

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD

MONITORING RETURNS – FEBRUARY 2022

FINANCIAL COMMENTARY

Introduction

These returns outline the financial position for Cwm Taf Morgannwg (CTM) UHB for the period ended 28 February 2022.

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.

1. Financial Plan, Year to Date and Forecast position

1.1 Financial Plan for 2021/22

The draft financial plan submitted at the end of March 2021 has been updated to reflect the guidance on 'Final Annual Plans – Financial Principles & Expectations' issued by the Finance delivery Unit on 20 May 2021. The updated draft financial plan was submitted to WG on 30 June 2021.

The draft financial plan for 2021/22 can be broken down into three separate elements:

- The core plan
- Covid response
- Planned care recovery

The three key elements of the financial plan are summarised below:

Summary of Core Plan, Covid, & Planned Care Recovery	Q1	Q2	Q3	Q4	Total
	£m	£m	£m	£m	£m
Core plan	5.1	5.1	5.1	5.1	20.5
Covid plan	-5.1	-5.1	-5.1	-5.1	-20.5
Planned care recovery plan	0.0	0.0	0.0	0.0	0.0
Total	0.0	0.0	0.0	0.0	0.0
Cumulative total	0.0	0.0	0.0	0.0	

The table below shows our Covid response costs and income assumptions for 21/22 as per the 30 June financial plan submission:

Covid costs and funding 2021/22	Q1	Q2	Q3	Q4	Total
	£m	£m	£m	£m	£m
Programme costs:					
TTP	3.0	2.8	3.2	3.1	12.1
Mass Vaccination	3.7	2.3	2.3	2.2	10.5
Cleaning Standards	0.4	0.6	0.6	0.6	2.1
CHC/FNC Support	0.9	0.9	0.9	0.9	3.6
PPE	0.6	0.5	0.3	0.3	1.7
Extended Flu	0.0	0.0	0.3	0.2	0.5
Long COVID	0.1	0.1	0.1	0.1	0.5
Sub total	8.7	7.1	7.7	7.4	30.9
Assumed funding- programme element	-8.7	-7.1	-7.7	-7.4	-30.9
Total	0.0	0.0	0.0	0.0	0.0
Other Covid costs:					
Field Hospital	1.2	0.9	0.6	0.3	3.0
Dental -income loss/reduced contract payments	0.4	0.3	0.6	0.5	1.9
Planned care exp're reductions	-0.8	-0.5	0.0	0.0	-1.3
Covid response in ILGs	5.3	4.7	4.1	3.8	17.9
Covid response outside ILGs	1.4	1.1	0.8	0.8	4.1
Increase in Covid response costs to reflect revised assessment of bed demand	0.0	0.0	2.8	2.8	5.5
Sub total	7.5	6.5	8.9	8.1	31.1
Confirmed funding- formula element	-7.5	-6.5	-6.1	-5.9	-26.1
Requested additional funding	0.0	0.0	-2.8	-2.3	-5.0
Total	0.0	0.0	0.0	0.0	0.0
Requested funding for Covid overspends from 2020/21	-5.1	-5.1	-5.1	-5.1	-20.5
Total	-5.1	-5.1	-5.1	-5.1	-20.5

There have been a number of other changes to the forecast costs and assumed income noted above and these are captured in Section 1.5.

1.2 Actual YTD and Forecast 21-22 (Table A)

	M11 Actual	M11 YTD	M11 Forecast	M10 Actual	M10 YTD	M10 Forecast
	£m	£m	£m	£m	£m	£m
Core plan	1.4	19.4	19.8	1.6	18.3	21.7
Covid 19	(1.7)	(20.0)	(19.8)	(1.7)	(18.0)	(21.7)
Total	(0.3)	(0.6)	0	(0.1)	(0.3)	0

The M11 YTD position is a £590k surplus.

We are continuing to forecast a break even position at M11. The key issue to highlight is as follows:

- a. **Movement in the Annual leave provision-** The annual leave accrual at 31 March 21 was £13.5m and we are forecasting that this will increase by £3.9m in 21/22 to £17.4m. We are planning to meet £1.9m of this increase from existing budgets and are requesting additional WG funding of £2.0m for the balance.

