS - Discretionary							
<u>Welsh Health Specialised Services Committee</u>							
Payment by Results Funding	260						260
Wheelchair - North West	13						13
Wheelchair - South West	137						137
AAA Screening	-75						-75
Air Ambulance	83						83
FH Testing	23						23
<u>Shared Services</u>							
Audit Services	-245						-245
Employment Services	-1,215						-1,215
Procurement Services	-1,179						-1,179
Welsh Health Supplies	-313						-313
Contractor Services	-1,128						-1,128
<u>Other</u>							
Lymphoedema	120						120
Cross Border Commissioning	-794						-794
Discharge Medicines Service	-505			505			0
HCHS - Ring Fenced							
Deprivation of Liberties Safeguards		24					24
Eating Order Community Service		163					163
Local Mental Health Grant Scheme		437					437
Financial Support		23,000					23,000
Recurring Orthopaedic		1,463					1,463
Screening Services		-3,958					-3,958
HCHS - Directed							
Depreciation PHLS and training			39				39
Community Pharmacy							
Volume Growth				943			943
Dental							
Design to Smile						42	42
2011/12 Uplift						91	91
General Medical Services							
GMS Uplift 2011/12					330		330
Total Issued Allocations - Allocation Letter Number 1 2012/13							
	432,138	126,465	39	20,314	56,775	16,128	651,859
Allocation Pending							
Additional WHSSC Funding	402						402
Llangennech Stores	78						78
NHS Redress Facilitators Post	56						56
NHS Redress Putting Things Right	136						136
HPV Vaccines	49						49
Blood Borne Viral Hepatitis Action Plan	153						153
Specialist CAMHS Planning Network	360						360
CAMHS Mental Health Workers	160						160
Substance Misuse Funding		1,747					1,747
Consultant Clinical Excellence Awards	180						180
One Wales School of Nursing Staff Costs	52						52
Palliative Care	399						399
Calman Registrars	22						22
Vaccination Allocation	330						330
Electronic Staff Record	-364						-364
Adult Community Forensic Service	102						102
							0
GMS							
Vaccination Allocation					71		71
Community Pharmacy							
Pre Registration Pharmacists				67			67
Dental							
Vocational Training						702	702
Total Allocations Pending							
	2,115	1,747	0	67	71	702	4,702
Total Assumed Allocation Income							
	434,253	128,212	39	20,381	56,846	16,830	656,561

2012/13 Interim Roll Forward Recurring Financial Plan

	Interim Financial Plan 2012/13 £(000)	Discretionary £(000)	Ring Fenced £(000)	Unavoidable £(000)	Projected 2011/12 Outturn based on Month 11 Monitoring Return £(000)
Miscellaneous Income					
Income from Welsh Risk Pool	0				-9,086
Dental Patient Charge Income	-2,257		-2,257		-2,603
Income from Other NHS Bodies	-22,428	-22,428			-24,074
Injury Cost Recovery Scheme	-995	-995			-1,409
Non NHS Patient Income	-147	-147			-202
Local Authorities	-2,828	-2,828			-3,370
Education, Training and Research	-7,254	-7,254			-7,918
Other Income from the Assembly	-6,229	-6,229			-7,526
Income from Shared Services	0	0			-478
Other	-7,483	-7,483			-7,588
Miscellaneous Income Sub Total	-49,621	-47,364	-2,257	0	-64,254
Primary Care Services					
General Medical Services	57,324	478	56,846		58,300
Pharmaceutical Services	19,261	19,261			19,020
General Dental Services	19,087		19,087		19,410
General Ophthalmic Services (NRL)	0				3,773
Other Primary Care Services	6,405	1,783	1,250	3,372	5,418
Prescribed Drugs and Appliances diff. Between Prescribing and dispensing (NRL)	58,326	58,326			66,531
	0				-2,894
Primary Care Services Sub Total	160,403	79,848	77,183	3,372	169,558
LHB Provided Services					
Pay					
Chair, Non Exec, Board & Senior Manager	3,099				3,476
Medical & Dental	62,902				73,526
Nursing & Health Visiting	109,863				127,459
Scientific, Therapeutic & Technical	39,715				43,087
Admin & Clerical	31,648				36,704
HcAs & Other Support Staff	16,369				18,243
Maintenance Staff	3,164				3,514
Ambulance, Non Trust staff, Other Employees & Payroll	189				328
Pay Sub Total	266,949	0	0	0	306,337
Non Pay					
Clinical Services & Supplies	41,188				49,588
General Supplies & Services	3,672				4,153
Establishment Expenses	8,889				10,260
Premises & Fixed Plant	11,801				13,545
Capital & Depreciation	12,984				390
External Contract Staffing & Consultancy	64				45,320
Miscellaneous Services	1,540				10,521
Non Pay Sub Total	80,138	0	0	0	133,777
LHB Provided Services Sub Total	347,087	257,487	89,600	0	440,114
Healthcare Services Provided by Other NHS Bodies					
Abertawe Bro Morgannwg University	23,923				25,444
Aneurin Bevan	227				229
Betsi Cadwaladr University	91				224
Cardiff & Vale University	5,573				5,106
Cwm Taf	195				206
Powys	168				212
Welsh Ambulance Service	1,952				2,500
Velindre	562				596
Public Health Wales	1,347				1,363
Robert Jones & Agnes Hunt	756				457
United Bristol Hospital Trust	103				41
North Bristol Trust	20				43
RNHRD - Bath	66				26
Royal Shrewsbury & Telford	85				98
Hereford	26				25
Gloucestershire	10				31
WHSSC	65,473				68,283
Other NHS Providers	2,230				622
Healthcare Services Provided by Other NHS Bodies Sub Total	102,807	36,408	14,601	51,798	105,506
Private & Voluntary Sector					
NHS Funded Nursing Care	3,859	3,859			3,893
Continuing Care	38,230	17,114	21,116		43,762
Voluntary Sector	741	419	322		878
Prison Services	0				0
Asylum Seekers	0				0
Other Services eg Private Providers	1,910	1,910			2,394
Private & Voluntary Sector Sub total	44,740	23,302	21,438	0	50,927
Joint Financing					
Community Equipment	490	490			550
Other	2,780	1,457	1,323		2,529
Joint Financing Sub Total	3,270	1,947	1,323	0	3,079
Other					
Community Health Councils					
Business Service Centre	117	117			399
Non Allocated contingency/savings target (Reserves)	47,758	47,758			
Other Sub Total	47,875	47,875	0	0	399
NET OPERATING COST	656,561	399,503	201,888	55,170	705,329
Less Non Resource Limited Expenditure	0				-879
Revenue Resource Limit (Allocations)	-656,561	-454,673	-201,888	0	-704,450
UNDER/(OVER) SPEND AGAINST REVENUE RESOURCE LIMIT	0	-55,170	0	55,170	0

Cost Pressures	2012/13 Gross £(000)
<u>National</u>	
Pay Awards	839
Increments	2,074
Medical staff contracts	1,087
Non-pay inflation	3,942
Continuing Health Care Growth	1,007
NICE	1,804
Prescribing growth	2,183
Specialist Services	3,306
Approved Developments	408
Funding Changes	576
Primary Care cost Pressures	1,520
Clinical Negligence	350
<u>Local</u>	
Invest to Save Repayments	325
Capital Charges / RCCS	1,064
Total Cost Pressures	20,485

CYFARFOD BWRDD IECHYD
HEALTH BOARD MEETING

Dyddiad y Cyfarfod: Date of Meeting:	24 th May 2012
Eitem ar yr Agenda: Agenda Item:	9
Pwnc: Subject:	Financial Position as at Year-end 2011/12 and as at 30th April 2012
Swyddog Adrodd: Reporting Officer:	Karen Miles, Director of Finance & Economic Reform

Pwrpas y Papur i'r Bwrdd Iechyd
Purpose of the Health Board Paper

This paper updates the Board on:

- The out-turn financial performance for 2011/12 Financial Year.
- The financial performance as at 30th April 2012;
- The action being taken to secure Full Year Effect Savings Plans as part of the longer-term Service, Workforce & Financial Framework.

Llywodraethu:
Governance:

Cyswllt ag Amcanion Strategol y BI: Link to HB Strategic Objectives:	This report demonstrates progress against our key service and financial challenges, which take us to the requirement for both efficiency and productivity savings as well as transformational service redesign over a number of years, whilst ensuring the highest level of financial governance in the current financial year.
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Penderfyniad y Bwrdd Iechyd:
Health Board Resolution:

I gymeradwyo To approve		I gefnogi To Support	X
Argymhelliad Recommendation	It is recommended that the Board notes: <ul style="list-style-type: none"> • The financial performance for 2011/12 and as at 30th April 2012; • The on-going work to mitigate financial risk by continued management action to secure Full Year Effect Savings Plans, as well as service and financial sustainability plans as part of the Service, Workforce & Financial Framework. 		

Prif oblygiadau ar y canlynol**Key Implications for the Following**

Ariannol Financial	Reports on the plans to deliver financial breakeven and the ongoing sustainability achievements.
Gwerth am Arian Value For Money	Value for money considerations are inherent in the report
Risg Risk	Risks, both service and financial to the achievement of ongoing financial stability are detailed in the report
Cyfreithiol Legal	As appropriate
Gweithlu Workforce	Discusses financial implications of variable pay elements and reports on total pay bill.

Asesiad Effaith Cydraddoldeb**Equality Impact Assessment**

Wedi'i gynnwys yn y Papur i'r Bwrdd Included in Health Board Paper		Dim yn berthnasol n/a	X
Sylwadau Comments			
Ymchwil/ Ar sail tystiolaeth Research/Evidence Base			
Cynnwys Cleifion a'r Cyhoedd Patient and Public Involvement			
Effaith ar ganlyniadau i'r Claf Impact on Patient Outcomes			
Ymgysylltu Clinigol Clinical Engagement			
Partïon/ Pwyllgorau â ymgynhorwyd ymlaen llaw i'r Bwrdd Parties/Committees consulted prior to Health Board	Audit Committee, Integrated Governance Committee and Sub-Committees and the Corporate Directors Group		
Rhestr Termau Glossary of Terms			

FINANCE PERFORMANCE REPORT FOR THE PERIOD ENDED 30th April 2012

INTRODUCTION

This report provides an update to the Board on Hywel Dda Health Board's financial performance for Yearend 2011/12 and the first month of the new financial year, 2012/13, as well as the projected year end position for 2012/13 against statutory targets and the further actions being taken to mitigate the residual risks. A summary of the performance against key financial targets is set out in the following table:

Page Ref				
Performance Against Key Financial Targets Current Month(Statutory Financial Duties)				
	In-Month	£1.522m deficit	Stay Within Revenue Resource Limit	5
	Year to Date - revenue	£1.522m deficit		5-9
	Outturn Forecast	£12.8m deficit		
	Key Risks		Increased savings delivery required, as £12.8m residual is not funded	N/A
	Year to date - capital	N/A month 1	Stay within Capital Resource Limit	
Performance Against Key Financial Targets Current Month(Other Financial Duties)				
	In-Month	N/A month 1	Pay 95% of non NHS invoices within 30 days	N/A
	Year to Date			
	Forecast Year end	Above 95%	Best Practice Period End Cash Balance	
<p>This indicates that the main area of challenge remains the achievement of the statutory financial break even duty against the Revenue Resource Limit. Whilst the planned yearend position remains break even, there are significant risks that need to be mitigated in order to achieve this.</p>				
Savings Schemes				
	Year to Date	£0.878m		10-11
	Year to Date Forecast	£0.890m		
	Full Year Forecast	£23.652m		
	Key Risks		Phasing and ability to deliver savings, especially in pay	
Statement of Financial Position (Formerly the Balance Sheet)				
	Year to Date Forecast	N/A month 1		N/A
	Full Year Forecast			
Cash				
	In Month Movement	N/A month 1	The Health Board's cash management plans aim to deliver the best practice period end balance of being within 1/300 th of the combined revenue and capital resource limits, which is currently c. £2.300m.	N/A

INCOME & EXPENDITURE FINANCIAL PERFORMANCE AS AT 31st MARCH 2012

Revenue Executive Summary

The summary table below confirms the achievement of Financial Breakeven, after £33m Strategic Assistance, in 2011/12, subject to audit of the Final Accounts;

Summary Financial Position for the period ended 31st March 2012	Year to Date Plan £m	Year to Date Actual £m	Variance £m
Income			
Revenue Resource Limit	700.755	700.755	0.000
Dental Patient Charge	2.349	2.677	0.328
Income from other NHS Bodies	22.765	24.287	1.522
Injury Cost Recovery Scheme	0.995	0.865	(0.130)
Non NHS Patient Income	0.147	0.202	0.055
Local Authorities	2.914	3.573	0.659
Education, Training & Research	7.576	8.039	0.463
Other Income from the WG	7.162	7.888	0.726
Income for Shared Services	0.554	0.448	(0.106)
Other	8.539	8.552	0.013
Non Resource Limited Income	0.715	0.715	0.000
Total Income	754.471	758.001	3.530
Expenditure			
LHB Provided Services - Pay	271.745	307.075	35.330
LHB Provided Services - Non Pay	119.611	131.966	12.355
Prescribed Drugs & Appliances	57.831	66.276	8.445
Other Primary Care Services	101.528	103.381	1.853
Healthcare Services Provided By Other NHS Bodies	103.125	105.908	2.783
Non Healthcare Services Provided By Other NHS Bodies	0.000	0.000	0.000
Private & Voluntary Sector	43.856	49.705	5.849
Joint Financing	3.270	3.021	(0.249)
Other	53.505	(9.423)	(62.928)
Total Expenditure	754.471	757.909	3.438
Total (Surplus) / Deficit	0.000	(0.092)	(0.092)

Other Financial Targets

In addition to Revenue break even the Health Board remained within its Capital Resource limit of £27.776m by £0.065m. Also the Public Sector payment target was achieved with 95.82% of bills paid within 30 days (target 95%).

FINANCIAL PERFORMANCE AS AT 30th APRIL 2012

Revenue Executive Summary

The following table sets out the summary financial position reported to WG for the period ended 30th April 2012 against the Revenue Resource Limit:

Summary Financial Position for the period ended 30 April 2012	Year to Date Plan £m	Year to Date Actual £m	Variance £m
Income			
Revenue Resource Limit	54.114	54.114	0.000
Dental Patient Charge	0.196	0.222	0.026
Income from other NHS Bodies	1.866	2.053	0.187
Injury Cost Recovery Scheme	0.083	0.114	0.031
Non NHS Patient Income	0.012	0.005	(0.007)
Local Authorities	0.232	0.336	0.104
Education, Training & Research	0.655	0.679	0.024
Other Income from the WG	0.549	0.602	0.053
Capital Donation / Government Grant Income	0.042	0.042	0.000
Income for Shared Services	0.000	0.000	0.000
Other	0.552	0.507	(0.045)
Non Resource Limited Income	0.000	0.000	0.000
Total Income	58.301	58.674	0.373
Expenditure			
LHB Provided Services - Pay	23.386	25.820	2.434
LHB Provided Services - Non Pay	5.844	6.310	0.466
Prescribed Drugs & Appliances	4.985	5.621	0.636
Other Primary Care Services	8.592	8.561	(0.031)
Healthcare Services Provided By Other NHS Bodies	8.608	8.930	0.322
Non Healthcare Services Provided By Other NHS Bodies	0.033	0.033	0.000
Private & Voluntary Sector	3.731	4.572	0.841
Joint Financing	0.273	0.240	(0.033)
Other	2.849	0.109	(2.740)
Total Expenditure	58.301	60.196	1.895
Total (Surplus) / Deficit	0.000	1.522	1.522

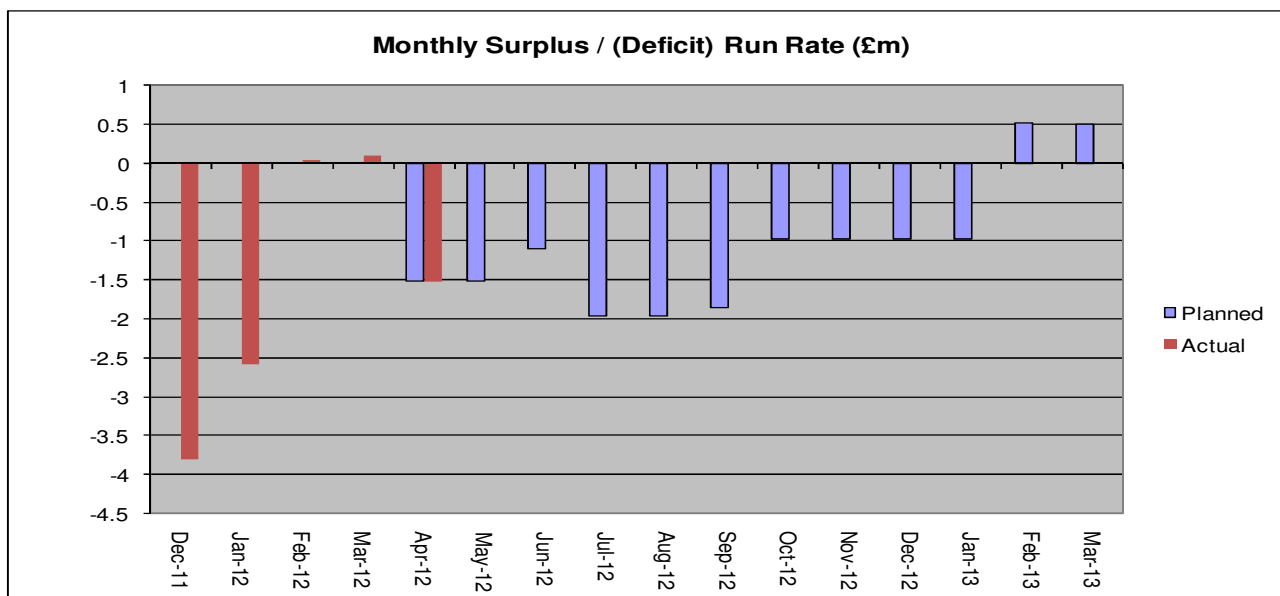
This shows that the financial performance for the first month of the year is a **deficit of £1.522m** against a break even requirement. The current months deficit is in line with the submitted Service, Workforce and Financial Framework 2012/13 (SWAFF) which identified a residual challenge to achievement of breakeven of **£12.8m** at year end.

The key financial management approach in the first half of the financial year will be to continue 2011/12's focus on managing expenditure within run rates, with the aim of reducing or avoiding expenditure.

The table below compares the current and previous month's actual expenditure. It should be noted however that whilst this is a useful analysis going forward the impact of the year end closure on both months makes comparisons difficult. As the year progresses, the comparison will become more meaningful.

The Integrated Governance Committee (and the Finance Sub-Committee) will pro-actively monitor the convergence of this, on behalf of the Board.

Statement of Comprehensive Net Expenditure In Month Position for April 2012	In Month Position			Last Month
	Budget £'000	Actual £'000	Variance £'000	Actual £'000
Income				
Revenue Resource Limit	54.114	54.114	0.000	63.715
Dental Patient Charge	0.196	0.222	0.026	0.291
Income from other NHS Bodies	1.866	2.053	0.187	2.188
Injury Cost Recovery Scheme	0.083	0.114	0.031	(0.426)
Non NHS Patient Income	0.012	0.005	(0.007)	0.017
Local Authorities	0.232	0.336	0.104	0.477
Education, Training & Research	0.655	0.679	0.024	0.769
Other Income from the WG	0.549	0.602	0.053	0.971
Capital Donation / Government Grant Income	0.042	0.042	0.000	0.000
Income for Shared Services	0.000	0.000	0.000	0.010
Other	0.552	0.507	(0.045)	2.294
Non Resource Limited Income	0.000	0.000	0.000	0.225
Total Income	58.301	58.674	0.373	70.531
Expenditure				
LHB Provided Services - Pay	23.386	25.820	2.434	26.084
LHB Provided Services - Non Pay	5.844	6.310	0.466	16.498
Prescribed Drugs & Appliances	4.985	5.621	0.636	5.213
Other Primary Care Services	8.592	8.561	(0.031)	10.202
Healthcare Services Provided By Other NHS Bodies	8.608	8.930	0.322	9.180
Non Healthcare Services Provided By Other NHS Bodies	0.033	0.033	0.000	0.000
Private & Voluntary Sector	3.731	4.572	0.841	3.121
Joint Financing	0.273	0.240	(0.033)	0.199
Other	2.849	0.109	(2.740)	(0.010)
Total Expenditure	58.301	60.196	1.895	70.487
Total (Surplus) / Deficit	0.000	1.522	1.522	(0.044)



As the chart shows the reduction of Strategic Assistance by £10m to £23m in 2012/13 has had an impact on the 2012/13 Service, Workforce & Financial Framework (SWAFF) and we are currently in discussion with Welsh Government on this.

The planned profile planned is as submitted in the 2012/13 SWAFF. Whilst this assumes savings will increase as the year progresses it does not achieve balance in year, hence the £12.8m residual challenge.

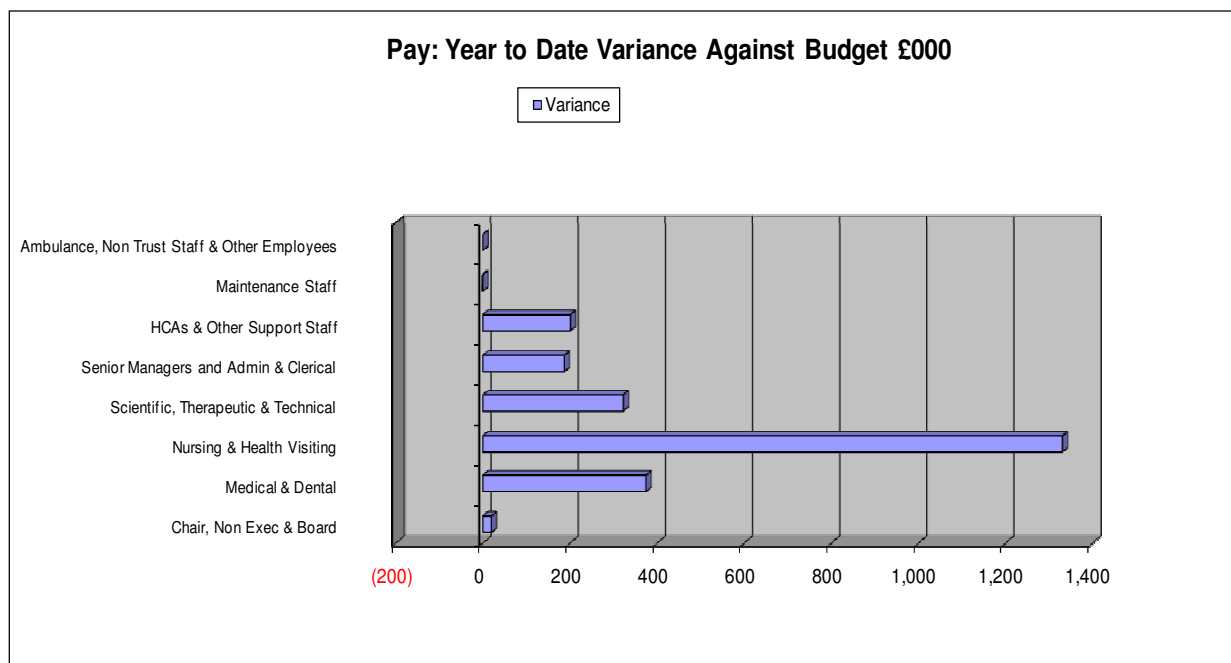
The run rates continue to be developed from a bottom up directorate based approach, undertaking a detailed ongoing financial forecast based upon key anticipated changes – brought about by savings delivery - in workforce, activity and planned expenditure reductions.

The update of the Income and Expenditure run rate forecast is now running in parallel to the standard financial month end process to ensure that all and any earlier intelligence around activity profiling and the resulting financial performance gets built into revisions of the yearend forecast as soon as it becomes available.

The declared yearend forecast financial position of the Health Board remains **£12.8m deficit**. Actions are being taken to identify further service, workforce and financial opportunities to reduce expenditure levels to ensure that breakeven is achieved. This will be overseen by the Integrated Governance Committee, on behalf of the Board.

PAY

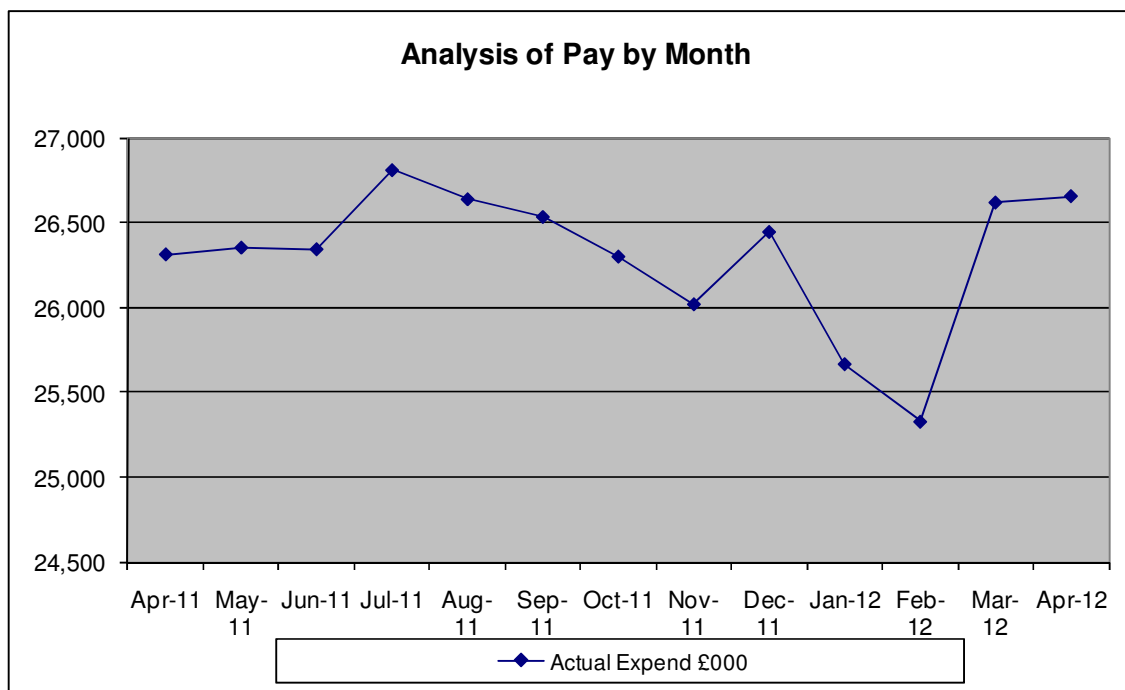
The table below identifies the pay expenditure position for April 2012:



There are SWAFF Working Groups, led by Executive Directors) concentrating on key workforce areas – Medical (Medical Director), Nursing (Nursing Director) and Senior Managers and Administration & Clerical staffing (Workforce & OD Director).

Pay Summary by Staff Group	Annual Plan £'000	YTD Plan £'000	YTD Actual £'000	YTD Locum / Agency £'000	Total Variance £'000
Chair, Non Exec & Board	3,074	267	287	0	20
Medical & Dental	67,738	5,647	5,722	300	375
Nursing & Health Visiting	113,830	9,518	10,727	122	1,331
Scientific, Therapeutic & Technical	41,367	3,297	3,618	1	322
Senior Managers and Admin & Clerical	33,924	2,999	3,184	2	187
HCA's & Other Support Staff	16,176	1,357	1,547	11	201
Maintenance Staff	3,432	286	284	0	(2)
Ambulance, Non Trust Staff & Other Employees	179	15	15	0	0
Total Pay Costs	279,720	23,386	25,384	436	2,434

The graph shows the actual pay expenditure incurred by the Health Board in April. This demonstrates the impact of the cost control measures – particularly around medical agency costs - in the 4th quarter of 2011/12, and for April, the impact of the unfunded pay award for staff below £21,000 and incremental drift (annual cost estimated at £4m) in April 2012. This is one of the unavoidable cost pressures which is contributing to our current run-rate, and to our yearend challenge of £12.8m deficit.



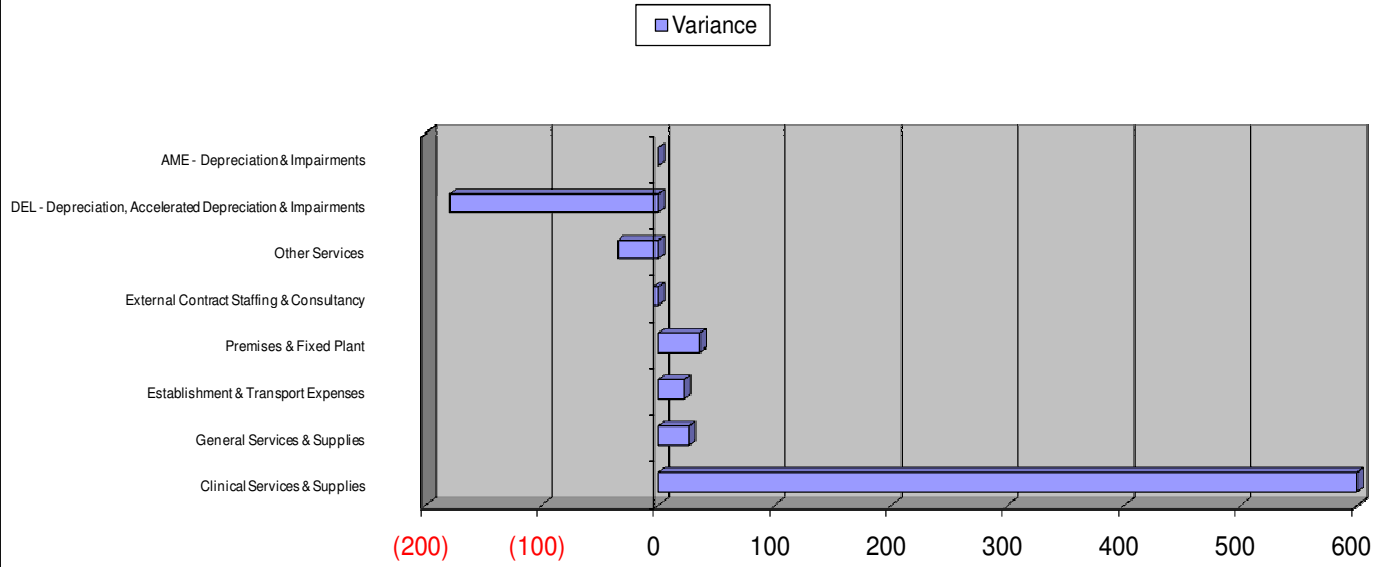
Our focus, therefore, is the on-going reduction of variable costs, control of Waiting Times (so that unplanned more expensive working) does not exacerbate this unfunded cost pressure.

