

WELSH HEALTH CIRCULAR



Llywodraeth Cymru  
Welsh Government

**Issue Date:** 20 April 2018

**STATUS: COMPLIANCE**

**CATEGORY: FINANCE**

**Title:** 2018/19 LHB & Trust Monthly Financial Monitoring Return Guidance

**Date of Expiry / Review:** April 2019

**For Action by:**  
Chief Executives & Directors of Finance  
LHBs/Trusts/NWIS/NWSSP/WHSSC

**Action required by:**  
Refer to Annex 1 within Guidance

**Sender:** Mr Alan Brace, Director of Finance NHS Wales, Health & Social Services Group

**DHSS Welsh Government Contact(s) :**

Andrea Hughes, Head of NHS Financial Management, Finance Directorate, Health & Social Services Group, Contact Address: Sarn Mynach, Llandudno Junction, LL31 9RZ, Contact Telephone Number: 0300 062 5558

**Enclosure(s):** Covering Letter and Guidance

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Technical Manager CG & NHS Sector – Wales Audit Office  
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Chief Executives & Directors of Finance – NHS Local Health Boards including WHSSC  
Chief Executives & Directors of Finance – NHS Trusts including NWSSP & NWIS

Our Ref: AB/AJH/001

20 April 2018

Dear Colleague,

Please find enclosed the 2018/19 LHB and Trust monthly financial monitoring return guidance and associated submission templates.

In 2017/18, a number of organisations materially improved their forecast outturn positions in the latter stages of the financial year. Although, it is pleasing that corrective actions are delivering improved results, these late changes do provide challenges in terms of Welsh Government managing within the overall Health & Social Services Group budget. I would like to re-iterate the importance of robust forecasting and ensuring that identified improvements to financial positions are reported at the earliest opportunity.

A key area which has become apparent following the submission of the 2018/19 IMTPs is the scale of reported underlying deficit positions by a number of Organisations. This is surprising, given the significant improvement being reported in the 2017/18 financial positions, of greater concern is that the majority of these deficits are not reconciled to either services areas or functional spends. I trust that for those applicable Organisations this is a key area of focus and the new 'Underlying Position' Table enclosed should supplement internal reporting mechanisms which are supporting the actions being introduced to substantially reduce current reported underlying deficit positions.

A further important change being introduced this year is the deadline of the 30<sup>th</sup> June for agreeing all unidentified plans assumed in the forecast outturn. I again trust that when these schemes move into your formal Savings Plans, that they are fully finalised.

Y Grŵp Iechyd a Gwasanethau Cymdeithasol  
Health and Social Services Group



Llywodraeth Cymru  
Welsh Government

Yours sincerely

A handwritten signature in black ink that reads "Alan Brace". The signature is written in a cursive style.

**Alan Brace**  
Cyfarwyddwr Cyllid | Director of Finance

**ENC**

## LOCAL HEALTH BOARD FINANCIAL MONITORING GUIDANCE 2018-19

### Summary

1. This guidance refers to the monitoring return spreadsheet and accompanying narrative that Local Health Boards (LHBs) will need to complete, to report their 2018/19 financial performance. There are a number of changes to the format of the returns from those issued previously. Colleagues are asked to review this guidance in full to refresh and confirm their understanding.

### Importance of Monitoring Returns

2. Together with the NHS Trusts financial returns, the Local Health Board (LHB) financial returns are an essential element in monitoring the financial position of individual organisations and the overall financial health of NHS Wales. They are used by the Health and Social Services Group (HSSG) and form the basis of reports to Cabinet Secretaries.
3. **It is essential that the monitoring returns are accurate and that they are submitted in accordance with the timescales outlined in Annex 1.** Your organisation will be held to account for the information submitted within the returns. It is essential that you ensure that your forecasts within the tables are based on a balanced view of your anticipated outturn and that your commentary correctly outlines the major issues affecting your forecast. The data reported within the tables must correlate and support the outturn position being reported and is accurately supported by internal detailed plans.
4. All monitoring returns **must be supported by a detailed commentary.** A minimum content format is mandatory and is set out in Annex 2.
5. All information made available to the HSSG should be consistent with that provided to the LHB's Board. The detailed commentary **must** include a statement confirming that the financial information reported in the monitoring return aligns to the financial details included within the internal Board papers.
6. There are a number of tables to be provided as set out in Annex 3. Notes on completion of the tables are set out in Annex 4.
7. **Concerns continue regarding the robustness of financial forecasting within the NHS in Wales. Finance Directors are accountable for the content of the submission and the reliability of their forecasts; performance will continue to be reviewed on this issue on an individual basis. All tables must be fully completed and a comprehensive narrative, providing a detailed explanation of all key issues must be provided. Should the return not meet this requirement, it will be returned, and a resubmission will be required.**

8. **Chief Executives are also personally accountable to the Accounting Officer for the reliability of the forecasts submitted by their LHB.**
9. **To ensure that the information on expected end of year out-turns is consistent across NHS bodies; LHBs are required to ensure that in their reporting they must strike a balance between optimism/pessimism resulting in a realistic assessment of the challenge when forecasting their financial position.**
10. Organisations **must** ensure that accountancy gains, unallocated reserves and savings items are appropriately phased to ensure that the year to date position is not distorted.

