

CWM TAF MORGANNWG UNIVERSITY HEALTH BOARD MONITORING RETURNS – August 2020 FINANCIAL COMMENTARY

Introduction

These returns outline the financial position for Cwm Taf Morgannwg (CTM) UHB for the period ended 31 August 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 M5 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 20th October.

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 has indicated that it is supportive of the Health Board assuming £5m bridging funding from the WG in 2020/21, and that funding is assumed in this Monitoring Return.
- During 2019/20, the Transformation Team at WG confirmed their agreement to re-profile £2.9m of our Transformation funding between 2019/20 and 2020/21. Following confirmation from WG that the £2.9m has been included in the WG budget for 20/21, this funding is also assumed in this Monitoring Return.
- The Health Board has already received £3.5m of funding for TI support in 2020/21.

Month 4 - Actual Position

The Health Board is reporting a M5 deficit of £3.6m and a M5 YTD deficit of £13.6m. The YTD position includes £13.2m of additional costs attributed to Covid-19 and an over spend of £0.4m for Non Covid:

	(Deficit)/ Surplus	WG Funding	Monthly position	YTD position
	£m	£m	£m	£m
Month 1	6.2	0	6.2	6.2
Month 2	5.6	0	5.6	11.8
Month 3	3.3	(10.3)	(7.0)	4.8
Month 4	5.2	0	5.2	10.0
Month 5	4.4	(0.8)	3.6	13.6
Total	24.7	(11.1)	13.6	

The Month 5 WG funding of £0.8m is YTD reclassification of £1.9m of repurposing funding as per WG instruction, (see section 3).

The M5 actual Covid overspend of £2.8m was £1.7m better than the M5 forecast Covid overspend of £4.5m. The main changes were in the following areas:

	£m
Slippage in forecast TTP costs	(0.4)
M5 savings better than expected	(0.2)
Medical staff costs lower than the M5 estimate	(0.4)
Other net reductions	(0.7)
Total	(1.8)

Whilst the financial position has started to stabilise in M5, the outlook for the coming months is uncertain as we move into the winter period, second peak and mass testing etc.

Month 5 - Forecast position (Table A)

A summary of the M5 forecast position is provided below:

	M5	M4
IMTP / Annual Operating Plan	£m	£m
Additional In Year Identified Savings - Forecast (Positive Value)	(10.0)	(9.5)
Additional In Year Welsh Government Funding Due To Covid-19 (Positive Value)	19.1	15.7
Operational Expenditure Cost Increase Due To Covid-19 (Negative Value)	(78.7)	(80.2)
Planned Operational Expenditure Cost Reduction Due To Covid-19 (Positive Value)	11.0	11.7
Slippage on Planned Investments/Repurposing of Developmental Initiatives Due To Covid-19 (Positive Value)	2.4	4.2
Forecast Outturn attributable to Covid-19 (- Deficit /+ Surplus)	(56.3)	(58.1)
Forecast Outturn Non Covid-19 (-Deficit /+ Surplus)	0	0
Total	(56.3)	(58.1)

The key changes between the M5 forecast of £56.3m and the M4 forecast of £58.1m are summarised below:

	£m
M4 Forecast	58.1
Reduction in expected operational expenditure reductions	0.6
Forecast savings reduced from £6.8m to £6.3m	0.5
Additional fit out costs for BG Field hospital	0.8
Mass vaccination costs increased from £0.5m to £2.1m	1.6
Estimated costs of extending Flu to 50+ age group	1.0
CHC funding	(3.3)
Reduction in forecast additional medical staff costs	(1.4)
Reduction in private hospital contract costs due to Sept-Dec costs being met by WHSSC	(2.0)
Other net increases	0.4
M5 Forecast	56.3

Further information on the £56.3 forecast additional costs due to Covid-19 is provided in Section 3 below. The key risks to this forecast position are noted in Section 2 below.

Month 5 - Forecast recurrent position (Table A)

The planned recurrent deficit at the end of 20/21 was £13.4m.