NON PAY

Non Pay is shown graphically below. Expenditure is always somewhat reduced in month 1 as the yearend leaves the 'old year' payments processes open for much of April as NHS Wales exchanges payments and all activity pertaining to the former year is fully captured in that year. However, based upon current information, it can be seen that Clinical supplies and services remains the main cost driver.

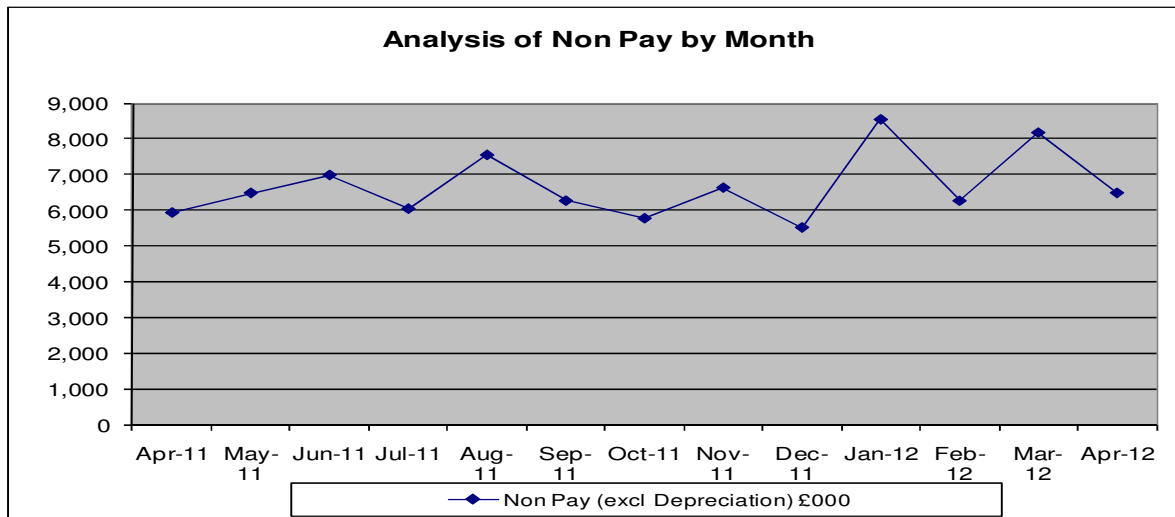
This includes such high-cost items theatre consumables, such as hip and knee implants, Secondary Care NICE and High Cost Drugs (many of which are unfunded) as well as the impact of emergency care pressures on this

Non Pay: Year to Date Variance Against Budget (£000)



Non Pay Summary by Category	Annual Plan £'000	YTD Plan £'000	YTD Actual £'000	Total Variance £'000
Clinical Services & Supplies	43,343	3,621	4,221	600
General Services & Supplies	4,026	335	361	26
Establishment & Transport Expenses	8,924	751	773	22
Premises & Fixed Plant	12,505	1,087	1,123	36
External Contract Staffing & Consultancy	372	35	31	(4)
Other Services	4,867	15	(20)	(35)
DEL - Depreciation, Accelerated Depreciation & Impairments	12,984	0	(179)	(179)
AME - Depreciation & Impairments	0	0	0	0
Total	87,021	5,844	6,310	466

The following analysis by month shows how volatile non-pay is – but it is definitely linked to increased surgical activity. We are developing a new Referral to Treatment Capacity Planning model to improve our understanding of this on non-pay expenditure, so that we can prospectively forecast expenditure with significantly increased certainty.



2012/13 SAVINGS SCHEMES PERFORMANCE

Savings Schemes	Annual Achievement		Current Year: 2012/13			
	2010/11 £'000	2011/12 £'000	Full Year Plan £'000	Year to Date Plan £'000	Year to Date Actual £'000	Year to Date Variance £'000
Accounting	14,242					0
CHC & DTOC	342					0
CHC (excl DTOC)		15,028	3,000	200	(149)	(349)
Chronic Conditions Management	1,425					0
Demand Management	5,225					0
Estates/Energy	341	140	500	33	0	(33)
Externally Commissioned Services		4,003	0	0	0	0
Improved Commissioning	1,937					0
Management Costs Reductions			642	43	0	(43)
Medicines Management (Primary & Secondary Care)	929	9,069	4,000	267	229	(38)
Mental Health	303					0
Procurement & Other Non Pay (excl Energy)		3,695	3,439	71	1,043	972
Procurement & Shared Services	1,806					0
Specialist Services	1,200	339		0	(170)	(170)
Workforce Modernisation		10,635	12,071	276	(75)	(351)
Total Cost Improvement Programme	27,750	42,909	23,652	890	878	(12)

April savings are in line with forecast position overall submitted to Welsh Government as part of the 2012/13 SWAFF. However, it must be appreciated that this is constructed in the absence of much actual New Year information, particularly in Primary Care Prescribing, Community Pharmacy, Secondary and Tertiary Care commissioned by Welsh Health Specialist Services (WHSSC) – services provided by other Health Boards. Within current performance, therefore, there are both positives signalling good performance and negatives signalling where improvements need to occur (shown in brackets) as outlined below:

- **Continuing Health Care** – whilst we have seen some growth in expenditure in month, overall spend is still significantly below 2009/10 baseline levels. Much of our saving plan this year is dependent on resolving the Ombudsman settlements; however, as these are worked through by Powys during the year, it is still too early in the year to demonstrate progress as it is dependent on the on-going settlement of claims;
- **Medicines Management** – in line with plan based on 2011/12 actual data only as this is the only data available at this time;
- **Specialist Tertiary Services** – whilst we did not anticipate making savings in this area spend is exceeding plans. WHSSC commissioning cost pressures remains one of the key risks for the Health board, and requires considerable work on an All-Wales basis to mitigate this position;
- **Workforce** – this continues to be the area that we are looking to make continuing in-roads into in 2012/13. For April, however, ITU pressures across all areas adversely impacted on agency spend in month;

- **Procurement / Non-pay** – underachievement many savings areas has been offset by over-achievement against target in non-pay. However, please note the comment on impact of increased activity in both emergency and planned surgery, which can have a huge impact on delivery of this.

All the above areas are subjects of SWAFF Working Groups in 2012/13 plus specific work-streams focusing on Waiting Times Activity Capacity Modelling, and, developing Community Services, that is, the 'Virtual Ward', now we have secured Invest-to-Save funding. We are also reviewing progress in Nursing Modernisation.

All of these schemes are planned to contribute to saving delivery in-year. As noted, overall April performance is on target to deliver to plan and the working groups will be looking to bring the areas that underachieved in-month back in line in accordance with their developing work plans.

Future Months

This is the first month of the new Board Finance Report reporting style. However, in line with the requirements of Welsh Government the reporting in April is somewhat abbreviated because of all the Yearend Accounting arrangements which keep the old year books open for much longer, as previously discussed.

In future months we will look to include Balance Sheet, Cash Performance, and Public Sector Payments Target monitoring and further detail in each of the sections outlined above.

We welcome any comments/ suggestions from Board members.

Karen Miles
Director of Finance and Economic Reform

**CYFARFOD BWRDD IECHYD
HEALTH BOARD MEETING**

Dyddiad y Cyfarfod: Date of Meeting:	24 th November 2011
Eitem ar yr Agenda: Agenda Item:	
Pwnc: Subject:	Financial Position as at 31st October 2011
Swyddog Adrodd: Reporting Officer:	Karen Miles, Director of Finance & Economic Reform

**Pwrpas y Papur i'r Bwrdd Iechyd
Purpose of the Health Board Paper**

This paper updates the Board on:

- The financial performance as at 31st October 2011;
- The action being taken to secure Full Year Effect Savings Plans as part of the longer-term Service, Workforce & Financial Framework.

Llywodraethu:
Governance:
**Cyswllt ag
Amcanion Strategol
y BI:
Link to HB
Strategic
Objectives:**

This report demonstrates progress against our key service and financial challenges, which take us to the requirement for both efficiency and productivity savings as well as transformational service redesign over a number of years, whilst ensuring the highest level of financial governance in the current financial year.

**Penderfyniad y Bwrdd Iechyd:
Health Board Resolution:**
**I gymeradwyo
To approve**
**I gefnogi
To Support**

X

**Argymhelliad
Recommendation**

It is recommended that the Board notes:

- The financial performance as at 31st October 2011;
- The on-going work to mitigate financial risk by continued management action to secure Full Year Effect Savings Plans, as well as service and financial sustainability plans as part of the Service, Workforce & Financial Framework.

Prif oblygiadau ar y canlynol Key Implications for the Following	
Ariannol Financial	Reports on the plans to deliver financial breakeven and the ongoing sustainability achievements.
Gwerth am Arian Value For Money	Value for money considerations are inherent in the report
Risg Risk	Risks, both service and financial to the achievement of ongoing financial stability are detailed in the report
Cyfreithiol Legal	As appropriate
Gweithlu Workforce	Discusses financial implications of variable pay elements and reports on total pay bill.

Asesiad Effaith Cydraddoldeb Equality Impact Assessment			
Wedi'i gynnwys yn y Papur i'r Bwrdd Included in Health Board Paper		Dim yn berthnasol n/a	X
Sylwadau Comments			
Ymchwil/ Ar sail tystiolaeth Research/Evidence Base			
Cynnwys Cleifion a'r Cyhoedd Patient and Public Involvement			
Effaith ar ganlyniadau i'r Claf Impact on Patient Outcomes			
Ymgysylltu Clinigol Clinical Engagement			
Partïon/ Pwyllgorau â ymgynhorwyd ymlaen llaw i'r Bwrdd Parties/Committees consulted prior to Health Board	Audit Committee, Integrated Governance Committee and Sub-Committees and the Senior Management Team		
Rhestr Termau Glossary of Terms			

Financial Performance Report as at 31st October 2011

1 *Pwrpas yr Adroddiad* Purpose of the Report

This report updates the Board on the financial performance for the year to the 31st October 2011. As part of this, the report also provides a high-level update to the Interim Financial Plan adopted by the Board in March 2011, against which we are monitoring 2011/12 delivery.

In order to discharge Board accountability between Board meetings, this has been tracked and scrutinised in detail by the Integrated Governance Committee (IGC) / IGC sub-committees, and the Audit Committee, on behalf of the Board.

2 *Crynodeb Gweithredol* Executive Summary

This report updates the Board on the financial position of Hywel Dda Health Board as at 31st October 2011, and forecasts the year end out-turn for 2011/12.

In 2011/12, the Interim Financial Plan originally approved by the Board outlined a **£39m** service and financial challenge. Total gross savings of £42.8m, comprising an in-year increase of £15m savings schemes step-up, and, significant cost pressure containment of £19m, is fully utilised to get the Board to this position, so the run-rate improvement from 2010/11 as well as the savings delivery for 2011/12 must all occur, in order to secure the out-turn.

Since agreement of the Interim Financial Plan the Health Board has revised the yearend forecast to **£37m deficit**.

In October, **£33m** of Strategic Assistance was formally confirmed by Welsh Government (WG) leaving a **residual challenge of £4m in-year**.

The financial position as at 31st October is **£4.162m deficit** and, in line with key management actions to reduce this, actions which are being agreed and enacted through Integrated Governance and Senior Management Team on behalf of the Board, our current financial plans result in **£4m deficit at year end**.

In line with WG request on the same, we are currently evaluating further plans to help bridge the residual deficit, but at this time, the Board is only able to formally report deliverability against plans which achieve the £37m deficit, with a further internal stretch target to £35m.

This stretch target looks to evaluate how much we can bear down on high cost medical variable pay, by pro-actively recruiting into medical vacancies, and removing expensive agency costs, whilst still achieving performance targets. The timing of successful recruitment becomes the key success factor, so currently therefore, the range of our residual challenge remains between £2m to £4m.

The Health Board is assuming Resource Allocation income of **£704.276m** in our financial planning assumptions; this comprises notified allocations of **£668.959m** and allocations pending of **£35.317** (see annex 1).

Financial Performance

The position as at the period end is **£4.162m** deficit and **£4m** deficit at year end.

With WG notification back in January 2011 of the intention to provide certainty to Hywel Dda on 3 - 4 year strategic assistance, the Health Board has issued 'expenditure control totals' to the organisation which reflect what out-turn needs to be achieved at operational level. These control totals are in line with the tapering strategic assistance received from WG.

In addition to the £33m WG assistance received for 2011/12, we have subsequently received formal confirmation from WG of **£50m** WG Strategic Assistance to bridge the residual gap in our finances over 2012/13, 2013/14 and 2014/15.

These are not new development monies, but instead are helpful 'bridging monies' which provide certainty in the level of WG strategic assistance, which in turn helps us to more meaningfully align our Service, Workforce & Financial Plans (SWAFF), as we have always ascertained that the achievement of breakeven would be over a greater period than the current annual funding allocation framework permitted.

These aligned SWAFF plans will come to a later Board, and will comprise both Efficiency & Productivity Plans as well as Clinical Redesign as part of our on-going Clinical Strategy.

To this end, returning to 2011/12 our current in-year performance is as follows:

Acute & Community Services

Provider services are £30.204m in deficit year to date, £50.917m forecast yearend. Although this is a reflection of setting budgets at long term affordability levels, in arriving at the **£4m** forecast deficit the Health Board is releasing **£63.279m** annual unallocated reserves pro-rata to offset against this position. The reserve comprises:

- **£33m non-recurring and tapering** WG Strategic Assistance, which has been enacted at County / Directorate level through Expenditure Control Totals, which gives a share of this, whilst keeping focus on the need to move service costs in line with County/Directorate budgets;
- **£15m** step-up savings for 2011/12, bringing our total Efficiency & Productivity savings requirement to £42.8m. The remaining challenge of £37m, therefore, will need to be achieved through service modernisation plans as part of the SWAFF over the next 2-3 years;
- **£7.416m** unallocated reserves, mainly non-recurring, and used for a 2011/12 in-year contribution to our position only, as next year our WG tapering assistance reduces from £33m to £25m, so this reserve will be eradicated;
- **£1.463m** Orthopaedic recurrent allocation and **£1.2m** non-recurring Orthopaedic Waiting List unconfirmed funding, as well as **£0.5m** Non Orthopaedic Performance Target funding
- **£4.7m** arising from further in-year savings and a balance sheet review.

Key movements in-month remains in Clinical Pay and Non pay. This continues to reflect the additional expenditure now being incurred for delivery of our key performance targets for Orthopaedics and other Elective Specialties waiting times work / Referral to Treatment Times (see annex 2).

Continuing Care & Primary Care Drugs Prescribing

Continuing Care growth, Community Pharmacy and Primary Care Drugs growth remain the other key expenditure drivers – both are also being managed within Savings Scheme Delivery, and represent high risks to holding the forecast.

Continuing Healthcare is £3.218m in deficit year to date, £5.645m forecast to year-end. There have been increases in annual package costs in-month with an overall net effect of £0.525m. New packages totalling £0.975m have been incurred, and adjustments to existing packages and changes in criteria have increased the annual forecast by £0.288m, all partly offset by deceased/discharged clients totalling £0.738m.

There is no movement in the Ombudsman / Retrospective Reviews and to date, no outcomes have been received therefore no changes to the current accruals/contingent liability figures can be made.

Community Pharmacy Contract £0.342m deficit year to date, £1.018m yearend deficit forecast. The Health Board has now received August 2011 information and the October outturn and projection is based on this. The forecast out-turn of £1.018m reflects the implementation of the Discharge Medications Enhanced Service from November 2011. It is estimated that the costs of this enhanced service will be £0.3m in the current year but if there were a complete uptake by all contractors the maximum exposure is £0.5m.

Primary Care Prescribed Drugs £5.843m deficit year to date, £9.800m yearend deficit forecast. The Health Board has now received prescribing information for August 2011 which shows an improvement of £0.400m in the projected year end outturn, and is what we are using to offset the increased costs in the Community Pharmacy contract.

4 Statement of Financial Position – Balance Sheet

The Health Board has achieved 95.97% against the overall 30 day payments target as at 31st October 2011, and cumulatively 96.3%.

We also held a cash book balance of £0.882m.

In terms of Aged Debts analysis, the Health Board is holding only 1 invoice over 13 weeks.

Our Statement of Financial Position as at 30th October 2011 is as follows:

Table L - Balance Sheet Control For Monthly Period		Opening Balance Beginning of Apr-2011	Closing Balance End of Oct 11
		£'000	£'000
	Non-Current Assets		
1	Property, plant and equipment	241,007	227,645
2	Intangible assets	160	326
3	Trade and other receivables	16,843	11,508
4	Other financial assets		
5	Other assets		
6	Non-Current Assets sub total	258,010	239,479
	Current Assets		
7	Inventories	6,170	4,955
8	Trade and other receivables	12,431	23,868
9	Other financial assets		
10	Other current assets		
11	Cash and cash equivalents	1,911	882
12	Non-current assets classified as held for sale	125	125
13	Current Assets sub total	20,637	29,830
14	TOTAL ASSETS	278,647	269,309
	Current Liabilities		
15	Trade and other payables	71,725	70,071
16	Other financial liabilities		
17	Provisions	8,225	12,556
18	Other liabilities		
19	Current Liabilities sub total	79,950	82,627
20	NET ASSETS LESS CURRENT LIABILITIES	198,697	186,682
	Non-Current Liabilities		
21	Trade and other payables		
22	Other financial liabilities		
23	Provisions	19,619	19,619
24	Other liabilities		
25	Non-Current Liabilities sub total	19,619	19,619
26	TOTAL ASSETS EMPLOYED	179,078	167,063
	FINANCED BY: Taxpayers' Equity		
27	General Fund	163,564	149,143
28	Revaluation Reserve	10,811	12,844
29	Donated Asset Reserve	4,703	5,076
30	Government Grant Reserve		
31	Total Taxpayers' Equity	179,078	167,063

5 Capital Resource Limit

The Health Board's Capital Resource Limit (CRL) for financial period ending 31st October 2011, based on the notified Discretionary Capital Allocation, and the All-Wales Capital Programme allocation as confirmed with Welsh Government, bringing the total CRL to **£26.117m**, as follows:

£000s 26,117
 Approved CRL issued at : 4/11/11

Ref:	Performance against CRL	Year To Date			Forecast		
		Plan £000	Actual £000	Variance £000	Plan £000	F'cast £000	Variance £000
	<i>Gross expenditure (accrued, to include capitalised finance leases)</i>						
	All Wales Capital Programme:						
	Schemes:						
1	ACDU WWGH	1,354	1,323	(31)	4,932	4,932	0
2	PICU	135	242	107	135	242	107
3	Bronglais Front of House (enabling)	0	0	0	90	90	0
4	Boiler House Upgrade	670	725	55	850	830	(20)
5	Breast Care PPH	8	13	5	8	13	5
6	Mortuary WWGH	6	0	(6)	71	71	0
7	Bronglais Front of House (main)	3,551	3,258	(293)	6,673	6,673	0
8	Cardigan Hospital	15	4	(11)	78	81	3
9	Short Stay Surgery PPH	4	5	1	0	6	6
10	Renal Unit WGH	425	468	43	500	500	0
11	Engineering Infrastructure	1,178	669	(509)	2,640	2,640	0
12	Critical Care Unit WWGH	5,032	3,717	(1,315)	5,442	5,442	0
13	Aberaeron Development	0	0	0	0	0	0
14	Cylch Caron Fees	1	3	2	0	3	3
42	Sub Total	12,379	10,428	(1,951)	21,419	21,523	104
	Discretionary:						
43	I.T.	180	164	(16)	375	375	0
44	Equipment	749	813	64	2,009	2,009	0
45	Statutory Compliance	22	30	8	535	535	0
46	Estates	0	0	0	17	17	0
47	Other	427	73	(354)	1,762	1,658	(104)
48	Sub Total	1,378	1,080	(298)	4,698	4,594	(104)
	Other Schemes:						
69	Sub Total	0	0	0	0	0	0
70	Total Expenditure	13,757	11,508	(2,249)	26,117	26,117	0
	Less:						
	Capital grants:						
76	Sub Total	0	0	0	0	0	0
	Donations:						
78	Sub Total	0	0	0	0	0	0
	Asset Disposals:						
85	Sub Total	0	0	0	0	0	0
86	Technical Adjustments			0			0
87	CHARGE AGAINST CRL	13,757	11,508	(2,249)	26,117	26,117	0
88	PERFORMANCE AGAINST CRL (Under)/Over		(14,609)			0	

6 Savings Schemes

The Health Board has endeavoured to link the savings plans as overtly as we can to budgetary performance, and budgets have been reduced by our £42.8m Full Year Effect savings plans to show how we are getting a grip, in terms of what longer-term breakeven needs to look like for each service area.

As at 31st October 2011, 89% of the Year to Date savings target is being achieved. The savings requirement has increased in-month due to the way the annual target has been profiled, which was 40%:60% for the first and last six months, respectively. October is therefore the first month where the higher level of target has applied.

Whilst not fully achieving target, October has seen the highest level of saving reported for the year to date with an increase of some £0.800m on the position reported last month.

Continued focused effort is being applied in order to ensure this position is maintained and increased over the coming months to achieve our planned year end delivery.

The actions taken to achieve savings are summarised below:

Saving Scheme	Key Mechanism / Management Action	Oct Plan	Oct Actual	Oct (Under)/ Over
		£'000	£'000	£'000
Continuing Health Care	<ul style="list-style-type: none"> • Repatriation of Low Secure Mental Health • Repatriation of Low Secure Learning Disabilities • Control of Frail Elderly General Nursing Home Placements by Chronic Condition & Long-term Care actions – growing the Virtual Ward • Section 33 Joint LA & LHB service provision for cost containment • 3rd Sector Co-design – all keeping the elderly, as independent as they can be, for longer 	5,400	7,212	1,812
Estates/ Energy	<ul style="list-style-type: none"> • Energy Conservation measures • Disposal of under-utilised Estate / Property 	350	56	(294)
Externally Commissioned Services	<ul style="list-style-type: none"> • Demand management of our major external contracts • Repatriation of Orthopaedics • Also significant demand management work around Individual Patient Commissioning • Pro-active recovery of Non-Commissioned Activity 	750	1,781	1,031
Medicines Management	<ul style="list-style-type: none"> • Joint Secondary & Primary Care Prescribing Management Scheme. • Standardising Formularies 	6,250	3,726	(2,524)
Procurement & other Non-pay	<ul style="list-style-type: none"> • All Wales Value for All actions • Orthopaedic Implant Standardisation • Stringent Non-pay Purchase Order Controls through very regulated scheme of delegation • Forensic Review of VAT recovery • Pro-active Credit Control – see Aged Debtors 	913	2,366	1,454

Shared Services	<ul style="list-style-type: none"> As per National Programme. E-Expenses project plan developed across Wales 			
Management Costs	<ul style="list-style-type: none"> Review of clinical management costs undertaken which has led to a auditable reduction in %s classified as management cost. Now need to undertake the same exercise with other posts in corporate functions 	250	0	(250)
Specialist Services	<ul style="list-style-type: none"> Pro-active local demand management through IPC and prior approval Cost containment as per national Specialist Services work 	750	339	(411)
Workforce Modernisation	<ul style="list-style-type: none"> Control of all Variable Pay – Agency, Locums & Overtime Forensic Review of Payroll for Pension Agency Recovery Pro-active Staff Sickness Monitoring E-Rostering Roll-out with Interface between ESR & E-rostering commenced in October.. Time & Attendance system successfully implemented in Glangwili hospital and Roll out to Prince Philip is underway. Recruitment which supports Community Services / Virtual Ward 	6,738	3,618	(3,120)
Total Savings October 2011		21,400	19,099	(2,301)
Percentage of Savings Delivery Year to Date			89%	

Conclusion

As a result of these savings measures, for October 2011 Hywel Dda Health Board is reporting a **year to date deficit of £4.162m** inclusive of £33m WG Strategic Assistance. The forecast yearend deficit is **£4m** in 2011/12.

7 Argymhellion/ Penderfyniad sydd ei angen Recommendations/Resolution required

Recommended Actions required by the Board

It is recommended that the Board notes:

- The financial performance to 31st October 2011 including WG Strategic Assistance;
- Notes the on-going work to mitigate financial risk by continued management action to reduce the underlying run rate and secure Full Year Effect Savings Plans, as well as service and financial sustainability plans as part of the 3-5 year Service, Workforce & Financial Framework.

Swyddog Adrodd Reporting Officer

Karen Miles, Director of Finance & Economic Reform.

Welsh Assembly Government Resource Allocations 2011/12

	Disc £(000)	RF £(000)	Drugs £(000)	CP £(000)	GMS £(000)	Dental £(000)	Total £(000)
Total Issued Allocations - Allocation Letter Number 1	436,956	105,336	0	18,866	56,445	15,995	633,598
Contractor Services Funding	2	-1,128					-1,128
Screening Services Transfer	3		-3,958				-3,958
Additional WHSSC Funding	4	812					812
Llangennech Stores	5	78					78
NHS Redress Facilitators Post	6	14					14
NHS Redress Putting Things Right	7	34					34
Designed to Smile	8	42					42
Lymphedema	9	120					120
Independent Mental Health Advocacy	10	40					40
HPV Vaccines	11	49					49
Blood Borne Viral Hepatitis Action Plan	12	153					153
AAA Screening Repatriation	13	-75					-75
NHS Redress Facilitators Post	14	14					14
Specialist CAMHS Planning Network	15	360					360
CAMHS Mental Health Workers	16	160					160
Substance Misuse Funding	17		1,747				1,747
Consultant Clinical Excellence Awards	18	45					45
Additional WHSSC Funding	19	91					91
Cross Border	20	-794					-794
Orthopaedic Services	21	1,463					1,463
Cash Limit Adjustment	22	0					0
Provider Depreciation Adjustment	23	39					39
One Wales School of Nursing Staff Costs	24	52					52
Palliative Care	25	399					399
Local Mental Health Grant	26	391					391
I2S	27	588					588
I2S	28	-267					-267
NHS Redress Post Q3	29	14					14
Eating Order Community Service	30	163					163
Consultant Clinical Excellence Awards	31	45					45
Putting Things Right - Q3 Funding	32	19					19
Calman Registrars	33	11					11
Additional Allocation to Support NHS Financial Position	34	33,000					33,000
Non Orthopaedic	35	500					500
GMS							
GMS Allocation	2				330		330
Dental							
Vocational Training	2					185	185
Marches Scheme	3					17	17
Dental uplift	4					91	91
Vocational Training	5					517	517
							0
Issued Allocations	36,432	-2,211	0	0	330	810	35,361
	473,388	103,125	0	18,866	56,775	16,805	668,959
Allocations Pending	2010/11 All Lett Ref						
HCHS Allocations							
Consultant Distinction Award	22	67					67
Immunisation	32	324					324
Consultant Excellence Award/Consultant Distinction Award	n/a	11					11
Specialist Registrars	n/a	0					0
Electronic Staff Record	n/a	-364					-364
Putting Things Right		83					83
Adult Community Forensic Service		102					102
AME		1,326					1,326
Impairment Funding		31,948					31,948
Donated Asset Impairment		552					552
Non Recurring Orthopaedic Waiting List		1,200					1,200
GMS							
Vaccinations					68		68
Total Allocations Pending	35,249	0	0	0	68	0	35,317
Total Assumed Allocation Income	508,637	103,125	0	18,866	56,843	16,805	704,276

Annex 2 (part 1)

SECTION A-REVENUE BREAKEVEN - ALL SERVICES		YEAR TO DATE			FORECAST YEAR END		
		Plan YTD	Actual YTD	Variance YTD	Annual Plan	Annual Forecast	Variance Forecast
		£'000	£'000	£'000	£'000	£'000	£'000
Miscellaneous Income							
1	Income from Welsh Risk Pool	7,315	7,315	0	7,315	7,315	0
2	Dental Patient Charge income	1,370	1,510	140	2,298	2,299	1
3	Income from other NHS bodies	13,034	13,839	805	22,224	23,605	1,381
4	Injury Cost Recovery Scheme	580	958	378	995	1,642	647
5	Non NHS patient income	86	129	43	147	221	74
6	Local Authorities	1,671	1,853	182	2,828	3,141	313
7	Education, training and research	4,334	4,712	378	7,230	7,879	649
8	Other income from the Assembly	3,725	4,016	291	6,212	6,711	499
9	Income for the Shared Services	323	270	(53)	554	463	(91)
10	Other	4,479	4,263	(216)	7,578	7,445	(133)
11	Miscellaneous Income sub total	36,917	38,865	1,948	57,381	60,721	3,340
Primary Care Services							
12	General Medical Services	33,502	33,502	0	57,432	57,432	0
13	Pharmaceutical Services	10,351	10,693	342	17,745	18,763	1,018
14	General Dental Services	11,175	11,175	0	19,104	19,104	0
15	General Ophthalmic Services (Non resource limited)	1,783	1,783	0	1,783	1,783	0
16	Other primary care services	3,814	3,830	16	5,766	5,766	0
17	Prescribed drugs and appliances	34,318	40,161	5,843	57,831	67,631	9,800
18	Difference between prescribing and dispensing (Non resource limited)	(1,402)	(1,402)	0	(1,402)	(1,402)	0
19	Primary Care Services sub total	93,541	99,742	6,201	158,259	169,077	10,818
LHB Provided Services							
20	Chair, Non Exec & Board - Pay	2,111	2,003	(108)	3,542	3,360	(182)
21	Medical & Dental - Pay	36,639	44,081	7,442	62,739	75,288	12,549
22	Nursing & Health Visiting - Pay	64,147	74,573	10,426	109,838	127,416	17,578
23	Scientific, Therapeutic & Technical - Pay	23,171	25,289	2,118	39,627	43,197	3,570
24	Senior Managers and Admin & Clerical - Pay	19,594	21,406	1,812	33,531	36,585	3,054
25	HCA's & Other Support staff - Pay	9,615	10,690	1,075	16,492	18,306	1,814
26	Maintenance staff - Pay	1,857	2,080	223	3,165	3,540	375
27	Ambulance, Non Trust staff and other employees - Pay	110	133	23	189	228	39
28	LHB Provided Services- Pay sub total	157,244	180,255	23,011	269,123	307,920	38,797
29	Clinical Services & Supplies - Non Pay	24,109	29,640	5,531	40,225	49,551	9,326
30	General Services & Supplies - Non Pay	2,403	2,547	144	3,863	4,107	244
31	Establishment & Transport Expenses - Non Pay	5,190	5,798	608	8,892	9,917	1,025
32	Premises and Fixed Plant - Non Pay	6,866	7,895	1,029	11,829	13,564	1,735
33	External Contract staffing & consultancy - Non Pay	340	449	109	382	566	184
34	Other services - Non Pay	5,926	6,048	122	9,184	9,391	207
35	Depreciation	27,700	27,350	(350)	46,688	46,087	(601)
36	LHB Provided Services- Non Pay sub total	72,534	79,727	7,193	121,063	133,183	12,120
37	LHB Provided Services sub total	229,778	259,982	30,204	390,186	441,103	50,917