### **Timetable for completion**

**All Financial Position data, provided electronically to the WG, must be cleared by the Director of Finance and Chief Executive Officer before submission.**

11. All main monitoring returns will be required on the **9<sup>th</sup>** working day of each month, with the exception of Month 12. There continues to be a requirement to complete a Month 1 submission. The full template should be submitted with the following tables completed: Table A (Movement), Table A1 (Underlying Position), Table B, B1 & B2 (Monthly Profiles), Table C, C1, C2 & C3 (Savings), Table D (I & E Assumptions), Table E (Resource Limits), Table F (Risks) and the Aged Debtors Template (Table M), along with a supporting Director of Finance narrative. **A schedule of monitoring dates is provided in Annex 1.**
12. An electronic version of **both the spreadsheet and the narrative** must be submitted via email (address at page 4), to the NHS Financial Management Team, Health and Social Services Group by **5.00 pm** on the due date. **Hard copies signed by the Chief Executive and Director of Finance or signed electronic copies must be received by the NHS Financial Management Team, Health and Social Services Group within five working days of the full submission of the electronic copy.**
13. Organisations are required to submit their year to date and forecast financial position information of the **5<sup>th</sup>** working day, for Months 2 to 12. A separate template table is provided. A brief explanation should be provided on the template, **for any movement in your year end outturn since the previous month**. An electronic version of the template should be submitted via email (address below) to the NHS Financial Management Team, Health and Social Services Group - Finance Directorate by **5.00 pm** on the due date. A hard copy is not required. **A schedule of submission dates is provided in Annex 1.**

14. In previous years there have been requirements to submit tables either monthly or quarterly. For 2018-19 all tables should be provided monthly except for, Table I (PSPP) Quarterly, Table N (GMS) Quarterly and Table O (Dental) Quarterly, Table G (SoFP) monthly from Month 3 onwards, Table H (Cash Flow) from Month 2 onwards and Tables J, K & L (Capital) from Month 2 onwards. Organisations that continually submit inaccurate or incomplete information will be required to submit tables on a monthly basis.

In relation to Table A1 (Underlying) - All Organisations must fully complete this table for Month 1. Organisations that are in Targeted Intervention / Special Measures for Finance will need to complete this table on a monthly basis thereafter. Other Organisations will only be required to complete this table on a quarterly basis thereafter.

### **Principle Changes to Requirements**

15. The following information draws your attention to the principle changes to the 2018/19 requirements. It is still recommended however, that the full documentation is reviewed before completing the tables.

- **Movement of Opening Financial Plan to Forecast Outturn (Table A & other supporting analysis)**

All planned savings, supporting the forecast outturn position, must be identified and finalised by the end of June 2018. Therefore, from Month 3 onwards, reported forecast positions must not be based on the delivery of unidentified savings.

- **Underlying Position (Table A1)**

An 'Underlying Position' table has been re-introduced which requires organisations to report their position over three different analysis formats. This analysis is essential, as across NHS Wales the underlying position is the largest deficit component of the financial positions described in submitted IMTPs. Of concern, is that these were not reconciled to either services areas or functional spends. Understanding what the pressures are and why they are driving this position, is crucial to both your Boards and the WG. This will inform: your local actions to reduce this position, future WG national policies, consideration of resource allocation opportunities and to properly consider long term sustainability with the NHS.

Organisations to note frequency of completion within Section 14 above, with all organisations required to submit at Month 1.

- **Net Expenditure Profile Analysis (Table B1)**

The guidance for this key table has been enhanced under Section 2.5 of the column guidance. It is imperative that this table it is completed with viable monthly profiles and sufficient supporting explanations for key movements are provided in the supporting commentary.



