

# **CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD MONITORING RETURNS – October 2020 FINANCIAL COMMENTARY**

## **Introduction**

These returns outline the financial position for Cwm Taf Morgannwg (CTM) UHB for the period ended 31 October 2020.

The tables attached to this commentary **do not** include the income, expenditure and balances of the Welsh Health Specialised Services Committee (WHSSC) or the Emergency Ambulance Services Committee (EASC) which is being financially managed via WHSSC. They do however include the Cwm Taf element of transactions between the parties.

The financial position reported within this monitoring return is consistent with the information being provided to the Board. The M7 Financial Monitoring Return (consisting of the Narrative, Table A, TableA2 and Table B3) will be reported to the next meeting of the Planning, Performance and Finance Committee on 21 December.

## **1. Financial Plan, Year to Date and Forecast position**

### **Financial Plan for 2020/21**

The CTM IMTP for 2020/21 – 2022/23 was approved by the Board on 26 March 2020. Key points to note include:

- The Welsh Government indicated that it was supportive of the Health Board assuming £5m bridging funding from the WG in 2020/21.
- During 20/21 the Transformation Team at WG confirmed their agreement to re-profile £4.5m of our Transformation funding between 2019/20 and 2020/21.
- The Health Board has already received £3.5m of funding for TI support in 2020/21.

An updated position on these three items is provided in the Forecast section below.

### **Month 7 - Actual Position**

The Health Board is reporting a M7 surplus and a M7 YTD surplus of £0.6m.

## Month 7 - Forecast position (Table A)

The Health Board is continuing to forecast a break-even position for 20/21 ( M6: break-even).

The M6 Monitoring return included an uncommitted balance of £19.2m for the following items pending further discussions with WG:

	Q3/Q4 Plan
	£m
Proposed Carry forward of Transformation funding to 21/22	4.5
Proposed carry forward of Bridging funding to 21/22	5.0
Proposals for early repayment and deferral of I2S funding	5.0
Proposals for Revenue to Capital transfers	3.0
Proposed carry forward of TI funding	1.7
<b>Total</b>	<b>19.2</b>

Following the M6 Monitoring Return submission, the Health Board has submitted its Q3/Q4 Plan and also had a finance review meeting with WG and FDU colleagues. The following changes have now been reflected in this M7 submission:

	Q3/Q4 Plan	M7 update
	£m	
Transformation funding	4.5	Previous assumed allocation now removed . Request to be made to reprovide the £4.5m slippage in 21/22.
Bridging funding	5.0	Previous assumed allocation now removed
Other three items above	9.7	Proposed draft allocation adjustment to return funding of £6.7m.  The £9.7m in the Q3/Q4 plan has been reduced by £3m to reflect the reduced allocation of £1.8m for UEC proposals. ( Q3/Q4 Plan : £4.8m)
<b>Total</b>	<b>19.2</b>	

It is important to note that the final slippage on the Q3/Q4 Plan is likely to be greater than the draft figure of £6.7m noted above. This figure will be confirmed shortly following initial discussions between the Chief Executive and the Director General.

The M7 forecast position assumes an extra release from the Balance sheet of £5.8m, which is consistent with the Q3/Q4 plan and this is net of an increased provision being made for annual leave in 20/21. This will also be covered as part of the initial discussions between the Chief Executive and the Director General noted above.

Both of these items are included in the Risks & Opportunities table in Section 2 below.

A summary of the M7 forecast position is provided below:

	M7	M6
<b>IMTP / Annual Operating Plan</b>	£m	£m
Additional In Year Identified Savings - Forecast (Positive Value)	(9.9)	(9.6)
Additional In Year Welsh Government Funding Due To Covid-19 (Positive Value)	94.5	91.1
Operational Expenditure Cost Increase Due To Covid-19 (Negative Value)	(78.6)	(79.2)
Planned Operational Expenditure Cost Reduction Due To Covid-19 (Positive Value)	10.9	10.1
Slippage on Planned Investments/Repurposing of Developmental Initiatives Due To Covid-19 (Positive Value)	3.3	3.1
<b>Forecast Outturn attributable to Covid-19 (-Deficit / + Surplus)</b>	<b>20.2</b>	<b>15.5</b>
<b>Forecast Outturn Non Covid-19 (-Deficit / + Surplus)</b>	<b>(1.1)</b>	<b>14.0</b>
Draft change proposals	0	(29.5)
Net cost of Winter plans in excess of funding	(7.0)	
Additional accountancy gains	5.8	
Non recurring spend initiatives	(6.2)	
Removal of request for Bridging funding- see above	(5.0)	
Draft slippage on Q3/Q4 Plan- see above	(6.7)	
<b>Total</b>	<b>0</b>	<b>0</b>

It is important to note that the the Covid: Non Covid distinction is becoming increasingly difficult as the response becomes broader and the Covid, Winter, Essential services response covers most services and cost changes.