1.3 Material income and expenditure category movements between the current period actual and the previous month forecast (Table B)

	February			Year End Forecast		
	Act £'000	F/Cast £'000	Movement £'000	M11 £'000	M10 £'000	Movement £'000
RRL	103,459	104,932	(1,473)	1,242,626	1,264,084	(21,458)
Donation/Grants	0	0	0	100	200	(100)
HBs & NHST	7,590	7,006	584	83,492	83,492	0
WHSSC	914	940	(26)	11,244	11,244	0
WG Income	246	25	221	939	719	221
Other Income	2,992	2,937	55	35,828	35,774	55
Income Total	115,201	115,840	(639)	1,374,230	1,395,512	(21,283)
PC Contractor	12,181	12,765	(585)	152,297	152,683	(386)
PC - Drugs	7,021	7,429	(408)	93,250	92,469	781
Pay	51,260	51,271	(11)	602,359	598,470	3,890
Non Pay	9,554	9,915	(361)	113,669	112,975	694
SC - Drugs	3,381	3,652	(271)	40,711	40,983	(271)
H/C Other NHS	22,921	20,606	2,315	251,276	251,936	(660)
Non H/C NHS	253	41	212	965	753	212
CHC & FNC	3,047	4,814	(1,767)	52,410	54,177	(1,767)
Private & Vol	931	1,256	(325)	11,967	12,292	(325)
Joint & Other	1,923	1,521	402	14,353	13,362	991
DEL	2,413	2,559	(146)	28,954	28,954	0
AME	49	10	39	11,972	36,408	(24,436)
Res & Cont	0	0	0	0	0	0
P&L on Disposal	(6)	0	(6)	44	50	(6)
Cost - Total	114,928	115,840	(912)	1,374,229	1,395,512	(21,283)

The actual expenditure for M11 was £0.9m (0.8%) less than the £115.8m forecast. The most significant In month movements between the M11 forecast and M11 actuals are as follows:

- **HBs & NHST Income - £584k Favourable** – The increase in M11 income related to retrospective charges for Velindre NHS drugs following reopening of Chemo Services.

- **Primary Care Contractor - £585k – Favourable** – Anticipated level of claims for flu and other enhanced services did not materialise, reprofiled to M12.
- **Healthcare NHS - £2,315k Adverse** – The increase in M11 relates to allocations for WHSSC/EASC anticipated to be processed in M12 were recognised in M11.
- **CHC - £1,767k Favourable** – A detailed review of individual CHC packages was undertaken in M11 which resulted in a significant reduction in the M11 YTD costs. Further work is now being undertaken to tighten controls in this area.

The year end forecast expenditure at M11 has decreased by £21.3m to £1,374m offset by a corresponding decrease in the income forecast. The most significant changes between the M11 and M10 year end forecasts are as follows:

- **Primary Care Drugs – £781k Adverse** – A detailed review of the year to date PAR growth at the end of Q3 data has resulted in an increase in the forecast growth for Q4. The year end forecast spend has been increased to include this additional growth.
- **Pay - £3,890k Adverse** – recognition of the latest forecast for the additional annual leave accrual at year end, to be offset with an anticipated allocation of £2.0m.
- **CHC - £1,767k Favourable** – Recognition of revised forecast (see in month comment above).
- **Joint & Other - £991k Adverse** – recognition of additional TTP and Mass Vaccination costs together with new funding for ICF children with complex needs of £589k matched with an allocation.
- **AME £24,436k Favourable** – Revised Capital Charge estimates matched with anticipated allocation adjustments.