- **Pay Expenditure Analysis (Table B2 – Section A)**  
 The Pay Expenditure Analysis, previously provided as a supplementary table in 2017/18, has been incorporated into the main tables. Unlike 2017/18, this table should be completed on an actual and forecast basis.
- **Agency / Locum (paid at a premium) Expenditure (Table B2 - Section B)**  
 Previously Table K in the 2017/18 Templates. This is also to be completed on an actual and forecast basis.
- **Analysis by reason for using Agency / Locum (paid at a premium) (Table B2 - Section C)**  
 This new table requires organisations to analyse the reasons for incurring Agency /Locum (paid at a premium) over the categories agreed by the Medical Efficiencies Working Group. The table is to be completed on an actual and forecast basis.
- **Savings Scheme Agency/Locum (paid at a premium) Analysis (Table C2)**  
 This new table requires organisations to provide an analysis of Agency/Locum (paid at a premium) Savings (profiled in Table C1). The table is to be completed on an actual and forecast basis, in line with Table C1.
- **Top 20 Identified Expenditure Saving Schemes by Forecast (Table C3)**  
 Following a request from NHS representatives at the Monitoring Return Review Group, an unprotected 'Input' section has been incorporated at the foot of Table C3 to ease the reporting of schemes by forecast delivery (Highest to Lowest). These free text tables then automatically populate the protected main Table C3.
- **Invest/Innovative to Save (Table D in 2017/18)**  
 This table has been removed in 2018/19; however organisations will be required to continue to report on individual schemes to the WG Policy Lead.
- **Welsh NHS Assumptions (Table D)**  
 EASC and Health Education Improvement Wales (HEIW) have been added to the listing.
- **GMS (Table N) and Dental (Table O)**  
 The frequency of completion has been changed in 2018/19. Both tables are to be completed on a quarterly basis from Quarter 1.
- **Invoices Raised for Overseas Visitors Charges (Table R in 2017/18)**

This table has been removed in 2018/19; however, as this a ‘hot topic’ issue, equivalent information is to be maintained by the NHS in order to respond promptly to Government Business information requests.

- Any identified key changes to previous month’s reported data, on all tables, can only be actioned following discussion and agreement with the WG NHS Financial Management Team. Otherwise, changes should be adjusted in the current month, with a supporting explanation provided in the narrative.
- The savings tables should reflect all savings schemes (including Cost Improvement Plans) where management action is required in order to deliver the saving. Cost Avoidance Plans, which do not require management action in order to deliver a saving, should be accounted for when calculating the organisations net Opening Cost Pressure Value; therefore ensuring that both the Opening Cost Pressure and the Required Savings value are not over stated at the start of the year. In the event that the Health Board considers a scheme to be classified as ‘Cost Avoidance’ but feel this should form part of the Savings Plans, particularly if delivery requires management action, then these can be reported and monitored in Tables C, C1, C2 & C3. The following definitions may assist:

Cost Reduction & Efficiency Savings Definitions		
Term	Definition	Monitoring Returns Classification
Cash-Releasing Saving (Pay)	A form of cost reduction saving which is workforce related, and specifically relates to providing a service at the same or better quality, for a lower cost, through new ways of working, that reduce cost on an ongoing recurrent basis.	Expenditure Savings Schemes
Cash-Releasing Saving (Non-Pay)	A form of cost reduction saving which is non-pay related, and specifically relates to providing a service at the same or better quality, for a lower cost, through new ways of working or reduced prices, that reduce cost on an ongoing recurrent basis.	Expenditure Savings Schemes
Cost Avoidance	A form of cost reduction which specifically relates to eliminating or preventing future costs arising. This should be as a result of management action to drive a reduction in costs, for expenditure which is yet to be incurred. Cost avoidance measures may involve some expenditure but at a lower level than predicted future costs.	Expenditure Savings Schemes
Income Generation	A form of cost efficiency where an increased contribution to an organisation is generated that can be used for improving services. Income is typically recovered through providing more output from the same cost base, or charging for services provided. Schemes are typically cash generating and not cash releasing schemes.	Income Generation
Accountancy Gain	A form of cost reduction which is typically technical in nature, relating to changes in the balance sheet position, or changes in actual expenditure in comparison to previous years estimates or provisions. Savings are typically non-recurrent in nature.	Accountancy Gain
Non-Cash Releasing Productivity Gain	A form of cost efficiency where more output, or increased activity, is delivered through the same service and workforce cost base (i.e. more output is delivered for the same cost). The action does not generate a cash-releasing saving.	N/A

- It should be noted that additional requirements may be introduced during the financial year, which may result in new/amended tables. For example:
  - Introduction of monitoring arrangements in respect of future year financial plans.
  - Any agreed requirements to support work being undertaken by newly established Finance Delivery Unit (FDU).

## **Action**

16. Directors of Finance are asked to return their first set of returns via email by **5.00pm on the 14th May. For the Month 2 submission, both the April and May columns should be completed separately on the applicable tables that were not submitted at Month 1.** Full details are given in the attached guidance.

## **Points of Contact**

17. Comments or enquiries on technical issues should be directed to Kim Jenkins, Head of Financial Governance & Control (03000 251 056) at HSSG. Specific queries regarding completion and performance issues, should be directed to Andrea Hughes, Head of NHS Financial Management (0300 062 5558).