Annex 2 (cont'd)

	Healthcare Services Provided By Other NHS Bodies						
38	Abertawe Bro Morgannwg University	11,768	12,474	706	20,174	21,383	1,209
39	Aneurin Bevan	132	133	1	227	228	1
40	Betsi Cadwaladr University	53	155	102	91	265	174
41	Cardiff & Vale University	3,286	3,248	(38)	5,634	5,569	(65)
42	Cwm Taf	114	133	19	195	228	33
43	Hywel Dda	0	0	0	0	0	0
44	Powys	98	114	16	168	196	28
45	A English Trust	622	459	(163)	1,066	786	(280)
46	B English Trust etc	0	0	0	0	0	0
47	Welsh Ambulance Service	1,139	1,454	315	1,952	2,493	541
48	Velindre	360	368	8	562	575	13
49	Public Health Wales	785	819	34	1,347	1,404	57
50	WHSSC	40,336	41,543	1,207	69,147	71,216	2,069
51	Other NHS providers	1,301	764	(537)	2,230	1,310	(920)
52	Healthcare Services Provided By Other NHS Bodies sub total	59,994	61,664	1,670	102,793	105,653	2,860
	Non Healthcare Services Provided By Other NHS Bodies						
53	Welsh NHS Organisations	0	0	0	0	0	0
54	Non Welsh Organisations	0	0	0	0	0	0
55	Non Healthcare Services Provided By Other NHS Bodies sub total	0	0	0	0	0	0
	Private & Voluntary Sector						
56	NHS Funded Nursing Care	2,251	2,168	(83)	3,859	3,822	(37)
57	Continuing Care	22,286	25,504	3,218	37,305	42,950	5,645
58	Voluntary Sector	444	491	47	761	842	81
59	Other Services e.g. Private Providers	1,129	1,380	251	1,935	2,365	430
60	Private & Voluntary Sector sub total	26,110	29,543	3,433	43,860	49,979	6,119
	Joint Financing						
61	Community Equipment	286	295	9	490	539	49
62	Other	1,622	1,531	(91)	2,780	2,625	(155)
63	Joint Financing sub total	1,908	1,826	(82)	3,270	3,164	(106)
	Other						
64	Community Health Councils	0	0	0	0	0	0
65	Shared Services - Contract Payment	227	233	6	389	400	11
66	Non allocated contingency	35,322		(35,322)	63,279		(63,279)
67	Unidentified Savings target	0		0	0		0
68	Other sub total	35,549	233	(35,316)	63,668	400	(63,268)
69	NET OPERATING COST	409,963	414,125	4,162	704,655	708,655	4,000
70	Less non resource limited expenditure	381	381	0	381	381	0
71	Revenue resource limit	409,582	409,582	0	704,274	704,274	0
72	UNDER / (OVER) SPEND AGAINST REVENUE RESOURCE LIMIT	0	(4,162)	(4,162)	0	(4,000)	(4,000)

Annex 21

Schedule of adjustments between unaudited and audited stage

	Unaudited Current year	Audited Current year	Difference	Comments	Unaudited Prior year	Audited Prior year	Difference
Operating Cost Statement 31.3.12							
Expenditure on Primary Healthcare Services	169,851	170,154	303		172,939	172,939	0
Expenditure on healthcare from other providers	159,785	159,094	-691		164,266	164,266	0
Expenditure on Hospital and Community Health Services	429,676	430,064	388		410,237	410,237	0
Sub-total	759,312	759,312	0		747,442	747,442	0
Less: Miscellaneous Income	58,020	58,020	0		56,231	56,231	0
LHB net operating costs before interest and other gains and losses	701,292	701,292	0		691,211	691,211	0
Investment Income	0	0	0		0	0	0
Other (Gains) / Losses	44	44	0		93	93	0
Finance costs	41	41	0		35	35	0
Net operating costs for the financial year	701,377	701,377	0		691,339	691,339	0
Achievement of Operational Financial Balance							
Net operating costs for the financial year	701,377	701,377	0		0	0	0
Operating costs less non-discretionary expenditure	715	715	0		0	0	0
less PFI consequences	0	0	0		0	0	0
Net operating costs less non-disc exp and revenue cons of PFI	700,662	700,662	0		0	0	0
Revenue Resource Limit	700,755	700,755	0		0	0	0
Under / (over) spend against Revenue Resource Limit	93	93	0		0	0	0
Other Comprehensive Net Expenditure							
Net gain / (loss) on revaluation of property, plant and equipment	6,378	6,378	0		85	85	0
Net gain / (loss) on revaluation of intangibles	0	0	0		0	0	0
Net gain / (loss) on revaluation of available for sale financial assets	0	0	0		0	0	0
(Gain) / loss on other reserves	0	0	0		0	0	0
Impairment and reversals	0	0	0		0	0	0
Transfers (to) / from other bodies within the Resource Accounting Boundary	0	0	0		-167	0	167
Other comprehensive net expenditure for the year	6,378	6,378	0		-82	85	167
Total comprehensive net expenditure for the year	694,999	694,999	0		691,090	691,254	164
Statement of Financial Position as at 31 March 2012							
Non-current assets							
Property, plant and equipment	233,725	233,725	0		241,007	241,007	0
Intangible assets	483	483	0		160	160	0
Trade and other receivables	2,955	21,832	18,877	Classification current / non current	16,843	16,843	0
Other financial assets	0	0	0		0	0	0
Other assets	0	0	0		0	0	0
Total non-current assets	237,163	256,040	18,877	Classification current / non current	258,010	258,010	0
Current assets							
Inventories	7,333	7,333	0		6,170	6,170	0
Trade and other receivables	29,524	10,647	-18,877	Classification current / non current	12,431	12,431	0
Other financial assets	0	0	0		0	0	0
Other current assets	0	0	0		0	0	0
Cash and cash equivalents	838	838	0		1,911	1,911	0
Sub-total	37,695	18,818	-18,877	Classification current / non current	20,512	20,512	0
Non-current assets classified as "Held for Sale"	0	0	0		125	125	0
Total current assets	37,695	18,818	-18,877	Classification current / non current	20,637	20,637	0
Total assets	274,858	274,858	0		278,647	278,647	0
Current liabilities							
Trade and other payables	64,392	64,636	244	Transfer from Other Provisions to Accruals	71,725	71,725	0
Other financial liabilities	0	0	0		0	0	0
Provisions	25,094	5,576	-19,518	Classification current / non current	8,225	8,225	0
Other liabilities	0	0	0		0	0	0
Total current liabilities	89,486	70,212	-19,274	Classification current / non current	79,950	79,950	0
Non-current assets plus/less net current assets/ liabilities	-51,791	-51,394	397		-59,313	-59,313	0
Non-current liabilities							
Trade and other payables	0	0	0		0	0	0
Other financial liabilities	0	0	0		0	0	0
Provisions	7,758	27,032	19,274	Classification current / non current	19,619	19,619	0
Other liabilities	0	0	0		0	0	0
Total non-current liabilities	7,758	27,032	19,274	Classification current / non current	19,619	19,619	0
Assets less liabilities	177,614	177,614	0		179,078	179,078	0
Financed by :							
Taxpayers' equity							
General Fund	160,444	160,444	0		168,267	168,267	0
Revaluation reserve	17,170	17,170	0		10,811	10,811	0
Total taxpayers' equity	177,614	177,614	0		179,078	179,078	0
Statement of Changes in Taxpayers' Equity							
Changes in taxpayers' equity for 2011-12 GF							
Balance at 31 March 2011					164,496	164,496	
Adjustment for accounting policy changes (donations and grants)					4,870	4,870	
Other					0	0	
Balance at 1 April 2011	168,267	168,267	0		169,366	169,366	0
Net operating cost for the year	-701,377	-701,377	0		-691,339	-691,339	0
Net gain/(loss) on revaluation of property, plant and equipment	0	0	0		0	0	0
Net gain/(loss) on revaluation of intangible assets	0	0	0		0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0		0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0		0	0	0
Impairments and reversals	0	0	0		0	0	0
Movements in other reserves	0	0	0		0	0	0
Transfers between reserves	19	19	0		101	101	0
Transfers to/(from) other bodies within the Resource Accounting boundary	0	0	0		0	0	0
Total recognised income and expense for 2011-12	-701,358	-701,358	0		-691,238	-691,238	0
Net Assembly funding	693,535	693,535	0		690,139	690,139	0
Balance at 31 March 2012	160,444	160,444	0		168,267	168,267	0
Statement of Changes in Taxpayers' Equity							
Changes in taxpayers' equity for 2011-12 RR							

Balance at 31 March 2011				10,827	10,827	
Adjustment for accounting policy changes (donations and grants)				0	0	
Other				0	0	
Balance at 1 April 2011	10,811	10,811	0	10,827	10,827	0
Net operating cost for the year	0	0	0	0	0	0
Net gain/(loss) on revaluation of property, plant and equipment	6,378	6,378	0	85	85	0
Net gain/(loss) on revaluation of intangible assets	0	0	0	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0	0	0	0
Impairments and reversals	0	0	0	0	0	0
Movements in other reserves	0	0	0	0	0	0
Transfers between reserves	-19	-19	0	-101	-101	0
Transfers to/(from) other bodies within the Resource Accounting boundary	0	0	0	0	0	0
Total recognised income and expense for 2011-12	6,359	6,359	0	-16	-16	0
Net Assembly funding	0	0	0	0	0	0
Balance at 31 March 2012	17,170	17,170	0	10,811	10,811	0
Statement of Changes in Taxpayers' Equity						
Changes in taxpayers' equity for 2011-12 DAR						
Balance at 31 March 2011				4,870	4,870	
Adjustment for accounting policy changes (donations and grants)				-4,870	-4,870	
Other				0	0	
Balance at 1 April 2011				0	0	
Net operating cost for the year				0	0	
Net gain/(loss) on revaluation of property, plant and equipment				0	0	
Net gain/(loss) on revaluation of intangible assets				0	0	
Net gain/(loss) on revaluation of financial assets				0	0	
Net gain/(loss) on revaluation of assets held for sale				0	0	
Impairments and reversals				0	0	
Movements in other reserves				0	0	
Transfers between reserves				0	0	
Transfers to/(from) other bodies within the Resource Accounting boundary				0	0	
Total recognised income and expense for 2011-12				0	0	
Net Assembly funding				0	0	
Balance at 31 March 2012				0	0	
Statement of Changes in Taxpayers' Equity						
Changes in taxpayers' equity for 2009-10 GGR						
Balance at 31 March 2010				0	0	
Adjustment for accounting policy changes (donations and grants)				0	0	
Other				0	0	
Balance at 1 April 2011				0	0	
Net operating cost for the year				0	0	
Net gain/(loss) on revaluation of property, plant and equipment				0	0	
Net gain/(loss) on revaluation of intangible assets				0	0	
Net gain/(loss) on revaluation of financial assets				0	0	
Net gain/(loss) on revaluation of assets held for sale				0	0	
Impairments and reversals				0	0	
Movements in other reserves				0	0	
Transfers between reserves				0	0	
Transfers to/(from) other bodies within the Resource Accounting boundary				0	0	
Total recognised income and expense for 2011-12				0	0	
Net Assembly funding				0	0	
Balance at 31 March 2012				0	0	
Statement of Changes in Taxpayers' Equity						
Changes in taxpayers' equity for 2011-12 Total						
Balance at 31 March 2011				180,193	180,193	
Adjustment for accounting policy changes (donations and grants)				0	0	
Other				0	0	
Balance at 1 April 2011	179,078	179,078	0	180,193	180,193	0
Net operating cost for the year	-701,377	-701,377	0	-691,339	-691,339	0
Net gain/(loss) on revaluation of property, plant and equipment	6,378	6,378	0	85	85	0
Net gain/(loss) on revaluation of intangible assets	0	0	0	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0	0	0	0
Impairments and reversals	0	0	0	0	0	0
Movements in other reserves	0	0	0	0	0	0
Transfers between reserves	0	0	0	0	0	0
Transfers to/(from) other bodies within the Resource Accounting boundary	0	0	0	0	0	0
Total recognised income and expense for 2011-12	-694,999	-694,999	0	-691,254	-691,254	0
Net Assembly funding	693,535	693,535	0	690,139	690,139	0
Balance at 31 March 2012	177,614	177,614	0	179,078	179,078	0
Statement of Cash flows for year ended 31 March 2012						
Cash Flows from operating activities						
Net operating cost before interest	-701,377	-701,377	0	-691,339	-691,339	0
Other cash flow adjustments	-8,299	-8,055	244	827	1,131	304
Movements in Working Capital	51,869	52,786	917	39,724	39,759	35
Provisions utilised	-5,644	-6,004	-360	-4,654	-4,654	0
Interest paid	0	0	0	0	0	0
Net cash outflow from operating activities	-663,451	-662,650	801	-655,442	-655,103	339
Cash Flows from investing activities						
Purchase of property, plant and equipment	-31,844	-31,844	0	-34,606	-34,606	0
Proceeds from disposal of property, plant and equipment	206	206	0	246	246	0
Purchase of intangible assets	-199	-199	0	0	0	0
Proceeds from disposal of intangible assets	0	0	0	0	0	0
Payment for other financial assets	0	0	0	0	0	0
Proceeds from disposal of other financial assets	0	0	0	0	0	0
Payment for other assets	0	0	0	0	0	0
Proceeds from disposal of other assets	0	0	0	0	0	0
Interest received	0	0	0	0	0	0

Rental Income	0	0	0	0	0	0
Net cash inflow/(outflow) from investing activities	-31,837	-31,837	0	-34,360	-34,360	0
Net cash inflow/(outflow) before financing	-695,288	-694,487	801	-689,802	-689,463	339
Cash flows from financing activities						
Welsh Government funding (including capital)	693,535	693,535	0	690,139	690,139	0
Capital receipts surrendered	0	0	0	0	0	0
Capital grants received	801	0	-801	339	0	-339
Capital element of payments in respect of finance leases and on-SoFP	-121	-121	0	-97	-97	0
Cash transferred (to)/ from other NHS bodies	0	0	0	0	0	0
Net financing	694,215	693,414	-801	690,381	690,042	-339
Net increase/(decrease) in cash and cash equivalents	-1,073	-1,073	0	579	579	0
Cash and cash equivalents at 1 April 2011	1,911	1,911	0	1,332	1,332	0
Cash and cash equivalents at 31 March 2012	838	838	0	1,911	1,911	0
2.2 Capital Resource Limit						
Gross capital expenditure	28,677	28,677	0	38,454	38,454	0
Add: Loss in respect of disposals of donated assets	0	0	0	0	0	0
Less NBV of property, plant and equipment and intangible assets	-165	-165	0	-319	-319	0
Less capital grants	0	0	0	0	0	0
Less donations	-801	-801	0	-339	-339	0
Charge against Capital Resource Limit	27,711	27,711	0	37,796	37,796	0
Capital Resource Limit	<u>27,776</u>	<u>27,776</u>	<u>0</u>	<u>37,895</u>	<u>37,895</u>	<u>0</u>
(Over) / Underspend against Capital Resource Limit	65	65	0	99	99	0
3.1 Expenditure on Primary Healthcare Services cash limited						
General Medical Services	58,383	58,383	0			0
Pharmaceutical Services	19,063	19,063	0			0
General Dental Services	19,889	19,487	-402			0
General Ophthalmic Services	0	0	0			0
Other Primary Health Care expenditure	5,674	5,876	202			0
Prescribed drugs and appliances	<u>66,127</u>	<u>66,630</u>	<u>503</u>			<u>0</u>
Total	169,136	169,439	303			0
cash limited						
General Medical Services	0	0	0			0
Pharmaceutical Services	-2,927	-2,927	0			0
General Dental Services	0	0	0			0
General Ophthalmic Services	3,642	3,642	0			0
Other Primary Health Care expenditure	0	0	0			0
Prescribed drugs and appliances	<u>0</u>	<u>0</u>	<u>0</u>			<u>0</u>
Total	715	715	0			0
Total						
General Medical Services	58,383	58,383	0	58,615	58,615	0
Pharmaceutical Services	16,136	16,136	0	15,585	15,585	0
General Dental Services	19,889	19,487	-402	19,139	19,139	0
General Ophthalmic Services	3,642	3,642	0	3,697	3,697	0
Other Primary Health Care expenditure	5,674	5,876	202	6,901	6,901	0
Prescribed drugs and appliances	<u>66,127</u>	<u>66,630</u>	<u>503</u>	<u>69,002</u>	<u>69,002</u>	<u>0</u>
Total	169,851	170,154	303	172,939	172,939	0
3.2 Expenditure on healthcare from other providers						
Goods and services from other NHS Wales Health Boards	31,573	30,882	-691	27,323	27,323	0
Goods and services from other NHS Wales Trusts	3,275	3,275	0	3,179	3,179	0
Goods and services from other non Welsh NHS bodies	1,587	1,587	0	1,918	1,918	0
Goods and services from WHSSC	68,195	68,195	0	70,650	70,650	0
Local Authorities	5,543	5,543	0	4,123	4,123	0
Voluntary organisations	1,248	1,248	0	777	777	0
NHS Funded Nursing Care	3,804	3,804	0	3,988	3,988	0
Continuing Care	40,656	40,656	0	45,493	45,493	0
Private providers	2,447	2,447	0	2,677	2,677	0
Specific projects funded by the Welsh Assembly Government	0	0	0	0	0	0
Public Health Wales	1,313	1,313	0	1,370	1,370	0
Business Services Centre / Business Services Partnership	0	0	0	1,193	1,193	0
Other	<u>144</u>	<u>144</u>	<u>0</u>	<u>1,575</u>	<u>1,575</u>	<u>0</u>
Total	159,785	159,094	-691	164,266	164,266	0
3.3 Expenditure on Hospital and Community Health Services						
Directors' costs	1,903	1,903	0	1,644	1,644	0
Staff costs	305,387	304,557	-830	301,138	301,138	0
Supplies and services - clinical	48,588	50,178	1,590	49,052	49,052	0
Supplies and services - general	4,845	4,661	-184	4,401	4,401	0
Consultancy Services	240	240	0	318	318	0
Establishment	9,852	9,664	-188	9,115	9,115	0
Transport	1,016	1,016	0	1,020	1,020	0
Premises	13,804	13,804	0	13,744	13,744	0
External Contractors	397	397	0	229	229	0
Depreciation	13,569	13,569	0	12,871	12,871	0
Amortisation	84	84	0	62	62	0
Fixed asset impairments and reversals (Property, plant & equipment)	28,301	28,301	0	13,965	13,965	0
Fixed asset impairments and reversals (Intangible assets)	0	0	0	0	0	0
Impairments & reversals of financial assets (by class)	0	0	0	0	0	0
Impairments & reversals of non-current assets held for sale	20	20	0	0	0	0
Audit fees	499	499	0	462	462	0
Other auditors' remuneration	0	0	0	0	0	0
Losses, special payments and irrecoverable debts	459	459	0	942	942	0
Research and Development	0	0	0	0	0	0
Other operating expenses	<u>712</u>	<u>712</u>	<u>0</u>	<u>1,274</u>	<u>1,274</u>	<u>0</u>
Total	429,676	430,064	388	410,237	410,237	0
3.4 Losses, special payments and irrecoverable debts: charges to operating expenses						
Increase/(decrease) in provision for future payments:						
Clinical negligence	10,107	10,107	0	10,004	10,004	0

Personal injury	45	45	0	781	781	0
All other losses and special payments	180	180	0	126	126	0
Defence legal fees and other administrative costs	285	285	0	948	948	0
Gross increase/(decrease) in provision for future payments	10,617	10,617	0	11,859	11,859	0
Premium for other insurance arrangements	0	0	0	0	0	0
Irrecoverable debts	-379	-379	0	-360	-360	0
Less: income received/ due from Welsh Risk Pool	-9,779	-9,779	0	-10,557	-10,557	0
Total	459	459	0	942	942	0
4. Miscellaneous Income						
Local Health Boards	18,627	18,627	0	18,803	18,803	0
WHSOC / Health Commission Wales	884	884	0	816	816	0
NHS trusts	3,647	3,647	0	2,416	2,416	0
Strategic health authorities and primary care trusts	3,599	3,599	0	2,885	2,885	0
Foundation Trusts	0	0	0	0	0	0
Local authorities	3,662	3,662	0	3,999	3,999	0
Welsh Assembly Government	8,168	8,168	0	6,651	6,651	0
Non NHS:						
Prescription charge income	16	16	0	13	13	0
Dental fee income	2,677	2,677	0	2,541	2,541	0
Private patient income	203	203	0	160	160	0
Overseas patients (non-reciprocal)	22	22	0	0	0	0
Injury Costs Recovery (ICR) Scheme	864	864	0	1,546	1,546	0
Other income from activities	1,834	1,834	0	2,624	2,624	0
Patient transport services	0	0	0	0	0	0
Education, training and research	7,974	7,974	0	7,821	7,821	0
Charitable and other contributions to expenditure	1,498	1,498	0	1,465	1,465	0
Receipt of donated assets	801	801	0	339	339	0
Receipt of Government granted assets	0	0	0	0	0	0
Non-patient care income generation schemes	385	385	0	375	375	0
Business Services Centre / Business Services Partnership	0	0	0	0	0	0
Deferred income released to revenue	0	0	0	0	0	0
Contingent rental income from finance leases	0	0	0	0	0	0
Rental income from operating leases	0	0	0	0	0	0
Other income:	0	0	0	0	0	0
Provision of laundry, pathology, payroll services	86	86	0	199	199	0
Accommodation and catering charges	1,481	1,481	0	1,533	1,533	0
Mortuary fees	136	136	0	169	169	0
Staff payments for use of cars	227	227	0	280	280	0
Business unit (please state)	0	0	0	0	0	0
Other	1,229	1,229	0	1,596	1,596	0
Total	58,020	58,020	0	56,231	56,231	0
5. Employee benefits and staff numbers						
5.1 Employee costs						
Permanent Staff						
Salaries and wages	258,568	257,738	-830			0
Social security costs	18,360	18,360	0			0
Employer contributions to NHS Pension Scheme	29,515	29,515	0			0
Other pension costs	0	0	0			0
Other employment benefits	0	0	0			0
Termination benefits	0	0	0			0
Total	306,443	305,613	-830			0
Staff on inward secondment						
Salaries and wages	2,934	2,934	0			0
Social security costs	0	0	0			0
Employer contributions to NHS Pension Scheme	0	0	0			0
Other pension costs	0	0	0			0
Other employment benefits	0	0	0			0
Termination benefits	0	0	0			0
Total	2,934	2,934	0			0
Agency Staff						
Salaries and wages	5,963	5,963	0			0
Social security costs	0	0	0			0
Employer contributions to NHS Pension Scheme	0	0	0			0
Other pension costs	0	0	0			0
Other employment benefits	0	0	0			0
Termination benefits	0	0	0			0
Total	5,963	5,963	0			0
TOTAL						
Salaries and wages	267,465	266,635	-830	262,292	262,292	0
Social security costs	18,360	18,360	0	18,790	18,790	0
Employer contributions to NHS Pension Scheme	29,515	29,515	0	29,252	29,252	0
Other pension costs	0	0	0	0	0	0
Other employment benefits	0	0	0	0	0	0
Termination benefits	0	0	0	0	0	0
Total	315,340	314,510	-830	310,334	310,334	0
5.2 Average number of employees						
Permanent Staff						
Medical and dental	694	694	0			0
Ambulance staff	0	0	0			0
Administrative and estates	1,424	1,424	0			0
Healthcare assistants and other support staff	777	777	0			0
Nursing, midwifery and health visiting staff	3,790	3,790	0			0
Nursing, midwifery and health visiting learners	0	0	0			0
Scientific, therapeutic and therapeutic staff	796	796	0			0
Social care staff	0	0	0			0
Other	3	3	0			0
Total	7,484	7,484	0			0
Staff on inward secondment						

Medical and dental	16	16	0			0
Ambulance staff	0	0	0			0
Administrative and estates	19	19	0			0
Healthcare assistants and other support staff	0	0	0			0
Nursing, midwifery and health visiting staff	1	1	0			0
Nursing, midwifery and health visiting learners	0	0	0			0
Scientific, therapeutic and therapeutic staff	1	1	0			0
Social care staff	0	0	0			0
Other	0	0	0			0
Total	37	37	0			0
Agency Staff						
Medical and dental	42	42	0			0
Ambulance staff	0	0	0			0
Administrative and estates	1	1	0			0
Healthcare assistants and other support staff	4	4	0			0
Nursing, midwifery and health visiting staff	14	14	0			0
Nursing, midwifery and health visiting learners	0	0	0			0
Scientific, therapeutic and therapeutic staff	2	2	0			0
Social care staff	0	0	0			0
Other	0	0	0			0
Total	63	63	0			0
TOTAL						
Medical and dental	752	752	0	693	693	0
Ambulance staff	0	0	0	0	0	0
Administrative and estates	1,444	1,444	0	1,490	1,490	0
Healthcare assistants and other support staff	781	781	0	825	825	0
Nursing, midwifery and health visiting staff	3,805	3,805	0	3,553	3,553	0
Nursing, midwifery and health visiting learners	0	0	0	0	0	0
Scientific, therapeutic and therapeutic staff	799	799	0	1,081	1,081	0
Social care staff	0	0	0	0	0	0
Other	3	3	0	5	5	0
Total	7,584	7,584	0	7,647	7,647	0
Charged to capital	211	211	0	222	222	0
Charged to revenue	315,129	314,299	-830	310,112	310,112	0
5.3. Retirements due to ill-health						
Number						
Cost £000						
5.4 Employee benefits						
Yes/No						
5.5 Reporting of other compensation schemes - exit packages						
Total number of packages by cost band number						
Exit package cost band						
<£10,000	0	0	0	2	2	0
£10,000 to £25,000	2	2	0	6	6	0
£25,000 to £50,000	3	3	0	4	4	0
£50,000 to £100,000	1	1	0	2	2	0
£100,000 to £150,000	0	0	0	0	0	0
£150,000 to £200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
Total number of exit packages by type	6	6	0	14	14	0
Total resource cost £	206,065	206,065	0	439,179	439,179	0
6. Operating leases						
LHB as lessee						
Payments recognised as an expense						
Minimum lease payments	2,216	2,216	0	1,937	1,937	0
Contingent rents	0	0	0	0	0	0
Sub-lease payments	0	0	0	0	0	0
Total	2,216	2,216	0	1,937	1,937	0
Payable:						
Not later than one year	1,101	1,101	0	907	907	0
Between one and five years	714	714	0	614	614	0
After 5 years	0	0	0	0	0	0
Total	1,815	1,815	0	1,521	1,521	0
Total future sublease payments expected to be received are £						
LHB as lessor						
Rental revenue						
Rent	0	0	0	0	0	0
Contingent rents	0	0	0	0	0	0
Total revenue rental	0	0	0	0	0	0
Receivable:						
Not later than one year	0	0	0	0	0	0
Between one and five years	0	0	0	0	0	0
After 5 years	0	0	0	0	0	0
Total	0	0	0	0	0	0
7. Public Sector Payment Policy - Measure of Compliance						
7.1 Prompt payment code - measure of compliance						
Number						
NHS						
Total bills paid 2011-12	3,889	3,889	0	3,685	3,685	0
Total bills paid within target	3,601	3,601	0	3,370	3,370	0
Percentage of bills paid within target	1	1	0	1	1	0
Non-NHS						
Total bills paid 2011-12	297,698	297,698	0	148,291	148,291	0
Total bills paid within target	285,247	285,247	0	140,971	140,971	0
Percentage of bills paid within target	1	1	0	1	1	0
Total						
Total bills paid 2011-12	301,587	301,587	0	151,976	151,976	0
Total bills paid within target	288,848	288,848	0	144,341	144,341	0