The forecast has been profiled using latest plans and information. The following items are currently profiled in M12 and expanded in Section E of Table B:

- Recently confirmed new allocations for:
 - RPB Winter plans - £1.5m
 - Primary Care allocation - £1.2m
 - ICF Children with complex needs - £0.6m

1.4 Pay Expenditure (Table B2- Sections A,B&C)

The M11 Pay expenditure was £53.0m and the monthly trend is summarised below:

	M11	M10	M9	M8	M7	M6	M5	M4	M3	M2	M1
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
A&C	7.2	7.5	6.9	6.7	6.7	7.9	6.6	6.4	6.7	6.6	6.4
Medical	13.2	13.5	12.8	12.9	12.7	13.7	12.7	11.8	11.7	11.9	12.1
Nursing	17.0	17.5	16.9	17.9	16.1	17.7	16.1	15.2	15.1	15.8	15.6
ACS	6.7	7.1	6.7	6.7	6.8	7.1	6.2	6.0	5.9	6.9	6.4
Other	8.9	8.9	9.0	8.9	8.6	9.6	8.9	8.6	8.5	8.7	8.8
Total	53.0	54.4	52.3	53.1	50.9	56.0	50.5	48.0	47.9	49.9	49.3

The Key issues to highlight are as follows:

- The M1 position was broadly consistent with the previous 3 months, after taking account of the following comments .
 - The M12 position includes additional accruals for NHS Pensions, NHS Staff bonus, Annual Leave not taken & study leave, which total £52m.
 - Medical costs include £3.6m of accountancy gains in M10 and £0.4m in M11, which would increase the gross position to £12.3m and £11.9m respectively.
 - The increase in Nursing & ACS costs in M10 was due to the introduction of a new accruals methodology (Nursing £1.9m and ACS £1.2m).
- The M2 position remained consistent with M1, the only movement was within Additional Clinical Services, where bank costs caused an increase of £0.5m on M1.
- The M3 position was £2m lower than M2 with the main reductions being seen in Nursing £0.7m and ACS £1.0m. This was due to reductions in the payments for overtime in M3.
- The M4 position was consistent with M3 with no significant movements.
- The M5 position increased by £2.5m over M4. The main reason for this increase was a new charge of £1.9m for the additional costs for annual leave on overtime to 31 March 21, which has been calculated on an All Wales basis. The M5 position also included a corresponding assumed allocation for this amount.
- The M6 position increased by £5.5m compared to M5, after allowing for the £1.9m additional one off costs for annual leave on overtime, the net increase was £7.4m. This is primarily attributed to the national pay award of 3% being applied including arrears back to April 21.

- The total expenditure in M7 of £50.9m represents a £1.5m over the M4 spend of £48.0m after uplifting for 3% inflation. The main increases are ACS £600k (9.7%), M&D £500k(4.1%) and Nursing £400k(2.5%). The main most significant increase was seen in ACS and this is attributed to the impact of increased overtime rates in M7.
- The M8 spend of £53.1m was a £2.2m increase over M7 and £1.8m of this increase was seen in Nursing. The most significant impacts in M8 were:
 - Writeback of NHS Bonus £(1.0)m
 - Recognition of holiday pay on overtime £1.2m
 - Increase in overtime following new overtime arrangements £1.1m
 - Increased Nurse Agency costs to support capacity in Bridgend locality £0.8m
- The accrual that was recognised in 2020/21 for the NHS COVID bonus was £13.4m. Total payments to M6 was £12.4m (M5: £12.4m) for NHS employed staff. The £1m benefit has been returned to WG and the £1m write back was released in M8.
- The M9 position decreased by £0.8m compared to M8. The main reason for this decrease was a reduction in registered nursing agency costs as a result of difficulties in filling shifts.
- The M10 position included the additional 1% non consolidated lumpsum payaward of £2.1m, after allowing for this one off payment the M10 position was consistent with M9 pay costs.
- The M11 position decreased by £1.4m compared to M10. After allowing for the £2.1m non consolidated payment in M10, the real M11 position was a £0.7m increase. The most notable increases were M&D £0.4m and A&C £0.2m.

The M11 agency expenditure was £4.3m and the monthly trend (excluding accountancy gains) is summarised below.