## Month 7 - Forecast recurrent position (Table A)

The planned recurrent deficit at the end of 20/21 was £13.4m. As at Month 7 we are reporting a forecast recurrent deficit of £25.9m:

	<b>M7</b>	<b>M6</b>
	<b>£m</b>	<b>£m</b>
<b>Planned recurrent deficit</b>	<b>13.4</b>	<b>13.4</b>
Forecast shortfall in recurring savings delivery	12.5	11.5
Initial estimate of the forecast recurrent shortfall in dental patient charge based on the Q4 forecast for 20/21. Removed in M6 as per feedback on M5 MR pending discussion with WG policy colleagues	0	0
<b>M6 Forecast</b>	<b>25.9</b>	<b>24.9</b>

At this stage it is very difficult to estimate the full impact of Covid on the recurrent financial position going into 20/21 and further work is needed to fully understand the impact of Covid 19 and resetting on the underlying cost base. It is however, clear that it will be considerably in excess of £25.9m shown, due to a range of likely ongoing requirements and impacts, including TTP, Covid vaccination, ongoing direct impacts of Covid, and continuation of new interventions to maintain services during Covid and Winter.

The above forecast will be updated as part of our detailed planning for 21/22.

## 2. Risk Management (Table A2)

The key financial risks and opportunities for 20/21 are noted in Table A2 and are summarised below:

	Opportunity	Risk
	£m	£m
Slippage in delivery of Q3/Q4 plan	(3.0)	
Changes to the Blance sheet assumptions in the Q3/Q4 Plan	TBC	
Potential variation in the estimated 'pass through' costs for PPE, TTP, Mass vaccinations, Flu, Field hospitals and CHC.	(2.0)	2.0
Matched by corresponding adjustment to assumed WG funding	2.0	(2.0)

Whole Community testing in Merthyr- costs TBC but assumed to be funded as part of TTP programme funding	TBC	
Other individual items:		
Securing the assumed recurrent allocation for Prevention funding that was received in 19/20.		1.0
<b>Total</b>	<b>(3.0)</b>	<b>1.0</b>

The following risks and opportunities included in the M6 submission have now been consolidated into the £3m opportunity for Slippage in delivery of the Q3/Q4 Plan:

- Prescribing opportunity
- Savings delivery risk
- Operational expenditure reductions opportunity

### 3. Additional costs due to Covid -19 (Table B3)

A summary of the additional Revenue costs being classified as Covid is provided below.

As noted above, the Covid: Non Covid distinction is becoming increasingly difficult as the response becomes broader and the Covid, Winter, Essential services response covers most services and cost changes.

	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Total</b>
<b>Area of cost impact</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Pay	7.3	6.0	10.4	8.0	31.7
Non Pay and Income	10.7	12.0	11.9	12.4	47.0
Impact on savings delivery	4.1	2.2	2.1	1.6	9.9
Operational expenditure reductions	(6.0)	(2.6)	(2.1)	(0.3)	(10.9)
Slippage on planned investments/repurposing of development funding	(1.3)	(0.9)	(0.5)	(0.6)	(3.3)
<b>Sub total</b>	<b>14.8</b>	<b>16.6</b>	<b>21.8</b>	<b>21.2</b>	<b>74.3</b>

<b>WG funding</b>	<b>(10.3)</b>	<b>(21.1)</b>	<b>(21.8)</b>	<b>(41.4)</b>	<b>(94.5)</b>
<b>Total</b>	<b>4.5</b>	<b>(4.5)</b>	<b>(0)</b>	<b>(20.2)</b>	<b>(20.2)</b>

Notes:

1. The additional costs associated with Whole Community Testing in Merthyr are not yet available but it is assumed that these costs will be funded as part of the TTP programme funding.
2. The loss of dental patient charge income in Table B3 is £5,515k ( M7 YTD: £3,290k).

### **Impact on delivery of efficiency savings**

The original pre Covid shortfall in projected Savings against the annual target of £20.6m was £4.2m. This was previously incorrectly attributed as relating to Covid but is now being treated as a non- Covid variance. The forecast savings position at M7 is summarized below:

<b>In Year savings</b>	Total	Covid	Non Covid
	£m	£m	£m
Projected savings Pre Covid	20.6	16.3	4.3
Latest forecast savings post Covid	(6.4)	(6.4)	0
Latest forecast savings gap	14.2	9.9	4.3

The latest risk assessment on the amber schemes( £1.7m) within the forecast total savings of £6.4m is £0.4m.