As at Month 5 we are reporting a forecast recurrent deficit of £30.2m which includes two specific issues:

	£m
Planned recurrent deficit	13.4
Forecast shortfall in recurring savings delivery	11.6
Initial estimate of the forecast recurrent shortfall in dental patient charge based on the Q4 forecast for 20/21	5.2
M5 Forecast	30.2

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.

The above forecast will be updated in November following the submission of the Qtr3&4 plan in October.

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
Forecast additional primary care prescribing costs £5.8m	(1.0)	2.0
Forecast savings of £6.3m		1.3
TTP forecast- Antigen testing platforms		1.0
TTP forecast – some demand met by PHW	(1.0)	
Forecast Operational expenditure reductions of £9.4m	(2.0)	
Forecast additional costs associated with winter and second peak £5.2m	(2.0)	2.0
Securing Development plan funding that was not received in 20/21 Allocation letter		0.5
Securing the assumed recurrent allocation for Prevention funding that was received in 19/20.		1.0
Securing £5m bridging funding – WG has indicated support but included in risk table for completeness		5.0
Total	(6.0)	12.8

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

A summary of the additional Revenue costs is provided below:

	Q1	Q2	Q3	Q4	Total
Area of cost impact	£m	£m	£m	£m	£m
Pay	7.3	6.6	11.7	8.0	33.6
Non Pay and Income	10.7	12.3	9.7	12.5	45.2
Impact on savings delivery	4.1	2.1	2.1	1.8	10.0
Operational expenditure reductions	(6.0)	(3.7)	(0.9)	(0.5)	(11.0)
Slippage on planned investments/repurposing of development funding	(1.3)	(0.1)	(0.5)	(0.5)	(2.4)
Sub total	14.8	17.2	22.2	21.2	75.4
WG funding	(10.3)	(4.3)	(0.5)	(4.0)	(19.1)
Total	4.5	12.9	21.7	17.2	56.3

Further information on the key areas of cost impact noted above are summarised below:

Pay and Non pay

Field hospitals and nursing homes (£7.7m) - The forecast costs of £7.7m includes circa £5.6m of set up and rectification costs and £2.1m of running costs. The M4 forecast of £7.3m has increased by £0.4m to £7.7m. This includes additional fit out costs of £0.8m offset by reduced running costs of £0.4m.

TTP (Track, Trace & protect including Antigen and Antibody testing (£13.2m)) - The revised plan for antigen and antibody testing and the Health Board's contribution to contact tracing and surveillance has a cost of £13.2m. The main changes from the M4 forecast of £14.3m is a reduction of the estimated LA costs (£2.4m), a reduction in HB costs of £0.3m plus an additional estimated cost for mass vaccination of £1.6m.

Use of the Vale and Cardiff Bay Nuffield Facilities (£1.5m) – The latest forecast assumes a cost of £1.5m for the period Jan to March 2021. The M4 forecast of £3.5m also assumed a charge of £2.0m for the period Sept to Dec but this has now been removed from the forecast on the basis that the costs for this period will be borne by WHSSC.

Additional Non pay costs in Primary Care (£9.0m)

	Q1	Q2	Q3	Q4	Total
Area of cost impact	£m	£m	£m	£m	£m
Primary care prescribing	1.4	2.4	0.9	0.9	5.8
Investment in Clusters	0.4	0	0.5	0.6	1.5
Expanded Flu Programme	0	0	1.2	0	1.2
Other	0.2	0.3	0	0	0.5
Total	2.0	2.7	2.7	1.6	9.0

Primary care prescribing costs are forecast to be £5.8m over budget as a consequence of the Covid outbreak. Following Month 12 2019/20 costs being £1.3m over budget, the actual overspend for Qtr1 was £2.5m (12.3%) and a similar level of overspend has been assumed for Months 4 and 5. The key ways in which Covid impacts on primary care prescribing include increased volume of scripts, longer scripts, higher prices due to supply constraints and a faster move to more effective but higher cost alternatives which require less face to face healthcare professional input (e.g. faster move from warfarin to DOACs). The £5.8m projection assumes a significant reduction to the rate of spend in Months 6-12 , but given the large degree of uncertainty as regards the ongoing impact, there is a large margin of error around this estimate (see risk table).