Electronic versions (including the scanned signed version) to be submitted to the following email address:

NHSFinancialManagement@gov.wales

This guidance has been issued by:

**Director of Finance, Health and Social Services Group**

**Schedule of monitoring dates:**

<b>For period ended</b>	<b>Day 5 Submission Date</b>	<b>Day 9 Submission Date</b>
30 <sup>th</sup> April	Not Required	14 <sup>th</sup> May
31 <sup>st</sup> May	7 <sup>th</sup> June	13 <sup>th</sup> June
30 <sup>th</sup> June	6 <sup>th</sup> July	12 <sup>th</sup> July
31 <sup>st</sup> July	7 <sup>th</sup> August	13 <sup>th</sup> August
31 <sup>st</sup> August	6 <sup>th</sup> September	12 <sup>th</sup> September
30 <sup>th</sup> September	5 <sup>th</sup> October	11 <sup>th</sup> October
31 <sup>st</sup> October	7 <sup>th</sup> November	13 <sup>th</sup> November
30 <sup>th</sup> November	7 <sup>th</sup> December	13 <sup>th</sup> December
31 <sup>st</sup> December	8 <sup>th</sup> January	14 <sup>th</sup> January
31 <sup>st</sup> January	7 <sup>th</sup> February	13 <sup>th</sup> February
28 <sup>th</sup> February	7 <sup>th</sup> March	13 <sup>th</sup> March
31 <sup>st</sup> March	5 <sup>th</sup> April	25 <sup>th</sup> April *

\* TBC subject to Draft Accounts deadline

## **DIRECTOR OF FINANCE COMMENTARY**

Organisations will continue to be required to follow the prescribed narrative layout detailed below. Each section must be reflected within the narrative report and in the order prescribed. Additional appendices can be provided; however, these must be referenced in the relevant section. The commentary can be supplemented with copies of Finance reports submitted to the LHB Board. The narrative should provide supporting details in relation to expenditure and savings correlation. Responses to the previous month's WG Monitoring Return reply letter must be included within the relevant section or as a separate appendix. The layout of the WG reply letters will also reflect the prescribed layout.

Directors of Finance should be aware that the monitoring returns and their associated commentary form an important part of the management of NHS Wales and the information is provided to various Groups and Cabinet Secretaries. It is important to ensure that the underlying commentary is comprehensive and accurate.

### **1. Actual Year to Date and Forecast Under / Overspend 2018/19 (Tables A & B, B2)**

Comment on and provide reasons for, any changes in the movements between the opening financial plan and the forecast outturn position. In particular, movements on unidentified savings resulting in changes to identified savings plans or any other lines on Table A including the forecast deficit.

Comment on the actual surplus/deficit reported as at the period end. Details should be provided to explain any movements between the year to date and forecast positions reported at Day 5, and the main Day 9 submission. A reconciliation should be provided to explain any changes from the previous month's reported position.

End of Year Forecasts should be based on the best assessment of the most likely year end outturn. These must strike a balance between optimism\pessimism and a realistic assessment of the challenge. Any accountancy gains/statement of financial position movements, unallocated reserves and savings items should be appropriately phased to ensure that the year to date position is not distorted. An analysis of items which are not phased in equal twelves should be provided within the commentary to support the phasing of the Resource Limit.

Comment on the projected surplus/deficit for the year end. A reconciliation should be provided to explain any changes from the previous month's reported projected position. For all individual lines, detailed explanations should be provided for material movements in monthly values. This should include details of material movements in previously reported values.

Comment on the reasons for significant movements between the actual year to date position and the forecast year end position. Details should be provided to explain the actions being undertaken to facilitate improvements.

LHBs are also required to detail any unconfirmed increases or decreases in allocations that have been assumed in the plans and implied forecast position, as detailed in Table B. In addition, the LHB should comment on any unconfirmed income assumptions from sources other than WG.

LHBs must confirm within their detailed commentary, the total value of any unallocated reserves\unallocated contingency (Line 17 Table B) and the amount that has been released from this line into the reported year to date position. The detailed commentary should include additional supporting explanations for all committed expenditure held within reserves\contingencies as reported in section E of Table B.

Comment on the current and forecast Accountancy Gains which are reported within the tables. This should include an explanation as to why an Accountancy Gain is forecast but not yet reflected in the year to date position.

Hosting organisations should also provide comments on the financial positions of Hosted Bodies.

Key actual/forecast monthly movements reported in the newly introduced Pay Expenditure A4C Analysis (Table B2 – Section A) must be explained in the commentary.

## **2. Underlying Position (Table A1)**

Comment on the FYE of recurring actions (both savings and allocations) which reduce the b/f underlying position.

Comment on any new in year recurring pressures, which are unmitigated and increase the underlying position.

The commentary must explain the cause of all movements from the previous submission (monthly or quarterly).