Percentage of bills paid within target	1	1	0	1	1	0
£000						
NHS						
Total bills paid 2011-12	155,415	155,415	0	86,325	86,325	0
Total bills paid within target	145,476	145,476	0	85,094	85,094	0
Percentage of bills paid within target	1	1	0	1	1	0
Non-NHS						
Total bills paid 2011-12	285,088	285,088	0	341,620	341,620	0
Total bills paid within target	273,198	273,198	0	335,706	335,706	0
Percentage of bills paid within target	1	1	0	1	1	0
Total						
Total bills paid 2011-12	440,503	440,503	0	427,945	427,945	0
Total bills paid within target	418,674	418,674	0	420,800	420,800	0
Percentage of bills paid within target	1	1	0	1	1	0
7.2 The Late Payment of Commercial Debts (Interest) Act 1998						
included						
within	0	0	0	0	0	0
on paid to						
cover debt	0	0	0	0	0	0
Total	0	0	0	0	0	0
8. Investment Income						
Rental revenue :						
Finance lease contingent rental revenue	0	0	0	0	0	0
Operating lease contingent rental revenue	0	0	0	0	0	0
Other finance lease revenue	0	0	0	0	0	0
Interest revenue :						
Bank accounts	0	0	0	0	0	0
Other loans and receivables	0	0	0	0	0	0
Impaired financial assets	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	0
Total	0	0	0	0	0	0
9. Other gains and losses						
Gain/(loss) on disposal of property, plant and equipment	-44	-44	0	-93	-93	0
Gain/(loss) on disposal of intangible assets	0	0	0	0	0	0
Gain/(loss) on disposal of financial assets	0	0	0	0	0	0
Change on foreign exchange	0	0	0	0	0	0
Change in fair value of financial assets at fair value through profit and loss	0	0	0	0	0	0
Change in fair value of financial liabilities at fair value through profit and loss	0	0	0	0	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0	0	0	0	0
Total	-44	-44	0	-93	-93	0
10. Finance costs						
Interest on loans	0	0	0	0	0	0
Interest on obligations under finance leases	2	2	0	7	7	0
Interest on obligations under PFI contracts						
main finance cost	0	0	0	0	0	0
contingent finance cost	0	0	0	0	0	0
Interest on late payment of commercial debt	0	0	0	0	0	0
Provisions unwinding of discount	39	39	0	28	28	0
Other interest expense	0	0	0	0	0	0
Total interest expense	41	41	0	35	35	0
Other finance costs	0	0	0	0	0	0
Total	41	41	0	35	35	0
11. Property, plant and equipment						
11.1 Property, plant and equipment						
Land						
Cost or valuation at 1 April 2011	23,782	23,782	0	23,869	23,869	0
Indexation	0	0	0	0	0	0
Additions - purchased	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	-70	-70	0
Disposals	0	0	0	-17	-17	0
At 31 March 2012	23,782	23,782	0	23,782	23,782	0
Depreciation at 1 April 2011	0	0	0	0	0	0
Indexation	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0
At 31 March 2012	0	0	0	0	0	0
Net book value at 1 April 2011	23,782	23,782	0	23,869	23,869	0
Net book value at 31 March 2012	23,782	23,782	0	23,782	23,782	0
Net book value at 31 March 2012 comprises:						
Purchased	23,502	23,502	0	23,502	23,502	0
Donated	280	280	0	280	280	0
Government Granted	0	0	0	0	0	0
Asset financing :						
Owned	23,782	23,782	0	23,782	23,782	0
Held on finance lease	0	0	0	0	0	0
On-balance sheet PFI contracts	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0

Total	23,782	23,782	0	23,782	23,782	0
Buildings exc dwellings						
Cost or valuation at 1 April 2011	164,677	164,677	0	152,025	152,025	0
Indexation	6,544	6,544	0	0	0	0
Additions - purchased	4,876	4,876	0	8,024	8,024	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	28,962	28,962	0	18,866	18,866	0
Revaluations	0	0	0	0	0	0
Impairments	-29,716	-29,716	0	-14,161	-14,161	0
Reclassified as held for sale	0	0	0	-77	-77	0
Disposals	-794	-794	0	0	0	0
At 31 March 2012	174,549	174,549	0	164,677	164,677	0
Depreciation at 1 April 2011	12,353	12,353	0	6,394	6,394	0
Indexation	463	463	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	45	45	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairments	-1,608	-1,608	0	-174	-197	-23
Reclassified as held for sale	0	0	0	-23	-22	1
Disposals	-794	-794	0	-22	0	22
Provided during the year	6,534	6,534	0	6,178	6,178	0
At 31 March 2012	16,993	16,993	0	12,353	12,353	0
Net book value at 1 April 2011	152,324	152,324	0	145,631	145,631	0
Net book value at 31 March 2012	157,556	157,556	0	152,324	152,324	0
Net book value at 31 March 2012 comprises:						
Purchased	154,198	154,198	0	154,198	154,198	0
Donated	3,358	3,358	0	3,358	3,358	0
Government Granted	0	0	0	0	0	0
Asset financing :						
Owned	157,556	157,556	0	152,324	152,324	0
Held on finance lease	0	0	0	0	0	0
On-balance sheet PFI contracts	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0
Total	157,556	157,556	0	152,324	152,324	0
Dwellings						
Cost or valuation at 1 April 2011	8,088	8,088	0	8,088	8,088	0
Indexation	323	323	0	0	0	0
Additions - purchased	0	0	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairments	-177	-177	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
At 31 March 2012	8,234	8,234	0	8,088	8,088	0
Depreciation at 1 April 2011	645	645	0	313	313	0
Indexation	26	26	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairments	-7	-7	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Provided during the year	342	342	0	332	332	0
At 31 March 2012	1,006	1,006	0	645	645	0
Net book value at 1 April 2011	7,443	7,443	0	7,775	7,775	0
Net book value at 31 March 2012	7,228	7,228	0	7,443	7,443	0
Net book value at 31 March 2012 comprises:						
Purchased	7,228	7,228	0	7,228	7,228	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Asset financing :						
Owned	7,228	7,228	0	7,443	7,443	0
Held on finance lease	0	0	0	0	0	0
On-balance sheet PFI contracts	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0
Total	7,228	7,228	0	7,443	7,443	0
AUC & POA						
Cost or valuation at 1 April 2011	35,304	35,304	0	31,515	31,515	0
Indexation	0	0	0	0	0	0
Additions - purchased	17,496	17,496	0	23,902	23,902	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	-35,091	-35,091	0	-20,113	-20,113	0
Revaluations	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
At 31 March 2012	17,709	17,709	0	35,304	35,304	0
Depreciation at 1 April 2011	0	0	0	0	0	0
Indexation	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0

Revaluations	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0
At 31 March 2012	0	0	0	0	0	0
Net book value at 1 April 2011	35,304	35,304	0	31,515	31,515	0
Net book value at 31 March 2012	17,709	17,709	0	35,304	35,304	0
Net book value at 31 March 2012 comprises:						
Purchased	17,709	17,709	0	35,304	35,304	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Asset financing :						
Owned	17,709	17,709	0	35,304	35,304	0
Held on finance lease	0	0	0	0	0	0
On-balance sheet PFI contracts	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0
Total	17,709	17,709	0	35,304	35,304	0
Plant & machinery						
Cost or valuation at 1 April 2011	58,534	58,534	0	55,946	55,946	0
Indexation	0	0	0	0	0	0
Additions - purchased	3,197	3,197	0	3,861	3,861	0
Additions - donated	770	770	0	339	339	0
Additions - government granted	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	5,785	5,785	0	858	858	0
Revaluations	0	0	0	-2,047	-2,047	0
Impairments	-45	-45	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	-6,505	-6,505	0	-423	-423	0
At 31 March 2012	61,736	61,736	0	58,534	58,534	0
Depreciation at 1 April 2011	42,465	42,465	0	40,150	40,150	0
Indexation	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	-53	-53	0	0	0	0
Revaluations	0	0	0	-2,133	-2,133	0
Impairments	-25	-25	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	-6,445	-6,445	0	-274	-274	0
Provided during the year	4,911	4,911	0	4,722	4,722	0
At 31 March 2012	40,853	40,853	0	42,465	42,465	0
Net book value at 1 April 2011	16,069	16,069	0	15,796	15,796	0
Net book value at 31 March 2012	20,883	20,883	0	16,069	16,069	0
Net book value at 31 March 2012 comprises:						
Purchased	19,512	19,512	0	15,075	15,075	0
Donated	1,371	1,371	0	994	994	0
Government Granted	0	0	0	0	0	0
Asset financing :						
Owned	20,883	20,883	0	16,013	16,013	0
Held on finance lease	0	0	0	56	56	0
On-balance sheet PFI contracts	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0
Total	20,883	20,883	0	16,069	16,069	0
Transport equipment						
Cost or valuation at 1 April 2011	718	718	0	718	718	0
Indexation	0	0	0	0	0	0
Additions - purchased	5	5	0	0	0	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	-131	-131	0	0	0	0
At 31 March 2012	592	592	0	718	718	0
Depreciation at 1 April 2011	691	691	0	679	679	0
Indexation	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	-131	-131	0	0	0	0
Provided during the year	11	11	0	12	12	0
At 31 March 2012	571	571	0	691	691	0
Net book value at 1 April 2011	27	27	0	39	39	0
Net book value at 31 March 2012	21	21	0	27	27	0
Net book value at 31 March 2012 comprises:						
Purchased	14	14	0	15	15	0
Donated	7	7	0	12	12	0
Government Granted	0	0	0	0	0	0
Asset financing :						
Owned	21	21	0	27	27	0
Held on finance lease	0	0	0	0	0	0
On-balance sheet PFI contracts	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0
Total	21	21	0	27	27	0

Information technology

Cost or valuation at 1 April 2011	15,347	15,347	0	13,685	13,685	0
Indexation	0	0	0	0	0	0
Additions - purchased	1,684	1,684	0	1,551	1,551	0
Additions - donated	9	9	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	-2	-2	0	206	206	0
Revaluations	0	0	0	0	0	0
Impairments	-5	-5	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	-63	-63	0	-95	-95	0
At 31 March 2012	16,970	16,970	0	15,347	15,347	0
Depreciation at 1 April 2011	10,806	10,806	0	9,433	9,433	0
Indexation	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	-7	-7	0	-7	0	0
Revaluations	0	0	0	0	0	0
Impairments	-2	-2	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	-63	-63	0	-72	-72	0
Provided during the year	1,526	1,526	0	1,445	1,445	0
At 31 March 2012	12,260	12,260	0	10,806	10,806	0
Net book value at 1 April 2011	4,541	4,541	0	4,252	4,252	0
Net book value at 31 March 2012	4,710	4,710	0	4,541	4,541	0
Net book value at 31 March 2012 comprises:						
Purchased	4,697	4,697	0	4,529	4,529	0
Donated	13	13	0	12	12	0
Government Granted	0	0	0	0	0	0
Asset financing :						
Owned	4,710	4,710	0	4,541	4,541	0
Held on finance lease	0	0	0	0	0	0
On-balance sheet PFI contracts	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0
Total	4,710	4,710	0	4,541	4,541	0
Furniture & Fittings						
Cost or valuation at 1 April 2011	2,903	2,903	0	1,957	1,957	0
Indexation	0	0	0	0	0	0
Additions - purchased	441	441	0	777	777	0
Additions - donated	0	0	0	0	0	0
Additions - government granted	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	131	131	0	169	169	0
Revaluations	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
At 31 March 2012	3,475	3,475	0	2,903	2,903	0
Depreciation at 1 April 2011	1,386	1,386	0	1,204	1,204	0
Indexation	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	8	8	0	0	0	0
Revaluations	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Provided during the year	245	245	0	182	182	0
At 31 March 2012	1,639	1,639	0	1,386	1,386	0
Net book value at 1 April 2011	1,517	1,517	0	753	753	0
Net book value at 31 March 2012	1,836	1,836	0	1,517	1,517	0
Net book value at 31 March 2012 comprises:						
Purchased	1,836	1,836	0	1,517	1,517	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Asset financing :						
Owned	1,836	1,836	0	1,517	1,517	0
Held on finance lease	0	0	0	0	0	0
On-balance sheet PFI contracts	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0
Total	1,836	1,836	0	1,517	1,517	0
TOTAL						
Cost or valuation at 1 April 2011	309,353	309,353	0	287,803	287,803	0
Indexation	6,867	6,867	0	0	0	0
Additions - purchased	27,699	27,699	0	38,115	38,115	0
Additions - donated	779	779	0	339	339	0
Additions - government granted	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	-215	-215	0	-14	-14	0
Revaluations	0	0	0	-2,047	-2,047	0
Impairments	-29,943	-29,943	0	-14,161	-14,161	0
Reclassified as held for sale	0	0	0	-147	-147	0
Disposals	-7,493	-7,493	0	-535	-535	0
At 31 March 2012	307,047	307,047	0	309,353	309,353	0
Depreciation at 1 April 2011	68,346	68,346	0	58,173	58,173	0
Indexation	489	489	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0
Reclassifications	-7	-7	0	0	0	0
Revaluations	0	0	0	-2,133	-2,133	0

Impairments	-1,642	-1,642	0	-174	-197	-23
Reclassified as held for sale	0	0	0	-23	-22	1
Disposals	-7,433	-7,433	0	-368	-346	22
Provided during the year	13,569	13,569	0	12,871	12,871	0
At 31 March 2012	73,322	73,322	0	68,346	68,346	0
Net book value at 1 April 2011	241,007	241,007	0	229,630	229,630	0
Net book value at 31 March 2012	233,725	233,725	0	241,007	241,007	0
Net book value at 31 March 2012 comprises:						
Purchased	228,696	228,696	0	236,364	236,364	0
Donated	5,029	5,029	0	4,643	4,643	0
Government Granted	0	0	0	0	0	0
Asset financing :						
Owned	233,725	233,725	0	240,951	240,951	0
Held on finance lease	0	0	0	56	56	0
On-balance sheet PFI contracts	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0
Total	233,725	233,725	0	241,007	241,007	0
The net book value of land, buildings and dwellings at 31 March 2012 comprises :						
Freehold	187,040	187,040	0	182,332	182,332	0
Long Leasehold	1,526	1,526	0	1,217	1,217	0
Short Leasehold	0	0	0	0	0	0
Total	188,566	188,566	0	183,549	183,549	0
11.2 Non-current assets held for sale						
Land						
Balance brought forward	70	70	0	70	70	0
Plus assets classified as held for sale in the year	0	0	0	70	70	0
Less assets sold in the year	-70	-70	0	-70	-70	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets	0	0	0	0	0	0
Balance carried forward	0	0	0	70	70	0
Buildings						
inc						
dwellings						
Balance brought forward	55	55	0	165	165	0
Plus assets classified as held for sale in the year	0	0	0	55	55	0
Less assets sold in the year	-35	-35	0	-165	-165	0
Less impairment of assets held for sale	-20	-20	0	0	0	0
Less assets	0	0	0	0	0	0
Balance carried forward	0	0	0	55	55	0
Other plant						
property &						
equipment						
Balance brought forward	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets	0	0	0	0	0	0
Balance carried forward	0	0	0	0	0	0
Intangible						
assets						
Balance brought forward	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets	0	0	0	0	0	0
Balance carried forward	0	0	0	0	0	0
Other						
assets						
Balance brought forward	0	0	0	0	0	0
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Less assets sold in the year	0	0	0	0	0	0
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets	0	0	0	0	0	0
Balance carried forward	0	0	0	0	0	0
TOTAL						
Balance brought forward	125	125	0	235	235	0
Plus assets classified as held for sale in the year	0	0	0	125	125	0
Less assets sold in the year	-105	-105	0	-235	-235	0
Less impairment of assets held for sale	-20	-20	0	0	0	0
Less assets	0	0	0	0	0	0
Balance carried forward	0	0	0	125	125	0
12. Intangible non-current assets						
Software (purchased)						
Cost or valuation at 1 April 2011	339	339	0	325	325	0
Revaluation	0	0	0	0	0	0
Reclassifications	215	215	0	14	14	0
Impairments	0	0	0	0	0	0
Additions- purchased	177	177	0	0	0	0
Additions- internally generated	0	0	0	0	0	0
Additions- donated	22	22	0	0	0	0
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Gross cost at 31 March 2012	753	753	0	339	339	0
Amortisation at 1 April 2011	181	181	0	121	121	0
Revaluation	0	0	0	0	0	0
Reclassifications	7	7	0	0	0	0

Impairment Charge	0	0	0	0	0	0
Provided during the year	82	82	0	60	60	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Amortisation at 31 March 2012	<u>270</u>	<u>270</u>	0	<u>181</u>	<u>181</u>	0
Net book value at 1 April 2011	<u>158</u>	<u>158</u>	0	<u>204</u>	<u>204</u>	0
Net book value at 31 March 2012	<u>483</u>	<u>483</u>	0	<u>158</u>	<u>158</u>	0
At 31 March 2012						
Purchased	457	457	0	149	149	0
Donated	26	26	0	9	9	0
Government Granted	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0
Total at 31 March 2012	<u>483</u>	<u>483</u>	0	<u>158</u>	<u>158</u>	0
Software internally generated						
Cost or valuation at 1 April 2011	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Gross cost at 31 March 2012	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
Amortisation at 1 April 2011	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Amortisation at 31 March 2012	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
Net book value at 1 April 2011	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
Net book value at 31 March 2012	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
At 31 March 2012						
Purchased	0	0	0	0	0	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0
Total at 31 March 2012	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
Licences & Trademarks						
Cost or valuation at 1 April 2011	11	11	0	11	11	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Gross cost at 31 March 2012	<u>11</u>	<u>11</u>	0	<u>11</u>	<u>11</u>	0
Amortisation at 1 April 2011	9	9	0	7	7	0
Revaluation	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0
Provided during the year	2	2	0	2	2	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Amortisation at 31 March 2012	<u>11</u>	<u>11</u>	0	<u>9</u>	<u>9</u>	0
Net book value at 1 April 2011	<u>2</u>	<u>2</u>	0	<u>4</u>	<u>4</u>	0
Net book value at 31 March 2012	<u>0</u>	<u>0</u>	0	<u>2</u>	<u>2</u>	0
At 31 March 2012						
Purchased	0	0	0	2	2	0
Donated	0	0	0	0	0	0
Government Granted	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0
Total at 31 March 2012	<u>0</u>	<u>0</u>	0	<u>2</u>	<u>2</u>	0
Patents						
Cost or valuation at 1 April 2011	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Gross cost at 31 March 2012	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
Amortisation at 1 April 2011	0	0	0	0	0	0
Revaluation	0	0	0	0	0	0
Impairment Charge	0	0	0	0	0	0
Impairment Reversal	0	0	0	0	0	0
Provided during the year	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0

Amortisation at 31 March 2012	0	0	0	0	0
Net book value at 1 April 2011	0	0	0	0	0
Net book value at 31 March 2012	0	0	0	0	0
At 31 March 2012					
Purchased	0	0	0	0	0
Donated	0	0	0	0	0
Government Granted	0	0	0	0	0
Internally generated	0	0	0	0	0
Total at 31 March 2012	0	0	0	0	0
Development Internally Generated					
Cost or valuation at 1 April 2011	0	0	0	0	0
Revaluation	0	0	0	0	0
Reclassifications	0	0	0	0	0
Impairments	0	0	0	0	0
Additions- purchased	0	0	0	0	0
Additions- internally generated	0	0	0	0	0
Additions- donated	0	0	0	0	0
Additions- government granted	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0
Disposals	0	0	0	0	0
Gross cost at 31 March 2012	0	0	0	0	0
Amortisation at 1 April 2011	0	0	0	0	0
Revaluation	0	0	0	0	0
Reclassifications	0	0	0	0	0
Impairment Charge	0	0	0	0	0
Provided during the year	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0
Disposals	0	0	0	0	0
Amortisation at 31 March 2012	0	0	0	0	0
Net book value at 1 April 2011	0	0	0	0	0
Net book value at 31 March 2012	0	0	0	0	0
At 31 March 2012					
Purchased	0	0	0	0	0
Donated	0	0	0	0	0
Government Granted	0	0	0	0	0
Internally generated	0	0	0	0	0
Total at 31 March 2012	0	0	0	0	0
TOTAL					
Cost or valuation at 1 April 2011	350	350	0	336	336
Revaluation	0	0	0	0	0
Reclassifications	215	215	0	14	14
Impairments	0	0	0	0	0
Additions- purchased	177	177	0	0	0
Additions- internally generated	0	0	0	0	0
Additions- donated	22	22	0	0	0
Additions- government granted	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0
Disposals	0	0	0	0	0
Gross cost at 31 March 2012	764	764	0	350	350
Amortisation at 1 April 2011	190	190	0	128	128
Revaluation	0	0	0	0	0
Reclassifications	7	7	0	0	0
Impairment	0	0	0	0	0
Provided during the year	84	84	0	62	62
Reclassified as held for sale	0	0	0	0	0
Disposals	0	0	0	0	0
Amortisation at 31 March 2012	281	281	0	190	190
Net book value at 1 April 2011	160	160	0	208	208
Net book value at 31 March 2012	483	483	0	160	160
At 31 March 2012					
Purchased	457	457	0	151	151
Donated	26	26	0	9	9
Government Granted	0	0	0	0	0
Internally generated	0	0	0	0	0
Total at 31 March 2012	483	483	0	160	160
13 . Impairments					
Property plant & equipment					
Impairments arising from :					
Loss or damage from normal operations	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0
Changes in market price	0	0	0	0	0
Others (specify)	28,321	28,321	0	13,965	13,965
Total	28,321	28,321	0	13,965	13,965
Impairments charged in the year to the revaluation reserve					
Charged to revaluation reserve					
Intangible assets					
Impairments arising from :					
Loss or damage from normal operations	0	0	0	0	0
Loss as a result of catastrophe	0	0	0	0	0
Abandonment in the course of construction	0	0	0	0	0
Unforeseen obsolescence	0	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0	0
Changes in market price	0	0	0	0	0
Others (specify)	0	0	0	0	0
Total	0	0	0	0	0

Impairments charged in the year to the revaluation reserve

Charged to revaluation reserve

14. Inventories

Drugs	2,519	2,519	0	2,428	2,428	0
Consumables	4,578	4,578	0	3,544	3,544	0
Energy	236	236	0	198	198	0
Work in progress	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	7,333	7,333	0	6,170	6,170	0
Of which held at realisable value	0	0	0	0	0	0

14.2 Inventories recognised in expenses

Inventories recognised as an expense in the period	0	0	0	144	144	0
Write-down of inventories (including losses)	110	110	0	60	60	0
Reversal of write-downs that reduced the expense	0	0	0	0	0	0
Total	110	110	0	204	204	0

15. Trade and other Receivables**Current**

Welsh Assembly Government	877	877	0	860	860	0
WHSSC	99	99	0	179	179	0
Welsh Health Boards	1,071	1,071	0	1,685	1,685	0
Welsh NHS Trusts	556	556	0	144	144	0
Non - Welsh Trusts	355	355	0	368	368	0
Other NHS	0	0	0	11	11	0
Welsh Risk Pool	20,093	1,216	-18,877	1,452	1,452	0
Local Authorities	1,133	1,133	0	1,571	1,571	0
Capital debtors	0	0	0	85	85	0
Other debtors	4,294	4,294	0	5,454	5,454	0
Provision for irrecoverable debts	-539	-539	0	-732	-732	0
Pension Prepayments	0	0	0	0	0	0
Other prepayments and accrued income	1,585	1,585	0	1,354	1,354	0
Sub total	29,524	10,647	-18,877	12,431	12,431	0

Non-current

Welsh Assembly Government	0	0	0	0	0	0
WHSSC	0	0	0	0	0	0
Welsh Health Boards	0	0	0	0	0	0
Welsh NHS Trusts	0	0	0	0	0	0
Non - Welsh Trusts	0	0	0	0	0	0
Other NHS	0	0	0	0	0	0
Welsh Risk Pool	2,919	21,796	18,877	16,811	16,811	0
Local Authorities	0	0	0	0	0	0
Capital debtors	0	0	0	0	0	0
Other debtors	36	36	0	32	32	0
Provision for irrecoverable debts	0	0	0	0	0	0
Pension Prepayments	0	0	0	0	0	0
Other prepayments and accrued income	0	0	0	0	0	0
Sub total	2,955	21,832	18,877	16,843	16,843	0
Total	32,479	32,479	0	29,274	29,274	0

Receivables past their due date but not impaired

By up to three months	283	283	0	255	255	0
By three to six months	12	12	0	533	533	0
By more than six months	30	30	0	0	0	0
Total	325	325	0	788	788	0

Provision for impairment of receivables

Balance at 1 April	-732	-732	0	-1,892	-1,892	0
Amount written off during the year	16	16	0	6	6	0
Amount recovered during the year	0	0	0	0	0	0
(Increase) / decrease in receivables impaired	177	177	0	1,154	1,154	0
Balance at 31 March	-539	-539	0	-732	-732	0

16. Trade and other payables**Current**

Welsh Assembly Government	0	0	0	144	144	0
WHSSC	1,130	1,130	0	102	102	0
Welsh Health Boards	3,336	3,336	0	2,496	2,496	0
Welsh NHS Trusts	319	319	0	369	369	0
Other NHS	5,653	5,653	0	4,471	4,471	0
Income tax and social security	3,988	3,988	0	1,066	1,066	0
Non-NHS creditors	5,888	5,738	-150	6,596	6,596	0
Local Authorities	158	308	150	1,162	1,162	0
Capital Creditors	1,208	4,021	2,813	2,738	7,472	4,734
Overdraft	0	0	0	0	0	0
Rentals due under operating leases	0	0	0	0	0	0
Obligations under finance leases, HP contracts and PFI contracts	0	0	0	121	121	0
Pensions: staff	0	0	0	0	0	0
Accruals	34,954	32,680	-2,274	43,471	38,737	-4,734
Deferred income	116	116	0	7	7	0
Other creditors	7,642	7,347	-295	8,982	8,982	0
Total	64,392	64,636	244	71,725	71,725	0

Non-current

Welsh Assembly Government	0	0	0	0	0	0
WHSSC	0	0	0	0	0	0
Welsh Health Boards	0	0	0	0	0	0
Welsh NHS Trusts	0	0	0	0	0	0
Other NHS	0	0	0	0	0	0
Income tax and social security	0	0	0	0	0	0
Non-NHS creditors	0	0	0	0	0	0
Local Authorities	0	0	0	0	0	0
Capital Creditors	0	0	0	0	0	0
Overdraft	0	0	0	0	0	0

Rentals due under operating leases	0	0	0	0	0	0
Obligations under finance leases, HP contracts and PFI contracts	0	0	0	0	0	0
Pensions: staff	0	0	0	0	0	0
Accruals	0	0	0	0	0	0
Deferred Income	0	0	0	0	0	0
Other creditors	0	0	0	0	0	0
Total	0	0	0	0	0	0
17. Provisions						
At 1 April						
Current						
Clinical negligence	767	767	0	8,745	8,745	0
Personal injury	320	320	0	552	552	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	163	163	0	415	415	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	143	143	0	227	227	0
Restructuring	0	0	0	0	0	0
Other	6,832	6,832	0	6,576	6,576	0
Total	8,225	8,225	0	16,515	16,515	0
Non Current						
Clinical negligence	15,860	15,860	0	475	475	0
Personal injury	2,324	2,324	0	2,228	2,228	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	1,435	1,435	0	512	512	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	19,619	19,619	0	3,215	3,215	0
TOTAL						
Clinical negligence	16,627	16,627	0	9,220	9,220	0
Personal injury	2,644	2,644	0	2,780	2,780	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	1,598	1,598	0	927	927	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	143	143	0	227	227	0
Restructuring	0	0	0	0	0	0
Other	6,832	6,832	0	6,576	6,576	0
Total	27,844	27,844	0	19,730	19,730	0
Structured settlement transferred to WRP						
Current						
Clinical negligence	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0
Non Current						
Clinical negligence	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0
TOTAL						
Clinical negligence	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0
Transfer of provision to creditors						
Current						
Clinical negligence	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	0	0	0	0	0
Non Current						
Clinical negligence	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0

Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL						
Clinical negligence	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Transfer between current and non-current						
Current						
Clinical negligence	15,177	1,212	-13,965	-5,625	-5,625	0
Personal injury	2,324	2,071	-253	241	241	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	1,331	346	-985	-133	-133	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	-4,555	-3,416	1,139	0	0	0
Total	<u>14,277</u>	<u>213</u>	<u>-14,064</u>	<u>-5,517</u>	<u>-5,517</u>	<u>0</u>
Non Current						
Clinical negligence	-15,177	-1,212	13,965	5,625	5,625	0
Personal injury	-2,324	-2,071	253	-241	-241	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	-1,331	-346	985	133	133	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	4,555	3,416	-1,139	0	0	0
Total	<u>-14,277</u>	<u>-213</u>	<u>14,064</u>	<u>5,517</u>	<u>5,517</u>	<u>0</u>
TOTAL						
Clinical negligence	0	0	0	0	0	0
Personal injury	0	0	0	0	0	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Arising during year						
Current						
Clinical negligence	12,582	809	-11,773	958	958	0
Personal injury	655	291	-364	856	856	0
All other losses and special payments	180	180	0	126	126	0
Defence legal fees and other administration	719	122	-597	371	371	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	-4	-4	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	1,979	1,979	2,670	2,670	0
Total	<u>14,132</u>	<u>3,377</u>	<u>-10,755</u>	<u>4,981</u>	<u>4,981</u>	<u>0</u>
Non Current						
Clinical negligence	2,236	14,010	11,774	15,122	15,122	0
Personal injury	0	364	364	491	491	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	214	810	596	1,371	1,371	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	<u>2,450</u>	<u>15,184</u>	<u>12,734</u>	<u>16,984</u>	<u>16,984</u>	<u>0</u>
TOTAL						
Clinical negligence	14,818	14,819	1	16,080	16,080	0
Personal injury	655	655	0	1,347	1,347	0
All other losses and special payments	180	180	0	126	126	0
Defence legal fees and other administration	933	932	-1	1,742	1,742	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	-4	-4	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	1,979	1,979	2,670	2,670	0
Total	<u>16,582</u>	<u>18,561</u>	<u>1,979</u>	<u>21,965</u>	<u>21,965</u>	<u>0</u>
Utilised during the year						
Current						
Clinical negligence	-4,672	-1,588	3,084	-891	-891	0
Personal injury	-582	-430	152	-775	-775	0
All other losses and special payments	-180	-180	0	-126	-126	0
Defence legal fees and other administration	-305	-69	236	-113	-113	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	-22	-22	0	-84	-84	0
Restructuring	0	0	0	0	0	0
Other	132	-228	-360	-628	-628	0
Total	<u>-5,629</u>	<u>-2,517</u>	<u>3,112</u>	<u>-2,617</u>	<u>-2,617</u>	<u>0</u>
Non Current						
Clinical negligence	-10	-3,094	-3,084	-1,706	-1,706	0