The forecast position assumes that the £4.3m Non Covid savings gap is managed on a non-recurrent basis in 20/21, pending further work on the underlying recurrent position for 21/22:

	<b>20/21 Budget</b>	<b>Forecast spend</b>	<b>Forecast slippage</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>
Slippage on investment budgets for discretionary investments and Major trauma	1.5	0.8	0.7
Forecast underspends against NR budgets:	4.2	3.1	1.1
Budgets for commitments made in prior years	5.5	3.0	2.5
<b>Total</b>	<b>11.2</b>	<b>6.9</b>	<b>4.3</b>

<b>Recurrent savings</b>	Total	Covid	Non Covid
	£m	£m	£m
Projected savings Pre Covid	20.6	16.3	4.3
Latest forecast savings post Covid	(8.0)	(8.0)	0
Latest forecast savings gap	12.6	8.3	4.3

The forecast recurrent savings gap of £12.6m has been reflected in the forecast recurrent position (See Section 1 above).

### **Slippage on planned investments/repurposing of development funding**

An assessment of what existing development funding can be slipped or repurposed to help meet costs resulting from Covid-19 is provided below:

	M7	M6
	£m	£m
Transformation allocation for Covid -19	1.3	1.3
Cluster funding for 20-21 ( the inclusion of this funding has also seen a corresponding increase in Covid related costs)	1.5	1.5
Mental Health funding for 20/21	1.0	1.0
Other	0.1	0.1
WHSSC Investment Slippage	1.3	1.0
<b>Sub total</b>	<b>4.9</b>	<b>4.9</b>
Reclassified as WG income in M5:		
Transformation allocation for Covid -19	(1.3)	(1.3)
Mental Health funding for 20/21	(0.5)	(0.5)
<b>Total</b>	<b>3.3</b>	<b>3.1</b>

#### **4. Net Expenditure Profile Analysis (Table B)**

The most significant movements within Table B relate to:

- Primary Care Drugs decreased by £2.6m following correction of categorisation highlighted in the Q3 Q4 feedback together with lower than anticipated impact of Flu.
- Non Pay has increased by £3.6m from a forecast of £9m. This is mainly as a result of lower than anticipated expenditure in M6 now being reported.
- Pay Costs increased by £1.7m as the impact of COVID demand was earlier than anticipated.

Future periods have been updated and profiled in line with our best estimates. There continues to be a high level of uncertainty regarding some of the estimated Covid-19 costs for future periods and these risks/opportunities have been captured in Table A2.

#### **5. Ring Fenced Allocations (Tables N&O)**

The Health Board can confirm that there are no concerns at M6 on any ring-fenced budgets.

#### **6. Saving Plans (Tables C, C1, C2, C3)**

Please see Section 3 above.

#### **7. Welsh NHS I&E Assumptions 2020/21 (Tables D & E)**

Table D has been completed and agreed with other organisations. The financial plan also includes provision for additional costs arising from the WRP risk sharing arrangement of £1.6m which is consistent with the information provided by NWSSP. This provision has been included in Table D.

Table E shows the anticipated allocations assumed within our M7 position.

The Health Board can confirm that all LTA documents have been signed by both parties.

#### **8. Balance Sheet & Aged Welsh NHS Debtors (Tables F, M)**

Receivables have increased by £23m to month 7, £18m relate to WRP debtors. The increase in payables of £15m represents the increase in the month 7 Pension/HMRC creditor. This had been part paid in month 12 2019-20.



The forecast payables figure shows a reduction in £11.1m. This is as result of the forecast movement in Capital creditors of £1m together with planned write backs of £10.1m.

There were two invoices greater than 11 weeks old outstanding at the 31<sup>st</sup> October 2020. Payment for both invoices has been received in November.

## **9. Cash Flow Forecast (Table G)**

There is no intention to request cash support for movement in Revenue working balances. However, it is anticipated that £1.0m will be required to cover the movement in capital creditors. The cash flow forecast is currently showing a forecast surplus of £11.7m in M12:

	Revenue	Capital
	£m	£m
Balance b'fwd	0.4	0
WRP debtors ( see below)	12.3	0
Movements in working balances	0	(1.0)
Total	12.7	(1.0)

WRP - the forecast includes an anticipated reimbursement of £2.3m in November and a further £10m in February. We are currently assuming that the remaining outstanding WRP debtors of £20m will be submitted to the March 2021 committee meeting for approval. If approved, it is assumed that this balance will be received in early 2021-22. These figures are currently under review and further details will be available following the November WRP committee meeting.

## **10. Public Sector Payment Compliance (Table H)**

Not required for this return.

## **11. Agency Expenditure (Table B2)**

M6 agency expenditure was £3.5m and the monthly trend is summarised below.