## **3. Net Expenditure Profile Analysis (Table B1)**

Comment on and provide reasons for any material deviations from equal twelfths phasing (e.g. savings plans stepping up in future months, impact of targeted improvements in performance (RTT etc), Winter Pressures etc).

Provide explanations for movements in the current month and future months values by category (Sections A – F) and individual lines from those projected

in the applicable previous month (e.g. new unplanned cost pressures or costs being materially higher or lower than anticipated etc).

#### **4. Agency/Locum (Premium) Expenditure (Table B2 – Sections B & C)**

Comment on the Agency/Locum (paid at a premium) Expenditure information provided in Table B2 (Sections B & C). Provide details of action plans and progress being made to reduce expenditure.

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

A statement is required to describe the financial position of each individual ring fenced allocation. For example, GMS (Table N), Dental (Table O), Mental Health, Depreciation (inc. Impairments), Learning Disabilities, Renal Services and Palliative Care as shown in the 2018/19 Allocation Paper Table B1. Any forecast underspends should be disclosed and quantified.

#### **6. Saving Plans**

**(Table C, C1, C2 and C3) The savings plan should be completed in conjunction with the 'Value & Efficiency Framework' currently being progressed via the NHS Wales Directors of Finance Group.**

LHBs are required to provide details of progress on the development of savings schemes required to achieve financial balance and to highlight any deficits between total requirements and identified savings schemes. Unidentified savings supporting the outturn position should not be reported with Tables C, C1, C2 and C3; however, these should be reported within the set text line on Table A. As referenced above, from Month 3 the reported forecast positions must not be based on the delivery of unidentified savings.

All tables must be completed on a gross basis.

Detailed reporting against the delivery of the savings plans which are required to achieve financial balance/surplus should be provided. This should include details by each savings category (Table C, C1, C2 & C3) of the actions being taken to recover any underachieved savings in future months.

Comment on each of the categories set out in the 'Agency /Locum (paid at a premium)' Savings Plan Analysis (Table C2). As with all tables, an explanation of key movements should be provided in the commentary.

Supporting narrative should also be provided on performance, recovery issues and any scheme changes, for each of the listed top 20 schemes (Table C3).

LHBs are required to provide explanations for any re-phasing of plans into future months.

#### **7. Income Assumptions 2018/19 (Tables D & E)**

Comment on any income assumptions included within the reported year to date and forecast financial positions in Table B.

Provide details of the basis of the assumptions used to complete the values reported in Table D, by organisation.

Comment on any agreed resource limit adjustments for both capital and revenue, reported within Table E.

Comment on any cash only (Drawing Limit) assumptions for both capital and revenue, reported within Table E.

## **8. Health Care Agreements and Major Contracts**

Confirm the position with regard to the sign off (deadline last working day of June) of agreed contract values shown within the Health Care Agreements and Major Contracts.

For each unsigned Agreement and Contract, details should be provided to explain actions (including timescales), being undertaken to eliminate risk. Confirmation should be provided if WG arbitration is being sought (WHC 2017 013).

Details should also be provided to explain any risks associated with the agreed values in signed LTAs, due to for example, a change in activity levels from both a commissioner and provider perspective.

## **9. Risk Management (Table F)**

The narrative should detail the material risks and/or the opportunity factors that would result in a worse or best case outturn. This should include details of action plans to mitigate risks. Details should be provided to support the likelihood assessment of each risk and opportunity occurring. Any new, removed or amended risks and opportunities from those reported in the previous month should be explained in the narrative.

Please note that all risks and opportunities discussed within the narrative must be reported within the table, even if the quantification is yet unknown (TBC to be reported in table). The narrative however, should provide a timeframe for when quantification will be known.

## **10. Statement of Financial Position & Aged Welsh NHS Debtors (Tables G & M)**

Comment on any significant month on month Statement of Financial Position movements.

Details should be provided to support the additional analysis of provisions, as reported on Table G.



Details should also be included to support aged receivables/payables (over 11 weeks old) and disputed invoice information. This is supported on a monthly basis with the completion of the Aged Debtors template (Table M). Invoices which have exceeded 17 weeks must not form part of the financial position and should be cancelled, unless they are being arbitrated on by the WG.

Provide supporting explanations for material movements on the trade and other payables analysis.

### **11. Cash Flow Forecast (Table H)**

The cash flow forecast is a planning tool to enable the WG to have an early understanding of any cash flow difficulties organisations may face. As such, LHBs should report their most likely scenario (& consistent with the approach taken for the equivalent resource if applicable) regarding cash receipts and payments on a monthly basis. For future months, as the year progresses, the entries relating to the previous month's forecast should be replaced with actual figures.

Confirmation should be provided if the outflows resulting from movements in Working Balances have been factored into the cash position; resulting in a shortfall of cash being reported in March.

Provide comment on any requests for repayable strategic cash support.

Unreasonable levels of cash balances held should be explained within the narrative.