An additional £1.5m investment in various aspects of primary care services as part of the Covid and resetting response is planned. However, as this is planned to be funded through re-purposing of WG primary care cluster funding there is no net cost.

Costs as a result of lost income (£9.1m)

	Q1	Q2	Q3	Q4	Total
Area of cost impact	£m	£m	£m	£m	£m
Loss of dental patient charge income	1.5	1.4	1.3	1.3	5.6
Loss of Bridgend clinic income	0.6	0.8	0.7	0.7	2.7
Other Income	0.7	0.1	0	0	0.8
Total	2.8	2.3	2.0	2.0	9.1

The above forecast for the loss of dental patient charge income is based on actual income of £80k in Q1 and forecast income in the next 3 Quarters of £160k, £240k and £240k.

PPE (£3.8m)

	Q1	Q2	Q3	Q4	Total
Area of cost impact	£m	£m	£m	£m	£m
PPE	0.4	0.8	1.4	1.2	3.8

The above forecast includes an additional £0.6m of costs for an assumed second peak in Nov, Dec and Jan.

Medical and Dental (£4.9m)

	Q1	Q2	Q3	Q4	Total
Area of cost impact	£m	£m	£m	£m	£m
Medical staffing	1.7	0.8	1.3	1.1	4.9

The above forecast includes an additional £0.6m of costs for an assumed second peak in Nov, Dec and Jan.

Internal capacity (£2.2m)

	Q1	Q2	Q3	Q4	Total
Area of cost impact	£m	£m	£m	£m	£m
Internal capacity	0.3	0.3	1.0	0.6	2.2

The above forecast includes an additional £1.0m of costs for an assumed second peak in Nov, Dec and Jan.

Students (£4.1m) and HCSWs (£2.2m)

	Q1	Q2	Q3	Q4	Total
Area of cost impact	£m	£m	£m	£m	£m
Students	1.7	2.0	0.4	0	4.1
HCSW's Fixed Term recruitment	0	0.6	0.9	0.7	2.2
Total	1.7	2.6	1.3	0.7	6.3

The additional cost of HCSW's on temporary contracts has been based on the 120 WTEs currently going through the recruitment process.

Other pay costs including ward nursing (£20.2m)

	Q1	Q2	Q3	Q4	Total
Area of cost impact	£m	£m	£m	£m	£m
Other pay costs	3.6	2.9	8.1	5.6	20.2

The modelling work on Covid indicates an additional bed requirement for a second peak of circa 300 beds. The above forecast includes an additional £3m of nursing costs for an assumed second peak in Nov, Dec and Jan plus additional pay costs for testing in Q3 & Q4.

Operational expenditure decreases (£111.0m)

	Q1	Q2	Q3	Q4	Total
Area of cost benefit	£m	£m	£m	£m	£m
Operational expenditure reductions due to reduced elective activity	(4.8)	(3.2)	(0.9)	(0.5)	(9.4)
Reduced dental contract payments	(1.1)	(0.5)	0	0	(1.6)
Total	(5.9)	(3.7)	(0.9)	(0.5)	(11.0)

The actual reduction in clinical consumables and drugs costs from the cessation of routine elective activity in Q1 was £4.8m. These reductions are assumed to largely continue in Q2 with more significant reductions in Q3 and Q4. Recognising that there is a margin of error around the Q3 and Q4 estimates, a potential opportunity of £2.0m has also been included in the M4 risk table.

Dental practices with NHS contracts will receive 90% of their annual contract values for the period 1 July to 30 Sept (Q1 – 80%). Our forecast assumption is that payments will increase to 100% for Q3 and Q4.

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 M5 is summarized below:

In Year savings	Total	Covid	Non Covid
	£m	£m	£m
Projected savings Pre Covid	20.6	16.3	4.3
Latest forecast savings post Covid	(6.3)	(6.3)	0
Latest forecast savings gap	14.3	10.0	4.3

The latest risk assessment on the amber schemes within the forecast total savings of £6.3m is £1.3m.