	<b>M06</b>	<b>M06</b>	<b>M05</b>	<b>M04</b>	<b>M03</b>	<b>M02</b>	<b>M01</b>
	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£'m</b>	<b>£m</b>
Medical	1.20	1.28	1.35	1.44	1.41	1.30	1.40
Nursing	1.75	2.04	1.23	1.28	1.59	2.26	1.41
Other	0.55	(0.04)	0.50	0.59	0.40	0.23	0.46
<b>Total</b>	<b>3.50</b>	<b>3.26</b>	<b>3.08</b>	<b>3.31</b>	<b>3.40</b>	<b>3.80</b>	<b>3.27</b>

## 12. Capital Schemes and Other Developments (Tables I &K)

The M7 CRL as issued on the 28<sup>th</sup> October is £39.8m and, as at M7, £19.3m has been charged against the CRL.

The total Covid related funding expected in 2020/21 is 10.6m (£7.8m has not yet been received and is shown as an anticipated allocation in Table E). Further details on £10.3m of this is provided within the separate return. The difference of £0.3m relates to the replacement of the CT scanner at POW. These costs are now being incurred and represent an over spend against the approved WG allocation. Returns in line with NWSSP-SES requirements have been made confirming these as final costs. As a result this sum has been included as an anticipated allocation in Table E. There are Covid impacts on other AWCP schemes however as agreed with WG these will be discussed further when these schemes are nearer completion.

Whilst the M7 cumulative expenditure position for Covid is again lower than forecast, a detailed re-phasing of the expenditure plan has taken place and has been shared with WG capital and estates division via email on 31<sup>st</sup> October 2020 with a subsequent meeting and further discussion. The M7 expenditure position demonstrates a significant increase in expenditure and this is expected to continue over the next 2 months. Whilst it is hoped that most expenditure will be incurred by end December there will be some schemes that will not complete until the New Year. However all expenditure will be required within the 2020/21 financial year as per the forecast.

The risk ratings of all schemes have been reviewed and there are 6 schemes which are considered to be medium or high risk as per the table below. The risks described below cover the risk of current year slippage but also additional costs where schemes progress with delays due to complying with revised Government guidelines.

<b>Scheme</b>	<b>Risk Rating</b>	<b>Potential Risk Value £m</b>	<b>Description</b>
PCH G&FF Phase 1b	Medium		Following the return of £2.1m slippage in October the risk rating has reduced from high to medium. Whilst the scheme is currently progressing well there is still just under £6m to spend before then end of the financial year and hence the risk of further issues and consequently slippage has to be recognised, especially given the uncertainty around COVID. It is however hoped any slippage would not be significant and hence managed through discretionary capital.
PCH G&FF Phase 2	Medium		Scheme due to start on site at the end of November with significant spend in Q4. As with Phase 1b there are no specific issues identified with the spend however there is a significant amount of spend in a relatively short period of time and hence with the unpredictability of the COVID impact this is recognised as a medium risk.
EDRMS & Digitisation (I2S)	Medium	0.2m	The scheme does not yet have a confirmed go live date and hence the profile of spend is at risk until this is agreed. It is however anticipated that the WG element of the allocation would be spent by year end and so the risk sits within discretionary capital.
CT Scanner	High	0.258m awaiting funding	The scheme completed in September with £0.258m of additional costs related to COVID 19. As mentioned above the COVID 19 costs have been included as an anticipated allocation. The other element of overspend on the scheme has been funded from the Health Boards discretionary capital.
COVID 19	High	7.754m	Through a number of returns and discussions WG have been regularly updated on the COVID 19 spend to date and forecast for the year. No concerns have been raised and it is assumed these costs will be funded in

			full and no allowance has been made to cover any of this amount from discretionary capital. This has been classed as a high risk to the programme given a significant amount of this has already been spent but there has not been any formal funding approval
Sunnyside Health and Wellbeing Centre	Medium		Work is still ongoing on the collaboration agreement and hence a start date on site has not yet been agreed, for this reason the scheme has been classed as medium risk.

The performance to date shows a £3.4m underspend to plan which in the main relates to the COVID spend as described above. In addition the purchase of a new building next to the RGH site was due to complete in October. This is now expected to complete in November but has caused a significant underspend to plan on discretionary capital.

The Health Board is reporting a forecast break even position overall assuming all COVID related expenditure is funded by Welsh Government as per the anticipated allocations included in Table E.

Updated non-cash estimates were provided to WG on the 2<sup>nd</sup> November and these have been reflected in the relevant tables. Any changes to these estimates will be reported as they are known and also through the monitoring returns as requested

There have been a small amount (£31k) of equipment items disposed so far during 2020-21.