### **12. Public Sector Payment Compliance (Table I)**

LHBs are accountable for achievement of this target. LHBs are required to provide a commentary on creditor payment compliance (NHS and Non NHS) together with detailed plans and progress towards achieving full compliance.

WG will continue to measure payments within 10 days as required by Parliament. The same principles adopted for measuring the 30 day payment rules apply.

### **13. Capital Schemes and Other Developments (Tables J, K & L)**

LHBs are required to achieve the CRL financial target.

Organisations will also be required to operate within a tolerance of a £0.5m underspend.

Comment on capital expenditure compared with the plan. Give reasons for any significant variances per scheme reported in Table J. A detailed explanation is required, to provide reasons for any variation in overall performance against the total CRL.

Comment on any significant variances between minimum and maximum expenditure shown on Table K against the allocated funding.

The risk assessment of each scheme should be discussed for schemes identified as high or medium risk in Table K.

Comment on any changes to the in month expenditure profiles detailed in Table K.

Provide details of any further issues relating to capital projects, which may impact on your financial position or the achievement of the Capital Resource Limit. This should include any planned asset transfers between other Welsh NHS organisations.

Hosting organisations should also provide comments on the Capital performance of Agency Bodies, where applicable.

#### **14. Other Issues**

The narrative must include a statement confirming that the financial information reported in the monitoring return aligns to the financial details included within the internal Board papers.

Please comment on any other issues which need to be drawn to the attention of the Health and Social Services Group – NHS Financial Management.

#### **15. Authorisation of Return**

The monitoring return should be authorised by the Chief Executive and the Director of Finance. The electronic submissions of the Day 5 and Day 9 positions must have been agreed by the Chief Executive and the Director of Finance.

## TECHNICAL GUIDANCE – LOCAL HEALTH BOARDS

### Introduction

All worksheets are included within the one spreadsheet, except for the Day 5 financial position table which has been provided as a separate excel worksheet.

The template worksheets for the monitoring returns are as follows:

### Validation Check Sheet

For each applicable table, there is a quality validation checklist. These checks are included to assist organisations who have various staff completing specific tables. The overall summary position is shown on the Validation Check Sheet.

### Summary Sheet

Automated summary of main financial performance

**Movement from Opening Plan/Position to Forecast Outturn** **Table A**

**Underlying Position** **Table A1**  
Annual Movement in Underlying Position

**Monthly Positions** **Table B**  
Monthly profile of actual YTD income and expenditure & forecast income and expenditure for future months

**Net Expenditure Profile Analysis** **Table B1**  
Monthly profile of Gross expenditure by category, Committed Reserves and Savings (linked to Table C), agreeing back to Net Profiles in Table B

**Pay Expenditure Analysis** **Table B2 (Section A)**  
Monthly profile of actual YTD and forecast pay expenditure by A4C

**Agency\Locum (premium)** **Table B2 (Section B)**  
Monthly profile of actual and forecast Agency/Locum (paid at a premium) expenditure by staff group

**Reasons for Agency Usage** **Table B2 (Section C)**  
Actual and future month forecasted Agency / Locum (premium) Spend, analysed by reason (e.g. Vacancy)

**Savings Schemes** **Table C**  
Monthly profile of actual YTD savings & planned savings for future months

<b>Savings Schemes Pay Analysis</b> Monthly profile of actual YTD & planned pay savings for future months	<b>Table C1</b>
<b>Savings Schemes Agency Analysis</b> Monthly profile of actual YTD & planned agency savings for future months	<b>Table C2</b>
<b>Top 20 Identified Savings Schemes by Forecast Delivery</b> Monthly profile of actual YTD savings & planned savings for future months	<b>Table C3</b>
<b>Income/Expenditure Assumptions</b> Statement of annual income and expenditure assumptions for Welsh NHS organisations	<b>Table D</b>
<b>Resource Limits</b> Statement of confirmed and anticipated allocations	<b>Table E</b>
<b>Risks</b> A balanced judgment of the potential worse and best case forecast outturn position. I.E. (Best Case = Most likely reduced by potential opportunities) (Worse Case = Most likely increased by potential risks offset by potential opportunities).	<b>Table F</b>
<b>Statement of Financial Position (SoFP)</b> SoFP for the current month and forecast year end, analysis of Provisions, Welsh NHS payables, Trade and Other Payables	<b>Table G</b>
<b>Cash Flow</b> Cash position showing cash balances and future monthly forecasts	<b>Table H</b>
<b>PSPP</b> Public sector payment policy table for 30 day & 10 day compliance	<b>Table I</b>
<b>Capital Resource Limit Management</b> Year to date and End of Year Forecast position for capital expenditure against the Capital Resource Limit	<b>Table J</b>
<b>In Year Capital Schemes</b> Monthly scheme profiles of capital expenditure for current year	<b>Table K</b>
<b>Capital Disposals</b> Analysis of in year and future year disposals.	<b>Table L</b>
<b>Aged Debtors Template</b> Outstanding Invoices 11 weeks and over	<b>Table M</b>

**General Medical Services**

**Table N**

Summary of Income & Expenditure for GMS

**Dental**

**Table O**

Summary of Income & Expenditure for Dental

**Day 5**

**Separate Table**

Year to date and Forecast outturn position

**Completion** All worksheets should be fully completed as per the guidance provided. Any incomplete or reformatted submissions will not be accepted and will need to be re-submitted.