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.

	20/21 Budget	Forecast spend	Forecast slippage
	£m	£m	£m
Slippage on investment budgets for discretionary investments and Major trauma	1.5	0.8	0.7
Forecast underspends against NR budgets:			
Records digitisation	1	0.5	0.5
Other specific projects	1.3	0.7	0.6
Budgets for commitments made in prior years	5.5	3	2.5
Total	9.3	5	4.3

Recurrent savings	Total	Covid	Non Covid
	£m	£m	£m
Projected savings Pre Covid	20.6	16.3	4.3
Latest forecast savings post Covid	(8.9)	(8.9)	0
Latest forecast savings gap	11.7	7.4	4.3

The forecast recurrent savings gap of £11.7m 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:

	M5	M4
	£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	0.9	1.0
Other	0.1	0
WHSSC Investment Slippage	0.3	0.3
Sub total	4.2	4.2

Reclassified as WG income in M5:		
Transformation allocation for Covid -19	(1.3)	0
Mental Health funding for 20/21	(0.6)	0
Total	2.3	4.2

Further work is being undertaken to quantify the extent to which staff working on the Transformation project are being redeployed to Covid. Whilst this will increase the £4.2m noted above there will also be a corresponding increase in Covid costs so the impact will be cost neutral.

4. Net Expenditure Profile Analysis (Table B)

The main changes between the M5 actual costs and the forecast costs for M4 are summarised in Section 1.

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)

Not required for this return.

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 now been included in Table D.

Table E shows the anticipated allocations assumed within our M5 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)

A Balance Sheet is not required for this return.

There were five invoices greater than 11 weeks old outstanding at the 31st August 2020. Two of these invoices have since been paid and we are awaiting confirmation of payment dates for the remainder.

9. Cash Flow Forecast (Table G)

Not required for this return.

10. Public Sector Payment Compliance (Table H)

Not required for this return.

11. Agency Expenditure (Table B2)

M5 agency expenditure was £3.1m (6.7% of total Pay). The monthly trend is summarised below. The average monthly agency costs for Q4 of 2019/20 was £3.96m:

	M05	M04	M03	M02	M01	M12	M11
	£'m	£'m	£'m	£'m	£m	£m	£m
Medical	1.35	1.44	1.41	1.30	1.40	1.68	1.50
Nursing	1.23	1.28	1.59	2.26	1.41	2.01	1.38
Other	0.50	0.59	0.40	0.23	0.46	1.02	0.68
Total	3.08	3.31	3.40	3.80	3.27	4.72	3.57

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

The M5 CRL is £34.1m and as at M5 £13.6m has been charged against the CRL.

Additional forecast expenditure of £8m has been included in Table I relating to Covid -19 with a corresponding anticipated allocation included in Table E. The total Covid related costs are 10.1m as previously reported to WG. However, these costs could increase if the necessary separation of Covid and non-Covid patients as elective work is restarted requires further works expenditure, or changes to the role of field hospitals (e.g. regional work) requires further investment.

Additional costs of project delays related to Covid-19 are also estimated at £3.9m. These costs largely relate to a delay in the start of the PCH Phase 2 and delays in PCH Phase 1B neither of which will be incurred in 2020/21. However, part of this estimate is an amount of £0.258m which 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.

The M5 expenditure for Covid is lower than forecast and receipts and invoices are being chased up for works as well as equipment. During August some of the monitoring and radiology equipment was received and receipted in the ledger however there remain a number of orders outstanding with imminent delivery. One of the key changes in our planned Covid spend is the planned reuse of equipment from vacated nursing homes to support capacity requirements in the Field Hospital. This has reduced expenditure in this area which is offset by investment in scopes in acute sites to support ENT cancer diagnosis services. It should be noted that the Health Board has not yet had a confirmed level of equipment supply from IP5 (requests have been made for equipment and not all is confirmed) and we have not been invoiced for the equipment and beds already received. Costs are estimated however and it is assumed that NWSSP via Velindre are reporting on the costs incurred and their plans for cross charging equipment.