	M11	M10	M9	M8	M7	M6	M5	M4	M3	M2	M1
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Medical	1.1	1.2	1.0	1.3	1.3	1.2	1.2	1.2	1.0	1.0	1.3
Nursing	2.2	2.6	1.6	2.2	1.4	1.6	1.5	1.7	1.5	1.5	1.4
Other	1.0	1.2	1.0	0.9	0.9	0.8	0.8	0.9	0.8	0.7	0.8
Total	4.3	5.0	3.6	4.4	3.6	3.6	3.5	3.8	3.3	3.2	3.5

Nurse agency costs significantly increased in M10 due to increased staffing of Ysbyty Seren to manage additional bed capacity plus higher rates due to greater use of higher cost providers as availability of agency staff remains difficult. These costs have reduced in M11 but are still above the M9 ytd average of £1.6m/month.

1.5 Covid analysis (Table B3)

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

	Note	M11 Year end forecast	M10 Year end forecast	Movement between M11 and M10 forecasts
Programme costs		£m	£m	£m
TTP	1	12.1	11.9	0.2
Mass Vaccination	2	13.4	13.0	0.4
Extended Flu		0.8	0.8	0
Cleaning standards		1.3	1.2	0.1
CHC/FNC support		0.8	0.8	0
PPE		2.9	2.9	0
Long COVID		0.8	0.7	0.1
Sub total		32.1	31.3	0.8
Assumed funding – programme element		(29.9)	(29.9)	0
Total Programme costs		2.3	1.5	0.8
Other Covid costs:				
Field hospital	3	2.9	2.9	0
Dental income loss	3	3.0	3.0	0
Operational expenditure cost reduction	3	(2.1)	(1.8)	(0.2)
Other covid costs	3	26.2	25.1	1.1
Increased covid response to reflect revised assessment of bed demand		4.5	4.5	0
Planned Care Recovery Tranche 1	4	15.0	15.6	(0.6)
Planned Care Recovery Tranche 2 (inc NRS, PACU & Community Health)		5.8	5.8	0

Annual Leave		3.9	0.0	3.9
Sub total		59.3	55.1	4.2
Confirmed funding- formula element		(26.1)	(26.1)	0
Confirmed funding- PCR element		(16.8)	(16.8)	0
Planned Care Recovery Tranche 2 (inc NRS, PACU & Community Health)		(5.8)	(5.8)	0
Confirmed additional funding for bed modelling etc		(4.0)	(4.0)	0
Confirmed additional COVID funding.		(21.7)	(21.7)	0
Urgent Emergency Care (SDEC & 111)		(2.6)	(2.6)	0
Pay award impact on non programme costs		(0.2)	(0.2)	0
NHS Bonus Reduction		1.0	1.0	0
RPB Winter funding, Social Model Primary Care, MCA & Prison, ICF, Healthchecks & Comm Pharmacy		(3.1)	(2.1)	(1.1)
Annual Leave		(2.0)	(0.0)	(2.0)
Total Other Covid costs		(19.7)	(21.7)	(1.9)

The key points to note are as follows:

1. TTP

The TTP forecast has increased by £0.2m in M11. No additional funding is required.

2. Mass vaccination

The Mass vaccination forecast has increased by £0.4m in M11. No additional funding is required.

3. Other Covid costs

	M11 Year end forecast	M10 Year end forecast	Movement between M11 and M10 forecasts
	£m	£m	£m
Covid response ILGs	17.2	17.2	0
Covid response outside ILGs	4.5	4.5	0
Urgent emergency care (inc SDEC & 111)	2.6	2.6	0
Reduction in NHS Bonus	(1.0)	(1.0)	0
RPB Winter Funding	1.5	1.5	0

Social model for Primary Care	0.3	0.3	0
MCA	0.1	0.1	0
Prison Services	0.1	0.1	0
Comm Pharmacy Winter Pressures	0.4	0.0	.04
ICF Children with complex needs	0.6	0.0	0.6
Health checks LD	0.1	0.0	0.1
Sub total	26.2	25.1	1.1
Field hospital	2.9	2.9	0
Dental income loss	3.0	3.0	0
Operational spend reductions	(2.0)	(1.8)	(0.2)
Total	31.1	29.2	0.9

Further details on the £17.9m and £4.5m was included within the M5 Monitoring Return submission.