## NOTES ON COMPLETION OF FINANCE DATA TABLES 2018/19

### 1. General

The financial projections should be prepared in accordance with IFRS. The accounting treatment should be consistent with that in the current Manual of Accounts.

**All figures must be entered into the return as round thousands, with the exception of Aged Debtors. The other exception is Creditor Compliance which is to be completed to one decimal place.**

Some cells contain pre-determined formulae that calculate based on data entered in other cells – these are shown in blue and are protected.

#### 1.1 Validation system

A quality validation checklist was first introduced in 2011/12 and for 2018/19 the validations continue to be located to the right of the applicable individual tables. The first tab of the spreadsheet only provides a summary position of the individual table validations i.e. the number of validation errors.

### 2. Columns

#### 2.1 Summary Sheet Columns

**LHB** – Select the applicable organisation using the drop down menu.

**Period** – This should be completed using the drop down menu, to reflect the reporting period.

#### Revenue Performance

This table is automatically populated from the information provided in the Monthly Profiles (Table B).

**YTD** – This section of the table is automatically populated using formulae linked to the main data.

**Forecast** – This section of the table is automatically populated using formulae linked to the main data.

#### 2.2 Table A Columns: Movement from Opening Plan/Position to Forecast Outturn

This table should detail the movement between the Opening Financial Plan and the current month Forecast Out-turn position.

Cost Avoidance Plans, which do not require management action in order to deliver a saving, should be accounted for when calculating the organisations net Opening Cost Pressure Value; thus ensuring that both the Opening Cost Pressure and the Required Savings value are not over stated.

### **2.3 Table A1 Columns: Underlying Position**

*Within this table, any deficit positions should be reflected as negative values and surpluses should be reported as positive values.*

#### **A. Traditional Analysis**

The 'IMTP Underlying Position b/f' column should reflect the b/f underlying position reported in the current year IMTP/AOP Financial Plan. The starting position for this analysis should be the 'Previous Year's Financial Outturn'.

The 'IMTP Underlying Position c/f' column should reflect the projected underlying position which will be carried forward into the following year's financial plan. The starting position for this analysis should be the 'Current Year's Forecast Financial Outturn'.

#### **B/C. By Spend Area / By Directorate**

Underlying Position b/f – should reflect the position reported in latest IMTP/AOP which is contributing to the current year's financial outturn. In Section B this should be analysed by designated expenditure areas and in Section C via listed Directorates.

Full Year Effect (FYE) Actions:

- a) Recurring Savings – by designated category, quantify the full year effect of current year savings which will have a direct positive impact on the b/f underlying position.
- b) Recurring Allocations – by designated category, quantify in year recurring allocations which will have a direct positive impact on the b/f underlying position.

Subtotal – protected column which will calculate the net impact of the b/f underlying position and recurring savings/allocations by designated category.

New in Year Unmitigated Recurring Pressures – should reflect the FYE of in year emerging pressures (by designated category) that have not been mitigated and which will have an adverse annual impact on the reported underlying position.

Underlying Position c/f – protected column which will calculate by designated category the underlying position which will be taken forward into the new year and should be reflected in following years' financial plan.

## **2.4 Table B Columns: Statement of Comprehensive Net Expenditure**

### **A. Monthly Statement of Comprehensive Net Expenditure Summary**

**Monthly Analysis (April to March)** – This should reflect:

- a) The actual monthly data up to, and including, the current month submission,
- b) The forecast monthly data for future months.

**Total YTD** - Protected cell calculating the Year to Date Position.

**Declared Full Year Forecast** - Protected cell showing the Forecast End of Year position.

**LHBs should include non resource limited income and expenditure.**

**B. Assessment of Financial positions** – This is a fully automated section.

### **C. DEL/AME Depreciation & Impairments**

These values should include anticipated income if this has been recorded in Table E (Resource Limits).

The columns are as detailed for Section A of the table.

### **D. Accountancy Gains**

The columns are as detailed for Section A of the table.

### **E. Committed Reserves & Contingencies**

These values represent the committed expenditure which is still held in Reserves and Contingencies and which forms part of the forecast position. A reference should be included for each item to confirm which expenditure line they have been included on Section A.

The columns are as detailed for Section A of the table.