As discussed in our monthly capital review meetings, any planned expansion in the Bridgend Field Hospital (in line with surge capacity planning) is currently under review. There are ongoing pressures around capital demands for resetting within the Health Board to support increased elective capacity and management of any further Covid spikes.

The risk ratings of all schemes have been reviewed and there are 4 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.

Scheme	Risk Rating	Potential Risk Value £m	Description
PCH G&FF Phase 1b	High	2.1m slippage	As requested by WG the phasing of costs has been reviewed in detail to give the most accurate forecast spend for 20/21. The revised forecast shows £2.1m of expenditure falling into 21/22 .This is the position after accounting for the CT scanner at PCH which was recently approved for inclusion in the current year position. This will be discussed with Welsh Government at the next Capital Review Meeting.

		0.5m additional costs	The impact of social distancing has led to cost pressures on the G&FF Phase 1B scheme relating to an estimated £0.5m. This figure is being developed with the SCP but is considered unlikely to change significantly. This will however be required in 21/22.
EDRMS & Digitisation (I2S)	Medium	0.3m additional costs	The project was put on hold due to COVID 19 but is currently being reviewed to assess if it can now aim to go live in November 2020. The decision point for this go live date is the 18 th September. If this is agreed, an additional £0.3m of funding will be required and this has been approved from discretionary capital in anticipation of this plan. If this date is not agreed then it will be unclear what the spend profile of this scheme will be in 2020/21.
CT Scanner	High	0.446m additional costs. Including 0.258m awaiting funding	The scheme is anticipated to complete in September and there are some significant cost impacts relating to the delay as mentioned to WG in the monthly CRM. The costs have been split in terms of those that directly relate to the impact of COVID 19 (£0.26m) and those that were inherent in the scheme (£0.19m). As mentioned above the COVID 19 costs have been included as an anticipated allocation this month. The other costs have been funded from the Health Boards discretionary capital.
COVID 19	Medium	7.727m	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 medium risk to the programme given there has not been any formal funding approval

The performance to date shows a £2.4m underspend to plan which in the main relates to the COVID spend as described above.

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.

There have been a small amount (£5k) of equipment items disposed so far during 2020-21.

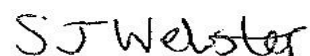
The non cash estimates were updated on the return to WG on the 7th August and these revised estimates have now been reflected in the relevant tables. Note as previously directed only allocations relating to approved schemes have been included. Since the submission of the return the PCH CT scanner has been approved and hence estimates relating to this are included in the anticipated allocations. Further work is required on the PCH G&FF Phase 1b AME estimate as per discussion with Jackie Salmon on the 9th September, this will be revised and included in next month's return.