4. Planned care recovery- Tranche 1

The profile for the Planned care recovery plan is as follows.

	Original Plan	Actual/Forecast at M11	Actual/Forecast at M10
	£m	£m	£m
Q1	2.4	1.9	1.9
Q2	6.2	3.4	3.4
Q3	5.3	4.3	4.3
Q4	2.9	5.4	6.0
Total	16.8	15.0	15.6

1.6 Month 11 - Forecast recurrent position (Table A)

As at M3 we were reporting a forecast recurrent deficit of £31.4m at the end of 21/22. This was consistent with the updated financial plan submitted to WG on 30 June.

The forecast underlying deficit at M11 is £44.5m (M10: £44.5m). The £44.5m underlying deficit comprises:

- Actual underlying deficit b'fwd at 1 April 2020 £17.9m
- Recurrent CRES shortfalls in 20/21 £16.2m
- Other Recurrent benefits in 20/21 £(0.2m)
- Forecast recurrent CRES shortfalls in 21/22 of £10.7m

The deterioration in the forecast underlying deficit is a key financial priority for the Health Board. Additional capacity has been taken on to help develop sustainable savings plans and monthly meetings are taking place with all ILGs/directorates on their forecast positions.

2. Risk Management (Table A2)

The key financial risks and opportunities for 21/22 are noted in Table A2 and are summarised below:

	M11	M10	Financial Plan- 30 June	Comment
Key risks:	£m	£m	£m	
Shortfall in assumed funding of £1.1m for Think 111 First	0	1.1	3.0	Funding now received.
Total	0	1.1	8.0	

	M11	M10	Financial Plan- 30 June	Comment
Key opportunities:	£m	£m	£m	
Continued uncertainty surrounding the impact of energy price increases for the rest of 21/22.	0	tbc	0	
Total	0	0	(2.2)	

3. Ring Fenced Allocations (Tables N&O)

The Health Board can confirm that there are no concerns at M11 on any ring-fenced budgets.

4. Saving (inc Accountancy gains) Plans (Tables C, C1, C2, C3)

The financial plan for 2020/21 includes a £14.5m In Year savings target and a £16.1m recurring savings target.

	Month 11			Month 10		
	M11 YTD	21/22	Rec	M10 YTD	21/22	Rec
	£m	£m	£m	£m	£m	£m
Planned savings		12.9			12.9	
Planned income generation		0.7			0.7	
Plans to be finalised		0.9			0.9	
Savings target as at M11	12.8	14.5	16.1	11.2	14.5	16.1
Actual and Forecast Savings	(11.5)	(12.7)	(5.4)	(10.5)	(12.7)	(5.4)
Total	1.3	1.9	10.7	0.7	1.8	10.7

The forecast shortfall in savings of £1.9m is being offset by COVID expenditure reductions of £1.23m (as per WG guidance) plus other operating variances/slippage on planned developments of £0.7m.

It is important to note that M11 internal reporting within the Health Board is reporting a M11 YTD savings shortfall of £1.1m compared to the £1.3m shortfall reported in this Monitoring Return. This is due to a different phasing of the savings target in the HB plan where the Q1 target = £1.5m (Actual savings in Q1) and the balance of £13m has been phased equally over M4-M9.

	Monitoring Return Table C	Internal HB reporting
	£m	£m
Annual Plan	14.5	14.5
Year to date Plan	12.8	12.6
Year to date actual	(11.5)	(11.5)
Year to date Variance	1.3	1.1

The financial plan for 2020/21 also includes planned accountancy gains of £6.2m. These gains were released into the position during M6.

5. Income Assumptions 2021/22 (Tables D & E)

Table D has been completed and agreed with other organisations.
Table E shows the anticipated allocations assumed within our M11 position.

6. Health Care agreements

All contracts with other Welsh NHS bodies have been agreed and signed off.

7. Statement of Financial Position and Aged Welsh NHS Debtors (Tables F, M)

7.1 Significant month on month balance sheet movements

The main balance sheet movements between M10 and M11 are as follows:

- The value of provisions has reduced by £4.3m. This includes £3.9m for one Clinical Negligence case which was paid during the month.
- The value of payables has increased by £2.3m largely due to the increase in NHS accruals.
- Net Capital increase of £6.3m.