Personal injury	0	-152	-152	-167	-167	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	-5	-241	-236	-164	-164	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	-15	-3,487	-3,472	-2,037	-2,037	0
TOTAL						
Clinical negligence	-4,682	-4,682	0	-2,597	-2,597	0
Personal injury	-582	-582	0	-942	-942	0
All other losses and special payments	-180	-180	0	-126	-126	0
Defence legal fees and other administration	-310	-310	0	-277	-277	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	-22	-22	0	-84	-84	0
Restructuring	0	0	0	0	0	0
Other	132	-228	-360	-628	-628	0
Total	-5,644	-6,004	-360	-4,654	-4,654	0
Reversed unused						
Current						
Clinical negligence	-4,695	-934	3,761	-2,420	-2,420	0
Personal injury	-610	-494	116	-554	-554	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	-645	-470	175	-377	-377	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	-1,863	-1,863	-1,786	-1,786	0
Total	-5,950	-3,761	2,189	-5,137	-5,137	0
Non Current						
Clinical negligence	-16	-3,778	-3,762	-3,656	-3,656	0
Personal injury	0	-116	-116	-12	-12	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	-3	-177	-174	-417	-417	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	-19	-4,071	-4,052	-4,085	-4,085	0
TOTAL						
Clinical negligence	-4,711	-4,712	-1	-6,076	-6,076	0
Personal injury	-610	-610	0	-566	-566	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	-648	-647	1	-794	-794	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	-1,863	-1,863	-1,786	-1,786	0
Total	-5,969	-7,832	-1,863	-9,222	-9,222	0
Unwinding of discount						
Current						
Clinical negligence	0	0	0	0	0	0
Personal injury	36	36	0	0	0	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	3	3	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	39	39	0	0	0	0
Non Current						
Clinical negligence	0	0	0	0	0	0
Personal injury	0	0	0	25	25	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	0	0	0	25	25	0
TOTAL						
Clinical negligence	0	0	0	0	0	0
Personal injury	36	36	0	25	25	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	0	0	0	0	0	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	3	3	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total	39	39	0	25	25	0
At 31 March 2012						
Current						
Clinical negligence	19,159	266	-18,893	767	767	0
Personal injury	2,143	1,794	-349	320	320	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	1,263	92	-1,171	163	163	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	120	120	0	143	143	0

Restructuring	0	0	0	0	0	0
Other	2,409	3,304	895	6,832	6,832	0
Total	25,094	5,576	-19,518	8,225	8,225	0
Non Current						
Clinical negligence	2,893	21,786	18,893	15,860	15,860	0
Personal injury	0	349	349	2,324	2,324	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	310	1,481	1,171	1,435	1,435	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	0	0	0	0	0	0
Restructuring	0	0	0	0	0	0
Other	4,555	3,416	-1,139	0	0	0
Total	7,758	27,032	19,274	19,619	19,619	0
TOTAL						
Clinical negligence	22,052	22,052	0	16,627	16,627	0
Personal injury	2,143	2,143	0	2,644	2,644	0
All other losses and special payments	0	0	0	0	0	0
Defence legal fees and other administration	1,573	1,573	0	1,598	1,598	0
Pensions relating to former directors	0	0	0	0	0	0
Pensions relating to other staff	120	120	0	143	143	0
Restructuring	0	0	0	0	0	0
Other	6,964	6,720	-244	6,832	6,832	0
Total	32,852	32,608	-244	27,844	27,844	0
Expected timing of cash flows:						
review to 31 March 2015						
Clinical negligence	22,052	22,052	0			0
Personal injury	2,141	2,143	2			0
All other losses and special payments	0	0	0			0
Defence legal fees and other administration	1,570	1,568	-2			0
Pensions relating to former directors	0	0	0			0
Pensions relating to other staff	120	120	0			0
Restructuring	0	0	0			0
Other	6,964	6,720	-244			0
Total	32,847	32,603	-244			0
1 April 2015 to 31 March 2020						
Clinical negligence	0	0	0			0
Personal injury	0	0	0			0
All other losses and special payments	0	0	0			0
Defence legal fees and other administration	5	5	0			0
Pensions relating to former directors	0	0	0			0
Pensions relating to other staff	0	0	0			0
Restructuring	0	0	0			0
Other	0	0	0			0
Total	5	5	0			0
Thereafter						
Clinical negligence	0	0	0			0
Personal injury	0	0	0			0
All other losses and special payments	0	0	0			0
Defence legal fees and other administration	0	0	0			0
Pensions relating to former directors	0	0	0			0
Pensions relating to other staff	0	0	0			0
Restructuring	0	0	0			0
Other	0	0	0			0
Total	0	0	0			0
Total						
Clinical negligence	22,052	22,052	0			0
Personal injury	2,141	2,143	2			0
All other losses and special payments	0	0	0			0
Defence legal fees and other administration	1,575	1,573	-2			0
Pensions relating to former directors	0	0	0			0
Pensions relating to other staff	120	120	0			0
Restructuring	0	0	0			0
Other	6,964	6,720	-244			0
Total	32,852	32,608	-244			0
18. Cash and cash equivalents						
Balance at 1 April	1,911	1,911	0	1,332	1,332	0
Net change in cash and cash equivalent balances	-1,073	-1,073	0	579	579	0
Balance at 31 March	838	838	0	1,911	1,911	0
Made up of:						
Cash held at Office of HM Paymaster General / GBS	1,576	1,576	0	8,499	8,499	0
Commercial banks and cash in hand	-738	-738	0	-6,588	-6,588	0
Current Investments	0	0	0	0	0	0
Cash and cash equivalents as in Statement of Financial Position	838	838	0	1,911	1,911	0
Bank overdraft - Office of HM Paymaster General / GBS	0	0	0	0	0	0
Bank overdraft - Commercial banks	0	0	0	0	0	0
Cash and cash equivalents as in Statement of Cash Flows	838	838	0	1,911	1,911	0
19. Other Financial Assets						
CURRENT						
31 March						
Financial assets						
Finance lease receivables	0	0	0	0	0	0
Financial assets carried at fair value through profit and loss	0	0	0	0	0	0
Held to maturity investments carried at amortised cost	0	0	0	0	0	0
Available for sale financial assets carried at fair value	0	0	0	0	0	0
Loans carried at amortised cost	0	0	0	0	0	0
Total	0	0	0	0	0	0
NON CURRENT						
31 March						

Financial assets

Finance lease receivables	0	0	0	0	0	0
Financial assets carried at fair value through profit and loss	0	0	0	0	0	0
Held to maturity investments carried at amortised cost	0	0	0	0	0	0
Available for sale financial assets carried at fair value	0	0	0	0	0	0
Loans carried at amortised cost	0	0	0	0	0	0
Total	0	0	0	0	0	0

20. Other assets**CURRENT**

EU Emissions Trading Scheme Allowance	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
Total	0	0	0	0	0	0

NON CURRENT

EU Emissions Trading Scheme Allowance	0	0	0	0	0	0
Other assets	0	0	0	0	0	0
Total	0	0	0	0	0	0

21. Other liabilities**CURRENT**

Lease incentives	0	0	0	0	0	0
PFI asset -deferred credit	0	0	0	0	0	0
Other [specify]	0	0	0	0	0	0
Total	0	0	0	0	0	0

NON CURRENT

Lease incentives	0	0	0	0	0	0
PFI asset -deferred credit	0	0	0	0	0	0
Other [specify]	0	0	0	0	0	0
Total	0	0	0	0	0	0

22. Other financial liabilities**CURRENT**

Financial liabilities carried at fair value through profit and loss	0	0	0	0	0	0
Total	0	0	0	0	0	0

NON CURRENT

Financial liabilities carried at fair value through profit and loss	0	0	0	0	0	0
Total	0	0	0	0	0	0

23. Related Party Transactions

Yes/No

24. Third Party assets

Cash @ bank & in hand
 Patients investment Accounts
 Total

25. Intra Government balances**Trade receivables****Current**

Welsh Government	877	877	0	860	860	0
Welsh Local Health Boards	21,272	2,395	-18,877	3,167	3,167	0
Welsh NHS Trusts	556	556	0	151	151	0
Health Commission Wales	99	99	0	334	334	0
All English Health Bodies	368	368	0	376	376	0
All N. Ireland Health Bodies	0	0	0	0	0	0
All Scottish Health Bodies	0	0	0	11	11	0
Miscellaneous	0	0	0	0	0	0
Credit note provision	-121	-121	0	-223	-223	0
Sub total	23,051	4,174	-18,877	4,676	4,676	0
Other Central Government Bodies :	0	0	0	0	0	0
Other Government Departments	59	59	0	504	504	0
Revenue & Customs	0	0	0	693	693	0
Local Authorities	1,157	1,157	0	1,586	1,586	0
Balances with Public Corporations and trading funds	0	0	0	0	0	0
Balances with bodies external to Government	5,257	5,257	0	4,972	4,972	0
TOTAL	29,524	10,647	-18,877	12,431	12,431	0

Trade receivables**Non Current**

Welsh Government	0	0	0	0	0	0
Welsh Local Health Boards	2,919	21,796	18,877	16,811	16,811	0
Welsh NHS Trusts	0	0	0	0	0	0
Health Commission Wales	0	0	0	0	0	0
All English Health Bodies	0	0	0	0	0	0
All N. Ireland Health Bodies	0	0	0	0	0	0
All Scottish Health Bodies	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Credit note provision	0	0	0	0	0	0
Sub total	2,919	21,796	18,877	16,811	16,811	0
Other Central Government Bodies :	0	0	0	0	0	0
Other Government Departments	0	0	0	0	0	0
Revenue & Customs	0	0	0	0	0	0
Local Authorities	0	0	0	0	0	0
Balances with Public Corporations and trading funds	0	0	0	0	0	0
Balances with bodies external to Government	36	36	0	32	32	0
TOTAL	2,955	21,832	18,877	16,843	16,843	0

Trade payables**Current**

Welsh Assembly Government	0	0	0	144	144	0
Welsh Local Health Boards	3,336	3,336	0	2,496	2,496	0
Welsh NHS Trusts	319	319	0	369	369	0
Health Commission Wales	1,130	1,130	0	102	102	0
All English Health Bodies	1,271	1,271	0	1,603	1,603	0
All N. Ireland Health Bodies	0	0	0	0	0	0
All Scottish Health Bodies	0	0	0	3	3	0

Miscellaneous	4,382	4,382	0	2,865	2,865	0
Credit note provision	0	0	0	0	0	0
Sub total	<u>10,438</u>	<u>10,438</u>	0	<u>7,582</u>	<u>7,582</u>	0
Other Central Government Bodies :	0	0	0	0	0	0
Other Government Departments	0	0	0	0	0	0
Revenue & Customs	3,988	3,988	0	1,066	1,066	0
Local Authorities	158	308	150	1,162	1,162	0
Balances with Public Corporations and trading funds	0	0	0	0	0	0
Balances with bodies external to Government	<u>49,808</u>	<u>49,902</u>	<u>94</u>	<u>61,915</u>	<u>61,915</u>	0
TOTAL	<u>64,392</u>	<u>64,636</u>	<u>244</u>	<u>71,725</u>	<u>71,725</u>	0
Trade payables						
Non current						
Welsh Assembly Government	0	0	0	0	0	0
Welsh Local Health Boards	0	0	0	0	0	0
Welsh NHS Trusts	0	0	0	0	0	0
Health Commission Wales	0	0	0	0	0	0
All English Health Bodies	0	0	0	0	0	0
All N. Ireland Health Bodies	0	0	0	0	0	0
All Scottish Health Bodies	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0
Credit note provision	0	0	0	0	0	0
Sub total	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
Other Central Government Bodies :	0	0	0	0	0	0
Other Government Departments	0	0	0	0	0	0
Revenue & Customs	0	0	0	0	0	0
Local Authorities	0	0	0	0	0	0
Balances with Public Corporations and trading funds	0	0	0	0	0	0
Balances with bodies external to Government	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
TOTAL	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
26. Losses and special payments						
To be paid out to 31 March						
Number						
Clinical negligence	56	56	0			0
Personal injury	43	43	0			0
All other losses and special payments	<u>193</u>	<u>193</u>	0			0
Total	<u>292</u>	<u>292</u>	0			0
Amount						
Clinical negligence	4,787,746	4,682,746	-105,000			0
Personal injury	471,620	582,620	111,000			0
All other losses and special payments	<u>179,078</u>	<u>179,078</u>	0			0
Total	<u>5,438,444</u>	<u>5,444,444</u>	<u>6,000</u>			0
Approved to 31 March						
Number						
Clinical negligence	19	19	0			0
Personal injury	13	13	0			0
All other losses and special payments	<u>192</u>	<u>192</u>	0			0
Total	<u>224</u>	<u>224</u>	0			0
Amount						
Clinical negligence	1,240,440	1,240,440	0			0
Personal injury	393,444	393,444	0			0
All other losses and special payments	<u>179,078</u>	<u>179,078</u>	0			0
Total	<u>1,812,962</u>	<u>1,812,962</u>	0			0
27. Contingencies						
27.1 Contingent liabilities						
Legal claims for alleged medical or employer negligence	16,907	16,907	0	18,812	18,812	0
Doubtful debts	0	0	0	0	0	0
Equal Pay costs	0	0	0	0	0	0
Defence costs	0	0	0	0	0	0
Continuing Care health costs	9,981	9,981	0	9,920	9,920	0
Other	0	0	0	0	0	0
Total value of disputed claims	26,888	26,888	0	28,732	28,732	0
Amounts recovered in the event of claims being successful	<u>14,316</u>	<u>14,316</u>	0	<u>15,942</u>	<u>15,942</u>	0
Total	<u>12,572</u>	<u>12,572</u>	0	<u>12,790</u>	<u>12,790</u>	0
27.2 Contingent assets						
	0	0	0	0	0	0
	0	0	0	0	0	0
	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
Total	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
28. Capital commitments						
Contracted capital commitments at 31 March						
Property, plant and equipment	20,182	20,182	0	7,237	7,237	0
Intangible assets	0	0	0	0	0	0
Total	<u>0</u>	<u>0</u>	0	<u>0</u>	<u>0</u>	0
29.1 Finance leases obligations (as lessee)						
Amounts payable under finance leases:						
LAND						
31 March						
Minimum lease payments						
Within one year	0	0	0	0	0	0
Between one and five years	0	0	0	0	0	0
After five years	0	0	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0	0	0
Present value of minimum lease payments	0	0	0	0	0	0
Included in:						
Current borrowings	0	0	0	0	0	0
Non-current borrowings	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Present value of minimum lease payments						

Within one year	0	0	0	0	0	0
Between one and five years	0	0	0	0	0	0
After five years	0	0	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0	0	0
Present value of minimum lease payments	0	0	0	0	0	0
Included in:						
Current borrowings	0	0	0	0	0	0
Non-current borrowings	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
BUILDINGS						
31 March						
Minimum lease payments						
Within one year	0	0	0	0	0	0
Between one and five years	0	0	0	0	0	0
After five years	0	0	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0	0	0
Present value of minimum lease payments	0	0	0	0	0	0
Included in:						
Current borrowings	0	0	0	0	0	0
Non-current borrowings	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Present value of minimum lease payments						
Within one year	0	0	0	0	0	0
Between one and five years	0	0	0	0	0	0
After five years	0	0	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0	0	0
Present value of minimum lease payments	0	0	0	0	0	0
Included in:						
Current borrowings	0	0	0	0	0	0
Non-current borrowings	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
OTHER						
31 March						
Minimum lease payments						
Within one year	0	0	0	23	23	0
Between one and five years	0	0	0	0	0	0
After five years	0	0	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0	0	0
Present value of minimum lease payments	0	0	0	23	23	0
Included in:						
Current borrowings	0	0	0	0	0	0
Non-current borrowings	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Present value of minimum lease payments						
Within one year	0	0	0	17	17	0
Between one and five years	0	0	0	0	0	0
After five years	0	0	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0	0	0
Present value of minimum lease payments	0	0	0	17	17	0
Included in:						
Current borrowings	0	0	0	0	0	0
Non-current borrowings	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
29.2 Finance lease receivables (as lessor)						
Amounts receivable under finance leases:						
31 March						
Gross investment in leases						
Within one year	0	0	0	0	0	0
Between one and five years	0	0	0	0	0	0
After five years	0	0	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0	0	0
Present value of minimum lease payments	0	0	0	0	0	0
Included in:						
Current borrowings	0	0	0	0	0	0
Non-current borrowings	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
Present value of minimum lease payments						
Within one year	0	0	0	0	0	0
Between one and five years	0	0	0	0	0	0
After five years	0	0	0	0	0	0
Less finance charges allocated to future periods	0	0	0	0	0	0
Present value of minimum lease payments	0	0	0	0	0	0
Included in:						
Current borrowings	0	0	0	0	0	0
Non-current borrowings	0	0	0	0	0	0
Subtotal	0	0	0	0	0	0
30. Private Finance Initiative contracts						
30.1 PFI schemes off-Statement of Financial Position						
Yes/No						
30.2 PFI schemes on-Statement of Financial Position						
Yes/No						
Total obligations for on-statement of financial position PFI contracts due:						
31 March						
Not later than one year	0	0	0	0	0	0
Later than one year	0	0	0	0	0	0
Later than five years	0	0	0	0	0	0

Sub total	0	0	0	0	0	0
Less:						
interest	0	0	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

30.3 Charges to expenditure

The LHB is committed to the following annual charges

31 March

⁽¹⁾PFI scheme expiry date:

Not later than one	0	0	0	0	0	0
Later than one year,	0	0	0	0	0	0
Later than five years	0	0	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

30.4 The LHB has xx Public Private Partnerships

Yes/No

Number

31. Pooled Budget

Yes/No

32. Financial Instruments

31 March

At fair value thro OCS

Embedded derivatives	0	0	0	0	0	0
Other financial assets	23,051	25,970	2,919	21,487	21,487	0
Cash at bank and in hand	838	838	0	1,911	1,911	0
Other financial assets	4,888	4,924	36	5,716	5,716	0
Total at 31 March	<u>28,777</u>	<u>31,732</u>	<u>2,955</u>	<u>29,114</u>	<u>29,114</u>	<u>0</u>

Loans & receivables

Embedded derivatives	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	0
Cash at bank and in hand	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	0
Total at 31 March 2012	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Available for sale

Embedded derivatives	0	0	0	0	0	0
Other financial assets	0	0	0	0	0	0
Cash at bank and in hand	0	0	0	0	0	0
Other financial assets	0	0	0	125	125	0
Total at 31 March 2012	<u>0</u>	<u>0</u>	<u>0</u>	<u>125</u>	<u>125</u>	<u>0</u>

TOTAL

Embedded derivatives	0	0	0	0	0	0
Other financial assets	23,051	25,970	2,919	21,487	21,487	0
Cash at bank and in hand	838	838	0	1,911	1,911	0
Other financial assets	4,888	4,924	36	5,841	5,841	0
Total at 31 March 2012	<u>28,777</u>	<u>31,732</u>	<u>2,955</u>	<u>29,239</u>	<u>29,239</u>	<u>0</u>

Financial liabilities

At fair value thro OCS

Embedded derivatives	0	0	0	0	0	0
PFI and finance lease obligations	0	0	0	121	121	0
Other financial liabilities	25,334	27,098	1,764	27,060	27,060	0
Total at 31 March 2012	<u>25,334</u>	<u>27,098</u>	<u>1,764</u>	<u>27,181</u>	<u>27,181</u>	<u>0</u>

Other

Embedded derivatives	0	0	0	0	0	0
PFI and finance lease obligations	0	0	0	0	0	0
Other financial liabilities	0	0	0	0	0	0
Total at 31 March 2012	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

TOTAL

Embedded derivatives	0	0	0	0	0	0
PFI and finance lease obligations	0	0	0	121	121	0
Other financial liabilities	25,334	27,098	1,764	27,060	27,060	0
Total at 31 March 2012	<u>25,334</u>	<u>27,098</u>	<u>1,764</u>	<u>27,181</u>	<u>27,181</u>	<u>0</u>

34. FINANCIAL RISK MANAGEMENT

Maturity of financial liabilities

In one year	0	0	0	0	0	0
In more than one year but not more than two years	0	0	0	0	0	0
In more than two years but not more than five years	0	0	0	0	0	0
In more than five years	0	0	0	0	0	0
Total	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

35. Movements in working capital

(Increase)/decrease in inventories	-1,163	-1,163	0	-160	-160	0
(Increase)/decrease in trade and other receivables - non - current	13,888	-4,989	-18,877	-11,194	-11,194	0
(Increase)/decrease in trade and other receivables - current	-17,093	1,784	18,877	4,404	4,404	0
(Increase)/decrease in other current assets	0	0	0	0	0	0
(Increase)/decrease in trade and other payables - non - current	0	0	0	0	0	0
(Increase)/decrease in trade and other payables - current	-7,333	-7,089	244	11,445	11,749	304
Increase/(decrease) in other current liabilities	0	0	0	0	0	0
Total	<u>-11,701</u>	<u>-11,457</u>	<u>244</u>	<u>4,495</u>	<u>4,799</u>	<u>304</u>
Adjustment for accrual movements in fixed assets -creditors	3,487	3,487	0	-3,751	-3,751	0
Adjustment for accrual movements in fixed assets -debtors	-85	-85	0	83	83	0
Other adjustments	0	0	0	0	0	0
Total	<u>-8,299</u>	<u>-8,055</u>	<u>244</u>	<u>827</u>	<u>1,131</u>	<u>304</u>

36. Other cash flow adjustments

Depreciation	13,569	13,569	0	12,871	12,871	0
Amortisation	84	84	0	62	62	0
(Gains)/Loss on Disposal	44	44	0	93	93	0
Impairments and reversals	28,321	28,321	0	13,965	13,965	0
Release of PFI deferred credits	0	0	0	0	0	0

Donated assets received credited to revenue but non-cash	-801	0	801	-339	0	339
Government Grant assets received credited to revenue but non-cash	0	0	0	0	0	0
Non-cash movements in provisions	<u>10,652</u>	<u>10,768</u>	<u>116</u>	<u>13,072</u>	<u>12,768</u>	<u>-304</u>
Total	<u>51,869</u>	<u>52,786</u>	<u>917</u>	<u>39,724</u>	<u>39,759</u>	<u>35</u>

37. Cash flow relating to exceptional items

Validations for Local Health Boards:

Total number of errors found in accounts: 1

These validations, together with the links in the accounts worksheets, aim to check the internal consistency of the account. They are NOT an exhaustive check of the account and should NOT replace the LHB's own internal review of the account. If the checks are "Not passed", the LHB must supply its auditors and the Assembly with a written explanation for the difference (supported by a working paper, if appropriate).

Main Accounts:

No.	Statement	Account Line	Value	Condition	Result	
1	OCS	Expenditure	759,312	should equal		
	Note 3.1	3.1 Expenditure on Primary Healthcare Services	170,154	plus	Passed	
	Note 3.2	3.2 Expenditure on healthcare from other providers	159,094			
	Note 3.3	3.3 Expenditure on Hospital and Community Health Serv	430,064			0
2	SOFP	Cash and cash equivalents as at 31.3.12	838	should equal		
	Note 18	Cash and cash equivalents as at 31.3.12	838	plus	Passed	0
3	SOFP	Total assets employed as at 31.3.12	177,614	should equal		
	SOFP	Total taxpayers equity as at 31.3.12	177,614		Passed	0
4	SOFP	Total assets employed as at 31.3.11	179,078	should equal		
	SOFP	Total taxpayers equity as at 31.3.11	179,078		Passed	0
5	SOFP	Provisions as at 31.3.12	32,608	should equal		
	Note 17	Provisions as at 31.3.12	32,608		Passed	0
6	SOFP	Provisions as at 31.3.11	27,844	should equal		
	Note 17	Provisions as at 31.3.11	27,844		Passed	0
7	Note 3.3	Capital - depreciation and amortisation as at 31.3.12	13,653	should equal		
	Note 11.2	Intangible fixed assets	84			
	Note 11.1	Property, Plant and Equipment	13,569		Passed	0
8	Note 3.3	Capital - depreciation and amortisation as at 31.3.11	12,933	should equal		
	Note 11.2	Intangible fixed assets	62			
	Note 11.1	Property, Plant and Equipment	12,871		Passed	0
9	Note 3.4	Inc/dec clinical negligence	10,107	should equal		
	Note 17	Clinical negligence - arising during year	14,819	plus		
	Note 17	Clinical negligence - reversed unused	-4,712		Passed	0
10	Note 3.4	Inc/dec personal injury	45	should equal		
	Note 17	personal injury - arising during year	655	plus		
	Note 17	personal injury - reversed unused	-610		Passed	0
11	Note 3.4	Inc/dec AOL&SP	180	should equal		
	Note 17	AOL&SP - arising during year	180	plus		
	Note 17	AOL&SP - reversed unused	0		Passed	0
12	Note 3.4	Inc/dec Def leg fees	285	should equal		
	Note 17	Def leg fees - arising during year	932	plus		
	Note 17	Def leg fees - reversed unused	-647		Passed	0
13	Note 17	Provisions 31.3.12	32,608	should equal		
	Note 17	Expected timing of cash flows 31.3.12	32,608		Passed	0
14	Note 25	Intra Govt Balances - Trade receivables current 31.3.12	10,647	should equal		

	Note 15	Trade receivables current 31.3.12	10,647		Passed	0
15	Note 25 Note 15	Intra Govt Balances - Trade receivables non-current 31.3.12 Trade receivables non-current 31.3.12	21,832 should equal 21,832		Passed	0
16	Note 25 Note 16	Intra Govt Balances - Trade payables current 31.3.12 Trade payables current 31.3.12	64,636 should equal 64,636		Passed	0
17	Note 25 Note 16	Intra Govt Balances - Trade payables non-current 31.3.12 Trade payables non-current 31.3.12	0 should equal 0		Passed	0
18	Note 26 Note 26	Total amounts paid out in year 31.3.12 Total cases: amounts paid out in year	5,444,444 should equal 5,444,444		Passed	0
19	SOCIE SOCF	Net Assembly Funding 31.3.12 Net Assembly Funding 31.3.12	693,535 should equal 693,535		Passed	0
20	SOCIE SOCF	Net Assembly Funding 31.3.11 Net Assembly Funding 31.3.11	690,139 should equal 690,139		Passed	0
21	OCS SOCIE	Net operating costs 31.3.12 Net operating costs 31.3.12	701,377 should equal -701,377		Passed	0
22	OCS SOCIE	Net operating costs 31.3.11 Net operating costs 31.3.11	691,339 should equal -691,339		Passed	0
23	Note 5 Note 5	Employee costs Employee costs -charged to Capital and Revenue	314,510 should equal 314,510 plus		Passed	0
24	Note 4 Note 35	Transfer from donated asset reserve Transfer from donated asset reserve	801 should equal 0 plus		NOT Passed	801
25	Note 4 Note 35	Transfer from government grant reserve Transfer from government grant reserve	0 should equal 0 plus		Passed	0
26	SOCF Note 11.1 Note 16 Note 15	Purchase of property, plant and equipment PPE additions, purchased, donated, govt granted Movement on capital creditors Movement on capital debtors	31,844 should equal 28,478 plus 3,451 -85		Passed	0
27	Note 3.3 Note 35	Depreciation Depreciation	13,569 should equal 13,569 plus		Passed	0
28	Note 3.3 Note 35	Amortisation Amortisation	84 should equal 84 plus		Passed	0
29	Note 3.3 Note 35	Impairments Impairments	28,321 should equal 28,321 plus		Passed	0
30	Note 13 Note 13	Impairments Impairments	28,321 should equal 28,321 plus		Passed	0

Hywel Dda Local Health Board

FOREWORD

These accounts have been prepared by the Local Health Board under schedule 9 section 178 Para 3(1) of the National Health Service (Wales) Act 2006 (c.42) in the form in which the Welsh Ministers have, with the approval of the Treasury, directed.

Statutory background

The Hywel Dda Local Health Board was established on 1 October 2009 and is responsible for the planning and provision of NHS services to residents of Carmarthenshire, Ceredigion and Pembrokeshire.

Performance Management and Financial Results

Local Health Boards in Wales must comply fully with the Treasury's Financial Reporting Manual to the extent that it is applicable to them. As a result the Primary Statement of in-year income and expenditure is the Statement of Comprehensive Net Expenditure, which shows the net operating cost incurred by the Local Health Board which is funded by the Welsh Government. This funding is allocated on receipt directly to the General Fund in the Statement of Financial Position.

The statutory duty for Local Health Boards is enacted in the National Health Service (Wales) Act 2006. Net Operating Costs incurred by Local Health Boards should not exceed their allocated Resource Limit - this obligation was fully met by the Local Health Board in 2011/12.

The Local Health Board also

- Kept within the Capital Resource Limit set by Welsh Government
- Achieved targets set by Welsh Government to pay 95% of the number of non-NHS creditors within 30 days of delivery

Hywel Dda Health Board inherited a structural deficit of £32m from the four predecessor organisations from which it was formed.

In 2010/11, the Board received Welsh Government Strategic Assistance of £43m, mainly because we could not contain the impact of unfunded pay awards and increments. The Health Board achieved breakeven.

In 2011/12, with cost pressure containment and savings plans of £48.8m (8%), and a reduction in Welsh Government Assistance by £10m to £33m, we achieved breakeven.

Statement of Comprehensive Net Expenditure for the year ended 31 March 2012

	Note	2011-12 £'000	2010-11 £'000 Restated
Expenditure on Primary Healthcare Services	3.1	170,154	172,939
Expenditure on healthcare from other providers	3.2	159,094	164,266
Expenditure on Hospital and Community Health Services	3.3	430,064	410,237
		759,312	747,442
Less: Miscellaneous Income	4	58,020	56,231
LHB net operating costs before interest and other gains and losses		701,292	691,211
Investment Income	8	0	0
Other (Gains) / Losses	9	44	93
Finance costs	10	41	35
Net operating costs for the financial year		701,377	691,339

Achievement of Operational Financial Balance

The LHBs performance for the year ended 31 March 2012 is as follows:

	2011-12 £000
Net operating costs for the financial year	701,377
Less Non-discretionary expenditure	715
Less Revenue consequences of Bringing PFI schemes onto SoFP	0
Net operating costs less non-discretionary expenditure and revenue consequences of PFI	700,662
Revenue Resource Limit	700,755
Under / (over) spend against Revenue Resource Limit	93

The notes on pages 8 to 60 form part of these accounts

The LHB has achieved Operational Financial Balance as shown on the face of the Operating Cost Statement. The LHB received no brokerage during 2011/12.