### **13. Other Issues**

### **14. Authorisation**



**P Mears**  
**Chief Executive**



**S Webster**  
**Director of Finance**

**Date: 12<sup>th</sup> November**

### **Action Points arising from Month 6 Response**

<b>Action Point</b>	<b>WG Comment</b>	<b>CTM Response</b>
<b>6.1</b>	<p>As reported in Table A and your narrative, there is a £29.500m pressure reported in March described as 'Draft Change Proposals' which is being offset by the following items:</p> <ol style="list-style-type: none"> <li>1) Covid- 19 funding surplus - £15.067m (£15.462m less £0.395m offsetting the operational deficit referenced under AP 6.3).</li> <li>2) Transformation Slippage - £4.000m.</li> <li>3) Other UEC funding Slippage - £4.000m.</li> <li>4) Other Q3/Q4 Plan - £6.432m.</li> </ol> <p>I understand that all organisations have been informed that any surplus Covid funding should be declared in the MR submission to enable the WG to repurpose this ring fenced funding. I trust this will be reviewed now that you have finalised your Q3/4 Operational Plans. A formal Accountable Officer letter would be required, if your intention is to put forward a proposition for alternative utilisation of this surplus.</p>	Update provided in Section1.
<b>6.2a</b>	<p><b>Movement of Opening Financial Plan to Forecast Outturn (Table A)</b></p> <p>Following on from the favourable items referenced above, please provide responses to the below:</p> <ul style="list-style-type: none"> <li>• Transformation Slippage - £4.000m: Confirm this relates to funding being anticipated in Table E and that the Policy Lead has agreed that this funding will be provided in the knowledge that it is your intention to repurpose.</li> </ul>	<p>The M6 MR included an assumed allocation of £4.5m for the reprovision of 19/20 slippage in 20/21 ( as agreed with Policy leads.</p> <p>This has now been updated as per Section 1.</p>
<b>6.2b</b>	<ul style="list-style-type: none"> <li>• Other UEC funding Slippage - £4.000m: It is assumed this relates to the Urgent Emergency Care Fund (Emergency Primary Care\Discharge to Assess\Ambulatory Care) which are Covid-19 related funding items and should therefore be reported on Line 22 of Table A with corresponding spend via Table B3 (noting Action Point 6.1)</li> </ul>	Please see Section 1. The net cost of winter plans of £7m is currently shown ' below the line' but this will be adjusted in M8.

<b>6.2c</b>	<ul style="list-style-type: none"> <li>Other Q3/Q4 Plan - £6.432m: In your next submission, please provide a full analysis and details of what this relates to, including details to support why they are available for release</li> </ul>	Please see Section 1.
<b>6.3</b>	Based on the completion of Table A, you are reporting that there will be a year end operational deficit of £0.395m which is currently being offset by Covid-19 funding surplus. Taking into consideration that Covid-19 funding should only be used to support Covid-19 spend, please review this position to ensure you have sufficient mitigating actions available on line 31, to offset the value on line 13; otherwise this will have to be recorded as an unmitigated year end operational deficit.	<p>Please see the Table in Section 1 which reconciles the forecast Covid position to the forecast breakeven position. This includes a small ' non covid' deficit of £1.1m.</p> <p>It is important to note , however, that the the Covid: Non Covid distinction is becoming increasingly difficult as the response becomes broader and the Covid, Winter, Essential services response covers most services and cost changes.</p>
<b>6.4</b>	In future months, you are also utilising Covid-19 funding (Line 22) on a monthly basis to offset the monthly in year pressures caused by the 'Reversal Planning Assumptions still to be finalised at Month 1' (Line 13), this is because the mitigating actions of £1.749m are phasing into March (Line 31). Please review this future month phasing approach as at no stage (YTD or future monthly forecasts) should Covid-19 funding be managing in year operational pressures.	Actioned
<b>1.1</b>	As requested in the Month 4 and 5 reply letters, please amend your scheme description on line 403 (ref AG001) to reflect the type of release (i.e. Non NHS creditors relating to 'x', CHC, Payroll creditors etc.) on the Tracker. If you need to split these over a number of lines, please action.	This change will be implemented in M8 together with the additional accountancy gains of £5.8m noted in section 1 of the narrative.
<b>6.5</b>	<p><b>Monthly Positions (Table B)</b></p> <p>With the exception of March, the majority of future month income and expenditure amounts, are reported as rounded high level values. This indicates that further refinement of future monthly income and expenditure profiles is</p>	The HB forecasts to the nearest £100k in areas of high expenditure and volatility.