13. Other Issues

14. Authorisation



N Lyons
Interim Chief Executive



S Webster
Director of Finance

Date: 14th September

Action Points arising from Month 4 Response

Action Point	WG Comment	CTM Response
4.1	<p>Movement of Opening Financial Plan to Forecast Outturn (Table A) & Covid (Table B3)</p> <p>I note you have made several changes to the Recurring/Non Recurring split in the Opening plan section of Table A, the most notable of which is the Planning Assumptions still to be finalised at Month 1, which are now being reported as fully recurring. This has resulted in a lower planned underlying deficit of £9.636m compared to the IMTP documentation, what has previously been reported up until M4, and what is still reported in your narrative, of £13.966m. Please review and either reinstate the original NR/R & FYE values, or sufficiently explain the change in your next submission.</p>	Amended
3.1a & 3.1b	<p>In my previous letter, I advised that allocations that you have been received for the below items, have been issued on the assumption that the funding would be used to fund Covid-19 spend and should, therefore, be reflected on Table A as WG Covid funding.</p> <ul style="list-style-type: none"> • Mental Health Service Improvement Fund 2020-21 - £564,500, and: • TF Optimise Flow and Outcomes - £1,340,282. <p>I note that you are still reporting these amounts as “Repurposing” in Section D of Table B3. Please remove these items from Table B3 and report instead on Table A (on line 22) at Month 5. Please also provide a breakdown of all allocations included in Table A, line 22, in future narratives.</p>	Amended
4.2	<p>Although I note you have revised the amounts in the free text lines of Table A, which are now affecting the forecast, this was not done as I had suggested in my previous letter. I have reservations about your chosen reporting methodology. Put simply, the YTD element of your Opening Plan is a £0.759m deficit, yet your actual YTD deficit, excluding the Covid-19 element, is a £0.404m surplus suggesting that there is £1.163m of YTD benefits that are not as a result of Covid-19. This amount consists of several items:</p> <ul style="list-style-type: none"> • £1.316m benefit arising from the YTD under delivery attributable to Covid being higher than the actual YTD under delivery on the Tracker. • £0.376m benefit of In Year identified savings and variances to planned AG & IG. • £1.226m benefit from “Re-profiled cost pressures” • £1.428m pressure resulting from planning assumptions still to be finalised at month 1, which are no longer required, but the reversal of their requirement has not been brought into the YTD position (currently in March). • £0.327m pressure from free text line “Revised Savings profile @ M4” 	<p>Amended.</p> <p>Please note as with previous years the Savings Target is mainly budgeted on a straight line within CTM, whereas the table C3 profiles the savings plan on an assessed plan. As such the savings variance reported to our Board differs to that reported in the Tables.</p> <p>The £5.4m COVID savings shortfall is consistent with the Budgeted phased position reported to our Board.</p>

	<p>As both the "Re-profiled cost pressures" and the "Revised Savings profile @ M4" are brought back to zero later in the year, it gives the impression that the YTD figures on Table A are being adjusted to fit.</p> <p>I understand that your plan has been significantly revised and, to aid in solving the above issue for Month 5, I would again strongly advice the following actions:</p> <ul style="list-style-type: none"> • Use the free text line in the Opening Plan section, to represent a balanced monthly plan, described as "RRL flexibility due to phasing", or re-phasing the WG Funding on line 4. • Revise the profile of "Reduction in Cost pressures and slippage on investment plans" from the current March only profile, to match the profile of `planning assumptions yet to be finalised at M1'- as the action you need to reflect is effectively the reversal of the requirement to deliver these savings, as they are not required. • Remove all other free text lines and replace with a temp line, which corrects the profile issues in months 1-5. • Correct the profile of savings not delivered due to Covid-19 on Table B3 to correlate to the data on the Tracker (C3) • Correct the profile of your SoCNE (Table B) monthly deficits in future months only, to match the profile of the net covid pressures as set out in your Table A 	
2.2	<p>I note you are not reporting Income Generation in the method I suggested last month. Income Generation is now reported separately to Savings schemes following the completion of the Tracker at Month 4. However, only the non-achievement (due to C19) of savings schemes are to be shown in section B of Table B3. If you are stating that the Planned Income Generation (£0.182m) is not being fully achieved due to Covid-19, then record this pressure on Table B3 on line 65. The Tracker will automatically feed through to Table A that there is a pressure caused by under-delivery. To remove the double count (if due to Covid-19), then use a free text line on Table A `removal of double count of non-delivery of IG due to C19).</p>	Noted
3.3	<p>As requested last month, please provide a full financial breakdown of the £4.234m of "Reduction in Cost pressures and slippage on investment plans", including an explanation against each item for the change in circumstances and why a gross value of £4.625m is phased into March.</p>	See Narrative
1.1	<p>Please ensure an appropriate level of detail for Accountancy Gains (i.e. Non NHS creditors, CHC, Payroll creditors etc.) is included in the Tracker as well as your narrative for future submissions.</p>	See email from S Webster dated 19/08/20, which explains the Accountancy gain of £2.3m. The Balance of £2m will be actioned and explained in M6 monitoring return.
4.3	<p>Monthly Positions (Table B)</p> <p>Thank you for completing the Reserves section this month. Please provide details to support the profile of spend occurring in March, in your next submission.</p>	Noted