Other Comprehensive Net Expenditure

	2011-12	2010-11
	£'000	£'000
Net gain / (loss) on revaluation of property, plant and equipment	6,378	85
Net gain / (loss) on revaluation of intangibles	0	0
Net gain / (loss) on revaluation of available for sale financial assets	0	0
(Gain) / loss on other reserves	0	0
Impairment and reversals	0	0
Transfers (to) / from other bodies within the Resource Accounting Boundary	0	
Other comprehensive net expenditure for the year	6,378	85
Total comprehensive net expenditure for the year	694,999	691,254

Statement of Financial Position as at 31 March 2012

	31 March 2012	31 March 2011
Notes	£'000	£'000 Restated
Non-current assets		
Property, plant and equipment	11 233,725	241,007
Intangible assets	12 483	160
Trade and other receivables	15 21,832	16,843
Other financial assets	19 0	0
Other assets	20 0	0
Total non-current assets	256,040	258,010
Current assets		
Inventories	14 7,333	6,170
Trade and other receivables	15 10,647	12,431
Other financial assets	19 0	0
Other current assets	20 0	0
Cash and cash equivalents	18 838	1,911
	18,818	20,512
Non-current assets classified as "Held for Sale"	11 0	125
Total current assets	18,818	20,637
Total assets	274,858	278,647
Current liabilities		
Trade and other payables	16 64,636	71,725
Other financial liabilities	22 0	0
Provisions	17 5,576	8,225
Other liabilities	21 0	0
Total current liabilities	70,212	79,950
Net current assets/ (liabilities)	(51,394)	(59,313)
Non-current liabilities		
Trade and other payables	16 0	0
Other financial liabilities	22 0	0
Provisions	17 27,032	19,619
Other liabilities	21 0	0
Total non-current liabilities	27,032	19,619
Total assets employed	177,614	179,078
Financed by :		
Taxpayers' equity		
General Fund	160,444	168,267
Revaluation reserve	17,170	10,811
Total taxpayers' equity	177,614	179,078

The financial statements on pages 2 to 7 were approved by the Board on 6th June 2012 and signed on its behalf by:

Chief Executive.....

Date

The notes on pages 8 to 60 form part of these accounts

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2012

	General Fund £000s	Revaluation Reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2011-12			
Restated Balance at 1 April 2011	168,267	10,811	179,078
Net operating cost for the year	(701,377)		(701,377)
Net gain/(loss) on revaluation of property, plant and equipment	0	6,378	6,378
Net gain/(loss) on revaluation of intangible assets	0	0	0
Net gain/(loss) on revaluation of financial assets	0	0	0
Net gain/(loss) on revaluation of assets held for sale	0	0	0
Impairments and reversals	0	0	0
Movements in other reserves	0	0	0
Transfers between reserves	19	(19)	0
Transfers to/(from) other bodies within the Resource Accounting boundary	0	0	0
Total recognised income and expense for 2011-12	(701,358)	6,359	(694,999)
Net Welsh Government funding	693,535		693,535
Balance at 31 March 2012	160,444	17,170	177,614

The notes on pages 8 to 60 form part of these accounts

Statement of Changes in Taxpayers' Equity For the year ended 31 March 2011

	General Fund £000s	Revaluation Reserve £000s	Donated asset reserve £000s	Government grant reserve £000s	Total Reserves £000s
Changes in taxpayers' equity for 2010-11					
Balance at 31 March 2010	164,496	10,827	4,870	0	180,193
Adjustment for accounting policy changes (donations and grants)	4,870	0	(4,870)	0	0
Other adjustments	0	0		0	0
Restated Balance at 1 April 2010	169,366	10,827	0	0	180,193
Net operating cost for the year	(691,339)				(691,339)
Net gain/(loss) on revaluation of property, plant and equipment	0	85			85
Net gain/(loss) on revaluation of intangible assets	0	0			0
Net gain/(loss) on revaluation of financial assets	0	0			0
Net gain/(loss) on revaluation of assets held for sale	0	0			0
Impairments and reversals	0	0			0
Movements in other reserves	0	0			0
Transfers between reserves	101	(101)			0
Transfers to/(from) other bodies within the Resource Accounting boundary	0	0			0
Total recognised income and expense for 2010-11	(691,238)	(16)			(691,254)
Net Welsh Government funding	690,139				690,139
Restated Balance at 31 March 2011	168,267	10,811			179,078

The notes on pages 8 to 60 form part of these accounts

Statement of Cash flows for year ended 31 March 2012

	2011-12	2010-11
	£'000	£'000
Cash Flows from operating activities		(Restated)
Net operating cost for the financial year	(701,377)	(691,339)
Movements in Working Capital	34 (8,055)	1,131
Other cash flow adjustments	35 52,786	39,759
Provisions utilised	17 (6,004)	(4,654)
Net cash outflow from operating activities	(662,650)	(655,103)
Cash Flows from investing activities		
Purchase of property, plant and equipment	(31,844)	(34,606)
Proceeds from disposal of property, plant and equipment	206	246
Purchase of intangible assets	(199)	0
Proceeds from disposal of intangible assets	0	0
Payment for other financial assets	0	0
Proceeds from disposal of other financial assets	0	0
Payment for other assets	0	0
Proceeds from disposal of other assets	0	0
Net cash inflow/(outflow) from investing activities	(31,837)	(34,360)
Net cash inflow/(outflow) before financing	(694,487)	(689,463)
Cash flows from financing activities		
Welsh Government funding (including capital)	693,535	690,139
Capital receipts surrendered	0	0
Capital grants received	0	0
Capital element of payments in respect of finance leases and on-SoFP	(121)	(97)
Cash transferred (to)/ from other NHS bodies	0	0
Net financing	693,414	690,042
Net increase/(decrease) in cash and cash equivalents	(1,073)	579
Cash and cash equivalents (and bank overdrafts) at 1 April 2011	1,911	1,332
Cash and cash equivalents (and bank overdrafts) at 31 March 2012	838	1,911

The notes on pages 8 to 60 form part of these accounts

Notes to the Accounts

1. Accounting policies

The accounts have been prepared in accordance with the 2011-12 Local Health Board Manual for Accounts and 2011-12 Financial Reporting Manual (FReM) issued by HM Treasury. These reflect International Financial Reporting Standards (IFRS) and these statements have been prepared to show the effect of the first-time adoption of the European Union version IFRS. The particular accounting policies adopted by the Local Health Board are described below. They have been applied in dealing with items considered material in relation to the accounts.

1.1 Accounting convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

1.2 Acquisitions and discontinued operations

Activities are considered to be 'acquired' only if they are taken on from outside the public sector.

Activities are considered to be 'discontinued' only if they cease entirely. They are not considered to be 'discontinued' if they transfer from one public sector body to another.

1.3 Income and funding

The main source of funding for the Local Health Boards (LHBs) are allocations (Assembly Funding) from the Welsh Government within an approved cash limit, which is credited to the General Fund of the Local Health Board. Welsh Government funding is recognised in the financial period in which the cash is received.

Non discretionary funding outside the Revenue Resource Limit is allocated to match actual expenditure incurred for the provision of specific pharmaceutical, or ophthalmic services identified by the Welsh Government. Non discretionary expenditure is disclosed in the accounts and deducted from operating costs charged against the Revenue Resource Limit.

Funding for the acquisition of fixed assets received from the Welsh Government is credited to the general fund.

Miscellaneous income is income which relates directly to the operating activities of the LHB and is not funded directly by the Welsh Government. This includes payment for services uniquely provided by the LHB for the Welsh Government such as funding provided to agencies and non-activity costs incurred by the LHB in its provider role. Income received from LHBs transacting with other LHBs is always treated as miscellaneous income.

Income is accounted for applying the accruals convention. Income is recognised in the period in which services are provided. Where income had been received from third parties for a specific activity to be delivered in the following financial year, that income will be deferred. Only non-NHS income may be deferred.

1.4 Employee benefits

Short-term employee benefits

Salaries, wages and employment-related payments are recognised in the period in which the service is received from employees.

The cost of leave earned but not taken by employees at the end of the period is recognised in the financial statements to the extent that employees are permitted to carry forward leave into the following period.

Retirement benefit costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. The scheme is an unfunded, defined benefit scheme that covers NHS employers, General Practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to expenditure at the time the LHB commits itself to the retirement, regardless of the method of payment.

Where employees are members of the Local Government Superannuation Scheme, which is a defined benefit pension scheme this is disclosed. The scheme assets and liabilities attributable to those employees can be identified and are recognised in the LHBs accounts. The assets are measured at fair value and the liabilities at the present value of the future obligations. The increase in the liability arising from pensionable service earned during the year is recognised within operating expenses. The expected gain during the year from scheme assets is recognised within finance income. The interest cost during the year arising from the unwinding of the discount on the scheme liabilities is recognised within finance costs. Actuarial gains and losses during the year are recognised in the pensions reserve and reported as an item of other comprehensive income.

1.5 Other expenses

Other operating expenses for goods or services are recognised when, and to the extent that, they have been received. They are measured at the fair value of the consideration payable.

1.6 Property, plant and equipment**Recognition**

Property, plant and equipment is capitalised if:

- it is held for use in delivering services or for administrative purposes;
- it is probable that future economic benefits will flow to, or service potential will be supplied to, the LHB;
- it is expected to be used for more than one financial year;
- the cost of the item can be measured reliably; and
- the item has cost of at least £5,000; or
- Collectively, a number of items have a cost of at least £5,000 and individually have a cost of more than £250, where the assets are functionally interdependent, they had broadly simultaneous purchase dates, are anticipated to have simultaneous disposal dates and are under single managerial control; or
- Items form part of the initial equipping and setting-up cost of a new building, ward or unit, irrespective of their individual or collective cost.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, the components are treated as separate assets and depreciated over their own useful economic lives.

Valuation

All property, plant and equipment are measured initially at cost, representing the cost directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Land and buildings used for the LHBs services or for administrative purposes are stated in the statement of financial position at their revalued amounts, being the fair value at the date of revaluation less any subsequent accumulated depreciation and impairment losses. Revaluations are performed with sufficient regularity to ensure that carrying amounts are not materially different from those that would be determined at the end of the reporting period. Fair values are determined as follows:

- Land and non-specialised buildings – market value for existing use
- Specialised buildings – depreciated replacement cost

HM Treasury has adopted a standard approach to depreciated replacement cost valuations based on modern equivalent assets and, where it would meet the location requirements of the service being provided, an alternative site can be valued. NHS Wales bodies have applied these new valuation requirements from 1 April 2009.

Properties in the course of construction for service or administration purposes are carried at cost, less any impairment loss. Cost includes professional fees but not borrowing costs, which are recognised as expenses immediately, as allowed by IAS 23 for assets held at fair value. Assets are revalued and depreciation commences when they are brought into use.

Land and buildings have been indexed with indices supplied by the District Valuation Office. The carrying value of existing assets at that date will be written off over their remaining useful lives and new fixtures and equipment are carried at depreciated historic cost as this is not considered to be materially different from fair value.

An increase arising on revaluation is taken to the revaluation reserve except when it reverses an impairment for the same asset previously recognised in expenditure, in which case it is credited to expenditure to the extent of the decrease previously charged there. A revaluation decrease that does not result from a loss of economic value or service potential is recognised as an impairment charged to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to expenditure. Impairment losses that arise from a clear consumption of economic benefit should be taken to expenditure. Gains and losses recognised in the Revaluation Reserve are reported in the Statement of Net Comprehensive Expenditure. However, to ensure that the outcome as reflected in the reserves figure on the Statement of Financial Position is consistent with the requirements of IAS 36 had this adaptation not been applied, the balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 should be transferred to the General Fund.

Subsequent expenditure

Where additional costs on an item of property, plant and equipment are incurred they are capitalised if, and only if it is probable that future economic benefits will be gained from them and the costs can be measured reliably. Where the additional expenditure replaces part of the asset, the carrying amount of the replaced part is derecognised.

1.7 Intangible assets

Recognition

Intangible assets are non-monetary assets without physical substance, which are capable of sale separately from the rest of the LHBs business or which arise from contractual or other legal rights. They are recognised only when it is probable that future economic benefits will flow to, or service potential be provided to, the LHB; where the cost of the asset can be measured reliably, and where the cost is at least £5000.

Intangible assets acquired separately are initially recognised at fair value. Software that is integral to the operating of hardware, for example an operating system, is capitalised as part of the relevant item of property, plant and equipment. Software that is not integral to the operation of hardware, for example application software, is capitalised as an intangible asset. Expenditure on research is not capitalised: it is recognised as an operating expense in the period in which it is incurred. Internally-generated assets are recognised if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use
- the intention to complete the intangible asset and use it
- the ability to use the intangible asset
- how the intangible asset will generate probable future economic benefits
- the availability of adequate technical, financial and other resources to complete the intangible asset and use it
- the ability to measure reliably the expenditure attributable to the intangible asset during its development

Measurement

The amount initially recognised for internally-generated intangible assets is the sum of the expenditure incurred from the date when the criteria above are initially met. Where no internally-generated intangible asset can be recognised, the expenditure is recognised in the period in which it is incurred.

Following initial recognition, intangible assets are carried at fair value by reference to an active market, or, where no active market exists, at amortised replacement cost (modern equivalent assets basis), indexed for relevant price increases, as a proxy for fair value. Internally-developed software is held at historic cost to reflect the opposing effects of increases in development costs and technological advances.

1.8 Depreciation, amortisation and impairments

Freehold land and properties under construction are not depreciated.

Otherwise, depreciation and amortisation are charged to write off the costs or valuation of property, plant and equipment and intangible non-current assets, less any residual value, over their estimated useful lives, in a manner that reflects the consumption of economic benefits or service potential of the assets. The estimated useful life of an asset is the period over which the LHB expects to obtain economic benefits or service potential from the asset. This is specific to the LHB and may be shorter than the physical life of the asset itself. Estimated useful lives and residual values are reviewed each year end, with the effect of any changes recognised on a prospective basis. Assets held under finance leases are depreciated over the shorter of the lease term and estimated useful lives.

At each reporting period end, the LHB checks whether there is any indication that any of its tangible or intangible non-current assets have suffered an impairment loss. If there is indication of an impairment loss, the recoverable amount of the asset is estimated to determine whether there has been a loss and, if so, its amount. Intangible assets not yet available for use are tested for impairment annually.

Impairment losses that do not result from a loss of economic value or service potential are taken to the revaluation reserve to the extent that there is a balance on the reserve for the asset and, thereafter, to the SoCNE. Impairment losses that arise from a clear consumption of economic benefit are taken to the SoCNE. The balance on any revaluation reserve (up to the level of the impairment) to which the impairment would have been charged under IAS 36 are transferred to retained earnings.

1.9 Research and Development

Research and development expenditure is charged to operating costs in the year in which it is incurred, except insofar as it relates to a clearly defined project, which can be separated from patient care activity and benefits therefrom can reasonably be regarded as assured. Expenditure so deferred is limited to the value of future benefits expected and is amortised through the SoCNE on a systematic basis over the period expected to benefit from the project.

1.10 Donated assets

Following the accounting policy change outlined in the Treasury FReM for 2011-12, a donated asset reserve is no longer maintained. Donated non-current assets are capitalised at their fair value on receipt, with a matching credit to Miscellaneous Income. They are valued, depreciated and impaired as described for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is only recognised where conditions attached to the donation preclude immediate recognition of the gain..

This accounting policy change has been applied retrospectively and the 2010-11 results have been restated.

1.11 Government grants

Following the accounting policy change outlined in the Treasury FReM for 2011-12, a government grant reserve is no longer maintained. The value of assets received by means of a government grant are credited directly to Miscellaneous Income. They are valued, depreciated and impaired as described for purchased assets. Gains and losses on revaluations, impairments and sales are as described above for purchased assets. Deferred income is only recognised where conditions attached to the grant preclude immediate recognition of the gain.

1.12 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met when the sale is highly probable, the asset is available for immediate sale in its present condition and management is committed to the sale, which is expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell. Fair value is open market value including alternative uses.

The profit or loss arising on disposal of an asset is the difference between the sale proceeds and the carrying amount and is recognised in the Statement of Comprehensive Net Expenditure. On disposal, the balance for the asset on the revaluation reserve, is transferred to the General Fund.

Property, plant and equipment that is to be scrapped or demolished does not qualify for recognition as held for sale. Instead it is retained as an operational asset and its economic life adjusted. The asset is derecognised when it is scrapped or demolished.

1.13 Leases

Leases are classified as finance leases when substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases.

1.13.1 The Local Health Board as lessee

Property, plant and equipment held under finance leases are initially recognised, at the inception of the lease, at fair value or, if lower, at the present value of the minimum lease payments, with a matching liability for the lease obligation to the lessor. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate on interest on the remaining balance of the liability. Finance charges are charged directly to the Statement of Comprehensive Net Expenditure.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term. Lease incentives are recognised initially as a liability and subsequently as a reduction of rentals on a straight-line basis over the lease term. Contingent rentals are recognised as an expense in the period in which they are incurred.

Where a lease is for land and buildings, the land and building components are separated and individually assessed as to whether they are operating or finance leases.

1.13.2 The Local Health Board as lessor

Amounts due from lessees under finance leases are recorded as receivables at the amount of the LHB

net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the LHB's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

1.14 Inventories

Inventories are valued at the lower of cost and net realisable value using the first-in first-out cost formula. This is considered to be a reasonable approximation to fair value due to the high turnover of stocks.

1.15 Cash and cash equivalents

Cash is cash in hand and deposits with any financial institution repayable without penalty on notice of not more than 24 hours. Cash equivalents are investments that mature in 3 months or less from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

1.16 Provisions

Provisions are recognised when the LHB has a present legal or constructive obligation as a result of a past event, it is probable that the LHB will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risks and uncertainties. Where a provision is measured using the cash flows estimated to settle the obligation, its carrying amount is the present value of those cash flows using HM Treasury's discount rate of 2.2% in real terms.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursements will be received and the amount of the receivable can be measured reliably.

Present obligations arising under onerous contracts are recognised and measured as a provision. An onerous contract is considered to exist where the LHB has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it.

A restructuring provision is recognised when the LHB has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring provision includes only the direct expenditures arising from the restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with ongoing activities of the entity.

1.17 Clinical negligence costs

The Welsh Risk Pool operates a risk pooling scheme which is paid for by top sliced allocations based on direct invoicing to the Welsh Government. The Welsh Risk Pool is hosted by Betsi Cadwaladr University Local Health Board.

1.18 Financial assets

Financial assets are recognised on the Statement of Financial Position when the LHB becomes party to the financial instrument contract or, in the case of trade receivables, when the goods or services have been delivered. Financial assets are derecognised when the contractual rights have expired or the asset has been transferred.

1.18.1 Financial assets are initially recognised at fair value.

Financial assets are classified into the following categories: financial assets 'at fair value through SoCNE'; 'held to maturity investments'; 'available for sale' financial assets, and 'loans and receivables'. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

1.18.2 Financial assets at fair value through SoCNE

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial assets at fair value through SoCNE. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.18.3 Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturity, and there is a positive intention and ability to hold to maturity. After initial recognition, they are held at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

1.18.4 Available for sale financial assets

Available for sale financial assets are non-derivative financial assets that are designated as available for sale or that do not fall within any of the other three financial asset classifications. They are measured at fair value with changes in value taken to the revaluation reserve, with the exception of impairment losses. Accumulated gains or losses are recycled to the SoCNE on de-recognition.

1.18.5 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments which are not quoted in an active market. After initial recognition, they are measured at amortised cost using the effective interest method, less any impairment. Interest is recognised using the effective interest method.

Fair value is determined by reference to quoted market prices where possible, otherwise by valuation techniques.

The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, to the net carrying amount of the financial asset.

At the Statement of Financial Position date, the LHB assesses whether any financial assets, other than those held at 'fair value through profit and loss' are impaired. Financial assets are impaired and impairment losses recognised if there is objective evidence of impairment as a result of one or more events which occurred after the initial recognition of the asset and which has an impact on the estimated future cash flows of the asset.

For financial assets carried at amortised cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the revised future cash flows discounted at the asset's original effective interest rate. The loss is recognised in the Statement of Comprehensive Net Expenditure and the carrying amount of the asset is reduced directly, or through a provision for impairment of receivables.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through the Statement of Comprehensive Net Expenditure to the extent that the carrying amount of the receivable at the date of the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

1.19 Financial liabilities

Financial liabilities are recognised on the Statement of Financial Position when the LHB becomes party to the contractual provisions of the financial instrument or, in the case of trade payables, when the goods or services have been received. Financial liabilities are de-recognised when the liability has been discharged, that is, the liability has been paid or has expired.

1.19.1 Financial liabilities are initially recognised at fair value.

Financial liabilities are classified as either financial liabilities at fair value through the Statement of Comprehensive Net Expenditure or other financial liabilities.

1.19.2 Financial liabilities at fair value through the Statement of Comprehensive Net Expenditure

Embedded derivatives that have different risks and characteristics to their host contracts, and contracts with embedded derivatives whose separate value cannot be ascertained, are treated as financial liabilities at fair value through profit and loss. They are held at fair value, with any resultant gain or loss recognised in the SoCNE. The net gain or loss incorporates any interest earned on the financial asset.

1.19.3 Other financial liabilities

After initial recognition, all other financial liabilities are measured at amortised cost using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash payments through the life of the asset, to the net carrying amount of the financial liability. Interest is recognised using the effective interest method.

1.20 Value Added Tax

Most of the activities of the LHB are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.21 Foreign currencies

Transactions denominated in a foreign currency are translated into sterling at the exchange rate ruling on the dates of the transactions. Resulting exchange gains and losses are taken to the Statement of Comprehensive Net Expenditure. At the Statement of Financial Position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date.

1.22 Third party assets

Assets belonging to third parties (such as money held on behalf of patients) are not recognised in the accounts since the LHB has no beneficial interest in them. Details of third party assets are given in Note 24 to the accounts.

1.23 Losses and Special Payments

Losses and special payments are items that the Welsh Government would not have contemplated when it agreed funds for the health service or passed legislation. By their nature they are items that ideally should not arise. They are therefore subject to special control procedures compared with the generality of payments. They are divided into different categories, which govern the way each individual case is handled.

Losses and special payments are charged to the relevant functional headings in the operating cost statement on an accruals basis, including losses which would have been made good through insurance cover had LHBs not been bearing their own risks (with insurance premiums then being included as normal revenue expenditure). However, the note on losses and special payments is compiled directly from the losses register which is prepared on a cash basis.

1.24 Pooled budget

The LHB has entered into pooled budgets with Local Authorities. Under the arrangement funds are pooled in accordance with section 33 of the NHS (Wales) Act 2006 for specific activities defined in Note 31 .

The pool is hosted by one organisation. Payments for services provided are accounted for as Miscellaneous Income. The LHB accounts for its share of the assets, liabilities, income and expenditure from the activities of the pooled budget, in accordance with the pooled budget arrangement.

1.25 Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the LHB's accounting policies, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from those estimates. The estimates and underlying assumptions are continually reviewed. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or the period of the revision and future periods if the revision affects both current and future periods.

1.26 Key sources of estimation uncertainty

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the Statement of Financial Position date, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

A court judgement in the case of Grogan v Bexley NHS Care Trust ruled that the primary health need approach should be used when assessing care requirements. Where an individual's care is of a primary health need then all care costs should be met by the NHS. This may have an impact on the level of LHB Continuing Care costs in cases where the LHB has not assessed eligibility for care using the primary health need approach. An all Wales review is underway to try and assess the effect on the NHS in Wales. To date claims have been received by the LHB from local authorities/ individuals for retrospective care costs which they believe should have been funded by the LHB on the basis of primary health need. However the court ruling has not been tested by any case re-assessment and in the LHB's view is unlikely to result in any additional costs in respect of past years. As a result , no provision has been made for any potential costs which might arise.

1.27 Private Finance Initiative (PFI) transactions

HM Treasury has determined that government bodies shall account for infrastructure PFI schemes where the government body controls the use of the infrastructure and the residual interest in the infrastructure at the end of the arrangement as service concession arrangements, following the principles of the requirements of IFRIC 12. The LHB therefore recognises the PFI asset as an item of property, plant and equipment together with a liability to pay for it. The services received under the contract are recorded as operating expenses.

The annual unitary payment is separated into the following component parts, using appropriate estimation techniques where necessary:

- a) Payment for the fair value of services received;
- b) Payment for the PFI asset, including finance costs; and
- c) Payment for the replacement of components of the asset during the contract 'lifecycle replacement'.

Services received

The fair value of services received in the year is recorded under the relevant expenditure headings within 'operating expenses'.

PFI asset

The PFI assets are recognised as property, plant and equipment, when they come into use. The assets are measured initially at fair value in accordance with the principles of IAS 17. Subsequently, the assets are measured at fair value, which is kept up to date in accordance with the LHBs approach for each relevant class of asset in accordance with the principles of IAS 16.

PFI liability

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured initially at the same amount as the fair value of the PFI assets and is subsequently measured as a finance lease liability in accordance with IAS 17.

An annual finance cost is calculated by applying the implicit interest rate in the lease to the opening lease liability for the period, and is charged to 'Finance Costs' within the Statement of Comprehensive Net Expenditure.

The element of the annual unitary payment that is allocated as a finance lease rental is applied to meet the annual finance cost and to repay the lease liability over the contract term.

An element of the annual unitary payment increase due to cumulative indexation is allocated to the finance lease. In accordance with IAS 17, this amount is not included in the minimum lease payments, but is instead treated as contingent rent and is expensed as incurred. In substance, this amount is a finance cost in respect of the liability and the expense is presented as a contingent finance cost in the Statement of Comprehensive Net Expenditure.

Lifecycle replacement

Components of the asset replaced by the operator during the contract ('lifecycle replacement') are capitalised where they meet the LHBs criteria for capital expenditure. They are capitalised at the time they are provided by the operator and are measured initially at their fair value.

The element of the annual unitary payment allocated to lifecycle replacement is pre-determined for each year of the contract from the operator's planned programme of lifecycle replacement. Where the lifecycle component is provided earlier or later than expected, a short-term finance lease liability or prepayment is recognised respectively.

Where the fair value of the lifecycle component is less than the amount determined in the contract, the difference is recognised as an expense when the replacement is provided. If the fair value is greater than the amount determined in the contract, the difference is treated as a 'free' asset and a deferred income balance is recognised. The deferred income is released to the operating income over the shorter of the remaining contract period or the useful economic life of the replacement component.

Assets contributed by the LHB to the operator for use in the scheme

Assets contributed for use in the scheme continue to be recognised as items of property, plant and equipment in the LHBs Statement of Financial Position.

Other assets contributed by the LHB to the operator

Assets contributed (e.g. cash payments, surplus property) by the LHB to the operator before the asset is brought into use, which are intended to defray the operator's capital costs, are recognised initially as prepayments during the construction phase of the contract. Subsequently, when the asset is made available to the LHB, the prepayment is treated as an initial payment towards the finance lease liability and is set against the carrying value of the liability.

A PFI liability is recognised at the same time as the PFI assets are recognised. It is measured at the present value of the minimum lease payments, discounted using the implicit interest rate. It is subsequently measured as a finance lease liability in accordance with IAS 17.

On initial recognition of the asset, the difference between the fair value of the asset and the initial liability is recognised as deferred income, representing the future service potential to be received by the LHB through the asset being made available to third party users.

1.28 Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LHB, or a present obligation that is not recognised because it is not probable that a payment will be required to settle the obligation or the amount of the obligation cannot be measured sufficiently reliably. A contingent liability is disclosed unless the possibility of a payment is remote.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the trust. A contingent asset is disclosed where an inflow of economic benefits is probable.

Where the time value of money is material, contingencies are disclosed at their present value.

1.29 EU Emissions Trading Scheme

EU Emission Trading Scheme allowances are accounted for as Miscellaneous Income.

1.30 Accounting standards that have been issued but not yet been adopted.

The Treasury FReM does not require the following Standards and Interpretations to be applied in 2011-12. The application of the Standards as revised would not have a material impact on the accounts for 2011-12, were they applied in that year:

IAS 1 Presentation of financial statements (Other Comprehensive Income) - subject to consultation
IAS 12 - Income Taxes (amendment) - subject to consultation
IAS 19 Post-employment benefits (pensions) - subject to consultation
IAS 27 Separate Financial Statements - subject to consultation
IAS 28 Investments in Associates and Joint Ventures - subject to consultation
IFRS 7 - Financial Instruments: Disclosures (annual improvements) - effective 2012-13
IFRS 9 Financial Instruments - subject to consultation - subject to consultation
IFRS 10 Consolidated Financial Statements - subject to consultation
IFRS 11 Joint Arrangements - subject to consultation
IFRS 12 Disclosure of Interests in Other Entities - subject to consultation
IFRS 13 Fair Value Measurement - subject to consultation
IPSAS 32 - Service Concession Arrangement - subject to consultation"

1.31 Accounting standards issued that have been adopted early.

During 2011/12 there have been no accounting standards that have been adopted early
All early adoption of accounting standards will be led by HM Treasury.

2. Achievement of Operational Financial Balance

2.1 Revenue Resource Limit

The LHB has achieved Operational Financial Balance as shown on the face of the Operating Cost Statement. The LHB received no brokerage during 2011/12.

2.2 Capital Resource Limit

2011-12	2010-11
£000	£000

The LHB is required to keep within its Capital Resource Limit :

Gross capital expenditure	28,677	38,454
Add: Losses on disposal of donated assets	0	0
Less NBV of property, plant and equipment and intangible assets disposed	(165)	(319)
Less capital grants received	0	0
Less donations received	(801)	(339)
Charge against Capital Resource Limit	27,711	37,796
Capital Resource Limit	27,776	37,895
(Over) / Underspend against Capital Resource Limit	65	99

This Welsh Government target was achieved.