	required; please ensure this is undertaken and reflected in your Month 7 submission.																			
<b>6.6</b>	Please provide a supporting explanation for Healthcare Services Provided by Other NHS Bodies spend in September being £1.039m higher than forecasted at Month 5.	The M5 forecast had assumed WHSSC hosted payments for Independent Hospitals £7.5m. However further allocations for WHSSC had been received and were settled to WHSSC in M6.																		
<b>6.7</b>	In addition, please clarify (assume linked to Covid-19 spend) why Healthcare Services Provided by Other NHS Bodies year to date spend is over phased by c. £11m based on the straight line methodology.	CTM are host to WHSSC and all direct allocations to WHSSC are phased in the period they are received. This included COVID related allocations for Independent Hospitals and Mental Health Contracting.																		
<b>4.3</b>	As requested in the Month 4 and 5 reply letters, please provide details to support the profile of reserves spend (Section E) within March	The email from SW to HJ explained that the M6 MR would effectively be a holding position in advance of the Q3/4 Plan submission. Changes to income assumptions, expenditure levels and expenditure profiles were therefore expected in the Q3/4 Plan submission.																		
<b>6.8</b>	<p><b>Pay expenditure Analysis (Table B2)</b> Please provide supporting explanations for the below (highlighted) material movements in annual projected pay</p> <table> <tr> <th>Month 6 Forecast year-end position £'000</th><th>Month 5 Forecast year-end position £'000</th><th>Movement £'000</th></tr> <tr> <td>Administrative, Clerical &amp; Board Members</td><td>73,473</td><td>72,782 (691)</td></tr> <tr> <td>Medical &amp; Dental</td><td>144,357</td><td>144,974 617</td></tr> <tr> <td>Nursing &amp; Midwifery Registered</td><td>184,586</td><td>181,095 (3,492)</td></tr> <tr> <td>Prof Scientific &amp; Technical</td><td>19,676</td><td>19,764 88</td></tr> <tr> <td>Additional Clinical Services</td><td>69,187</td><td>73,657 4,471</td></tr> </table>	Month 6 Forecast year-end position £'000	Month 5 Forecast year-end position £'000	Movement £'000	Administrative, Clerical & Board Members	73,473	72,782 (691)	Medical & Dental	144,357	144,974 617	Nursing & Midwifery Registered	184,586	181,095 (3,492)	Prof Scientific & Technical	19,676	19,764 88	Additional Clinical Services	69,187	73,657 4,471	<p>Most of the movements relate to refreshed estimates of COVID related expenditure.</p> <p>The Students entry for M5 was an error and should have been reported in Nursing and Additional Clinical Services.</p>
Month 6 Forecast year-end position £'000	Month 5 Forecast year-end position £'000	Movement £'000																		
Administrative, Clerical & Board Members	73,473	72,782 (691)																		
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Prof Scientific & Technical	19,676	19,764 88																		
Additional Clinical Services	69,187	73,657 4,471																		

	Allied Health Professionals <b>31,219</b> <b>31,745</b> <b>526</b> Healthcare Scientists <b>12,913</b> <b>13,030</b> <b>117</b> Estates & Ancillary <b>34,725</b> <b>34,985</b> <b>260</b> Students <b>3,909</b> <b>7,148</b> <b>3,239</b> <b>TOTAL PAY EXPENDITURE</b> <b>574,044</b> <b>579,179</b> <b>5,135</b>																
<b>5.7</b>	<p>As requested last month, please expand your 'agency' narrative section to discuss the reasons for the reliance on agency staff (currently and in the future).</p> <p>In comparison to Month 5, I note that you have increased the December and January Pay values by exactly £3m and £1m respectively. The October spend has reduced exactly by £1m and March spend has reduced by £7.958m. This suggests that your future month forecasts are not reflecting the granularity expected.</p>	<p>Further information will be provided for M8.</p> <p>The profiles have been updated in the M7 return.</p>															
<b>6.9</b>	<p><b>Covid-19 Analysis (Table B3)</b>  Please review and provide explanations for below listed Covid-19 funding items being different values to the corresponding spend amounts reported via Table B3:</p> <table> <tr> <th><b>Funding item</b></th><th><b>Amount - £000</b></th><th><b>Query</b></th></tr> <tr> <td><b>Anticipated TTP - Contact Tracing Letter</b></td><td>3,500</td><td>TTP tracing costs are lower at £3.386m.</td></tr> <tr> <td><b>Anticipated TTP - Testing</b></td><td>4,800</td><td>Total TTP costs less tracing in TTP return are higher at £4.903m.</td></tr> <tr> <td><b>Anticipated PPE</b></td><td>2,800</td><td>PPE costs in B3 are £2.908m</td></tr> <tr> <td><b>Anticipated Field Hospital Set Up Costs inc consequ losses &amp; Decommissioning</b></td><td>2,650</td><td>Set up costs £4.765m plus decommissioning £0.670m plus Conseq losses (none reported) = £5.435m less funding received to date - £2.987m gives balance of £2.448m.</td></tr> </table>	<b>Funding item</b>	<b>Amount - £000</b>	<b>Query</b>	<b>Anticipated TTP - Contact Tracing Letter</b>	3,500	TTP tracing costs are lower at £3.386m.	<b>Anticipated TTP - Testing</b>	4,800	Total TTP costs less tracing in TTP return are higher at £4.903m.	<b>Anticipated PPE</b>	2,800	PPE costs in B3 are £2.908m	<b>Anticipated Field Hospital Set Up Costs inc consequ losses &amp; Decommissioning</b>	2,650	Set up costs £4.765m plus decommissioning £0.670m plus Conseq losses (none reported) = £5.435m less funding received to date - £2.987m gives balance of £2.448m.	<p>Anticipated allocations have been updated to reflect the latest forecasts.</p>
<b>Funding item</b>	<b>Amount - £000</b>	<b>Query</b>															
<b>Anticipated TTP - Contact Tracing Letter</b>	3,500	TTP tracing costs are lower at £3.386m.															
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<b>Anticipated Field Hospital Set Up Costs inc consequ losses &amp; Decommissioning</b>	2,650	Set up costs £4.765m plus decommissioning £0.670m plus Conseq losses (none reported) = £5.435m less funding received to date - £2.987m gives balance of £2.448m.															
<b>5.8</b>	<p>Please ensure that the expenditure profile reported on Line 66 (currently £2.892m) agrees to the total (antigen plus antibody) non pay 'Testing' (only)</p>	<p>Actioned.</p>															