7.2 Details of any aged receivables/payables (over 11 weeks old) and disputed invoice information

In relation to aged receivables, there were three NHS invoices greater than 17 weeks old and one greater than 11 weeks old as at the 28th February 2022. Payment has since been received for the oldest invoice. The remaining invoices were agreed as part of the M9 Agreement of Balances exercise and no disputes have been raised.

Several attempts have been made to receive confirmation of a payment date but no response has been received, for the 2 remaining invoices over 17 weeks old, these have been escalated to the relevant Director of Finance.

8. Cash Flow Forecast (Table G)

The cash flow forecast is currently showing a forecast surplus of £0.7m in M12. This is after a proposed return of £15m revenue cash (M10: £10m) which is shown on the return as a reduced allocation plus a return of £4.5m capital cash (M10: £4.0m). The increase in the proposed return of revenue cash is due to receipt of £4.6m of unexpected income in February.

On 28th February payment of an invoice for £4.6m was received resulting in a closing balance of £8m. This receipt was not expected until early April, and this is reflected in the increase in the proposed return of revenue cash noted above. An additional £7m cash was drawn down on 25th February as payments to creditors had been much higher than forecast during the month.

9. Public Sector Payment Compliance (Table H)

An update is not required for this return.

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

The M11 CRL is now £79.7m in line with the CRL issued on the 4th March 2022. This represents a increase of £1.8m from the previous CRL. As at M11, £57.1m has been charged against the CRL.

The risk ratings of all schemes have been reviewed and there are 10 schemes which are considered to be Medium or High risk as per the table below. The scheme risks described below cover the risk of slippage or cost overrun on these schemes with delays caused by Brexit and shortages in soft metal and steel supplies and in complying with revised Government guidelines having an impact in a number of areas.

Scheme	Risk Rating	Potential Risk Value	Description
Bridgend Health and Wellbeing Centre (Sunnyside)	High	£0.3m slippage	The contractor announced they were going into administration on 8 th July. A revised funding position for 21/22 was agreed at the Capital Review Meeting on 15 th July and the CRL adjusted by £5m. The CRL was reduced down again to £0.6m in November. The scheme went back out to tender in November with a planned tender submission date of 14/1/22. Several contractors have requested an extension to the tender period which is likely to further delay approvals and spend in 21/22.
PCH G&FF Floor Phase 1B	Medium	Breakeven position	Previously reported overspends were driven by inflation of £1.2m and forecast £0.8m to the end of the scheme which was not included in initial approval letter. However this has now been offset by gain share to leave an expected underspend outturn position. Based on the assumption that we can keep gain share and VAT reclaim on this scheme £1m of this year's CRL was returned last month and a further £0.725 was returned in November.
PCH G&FF Floor Phase 2	High	£0.5m overspend	The CRL for this year was reduced by £5m at the July CRM, again by another 2.5m at Sept CRM and another 2.85m at CRL setting at the end of October (total CRL reduction in year £10.35m). Programme has been delivering to CRL over the last few months and is currently under review with a potential overspend in M12.

Anti Ligature	Medium	£0.25m slippage	Slippage remains under review due to issues around supply chain for doors and windows.
Electrical Infrastructure Modernisation	High	£0.2m overspend (22/23)	Soft metal supplies caused cost increase from business case position. Current cost risk covered by discretionary spend. £0.2m will need to be funded in 22/23.
National Programme Fire	Medium	£150k slippage	Slight programme risk in delivery of the programme. Contractor in place and looking to mitigate any risk and keep programme in line with planned completion of 31 st March
National Programme Infrastructure	Medium	£200k slippage	Ongoing review – some issues with delivery of windows and access to in patient areas due to COVID.
National Programme Decarbonisation	Medium	£100k slippage	Suppliers are all promising delivery this year at this point.
National Programme Mental Health	Medium	£100k slippage	Delays in securing decant accommodation have impacted on the programme.
Covid-19 Recovery Plans 2021-22	Medium		Various schemes included in this funding have challenging timescales to complete by year end.