3. Analysis of gross operating costs

3.1 Expenditure on Primary Healthcare Services

	Cash limited £'000	Non-cash limited £'000	2011-12 Total £'000	2010-11 £'000
General Medical Services	58,383		58,383	58,615
Pharmaceutical Services	19,063	(2,927)	16,136	15,585
General Dental Services	19,487		19,487	19,139
General Ophthalmic Services		3,642	3,642	3,697
Other Primary Health Care expenditure	5,876		5,876	6,901
Prescribed drugs and appliances	66,630		66,630	69,002
Total	169,439	715	170,154	172,939

3.2 Expenditure on healthcare from other providers

	2011-12 £'000	2010-11 £'000
Goods and services from other NHS Wales Health Boards	30,882	27,323
Goods and services from other NHS Wales Trusts	3,275	3,179
Goods and services from other non Welsh NHS bodies	1,587	1,918
Goods and services from WHSSC	68,195	70,650
Local Authorities	5,543	4,123
Voluntary organisations	1,248	777
NHS Funded Nursing Care	3,804	3,988
Continuing Care	40,656	45,493
Private providers	2,447	2,677
Specific projects funded by the Welsh Government	0	0
Public Health Wales	1,313	1,370
NWSSP, Business Services Centre / Business Services Partnership	0	1,193
Other	144	1,575
Total	159,094	164,266

3.3 Expenditure on Hospital and Community Health Services

	2011-12	2010-11
	£'000	£'000
Directors' costs	1,903	1,644
Staff costs	304,557	301,138
Supplies and services - clinical	50,178	49,052
Supplies and services - general	4,661	4,401
Consultancy Services	240	318
Establishment	9,664	9,115
Transport	1,016	1,020
Premises	13,804	13,744
External Contractors	397	229
Depreciation	13,569	12,871
Amortisation	84	62
Fixed asset impairments and reversals (Property, plant & equipment)	28,301	13,965
Fixed asset impairments and reversals (Intangible assets)	0	0
Impairments & reversals of financial assets	0	0
Impairments & reversals of non-current assets held for sale	20	0
Audit fees	499	462
Other auditors' remuneration	0	0
Losses, special payments and irrecoverable debts	459	942
Research and Development	0	0
Other operating expenses	712	1,274
Total	430,064	410,237

3.4 Losses, special payments and irrecoverable debts: charges to operating expenses

	2011-12	2010-11
	£000	£000
Increase/(decrease) in provision for future payments:		
Clinical negligence	10,107	10,004
Personal injury	45	781
All other losses and special payments	180	126
Defence legal fees and other administrative costs	285	948
Gross increase/(decrease) in provision for future payments	10,617	11,859
Premium for other insurance arrangements	0	0
Irrecoverable debts	(379)	(360)
Less: income received/ due from Welsh Risk Pool	(9,779)	(10,557)
Total	459	942

Personal injury includes £(182,887) (2010-11 £177,000) in respect of permanent injury benefits.

Negligence expenditure arising from clinical redress included above totals £3,000 in 2011/12.

Fixed asset impairments relates to completed capital schemes. The increase in 2011/12 is attributable to schemes such as the "Front of House Enabling Works" and "Boilerhouse" schemes at Bronglais General Hospital, Critical Care Unit at Glangwili General Hospital and engineering infrastructure works.

4. Miscellaneous Income

	2011-12	2010-11
	£'000	£'000
		(Restated)
Local Health Boards	18,627	18,803
WHSSC	884	816
NHS trusts	3,647	2,416
Strategic health authorities and primary care trusts	3,599	2,885
Foundation Trusts	0	0
Local authorities	3,662	3,999
Welsh Government	8,168	6,651
Non NHS:		
Prescription charge income	16	13
Dental fee income	2,677	2,541
Private patient income	203	160
Overseas patients (non-reciprocal)	22	0
Injury Costs Recovery (ICR) Scheme	864	1,546
Other income from activities	1,834	2,624
Patient transport services	0	0
Education, training and research	7,974	7,821
Charitable and other contributions to expenditure	1,498	1,465
Receipt of donated assets	801	339
Receipt of Government granted assets	0	0
Non-patient care income generation schemes	385	375
NWSSP, Business Services Centre / Business Services Partnership	0	0
Deferred income released to revenue	0	0
Contingent rental income from finance leases	0	0
Rental income from operating leases	0	0
Other income:		
Provision of laundry, pathology, payroll services	86	199
Accommodation and catering charges	1,481	1,533
Mortuary fees	136	169
Staff payments for use of cars	227	280
Buisness Unit	0	0
Other	1,229	1,596
Total	58,020	56,231

Injury Costs Recovery (ICR) Scheme income is subject to a provision for impairment of 10.5% to reflect expected rates of collection.

5. Employee benefits and staff numbers

5.1 Employee costs	Permanent Staff	Staff on Inward Secondment	Agency Staff	Total	2010-11
	£000	£000	£000	£000	£000
Salaries and wages	257,738	2,934	5,963	266,635	262,292
Social security costs	18,360	0	0	18,360	18,790
Employer contributions to NHS Pension Scheme	29,515	0	0	29,515	29,252
Other pension costs	0	0	0	0	0
Other employment benefits	0	0	0	0	0
Termination benefits	0	0	0	0	0
Total	305,613	2,934	5,963	314,510	310,334
Charged to capital				211	222
Charged to revenue				314,299	310,112
				314,510	310,334

5.2 Average number of employees

	Permanent Staff	Staff on Inward Secondment	Agency Staff	Total	2010-11
	Number	Number	Number	Number	Number
Medical and dental	694	16	42	752	693
Ambulance staff	0	0	0	0	0
Administrative and estates	1,424	19	1	1,444	1,490
Healthcare assistants and other support staff	777	0	4	781	825
Nursing, midwifery and health visiting staff	3,790	1	14	3,805	3,553
Nursing, midwifery and health visiting learners	0	0	0	0	0
Scientific, therapeutic and technical staff	796	1	2	799	1,081
Social care staff	0	0	0	0	0
Other	3	0	0	3	5
Total	7,484	37	63	7,584	7,647

5.3. Retirements due to ill-health

During 2011-12 there were 14 early retirements from the LHB agreed on the grounds of ill-health.

The estimated additional pension costs of these ill-health retirements (calculated on an average basis and borne by the NHS Pension Scheme) will be £1,041,511.84

5.4 Employee benefits	2011-12	2010-11
	£000	£000
	0	0
	0	0
	0	0

5.5 Reporting of other compensation schemes - exit packages

Exit package cost band	Total number of exit packages by cost band	Total number of exit packages by cost band
	Number	Number
	2011-12	2010-11
<£10,000	0	2
£10,000 to £25,000	2	6
£25,000 to £50,000	3	4
£50,000 to £100,000	1	2
£100,000 to £150,000	0	0
£150,000 to £200,000	0	0
£200,000+	0	0
Total number of exit packages by type	6	14
Total resource cost £	206,065	439,179

In 2011-12 the LHB has used the data from the Electronic Staffing Record (ESR) system to produce this WTE note, the comparatives for 2010-11 were derived from the data produced by the Oracle Business system. The Health Board has developed and improved the ESR system for staff categorisation and statistical data during 2011-12 which has enabled its use for the production of all such data in management accounts, monitoring returns and the financial accounts."

5.6 Remuneration Relationship

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in Hywel Dda Health Board in the financial year 2011-12 was £175,000 (2010-11, £175,000). This was 7 times (2010-11, 7) the median remuneration of the workforce, which was £25,528 (2010-11, £24,554).

In 2011-12, no (2010-11, 0) employees received remuneration in excess of the highest-paid director. The Chief Executive is the highest paid director. There has been no change in the highest paid Director or change to the remuneration of the highest paid Director in 2011-12.

Total remuneration includes salary, non-consolidated performance-related pay as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

5.7 Pension costs

Pension costs

Past and present employees are covered by the provisions of the NHS Pensions Scheme. Details of the benefits payable under these provisions can be found on the NHS Pensions website at www.nhsbsa.nhs.uk/pensions. The scheme is an unfunded, defined benefit scheme that covers NHS employers, GP practices and other bodies, allowed under the direction of the Secretary of State, in England and Wales. The scheme is not designed to be run in a way that would enable NHS bodies to identify their share of the underlying scheme assets and liabilities. Therefore, the scheme is accounted for as if it were a defined contribution scheme: the cost to the NHS Body of participating in the scheme is taken as equal to the contributions payable to the scheme for the accounting period.

In order that the defined benefit obligations recognised in the financial statements do not differ materially from those that would be determined at the reporting date by a formal actuarial valuation, the FReM requires that "the period between formal valuations shall be four years, with approximate assessments in intervening years". An outline of these follows:

a) Full actuarial (funding) valuation

The purpose of this valuation is to assess the level of liability in respect of the benefits due under the scheme (taking into account its recent demographic experience), and to recommend the contribution rates.

The last formal actuarial valuation undertaken for the NHS Pension Scheme was completed for the year ending 31 March 2004. Consequently, a formal actuarial valuation would have been due for the year ending 31 March 2008. However, formal actuarial valuations for unfunded public service schemes have been suspended by HM Treasury on value for money grounds while consideration is given to recent changes to public service pensions, and while future scheme terms are developed as part of the reforms to public service pension provision. Employer and employee contribution rates are currently being determined under the new scheme design.

b) Accounting valuation

A valuation of the scheme liability is carried out annually by the scheme actuary as at the end of the reporting period. Actuarial assessments are undertaken in intervening years between formal valuations using updated membership data are accepted as providing suitably robust figures for financial reporting purposes. However, as the interval since the last formal valuation now exceeds four years, the valuation of the scheme liability as at 31 March 2012 is based on detailed membership data as at 31 March 2010 updated to 31 March 2012 with summary global member and accounting data. In undertaking this actuarial assessment, the methodology prescribed in IAS 19, relevant FReM interpretations, and the discount rate prescribed by HM Treasury have also been used.

The latest assessment of the liabilities of the scheme is contained in the scheme actuary report, which forms part of the annual NHS Pension Scheme (England and Wales) Pension Accounts, published annually. These accounts can be viewed on the NHS Pensions website. Copies can also be obtained from The Stationery Office.

c) Scheme provisions

The NHS Pension Scheme provided defined benefits, which are summarised below. This list is an illustrative guide only, and is not intended to detail all the benefits provided by the Scheme or the specific conditions that must be met before these benefits can be obtained:

The Scheme is a "final salary" scheme. Annual pensions are normally based on 1/80th for the 1995 section and of the best of the last three years pensionable pay for each year of service, and 1/60th for the 2008 section of reckonable pay per year of membership. Members who are practitioners as defined by the Scheme Regulations have their annual pensions based upon total pensionable earnings over the relevant pensionable service.

With effect from 1 April 2008 members can choose to give up some of their annual pension for an additional tax free lump sum, up to a maximum amount permitted under HMRC rules. This new provision is known as "pension commutation".

Annual increases are applied to pension payments at rates defined by the Pensions (Increase) Act 1971, and are based on changes in retail prices in the twelve months ending 30 September in the previous calendar year. From 2011-12 the Consumer Price Index (CPI) will be used to replace the Retail Prices Index (RPI).

Early payment of a pension, with enhancement, is available to members of the scheme who are permanently incapable of fulfilling their duties effectively through illness or infirmity. A death gratuity of twice final year's pensionable pay for death in service, and five times their annual pension for death after retirement is payable.

For early retirements other than those due to ill health the additional pension liabilities are not funded by the scheme. The full amount of the liability for the additional costs is charged to the employer.

Members can purchase additional service in the NHS Scheme and contribute to money purchase AVC's run by the Scheme's approved providers or by other Free Standing Additional Voluntary Contributions (FSAVC) providers.

6. Operating leases

LHB as lessee

The Provider arm of the Health Board has several operating leases arrangements in place, which include:

- leases for vehicles
- leases for smaller medical and surgical items which are valued at less than £5,000 each
- at the end of the primary lease period these items are returned to the lessor

Payments recognised as an expense	2011-12	2010-11
	£000	£000
Minimum lease payments	2,216	1,937
Contingent rents	0	0
Sub-lease payments	0	0
Total	<u>2,216</u>	<u>1,937</u>

Total future minimum lease payments

Payable	£000	£000
Not later than one year	1,101	907
Between one and five years	714	614
After 5 years	0	0
Total	<u>1,815</u>	<u>1,521</u>

There are no future sublease payments expected to be received.

LHB as lessor

Rental revenue	£000	£000
Rent	0	0
Contingent rents	0	0
Total revenue rental	<u>0</u>	<u>0</u>

Total future minimum lease payments

Receivable	£000	£000
Not later than one year	0	0
Between one and five years	0	0
After 5 years	0	0
Total	<u>0</u>	<u>0</u>

7. Public Sector Payment Policy - Measure of Compliance

7.1 Prompt payment code - measure of compliance

The Welsh Government requires that Health Boards pay all their trade creditors in accordance with the CBI prompt payment code and Government Accounting rules. The Welsh Government has set as part of the Health Board financial targets a requirement to pay 95% of the number of non-NHS creditors within 30 days of delivery.

	2011-12 Number	2011-12 £000	2010-11 Number	2010-11 £000
NHS				
Total bills paid	3,889	155,415	3,685	86,325
Total bills paid within target	3,601	145,476	3,370	85,094
Percentage of bills paid within target	92.6%	93.6%	91.5%	98.6%
Non-NHS				
Total bills paid	297,698	285,088	148,291	341,620
Total bills paid within target	285,247	273,198	140,971	335,706
Percentage of bills paid within target	95.8%	95.8%	95.1%	98.3%
Total				
Total bills paid	301,587	440,503	151,976	427,945
Total bills paid within target	288,848	418,674	144,341	420,800
Percentage of bills paid within target	95.8%	95.0%	95.0%	98.3%

7.2 The Late Payment of Commercial Debts (Interest) Act 1998

	2011-12 £	2010-11 £
Amounts included within finance costs (note 10) from claims made under this legislation	0	0
Compensation paid to cover debt recovery costs under this legislation	0	0
Total	0	0

The value of NHS invoices in 2011-12 is inclusive of all the Long Term Agreement (LTA) payments made to other NHS health bodies. This methodology was introduced during 2010-11 and therefore the comparative figure doesn't include the full year value of the LTA's.

The number of Non NHS invoices in 2011-12 is inclusive of all the contractor activity processed on our behalf by National Shared Services. This activity was not captured in 2010-11.

The value of Non NHS invoices in 2011-12 excludes the payments for the primary care contracts

8. Investment Income

	2011-12 £000	2010-11 £000
Rental revenue :		
PFI Finance lease income		
planned	0	0
contingent	0	0
Other finance lease revenue	0	0
Interest revenue :		
Bank accounts	0	0
Other loans and receivables	0	0
Impaired financial assets	0	0
Other financial assets	0	0
Total	<u>0</u>	<u>0</u>

9. Other gains and losses

	2011-12 £000	2010-11 £000
Gain/(loss) on disposal of property, plant and equipment	(44)	(93)
Gain/(loss) on disposal of intangible assets	0	0
Gain/(loss) on disposal of financial assets	0	0
Change on foreign exchange	0	0
Change in fair value of financial assets at fair value through SoCNE	0	0
Change in fair value of financial liabilities at fair value through SoCNE	0	0
Recycling of gain/(loss) from equity on disposal of financial assets held for sale	0	0
Total	<u>(44)</u>	<u>(93)</u>

10. Finance costs

	2011-12 £000	2010-11 £000
Interest on loans and overdrafts	0	0
Interest on obligations under finance leases	2	7
Interest on obligations under PFI contracts		
main finance cost	0	0
contingent finance cost	0	0
Interest on late payment of commercial debt	0	0
Provisions unwinding of discount	39	28
Other interest expense	0	0
Total interest expense	<u>41</u>	<u>35</u>
Other finance costs	0	0
Total	<u>41</u>	<u>35</u>

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction & payments on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2011	23,782	164,677	8,088	35,304	58,534	718	15,347	2,903	309,353
Indexation	0	6,544	323	0	0	0	0	0	6,867
Additions - purchased	0	4,876	0	17,496	3,197	5	1,684	441	27,699
Additions - donated	0	0	0	0	770	0	9	0	779
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	28,962	0	(35,091)	5,785	0	(2)	131	(215)
Revaluations	0	0	0	0	0	0	0	0	0
Impairments	0	(29,716)	(177)	0	(45)	0	(5)	0	(29,943)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	(794)	0	0	(6,505)	(131)	(63)	0	(7,493)
At 31 March 2012	23,782	174,549	8,234	17,709	61,736	592	16,970	3,475	307,047
Depreciation at 1 April 2011	0	12,353	645	0	42,465	691	10,806	1,386	68,346
Indexation	0	463	26	0	0	0	0	0	489
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	45	0	0	(53)	0	(7)	8	(7)
Revaluations	0	0	0	0	0	0	0	0	0
Impairments	0	(1,608)	(7)	0	(25)	0	(2)	0	(1,642)
Reclassified as held for sale	0	0	0	0	0	0	0	0	0
Disposals	0	(794)	0	0	(6,445)	(131)	(63)	0	(7,433)
Provided during the year	0	6,534	342	0	4,911	11	1,526	245	13,569
At 31 March 2012	0	16,993	1,006	0	40,853	571	12,260	1,639	73,322
Net book value at 1 April 2011	23,782	152,324	7,443	35,304	16,069	27	4,541	1,517	241,007
Net book value at 31 March 2012	23,782	157,556	7,228	17,709	20,883	21	4,710	1,836	233,725
Net book value at 31 March 2012 comprises :									
Purchased	23,502	154,198	7,228	17,709	19,512	14	4,697	1,836	228,696
Donated	280	3,358	0	0	1,371	7	13	0	5,029
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2012	23,782	157,556	7,228	17,709	20,883	21	4,710	1,836	233,725
Asset financing :									
Owned	23,782	157,556	7,228	17,709	20,883	21	4,710	1,836	233,725
Held on finance lease	0	0	0	0	0	0	0	0	0
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2012	23,782	157,556	7,228	17,709	20,883	21	4,710	1,836	233,725

The net book value of land, buildings and dwellings at 31 March 2012 comprises :

	£000
Freehold	187,040
Long Leasehold	1,526
Short Leasehold	0
	188,566

11.1 Property, plant and equipment

	Land £000	Buildings, excluding dwellings £000	Dwellings £000	Assets under construction on account £000	Plant and machinery £000	Transport equipment £000	Information technology £000	Furniture & fittings £000	Total £000
Cost or valuation at 1 April 2010	23,869	152,025	8,088	31,515	55,946	718	13,685	1,957	287,803
Indexation	0	0	0	0	0	0	0	0	0
Additions - purchased	0	8,024	0	23,902	3,861	0	1,551	777	38,115
Additions - donated	0	0	0	0	339	0	0	0	339
Additions - government granted	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	18,866	0	(20,113)	858	0	206	169	(14)
Revaluations	0	0	0	0	(2,047)	0	0	0	(2,047)
Impairments	0	(14,161)	0	0	0	0	0	0	(14,161)
Reclassified as held for sale	(70)	(77)	0	0	0	0	0	0	(147)
Disposals	(17)	0	0	0	(423)	0	(95)	0	(535)
At 31 March 2011	23,782	164,677	8,088	35,304	58,534	718	15,347	2,903	309,353
Depreciation at 1 April 2010	0	6,394	313	0	40,150	679	9,433	1,204	58,173
Indexation	0	0	0	0	0	0	0	0	0
Transfer from/into other NHS bodies	0	0	0	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0	0	0	0
Revaluations	0	0	0	0	(2,133)	0	0	0	(2,133)
Impairments	0	(197)	0	0	0	0	0	0	(197)
Reclassified as held for sale	0	(22)	0	0	0	0	0	0	(22)
Disposals	0	0	0	0	(274)	0	(72)	0	(346)
Provided during the year	0	6,178	332	0	4,722	12	1,445	182	12,871
At 31 March 2011	0	12,353	645	0	42,465	691	10,806	1,386	68,346
Net book value at 1 April 2010	23,869	145,631	7,775	31,515	15,796	39	4,252	753	229,630
Net book value at 31 March 2011	23,782	152,324	7,443	35,304	16,069	27	4,541	1,517	241,007
Net book value at 31 March 2011 comprises :									
Purchased	23,502	148,979	7,443	35,304	15,075	15	4,529	1,517	236,364
Donated	280	3,345	0	0	994	12	12	0	4,643
Government Granted	0	0	0	0	0	0	0	0	0
At 31 March 2011	23,782	152,324	7,443	35,304	16,069	27	4,541	1,517	241,007
Asset financing :									
Owned	23,782	152,324	7,443	35,304	16,013	27	4,541	1,517	240,951
Held on finance lease	0	0	0	0	56	0	0	0	56
On-SoFP PFI contracts	0	0	0	0	0	0	0	0	0
PFI residual interests	0	0	0	0	0	0	0	0	0
At 31 March 2011	23,782	152,324	7,443	35,304	16,069	27	4,541	1,517	241,007

The net book value of land, buildings and dwellings at 31 March 2011 comprises :

Freehold	£000
Long Leasehold	182,332
Short Leasehold	1,217
	0
	183,549

11. Property, plant and equipment (continued.)

i) Acquisitions shown as donated assets within Note 11 were bought using monies donated by the public into the Charitable Funds and through League of Friends and other Charitable contributions

During 2011/12 fixed assets to the following value were bought from the following Charitable Funds totalled:

- Carmarthenshire NHS Trust General Charitable Fund (1049213)	£417,659
- Pembrokeshire & Derwen NHS Trust Charitable Fund (1049198)	£ 81,097
- Ceredigion & Mid Wales NHS Trust General Fund (1052231)	£187,916

During 2011/12 fixed assets purchased to the following value were funded by:

- League of Friends Contributions	£62,110
- 'Walk the Walk' Contribution	£46,644
- Welsh Hospital Fundraisers Contribution	£ 5,455

ii) A revaluation exercise was undertaken of completed schemes within the financial period, the effective date of revaluation were:

- 27th May 2011 - Front of House Enabling Works, Bronglais General Hospital
- 13th July 2011 - Critical Care Unit & Engineering Infrastructure, Glangwili General Hospital
- 27th January 2012 - Boiler House, Bronglais General Hospital

The revaluations were carried out by an independent valuer (Valuation Office Agency - District Valuer Services).

The valuation was prepared in accordance with the terms of the Royal Institution of Chartered Surveyors' Appraisal and Valuation Standards, insofar as their terms are consistent with the agreed requirements of the National Health Service in Wales, the Welsh Government and HM Treasury.

iii) The revaluation exercise has not only altered the value of the land and buildings but also reviewed the building and dwelling asset lives.

Desirable disclosures:

i) The LHB is not carrying any temporarily idle assets.

ii) Gross carrying amount of all fully depreciated assets still in use as at 31st March 2012 was £37,871,549.07

11. Property, plant and equipment (continued)

11.2 Non-current assets held for sale	Land	Buildings, including dwelling	Other property, plant and equipment	Intangible assets	Other assets	Total
	£000	£000	£000	£000	£000	£000
Balance brought forward 1 April 2011	70	55	0	0	0	125
Plus assets classified as held for sale in the year	0	0	0	0	0	0
Less assets sold in the year	(70)	(35)	0	0	0	(105)
Less impairment of assets held for sale	0	(20)	0	0	0	(20)
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2012	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Balance brought forward 1 April 2010	70	165	0	0	0	235
Plus assets classified as held for sale in the year	70	55	0	0	0	125
Less assets sold in the year	(70)	(165)	0	0	0	(235)
Less impairment of assets held for sale	0	0	0	0	0	0
Less assets no longer classified as held for sale, for reasons other than disposal by sale	0	0	0	0	0	0
Balance carried forward 31 March 2011	<u>70</u>	<u>55</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>125</u>

The property sold was Capel Road CTLD Offices which were sold in December 2011 for £105,000

The recognised gain/loss on the sale of the Asset was £0

12. Intangible non-current assets

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2011	339	0	11	0	0	350
Revaluation	0	0	0	0	0	0
Reclassifications	215	0	0	0	0	215
Impairments	0	0	0	0	0	0
Additions- purchased	177	0	0	0	0	177
Additions- internally generated	0	0	0	0	0	0
Additions- donated	22	0	0	0	0	22
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Gross cost at 31 March 2012	753	0	11	0	0	764
Amortisation at 1 April 2011	181	0	9	0	0	190
Revaluation	0	0	0	0	0	0
Reclassifications	7	0	0	0	0	7
Impairment	0	0	0	0	0	0
Provided during the year	82	0	2	0	0	84
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Amortisation at 31 March 2012	270	0	11	0	0	281
Net book value at 1 April 2011	158	0	2	0	0	160
Net book value at 31 March 2012	483	0	0	0	0	483
At 31 March 2012						
Purchased	457	0	0	0	0	457
Donated	26	0	0	0	0	26
Government Granted	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0
Total at 31 March 2012	483	0	0	0	0	483

12. Intangible non-current assets (continued)

	Software (purchased)	Software (internally generated)	Licences and trademarks	Patents	Development expenditure- internally generated	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation at 1 April 2010	325	0	11	0	0	336
Revaluation	0	0	0	0	0	0
Reclassifications	14	0	0	0	0	14
Impairments	0	0	0	0	0	0
Additions- purchased	0	0	0	0	0	0
Additions- internally generated	0	0	0	0	0	0
Additions- donated	0	0	0	0	0	0
Additions- government granted	0	0	0	0	0	0
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Gross cost at 31 March 2011	339	0	11	0	0	350
Amortisation at 1 April 2010	121	0	7	0	0	128
Revaluation	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairment	0	0	0	0	0	0
Provided during the year	60	0	2	0	0	62
Reclassified as held for sale	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Amortisation at 31 March 2011	181	0	9	0	0	190
Net book value at 1 April 2010	204	0	4	0	0	208
Net book value at 31 March 2011	158	0	2	0	0	160
At 31 March 2011						
Purchased	149	0	2	0	0	151
Donated	9	0	0	0	0	9
Government Granted	0	0	0	0	0	0
Internally generated	0	0	0	0	0	0
Total at 31 March 2011	158	0	2	0	0	160

12. Intangible non-current assets (continued)

Computer software is capitalised at its purchase price.

It is not indexed as IT assets are not subject to indexation.

The assets are amortised monthly over their expected life.

The gross carrying amount of all fully amortised intangible asset still in use as at 31st March 2012 is £30,127

13 . Impairments

	2011-12		2010-11	
	Property, plant & equipment £000	Intangible assets £000	Property, plant & equipment £000	Intangible assets £000
Impairments arising from :				
Loss or damage from normal operations	0	0	0	0
Abandonment in the course of construction	0	0	0	0
Over specification of assets (Gold Plating)	0	0	0	0
Loss as a result of a catastrophe	0	0	0	0
Unforeseen obsolescence	0	0	0	0
Changes in market price	0	0	0	0
Others (specify)	28,321	0	13,965	0
Total of all impairments	28,321	0	13,965	0
Analysis of impairments charged to reserves in year :				
Charged to the Statement of Comprehensive Net Expenditure	28,321	0	13,965	0
Charged to Revaluation Reserve	0	0	0	0
	28,321	0	13,965	0

£28,321,233 of the impairment loss recognised is due to the impact of good housekeeping valuations which have been undertaken on schemes completed and brought into use during 2011-12

Fixed asset impairments relates to completed capital schemes. The increase in 2011/12 is attributable to schemes such as the "Front of House Enabling Works" and "Boilerhouse" schemes at Bronglais General Hospital, Critical Care Unit at Glangwili General Hospital and engineering infrastructure works.

14.1 Inventories	31 March	31 March
	2012	2011
	£000	£000
Drugs	2,519	2,428
Consumables	4,578	3,544
Energy	236	198
Work in progress	0	0
Other	0	0
Total	7,333	6,170
Of which held at realisable value	0	0

14.2 Inventories recognised in expenses	31 March	31 March
	2012	2011
	£000	£000
Inventories recognised as an expense in the period	0	144
Write-down of inventories (including losses)	110	60
Reversal of write-downs that reduced the expense	0	0
Total	110	204

The increase in consumable inventories was due to increased theatre stockholding to reflect increased planned orthopaedic activity.

15. Trade and other Receivables

Current	31 March 2012 £000	31 March 2011 £000
Welsh Government	877	860
WHSSC	99	179
Welsh Health Boards	1,071	1,685
Welsh NHS Trusts	556	144
Non - Welsh Trusts	355	368
Other NHS	0	11
Welsh Risk Pool	1,216	1,452
Local Authorities	1,133	1,571
Capital debtors	0	85
Other debtors	4,294	5,454
Provision for irrecoverable debts	(539)	(732)
Pension Prepayments	0	0
Other prepayments and accrued income	1,585	1,354
Sub total	10,647	12,431
Non-current		
Welsh Government	0	0
WHSSC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Non - Welsh Trusts	0	0
Other NHS	0	0
Welsh Risk Pool	21,796	16,811
Local Authorities	0	0
Capital debtors	0	0
Other debtors	36	32
Provision for irrecoverable debts	0	0
Pension Prepayments	0	0
Other prepayments and accrued income	0	0
Sub total	21,832	16,843
Total	32,479	29,274

Receivables past their due date but not impaired

By up to three months	283	255
By three to six months	12	533
By more than six months	30	0
	325	788

Provision for impairment of receivables

Balance at 1 April	(732)	(1,892)
Amount written off during the year	16	6
Amount recovered during the year	0	0
(Increase) / decrease in receivables impaired	177	1,154
Balance at 31 March	(539)	(732)

In determining whether a debt is impaired consideration is given to the age of the debt and the results of actions taken to recover the debt, including reference to credit agencies

16. Trade and other payables

Current	31 March	31 March
	2012	2011
	£000	£000
Welsh Government	0	144
WHSSC	1,130	102
Welsh Health Boards	3,336	2,496
Welsh NHS Trusts	319	369
Other NHS	5,653	4,471
Income tax and social security	3,988	1,066
Non-NHS creditors	5,738	6,596
Local Authorities	308	1,162
Capital Creditors	4,021	7,472
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts and PFI contracts	0	121
Pensions: staff	0	0
Accruals	32,680	38,737
Deferred Income	116	7
Other creditors	7,347	8,982
Total	64,636	71,725
Non-current		
Welsh Government	0	0
WHSSC	0	0
Welsh Health Boards	0	0
Welsh NHS Trusts	0	0
Other NHS	0	0
Income tax and social security	0	0
Non-NHS creditors	0	0
Local Authorities	0	0
Capital Creditors	0	0
Overdraft	0	0
Rentals due under operating leases	0	0
Obligations under finance leases, HP contracts and PFI contracts	0	0
Pensions: staff	0	0
Accruals	0	0
Deferred Income	0	0
Other creditors	0	0
Total	0	0

It is intended to pay all invoices within the 30 day period directed by the Welsh Government.