	expenditure profiles, reported within the TTP Template submission (currently £1.193m).	
<b>6.10</b>	Please provide a supporting explanation for the total projected TTP costs (Line 109) reducing by £4.874m since Month 5.	The majority of the reduction related to a change in assumptions in respect to lab testing costs at PCHand RGH which are HB operated labs. During M6, it was confirmed that PHW would provide the Lab facilities at CTM.
<b>5.9</b>	As requested within Action Point 5.9, please confirm in your narrative which lines within Section A the Covid-19 vaccination costs (Line 107) are being reported. In addition, please also confirm where the Flu Vaccination Extension (Line 108) spend is being reported in Section A.	Following confirmation that Flu vaccine will be a free of charge issue, costs have been forecast to reduce in M7 and are all reported under Primary Care costs.
<b>6.11</b>	I note that Bridgend Field Hospital (Line 100) spend has increased by c. £6.700m since Month 5, please provide an explanation for this material movement.	At M6 the plans assumed opening and staffing 125 beds, this has subsequently been revised as part of the Q3 Q4 plans.
<b>6.12</b>	Please provide a supporting explanation for the £0.353m positive value reported on the 'Reduction of non pay costs due to reduced elective spend' line (116) in September.	Correction of prior period estimates.
	<b>Tracker (Table C3)</b> The savings delivery is due to increase in the coming months; however I also note that c25% of your savings remain classified as Amber. I trust these will be finalised shortly to ensure them to be classed as Green and reducing any risk of non delivery.	As at M7, the Amber schemes total £1.7m which represents circa 26% of the forecast savings of £6.4m. The latest risk assessment on the Amber schemes has reduced to £0.4m.  A full review of all Amber schemes will be undertaken in M8 to check their RAG ratings.
<b>6.13</b>	<b>Anticipated Income (Table E)</b> I have been informed by policy colleagues that all funding for Dental & Pharmacy pre-registered vocational trainees has been issued to HEIW as they have taken over the payments from 1 Aug for Pharmacy VTs and 1 Sep for Dental VTs. If	Actioned.

	applicable, please ensure that any anticipated funding, along with any associated costs, is removed from these dates	
<b>6.14</b>	<p><b>Monthly Cash Flow (Table G)</b></p> <p>Your narrative and cash flow is projecting a year end material cash surplus of c.£10.200m, this is based on the receipt of WRP cash of £23.000m offset by payments as a result of reduced revenue (£10.1m) and capital payables (£3.000m). This indicates that you may not need any additional cash support for working balances (particularly from a revenue perspective). Please clarify this position within your Month 7 narrative taking into account the following:</p> <ol style="list-style-type: none"> <li>1) Health Board's should hold reasonable cash balances and should not call down cash in advance of need</li> <li>2) Whenever possible ensure that revenue cash is not used for capital payments and vice versa</li> <li>3) As per your Month 6 SoPF, ensure that working balance movements associated with revenue and capital payables movements are supported by 'Analysis of Payables' section of Table F.</li> <li>4) Explain the impact of releasing £4.300m of Accountancy Gains which are not cash backed, on the forecast cash position.</li> </ol>	<p>The profile of WRP receipts are currently been reviewed. There has been a significant change in the expected timeframe of receipts from that reported in the month 6 return. It is expected that more information will be available following the November Committee.</p> <p>1 – noted</p> <p>2 – noted</p> <p>3 – completed</p> <p>4 – Release of £4.3m Accountancy gains has no impact on the reported cash position</p>
<b>6.15</b>	<p><b>PSPP (Table H)</b></p> <p>Although your YTD performance for Non NHS invoices is below the best practice (95%), at 93%; I acknowledge that your Q2 performance improved (96.4%). It is a concern to note that performance for NHS invoices is significant below the best practice (95%), at 63.5%; although there was a very minor improvement during Q2. Please provide details of actions being taken to investigate the reasons and identify solutions, to ensure your performance in this area materially improves in Q3.</p>	<p>The Local P2P group (NWSSP, Finance, Systems &amp; Procurement) reconvened in July to review NHS compliance figures &amp; identify actions needed to improve the NHS PSPP performance. These include:</p> <p>1. Review of roles and responsibilities across NWSSP, Finance and the service.</p>