There are currently a number of risks around projects which are under detailed review and were discussed with the WG capital estates team at the January CRM.

The Health Board is reporting a forecast break – even position. There have been no material disposals so far during 2021-22.

11. Other Issues

The financial position reported within this monitoring return aligns to the financial details included within the internal Board papers.

The M10 Financial Monitoring Return (consisting of the Narrative, Table A, Table B3, Tables C,C1,C2,C3 and Table F) will be reported to the next meeting of the Planning, Performance and Finance Committee on 26 April 2022.

14. Authorisation

A handwritten signature in black ink, appearing to be 'P Mears', with a long, sweeping underline.

P Mears
Chief Executive

A handwritten signature in black ink, appearing to be 'S May', with a short, horizontal underline.

S May
Director of Finance

Date: 11 March 2022

Action Points arising from Month 10 Response

Action Point	WG Comment	CTM Response
10.1a	Monthly Positions (Table B) The narrative confirms that material increases in Joint Financing and Other (Line 17) year to date and annual expenditure are due to a correction of coding for Local Authority Track & Trace. Please clarify where this spend was previously being reported in Table B.	The local authority costs were being reported under non pay, and corrected in M10.
10.1b	In Addition, as there does not appear to be corresponding categorisation movements in Table B3 it indicates that previous month's categorisations were not consistent between Tables B and B3. I trust any such issues have now been resolved.	Noted, there was inconsistent categorisation between table B and B3.
10.2	Pay Expenditure Analysis (Table B2) I note that the material (c. £1.500m) increase in agency spend within January is primarily due to managing additional bed capacity at Ysybyty Seren. Please confirm why these additional agency costs are not expected to continue into February and March.	The combination of increased bed occupancy at Ysbyty Seren together with vaccination programmes running in January resulted in additional agency staff. As the vaccination programmes and occupation rates at Ysbyty seren are decreasing it is anticipated that reliance upon agency will reduce. M11 Has reduced, but still remains higher than usual levels.
8.6	Savings (Table C, C1, C2 & C3) Following your response to Action Point 8.6, please confirm the change of circumstances which support the W&C008 release pump scheme savings no longer being of a recurring nature.	External income anticipated to be recurrent has been withdrawn with effect from 1/4/22.
10.3	Capital Resource Limit (Table I) I note that you are reporting a £0.122m underspend against the CRL in Table I. This is not supported by your narrative which confirms a forecast breakeven	We are now forecasting a breakeven position

	position. The under spend appears to be linked to assets disposals, where you are projecting a total loss of £0.049m against the NBV of £0.123m. This loss on disposal will result in an under spend against the CRL; however, I would have expected that under spend to be limited to the loss value and that you would reinvest the £0.074m (using the sales receipt cash) in Capital. Please review and clarify the CRL position within your Month 11 submission.	
10.4	Aged Debtors (Table M) As 'agreed as part of Month 9 Agreement of Balances' exercise is not acceptable reason for an invoice remaining outstanding for > 17 weeks, invoice number 16218 raised against Cardiff & Vale UHB must not appear (i.e. cancelled or payment received) on the creditors listing as outstanding, at Month 11.	Payment for invoice 16218 was received on 9 th March.
10.5	Covid-19 Analysis (Table B3) All Health Boards are advised to treat the 'Community Pharmacy Winter Pressures Enhanced Service Community Payment' as a Covid-19 allocation in your next return. Unfortunately the 'Covid' description was inadvertently missed when the funding letters were issued. Please include corresponding spend and funding within Table B3 going forward.	Noted
10.6	Please ensure that the favourable WHSSC Covid-19 positions are reported on designated Line 221 of Section C. Only WHSSC Covid-19 pressures should be reported on Line 205 of Section A7.	Noted
10.7	Cash Flow (Table G) Please ensure that Line 9 'Sale of Assets' receipts value is consistent to that reported in Table K. If there are any corresponding timing differences of year end, these should be highlighted and explained in your narrative.	Actioned