17. Provisions

	At 1 April 2011	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2012
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence	767	0	0	1,212	809	(1,588)	(934)	0	266
Personal injury	320	0	0	2,071	291	(430)	(494)	36	1,794
All other losses and special payments	0	0	0	0	180	(180)	0	0	0
Defence legal fees and other administration	163	0	0	346	122	(69)	(470)		92
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	143			0	(4)	(22)	0	3	120
Restructuring	0			0	0	0	0	0	0
Other	6,832			(3,416)	1,979	(228)	(1,863)		3,304
Total	8,225	0	0	213	3,377	(2,517)	(3,761)	39	5,576
Non Current									
Clinical negligence	15,860	0	0	(1,212)	14,010	(3,094)	(3,778)	0	21,786
Personal injury	2,324	0	0	(2,071)	364	(152)	(116)	0	349
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	1,435	0	0	(346)	810	(241)	(177)		1,481
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0			3,416	0	0	0	0	3,416
Total	19,619	0	0	(213)	15,184	(3,487)	(4,071)	0	27,032
TOTAL									
Clinical negligence	16,627	0	0	0	14,819	(4,682)	(4,712)	0	22,052
Personal injury	2,644	0	0	0	655	(582)	(610)	36	2,143
All other losses and special payments	0	0	0	0	180	(180)	0	0	0
Defence legal fees and other administration	1,598	0	0	0	932	(310)	(647)		1,573
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	143			0	(4)	(22)	0	3	120
Restructuring	0			0	0	0	0	0	0
Other	6,832			0	1,979	(228)	(1,863)		6,720
Total	27,844	0	0	0	18,561	(6,004)	(7,832)	39	32,608

Expected timing of cash flows:

	In the remainder of spending review to 31 March 2015	Between 1 April 2015- 31 March 2020	Thereafter	Total
				£000
Clinical negligence	22,052	0	0	22,052
Personal injury	2,143	0	0	2,143
All other losses and special payments	0	0	0	0
Defence legal fees and other administration	1,568	5	0	1,573
Pensions relating to former directors	0	0	0	0
Pensions relating to other staff	120	0	0	120
Restructuring	0	0	0	0
Other	6,720	0	0	6,720
Total	32,603	5	0	32,608

17. Provisions (continued)

	At 1 April 2010	Structured settlement cases transferred to Risk Pool	Transfer of provisions to creditors	Transfer between current and non-current	Arising during the year	Utilised during the year	Reversed unused	Unwinding of discount	At 31 March 2011
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Current									
Clinical negligence	8,745	0	0	(5,625)	958	(891)	(2,420)	0	767
Personal injury	552	0	0	241	856	(775)	(554)	0	320
All other losses and special payments	0	0	0	0	126	(126)	0	0	0
Defence legal fees and other administration	415	0	0	(133)	371	(113)	(377)		163
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	227			0	0	(84)	0	0	143
Restructuring	0			0	0	0	0	0	0
Other	6,576			0	2,670	(628)	(1,786)		6,832
Total	16,515	0	0	(5,517)	4,981	(2,617)	(5,137)	0	8,225
Non Current									
Clinical negligence	475	0	0	5,625	15,122	(1,706)	(3,656)	0	15,860
Personal injury	2,228	0	0	(241)	491	(167)	(12)	25	2,324
All other losses and special payments	0	0	0	0	0	0	0	0	0
Defence legal fees and other administration	512	0	0	133	1,371	(164)	(417)		1,435
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	0			0	0	0	0	0	0
Restructuring	0			0	0	0	0	0	0
Other	0			0	0	0	0		0
Total	3,215	0	0	5,517	16,984	(2,037)	(4,085)	25	19,619
TOTAL									
Clinical negligence	9,220	0	0	0	16,080	(2,597)	(6,076)	0	16,627
Personal injury	2,780	0	0	0	1,347	(942)	(566)	25	2,644
All other losses and special payments	0	0	0	0	126	(126)	0	0	0
Defence legal fees and other administration	927	0	0	0	1,742	(277)	(794)		1,598
Pensions relating to former directors	0			0	0	0	0	0	0
Pensions relating to other staff	227			0	0	(84)	0	0	143
Restructuring	0			0	0	0	0	0	0
Other	6,576			0	2,670	(628)	(1,786)		6,832
Total	19,730	0	0	0	21,965	(4,654)	(9,222)	25	27,844

18. Cash and cash equivalents

	2011-12	2010-11
	£000	£000
Balance at 1 April	1,911	1,332
Net change in cash and cash equivalent balances	<u>(1,073)</u>	<u>579</u>
Balance at 31 March	<u>838</u>	<u>1,911</u>
Made up of:		
Cash held at GBS	1,576	8,499
Commercial banks and cash in hand	(738)	(6,588)
Current Investments	<u>0</u>	<u>0</u>
Cash and cash equivalents as in Statement of Financial Position	838	1,911
Bank overdraft - GBS	0	0
Bank overdraft - Commercial banks	<u>0</u>	<u>0</u>
Cash and cash equivalents as in Statement of Cash Flows	838	<u>1,911</u>

19. Other Financial Assets

	Current		Non-current	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
Financial assets				
Finance lease receivables	0	0	0	0
Financial assets carried at fair value through SoCNE	0	0	0	0
Held to maturity investments carried at amortised cost	0	0	0	0
Available for sale financial assets carried at fair value	0	0	0	0
Loans carried at amortised cost	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

20. Other assets

	Current		Non-current	
	31 March 2012 £000	31 March 2011 £000	31 March 2012 £000	31 March 2011 £000
EU Emissions Trading Scheme Allowance	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

21. Other liabilities

	Current		Non-current	
	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	£000	£000	£000	£000
Lease incentives	0	0	0	0
PFI asset -deferred credit	0	0	0	0
Other [specify]	0	0	0	0
	0	0	0	0

22. Other financial liabilities

Financial liabilities	31 March	31 March	31 March	31 March
	2012	2011	2012	2011
	£000	£000	£000	£000
Financial assets carried at fair value through SoCNE	0	0	0	0
	0	0	0	0

23. Related Party Transactions

Total value of transactions with Board members and key senior staff in 2011-2012

The Welsh Government is regarded as a related party. During the year Hywel Dda Local Health Board has had a significant number of material transactions with the Welsh Government and with other entities for which the Government is regarded as the parent body namely,

	Payments to related party £000	Receipts from related party £000	Amounts owed to related party £000	Amounts due from related party £000
Welsh Government	0	708,687	0	877
Welsh Health Specialised Services Committee (WHSSC)	68,570	884	1,130	99
Abertawe Bro-Morgannwg Local Health Board	32,857	6,005	3,060	327
Aneurin Bevan Local Health Board	254	470	35	47
Betsi Cadwaladr Local Health Board	321	3,896	46	120
Cardiff and Vale Local Health Board	5,464	1,481	34	201
Cwm Taf Local Health Board	299	379	11	14
Powys Local Health Board	673	7,318	150	471
Welsh Risk Pool			0	23,012
Public Health Wales	1,451	1,616	158	30
Velindre NHS Trust	2,885	1,703	121	517
Welsh Ambulance Services NHS Trust	2,341	89	40	9
TOTAL	115,115	732,528	4,785	25,724

Board Member	Position	Interests
Mr Chris Martin	Chairman	Executive Adviser to Alliance Healthcare Uk Ltd
Mr Eifion Griffiths	Independent Board Member	Board Member of Grwp Gwalia Treasurer and Governor of Trinity St Davids University
Mr David Wildman	Independent Board Member	Cabinet Member of Pembrokeshire County Council
Professor Melanie Jasper	Independent Board Member	Head of School of Human & Health Science, Swansea University
Mrs Julie James	Independent Board Member	Vice Chairman of Carmarthenshire County Council Standards Committee
Mrs Margaret Rees-Hughes	Independent Board Member	Member of League of Friends Mynydd Mawr Member of Patient Group, Bridge Street Surgery, Penygroes
Mr Trevor Purt	Chief Executive	Wife is Managing Director of NHS Wirral
Dr Sue Fish	Medical Director	Husband is a County Councillor for Ceredigion County Council Half Share in Borth Surgery, Ceredigion

Detailed below are the related party transactions for all the interests held by directors during the year.

	Payments to related party £	Receipts from related party £
Alliance Healthcare UK Ltd	3,614,725	0
Borth Surgery	1,047,925	1,592
Bridge Street Surgery, Penygroes	2,199,165	5,811
Carmarthenshire County Council	9,170,135	1,534,887
Ceredigion County Council	5,984,986	721,861
Gwalia Housing	107,075	44,297
Mynydd Mawr League of Friends	0	5,749
NHS Wirral	636	10,931
Pembrokeshire County Council	7,774,122	1,821,085
Swansea University	377,597	177,016
Trinity St Davids University	37,770	0

24. Third Party assets

The LHB held £721,728 cash at bank and in hand at 31 March 2012 (31 March 2011: £678,398) which relates to monies held by the LHB on behalf of patients. Cash held in Patient's Investment Accounts amounted to £585,974 at 31st March 2012 (31 March 2011 : £547,542), this has been excluded from cash and cash equivalents figure reported in the accounts.

25. Intra Government balances

	Current receivables £000	Non-current receivables £000	Current payables £000	Non-current payables £000
2011-12 :				
Welsh Government	877	0	0	0
Welsh Local Health Boards	2,395	21,796	3,336	0
Welsh NHS Trusts	556	0	319	0
Welsh Health Special Services Committee	99	0	1,130	0
All English Health Bodies	368	0	1,271	0
All N. Ireland Health Bodies	0	0	0	0
All Scottish Health Bodies	0	0	0	0
Miscellaneous	0	0	4,382	0
Credit note provision	-121	0	0	0
Sub total	4,174	21,796	10,438	0
Other Central Government Bodies				
Other Government Departments	59	0	0	0
Revenue & Customs	0	0	3,988	0
Local Authorities	1,157	0	308	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	5,257	36	49,902	0
TOTAL	10,647	21,832	64,636	0
2010-11 :				
Welsh Government	860	0	144	0
Welsh Local Health Boards	3,167	16,811	2,496	0
Welsh NHS Trusts	151	0	369	0
Welsh Health Special Services Committee	334	0	102	0
All English Health Bodies	376	0	1,603	0
All N. Ireland Health Bodies	0	0	0	0
All Scottish Health Bodies	11	0	3	0
Miscellaneous	0	0	2,865	0
Credit note provision	-223	0	0	0
Sub total	4,676	16,811	7,582	0
Other Central Government Bodies				
Other Government Departments	504	0	0	0
Revenue & Customs	693	0	1,066	0
Local Authorities	1,586	0	1,162	0
Balances with Public Corporations and trading funds	0	0	0	0
Balances with bodies external to Government	4,972	32	61,915	0
TOTAL	12,431	16,843	71,725	0

26. Losses and special payments

Losses and special payments are charged to the Statement of Comprehensive Net Expenditure in accordance with IFRS but are recorded in the losses and special payments register when payment is made. Therefore this note is prepared on a cash basis.

Gross loss to the Exchequer

Number of cases and associated amounts paid out or written-off during the financial year

	Amounts paid out during period to 31 March 2012		Approved to write-off to 31 March 2012	
	Number	£	Number	£
Clinical negligence	56	4,682,746	19	1,240,440
Personal injury	43	582,620	13	393,444
All other losses and special payments	193	179,078	192	179,078
Total	292	5,444,444	224	1,812,962

Analysis of cases which exceed £250,000 and all other cases

		Amounts paid out in year £	Cumulative amount £	Approved to write-off in year £
Cases exceeding £250,000				
Case Ref	Case Type	0	0	0
05RKUMN0006	Clinical Neg	1,439,929	1,700,207	0
05RR6MN0024	Clinical Neg	270,400	275,400	0
07RR6MN0021	Clinical Neg	11,500	501,500	0
07RVAMN0001	Clinical Neg	345,000	395,000	0
08RR6MN0015	Clinical Neg	152,500	372,500	0
12RYNMN0024	Clinical Neg	750,000	750,000	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
		0	0	0
Sub-total		2,969,329	3,994,607	0
All other cases		2,475,115	7,032,907	1,812,962
Total cases		5,444,444	11,027,514	1,812,962

27. Contingencies

27.1 Contingent liabilities

	2011-12 £'000	2010-11 £'000
Provisions have not been made in these accounts for the following amounts :		
Legal claims for alleged medical or employer negligence	16,907	18,812
Doubtful debts	0	0
Equal Pay costs	0	0
Defence costs	0	0
Continuing Health Care costs	9,981	9,920
Other	0	0
Total value of disputed claims	<u>26,888</u>	<u>28,732</u>
Amounts recovered in the event of claims being successful	14,316	15,942
Net contingent liability	<u>12,572</u>	<u>12,790</u>

Other litigation claims could arise in the future due to known incidents. The expenditure which may arise from such claims cannot be determined and no provision has been made for them.

Liability for Permanent Injury Benefit under the NHS Injury Benefit Scheme lies with the employer. Individual claims to the NHS Pensions Agency could arise due to known incidents.

27.2 Contingent assets

	2011-12 £'000	2010-11 £'000
	0	0
	0	0
	0	0
	<u>0</u>	<u>0</u>

28. Capital commitments

	2011-12	2010-11
Contracted capital commitments at 31 March		
Property, plant and equipment	20,182	7,237
Intangible assets	0	0
	<u>20,182</u>	<u>7,237</u>

The increase in capital commitments relates to the "Front of House" scheme at Broglais General Hospital.

29. Finance leases**29.1 Finance leases obligations (as lessee)**

The Health Board as at the 31st March 2012 had 3 remaining finance lease contracts for medical & surgical equipment which come to an end during 2012/13. All payments relating to these finance obligations have been discharged prior to the 31st March 2012.

The original period of these leases would have been for periods of between 3 and 10 years.

Amounts payable under finance leases:

Land	31 March 2012 £000	31 March 2011 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

29.1 Finance leases obligations (as lessee) continued**Amounts payable under finance leases:**

Buildings	31 March 2012 £000	31 March 2011 £000
Minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
Other	31 March 2012 £000	31 March 2011 £000
Minimum lease payments		
Within one year	0	23
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>23</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	17
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>17</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

29.2 Finance lease receivables (as lessor)

The Health Board has no finance lease receivables as a lessor.

Amounts receivable under finance leases:

	31 March 2012 £000	31 March 2011 £000
Gross investment in leases		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>
Present value of minimum lease payments		
Within one year	0	0
Between one and five years	0	0
After five years	0	0
Less finance charges allocated to future periods	0	0
Present value of minimum lease payments	<u>0</u>	<u>0</u>
Included in:		
Current borrowings	0	0
Non-current borrowings	0	0
	<u>0</u>	<u>0</u>

30. Private Finance Initiative contracts

30.1 PFI schemes off-Statement of Financial Position

The Health Board has no PFI operational schemes deemed to be off-Statement of Financial Position

30.2 PFI schemes on-Statement of Financial Position

The Health Board has no PFI operational schemes deemed to be on-Statement of Financial Position

Total obligations for on-Statement of Financial Position PFI contracts due:

	31 March 2012	31 March 2011
	£000	£000
Not later than one year	0	0
Later than one year, not later than five	0	0
Later than five years	0	0
Sub total	<u>0</u>	<u>0</u>
Less: interest element	0	0
Total	<u><u>0</u></u>	<u><u>0</u></u>

30.3 Charges to expenditure

The total charged in the year to expenditure in respect of the service element of on-statement of financial position PFI contracts was £0 (prior year £142,356). The scheme terminated 8th April 2011

The LHB is committed to the following annual charges

	31 March 2012	31 March 2011
	£000	£000
PFI scheme expiry date:		
Not later than one year	0	0
Later than one year, not later than five years	0	0
Later than five years	0	0
Total	0	0

The estimated annual payments in future years will vary from those which the LHB is committed to make during the next year by the impact of movement in the Retail Prices Index.

30.4 The LHB has no Public Private Partnerships

The LHB has no Public Private Partnerships.

31. Pooled budgets

The Health Board has entered into a pooled budget with Ceredigion County Council on the 1st April 2009. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the provision of an integrated community joint equipment store and a memorandum note to the final accounts will provide details of the joint income and expenditure. The pool is hosted by Ceredigion County Council. The financial operation of the pool is governed by a pooled budget agreement between Ceredigion County Council and the Health Board. Payments for services provided by Ceredigion County Council in the sum of £275,837 are accounted for as expenditure in the accounts of the Health Board. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

The Health Board has entered into a pooled budget with Carmarthenshire County Council on the 1st October 2009. Under the arrangement funds are pooled under section 33 of the NHS (Wales) Act 2006 for the provision of an integrated community joint equipment store and a memorandum note to the final accounts will provide details of the joint income and expenditure. The pool is hosted by Carmarthenshire County Council. The financial operation of the pool is governed by a pooled budget agreement between Carmarthenshire County Council and the Health Board. Payments for services provided by Carmarthenshire County Council in the sum of £428,538 are accounted for as expenditure in the accounts of the Health Board. The Health Board accounts for its share of the assets, liabilities, income and expenditure arising from the activities of the pooled budget, identified in accordance with the pooled budget agreement.

The Health Board has entered into an agreement with Carmarthenshire County Council on the 31st March 2011 under section 33 of the NHS (Wales) Act 2006 for the provision of Carmarthenshire Community Health and Social Care services. The section 33 agreement itself will initially only provide the framework for taking forward future schedules and therefore references all community based health, social care (adults & children) and related housing and public protection services so that if any future developments are considered there will not have to prepare a separate agreement. There are currently no pooled budgets related to this agreement.

The Health Board has entered into an agreement with Pembrokeshire County Council on the 31st March 2011 under section 33 of the NHS (Wales) Act 2006 for the provision of an integrated community joint equipment store. Under the arrangement, both parties retain unpooled budgets

32. Financial Instruments

Financial assets	At "fair value" through SoCNE £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0	0	0	0
NHS receivables	25,970	0	0	25,970
Cash at bank and in hand	838	0	0	838
Other financial assets	4,924	0	0	4,924
Total at 31 March 2012	31,732	0	0	31,732

Financial liabilities	At "fair value" through SoCNE £000	Other £000	Total £000
Embedded derivatives	0	0	0
PFI and finance lease obligations	0	0	0
Other financial liabilities	27,098	0	27,098
Total at 31 March 2012	27,098	0	27,098

Financial assets	At "fair value" through SoCNE £000	Loans and receivables £000	Available for sale £000	Total £000
Embedded derivatives	0	0	0	0
NHS receivables	21,487	0	0	21,487
Cash at bank and in hand	1,911	0	0	1,911
Other financial assets	5,716	0	125	5,841
Total at 31 March 2011	29,114	0	125	29,239

Financial liabilities	At "fair value" through SoCNE £000	Other £000	Total £000
Embedded derivatives	0	0	0
PFI and finance lease obligations	121	0	121
Other financial liabilities	27,060	0	27,060
Total at 31 March 2011	27,181	0	27,181

Financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies. The LHB has no power to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB in undertaking its activities.

The directors consider that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair value.

33. Financial risk management

Financial reporting standard IFRS 7 requires disclosure of the role that financial instruments have had during the period in creating or changing the risks a body faces in undertaking its activities. The LHB is not exposed to the degree of financial risk faced by business entities. Also financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies, to which these standards mainly apply. The LHB has limited powers to invest and financial assets and liabilities are generated by day-to-day operational activities rather than being held to change the risks facing the LHB in undertaking its activities.

Currency risk

The LHB is principally a domestic organisation with the great majority of transactions, assets and liabilities being in the UK and Sterling based. The LHB has no overseas operations. The LHB therefore has low exposure to currency rate fluctuations.

Interest rate risk

LHBs are not permitted to borrow. The LHB therefore has low exposure to interest rate fluctuations

Credit risk

Because the majority of the LHB's funding derives from funds voted by the Welsh Government the LHB has low exposure to credit risk.

Liquidity risk

The LHB is required to operate within cash limits set by the Welsh Government for the financial year and draws down funds from the Welsh Government as the requirement arises. The LHB is not, therefore, exposed to significant liquidity risks.

34. Movements in working capital

	2011-12	2010-11
	£000	£000
(Increase)/decrease in inventories	(1,163)	(160)
(Increase)/decrease in trade and other receivables - non - current	(4,989)	(11,194)
(Increase)/decrease in trade and other receivables - current	1,784	4,404
(Increase)/decrease in other current assets	0	0
(Increase)/decrease in trade and other payables - non - current	0	0
(Increase)/decrease in trade and other payables - current	(7,089)	11,749
Increase/(decrease) in other current liabilities	0	0
Increase/(decrease) in assets held for sale	0	0
Total	(11,457)	4,799
Adjustment for accrual movements in fixed assets -creditors	3,487	(3,751)
Adjustment for accrual movements in fixed assets -debtors	(85)	83
Other adjustments	0	0
	0	0
	(8,055)	1,131

35. Other cash flow adjustments

	2011-12	2010-11
	£000	£000
Depreciation	13,569	12,871
Amortisation	84	62
(Gains)/Loss on Disposal	44	93
Impairments and reversals	28,321	13,965
Release of PFI deferred credits	0	0
Donated assets received credited to revenue but non-cash	0	0
Government Grant assets received credited to revenue but non-cash	0	0
Non-cash movements in provisions	10,768	12,768
Total	52,786	39,759

36. Cash flow relating to exceptional items

There have been no exceptional cash flow items during 2011-12

37. Events after the Reporting Period

The NHS Wales Shared Services Partnership (NWSSP) will become hosted by Velindre NHS Trust on the 1st June 2012.

The services transferring from Hywel Dda Health Board on the 1st June 2012 are Audit , Procure to Pay and Employment Services together with Services provided on an all-Wales basis.

The current value of the full year top-sliced budget for 2011/12 is £4.08 million in total. Contractor Services represents £1.128 million of this figure. Adjustments to this top-sliced allocation are currently being discussed with NWSSP which are expected to reduce this top-sliced budget by approximately £300k .

Health Boards will be reimbursed by Welsh Government for costs incurred during April and May in respect of Shared Services.

38. Operating segments

The Hywel Dda Local Health Board has identified the organisations full Board as the Chief Operating decision Maker (CODM) under IFRS 8. Only the full Board can allocate resources to the various services. The organisation is constituted as an integrated Health Board with seamless service delivery. The management and reporting for the operations of the Health Board to the CODM is through three Counties. Whilst these may be seen as segments they each provide the same spectrum of integrated services and therefore the Health Board has aggregated them into one healthcare segment as provided for under IFRS 8. The Health Board has no non healthcare activities.

39. Other Information

Due to a change in accounting treatment for Donated Asset Reserve, £4.703m relating to 2010- has been transferred from the Donated Asset Reserve to the General Fund as a prior period adjustment.

**STATEMENT OF THE CHIEF EXECUTIVE'S RESPONSIBILITIES
AS ACCOUNTABLE OFFICER OF THE LOCAL HEALTH BOARD**

The Welsh Ministers have directed that the Chief Executive should be the Accountable Officer to the LHB. The relevant responsibilities of Accountable Officers, including their responsibility for the propriety and regularity of the public finances for which they are answerable, and for the keeping of proper records, are set out in the Accountable Officer's Memorandum issued by the Welsh Government.

To the best of my knowledge and belief, I have properly discharged the responsibilities set out in my letter of appointment as an Accountable Officer.

Date.....2012 Chief Executive

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT
OF THE ACCOUNTS**

The directors are required under the National Health Service Act (Wales) 2006 to prepare accounts for each financial year. The Welsh Ministers, with the approval of the Treasury, direct that these accounts give a true and fair view of the state of affairs of the LHB and of the income and expenditure of the LHB for that period. In preparing those accounts, the directors are required to:

- apply on a consistent basis accounting principles laid down by the Welsh Ministers with the approval of the Treasury
- make judgements and estimates which are responsible and prudent
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the account.

The directors confirm that they have complied with the above requirements in preparing the accounts.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the authority and to enable them to ensure that the accounts comply with requirements outlined in the above mentioned direction by the Welsh Ministers.

By Order of the Board

Signed:

Chairman: Dated:2012

Chief Executive: Dated:2012

Director of Finance: Dated:2012

The Certificate and Report of the Auditor General for Wales to the National Assembly for Wales

I certify that I have audited the financial statements of Hywel Dda Local Health Board for the year ended 31 March 2012 under Section 61 of the Public Audit (Wales) Act 2004. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Financial Position, the Cash Flow Statement and Statement of Changes in Tax Payers Equity and related notes. The financial reporting framework that has been applied in their preparation is applicable law and HM Treasury's Financial Reporting Manual based on International Financial Reporting Standards (IFRSs). I have also audited the information in the Remuneration Report that is described as having been audited.

Respective responsibilities of Directors, the Chief Executive and the Auditor

As explained more fully in the Statements of Directors' and Chief Executive's Responsibilities set out on pages 61 and 62, the Directors and the Chief Executive are responsible for the preparation of financial statements which give a true and fair view.

My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to Hywel Dda Local Health Board's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors and Chief Executive; and the overall presentation of the financial statements.

I am also required to obtain sufficient evidence to give reasonable assurance that the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

In addition, I read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my report.

Opinion on financial statements

In my opinion the financial statements:

- give a true and fair view of the state of affairs of Hywel Dda Local Health Board as at 31 March 2012 and of its net operating costs, its recognised gains and losses and cash flows for the year then ended; and
- have been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers.

Opinion on Regularity

In my opinion in all material respects, the expenditure and income have been applied to the purposes intended by the National Assembly for Wales and the financial transactions conform to the authorities which govern them.

Opinion on other matters

In my opinion:

- the part of the remuneration report to be audited has been properly prepared in accordance with the National Health Service (Wales) Act 2006 and directions made there under by Welsh Ministers;
- I have been unable to read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements as it was not available at the time of my audit.

Matters on which I report by exception

I have nothing to report in respect of the following matters, which I report to you, if, in my opinion:

- the Annual Governance Statement does not reflect compliance with HM Treasury's and Welsh Ministers' guidance;
- proper accounting records have not been kept;
- information specified by HM Treasury or Welsh Ministers regarding remuneration and other transactions is not disclosed; or
- I have not received all the information and explanations I require for my audit.

Report

- I have no observations to make on these financial statements.

Huw Vaughan Thomas
Auditor General for Wales
June 2012

Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

THE NATIONAL HEALTH SERVICE IN WALES ACCOUNTS DIRECTION GIVEN BY WELSH MINISTERS IN ACCORDANCE WITH SCHEDULE 9 SECTION 178 PARA 3(1) OF THE NATIONAL HEALTH SERVICE (WALES) ACT 2006 (C.42) AND WITH THE APPROVAL OF TREASURY

LOCAL HEALTH BOARDS

1. Welsh Ministers direct that an account shall be prepared for the financial year ended 31 March 2011 and subsequent financial years in respect of the Local Health Boards (LHB)¹, in the form specified in paragraphs [2] to [7] below.

BASIS OF PREPARATION

2. The account of the LHB shall comply with:

(a) the accounting guidance of the Government Financial Reporting Manual (FReM), which is in force for the financial year in which the accounts are being prepared, and has been applied by the Welsh Government and detailed in the NHS Wales LHB Manual for Accounts;

(b) any other specific guidance or disclosures required by the Welsh Government.

FORM AND CONTENT

3. The account of the LHB for the year ended 31 March 2011 and subsequent years shall comprise a statement of comprehensive net expenditure, a statement of financial position, a statement of cash flows and a statement of changes in taxpayers' equity as long as these statements are required by the FReM and applied by the Welsh Government, including such notes as are necessary to ensure a proper understanding of the accounts.

4. For the financial year ended 31 March 2011 and subsequent years, the account of the LHB shall give a true and fair view of the state of affairs as at the end of the financial year and the operating costs, changes in taxpayers' equity and cash flows during the year.

5. The account shall be signed and dated by the Chief Executive of the LHB.

MISCELLANEOUS

6. The direction shall be reproduced as an appendix to the published accounts.
7. The notes to the accounts shall, inter alia, include details of the accounting policies adopted.

Signed by the authority of Welsh Ministers

Signed : Chris Hurst

Dated :

1. Please see regulation 3 of the 2009 No.1559 (W.154); NATIONAL HEALTH SERVICE, WALES; The Local Health Boards (Transfer of Staff, Property, Rights and Liabilities) (Wales) Order 2009

It is not necessary to include this reconciliation in your published accounts
Please complete the schedule below

			2011-12	2011-12
			£'000	£'000
PPE	Note 11.1	Cost	-29943	
		depreciation	-1642	-31585
Assets held for sale	Note 11.2			-20
Intangibles	Note12	Cost	0	
		depreciation	0	0
				<u>-31605</u>

Impairments disclosed in the following notes:

Note 3.3

Fixed asset impairments and reversals (Property, plant & equipment)	28301
Fixed asset impairments and reversals (Intangible assets)	0
Impairments & reversals of financial assets	0
Impairments & reversals of non-current assets held for sale	20
	<u>28321</u>
Revaluation Reserve	0
General Fund	0
	<u>28321</u>

Difference - Please explain why the charge through PPE / Intangible notes is not allocated to the revenue note 3.3	59926
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Analysis of Revaluations in PPE, Intangibles notes

Note 11.1	Cost	0	
	depreciation	0	0
Note12	Cost	0	
	depreciation	0	0
			<u>0</u>

Impairments disclosed in the following notes:

Revaluation Reserve	6378
General Fund	0
	<u>6378</u>

Difference - Please explain why the charge through PPE / Intangible notes is not allocated to the Reserve notes	6378
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It is not necessary to include this reconciliation in your published accounts
Please complete the schedule below

Recociliation of fixed asset additions and disposals

	2011-12	2010-11
	£'000	£'000
Recociliation of fixed asset additions		
total additions	0	0
Revaluation	0	0
Transferred in and donated assets	0	0
Transferred to stock	0	0
(Gain) / loss on sale	0	0
Accrued movement in fixed asset additions	0	0
Total cash movements	<u>0</u>	<u>0</u>

Recociliation of fixed asset disposals

total disposals	0	0
Revaluation	0	0
Transferred in and donated assets	0	0
Transferred to stock	0	0
(Gain) / loss on sale	0	0
Accrued movement in fixed asset additions	0	0
Total cash movements	<u>0</u>	<u>0</u>