4.4	<p>Covid-19 (Table B3): For ease these are brought together in one section although they may include completion issues</p> <p>Please ensure the WTE and Bed numbers sections of the Table are included every month.</p>	Noted.
4.5	<p>Thank you for using line 95 to record the Local Authority costs attributable to TTP. As these are the only costs included on this line, please confirm whether you have any other Covid-19 related Local Authority costs as these should also be included in this line. I trust the profile (all in M12), which is matched in your TTP template with an equally vague profile and the omission of any detail (£5.4m shown on free text line 34), will be reviewed before Month 5.</p>	The only items included for the LA are relating to Track & Trace.
4.6	<p>All organisations are being requested this month, to please use free text Line 108 (within the Major Projects section) to report all projected costs associated with extending the Flu Vaccination programme. Please also confirm, which lines (58-95) you have recorded the associated non pay spend. It is unclear if the £0.5m included in 'Protect tab' of the TTP Template, related to the Flu Programme. However, please remove these costs from this tab of the TTP Template at Month 5, as 'mass vaccination' does not fall under the 'Protect' category.</p>	Noted.
4.7	<p>I note you are reporting a benefit in Section D of £0.373m; however, the latest WHSSC submission suggests this should be £0.908m. Please review this assumption and amend in your next submission if applicable.</p>	The WHSSC forecast indicated £0.373m of slippage against investments with the remaining underperformance reported as reduction in planned expenditure (Section C of the C19 table)
4.8	<p>I have been informed by colleagues that the allocation issued in July for the Primary Care Improvement Grant (£0.252m), may be re-purposed to offset other Covid related costs if the full amount is not going to be fully incurred on the original intended purpose. If applicable, this re-purposed value should be shown in section D of Table B3 and supporting details provided in your narrative. Please review and confirm your position regarding this allocation, at Month 5.</p>	To be actioned in M6.
4.9	<p>Tracker (Table C3)</p> <p>I note there is a significant proportion of your total forecast savings that remains classified as Amber, being 71% at Month 4. Please ensure you explain what is preventing these schemes from being classed as Green, earlier in the year, in future submissions.</p>	Regular review planned for M6.
4.10	<p>I note you are reporting a Forecast Full Year Effect against 9 schemes which are not forecast to deliver any in-year savings, which is currently improving your underlying deficit by a total of £0.806m. I refer to my Month 2 reply letter where I clarified the guidance around schemes that are no longer forecast to achieve any in-year savings.</p> <p>As the Tracker is now the source document, which links the FYE to Table A; please review these schemes prior to your next submission and <u>remove</u> the Forecast FYE if there is <u>no</u> in-year delivery.</p>	Amended

4.11	On review of the scheme titles, I note there are several that make reference to a 'target' or have a '%' in their name. In line with previous years, schemes should be included on the Tracker at their most granular level. Please review these scheme titles to ensure they describe the scheme in detail or break these down further into specific schemes (general %'s or targets are not acceptable) for your next submission.	Noted
4.12	Inter Organisational Income & Expenditure (Table D) I refer to the email from Gary Young, dated 17 th August, which detailed a difference in assumptions between your HB and WHSSC, EASC & HEIW. Please liaise with colleagues to ensure this variance is eliminated prior to your next submission.	Actioned
4.13	Overview of Key Risks & Opportunities (Table A2) Please ensure you complete the 'likelihood' assessment of each item and provide supporting narrative for assessment in your narrative.	Noted
4.14	I note you have used a free text line to record the risk of non-delivery of savings. For Amber schemes, please use the cell in the Tracker to record any associated risk assessment, which is then automatically feed through to Table A2 and the set-text line for this area.	Noted
4.15	Monthly Positions (Table B) Please ensure that your MMR reflects the latest Non Cash position, as set out in your August non cash estimate submission of the 7th August. Any changes since that submission, should be set out in your supporting narrative.	Noted and included
2.17	Resource Limits (Table E) As previously requested, since Month 2, please ensure that a WG contact is provided against all anticipated income items.	Noted.