		<p>2.A document has been developed to track the status of all Welsh NHS invoices, which is reviewed and updated weekly.</p> <p>3.Analysis of Q1 data was carried out to determine the route causes for the delay in payments. This was shared with the AWP2P group and forms the basis of an All Wales review.</p> <p>4.The analysis identified training needs which have resulted in delays in processing. This is being addressed with the development of training videos to be made available to all relevant staff.</p> <p>5.It was identified that non Welsh NHS invoices had a significant impact on the performance, in particular invoices with Northumbria NHST for salary sacrifice cars. This has been identified as a all Wales issue. Processing of these invoices is the responsibility of NWSSP, and is outside the control of CTM. Assurance has been given that processes are being put in place to resolve the issue.</p> <p>6.Contact has been made with individual Welsh NHS organisations were delays have been identified to share information to improve the process.</p>
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<b>6.16</b>	<b>Underlying Position (Table A1)</b> Please include a specific section in your narrative which discusses the movements between the brought forward and forecast carried forward underlying positions. It is noted that the opening analysis does not agree with that reported in the Month 12 MMR of 19/20. Please review the two sets of data and provide an explanation for any movements between lines.	The movement has been included in section 1 of the narrative.  The M12 19/20 position of £17.9m has been reflected in Table A1.
<b>6.17</b>	<b>Overview of Key Risks and Opportunities (Table A2)</b> Please ensure your narrative explains the methodology used for quantifying the risks and opportunities listed in Table A2. This month's submission is not clear in terms of both whether the items are risks or opportunities and what they actually relate to. The narrative should also provide reasons for why any previous risks (e.g. Bridging Funding) or opportunities have been removed.	Table A2 has been updated together with the narrative in Section 2.
<b>4.4</b>	<b>Covid-19 Analysis (Table B3)</b> Although your response has attempted to address the request made at Month 4 and 5, please ensure the WTE and Bed numbers sections of the Table are included every month.	This will be reviewed again for M8 as currently it is very difficult to attribute the WTE with this group.
<b>6.18</b>	In all future narratives, please confirm the loss of patient dental income value being factored into Table B3.	Please see page 6
<b>6.19</b>	<b>Resource Limits (Table E)</b> Within Table E, please list the anticipated Covid-19 allocation separately by category (e.g. PPE, FH Set up and FH decommissioning).	Actioned
<b>6.20</b>	<b>SoPF (Table F)</b> Please ensure your narrative explains material movements between opening/current and opening/forecast receivables and payables.	Included in narrative above
<b>6.21</b>	<b>Cash Flow (Table G)</b> Please review the validation error in Table G which currently highlights that you plan to draw down more revenue cash than the limit (forecast) in Table E.	Corrected.
<b>6.22</b>	<b>Other</b> It appears that you have reverted to an old template when submitting your Month 6 return. Please ensure that the version issued by my colleague, Andrew Lloyd-Williams (email dated 28 <sup>th</sup> August), is used from Month 7. The latest version can	File returned to Andrew Lloyd-Williams who responded saying that the most up to date version of the MMR template had been used for the month 6 submission but there was another issue

	be identified by the Green and Amber forecast savings agreeing to the overall forecast savings value in Table C (in your Month 6 version they do not)	which had only come to light in month 7. This was fixed on the month 6 version and returned. This format will be used going forward.
<b>6.23</b>	It is acknowledged that your team, like other Health Boards, incurred IT problems which contributed to your submission being submitted after the deadline. I had specifically requested that you provide a draft at least two days before Day 9, to allow time to review how you had resolved the issues raised last month; this was not provided which resulted in a number of resubmissions, with the final version receipted in the morning of Day 11. It is essential that <i>all</i> submissions including the Field Hospital (which has not been submitted this month) and TTP (which was submitted a day late and on an old template) are submitted in a timely manner. If delays are envisioned, regular updates on progress for all returns must be provided to my colleagues and FDU on Day 9. I trust these deadlines will be adhered to going forward.	Noted.