## **2.5 Table B1 Columns: Net Monthly Expenditure Profiles**

This table aims to analyse the items affecting the monthly net run rate, reported as the net expenditure profile by category (Sections A-F) within Table B.

The monthly gross plans can be amended, with the exception of previous month's actual values. The annual plans should always be based on and support the planned financial outturn reported within the organisations latest Integrated Medium Term Plan or Annual Operating Plan.



Material movements in reported annual plan values by category should be explained within the supporting narrative.

The reasons for any material reported YTD and Annual forecast variances by category should also be provided within the narrative.

Any unidentified savings/mitigating actions supporting the forecast outturn should only be reported within future months columns.

The columns are as detailed for Section A of Table B above.

### **2.6 Table B2 – Section A Columns: Pay Expenditure**

This table analysis actual and forecast monthly pay spend (provider and other) by A4C category.

With the exception of the A4C category 'Type' column, the columns are as detailed for Section A of Table B above.

### **2.7 Table B2 – Section B Columns: Agency / Locum (premium) expenditure**

This table analysis actual and forecast monthly agency/locum (paid at a premium) pay spend. Locums 'paid at a premium' are those paid above the rate of the substantive post holder.

With the exception of the A4C category 'Type' column, the columns are as detailed for Section A of Table B above.

### **2.8 Table B2 – Section C Columns: Reasons for Agency / Locum (premium) expenditure**

This table analyses the actual and forecast monthly agency/locum (paid at a premium) spend, by reason. Locums 'paid at a premium' are those paid above the rate of the substantive post holder.

With the exception of the pre-set 'Reason' column for using agency/locum (premium) e.g. vacancy, the columns are as detailed for Section A of Table B above.

### **2.9 Table C Columns: Savings Schemes**

The reported data should reflect all savings schemes (including Cost Improvement Plans) where management action is required in order to deliver the saving.

**Monthly Analysis** – This should reflect:

- a) The Annual Identified Savings Plan, phased over the 12 month period;
- b) The actual monthly data up to, and including, the current month submission;
- c) The forecast monthly data for future months.

**Total YTD** – Protected cell calculating the Year to Date Position.

**Full Year Forecast Position** – Protected cell calculating the Year End Position based on Actual Year to Date Position plus the Forecast Position for the remaining months of the financial year.

**Year to Date as a percentage of Full Year / YTD Variance as a percentage of YTD Budget/Plan** – Protected cell calculating:

- a) the YTD Actual Savings as a % of the Full Year Forecast Savings
- b) the YTD Variance as a % of the YTD Budget/Plan Savings

**Total YTD** – Provide an analysis of the YTD Savings, split between recurring and non recurring; the sum of both columns should agree to the Total YTD column.

**Full Year Forecast** – Provide an analysis of the Forecast Savings, split between recurring and non recurring; the sum of both columns should agree to the Full Year Forecast column.

**Note: The total pay savings reported on Table C is linked to the pay category of Table C1, therefore will automatically be populated following the completion of Table C1.**

## **2.10 Table C1 Columns: Savings Schemes by Pay Analysis**

**Monthly Analysis** – This should reflect:

- a) The Annual Identified Savings Plan, phased over the 12 month period;
- b) The actual monthly data up to, and including, the current month submission;
- c) The forecast monthly data for future months.

**Total YTD** – Protected cell calculating the Year to Date Position.

**Full Year Forecast Position** – Protected cell calculating the Year End Position based on Actual Year to Date Position plus the Forecast Position for the remaining months of the financial year.

**Note: The total agency/locum (premium) pay savings reported on Table C1 is linked to the total agency/locum (premium) pay savings Table C2, therefore will automatically be populated following the completion of Table C2.**

## **2.11 Table C2 Columns: Savings Schemes by 'Agency/Locum paid at a premium' Analysis**

**Monthly Analysis** – This should reflect:

- d) The Annual Identified Savings Plan, phased over the 12 month period;
- e) The actual monthly data up to, and including, the current month submission;
- f) The forecast monthly data for future months.

**Total YTD** - Protected cell calculating the Year to Date Position.

**Full Year Forecast Position** - Protected cell calculating the Year End Position based on Actual Year to Date Position plus the Forecast Position for the remaining months of the financial year.

## 2.12 Table C3 Columns: Top 20 Saving Schemes by Value

The below guidance provides the detail required to populate the main protected Table C3 which is automated following the population of the two 'input' tables at the foot of Table C3. How these 'input' tables should be populated is provided at the foot of this section.

**Scheme Title and Brief Scheme Description** – brief description of the identified scheme.

**Monthly Analysis** – This should reflect:

- a) The Annual Identified Savings Plan, phased over the 12 month period;
- b) The actual monthly data up to, and including, the current month submission;
- c) The forecast monthly data for future months.

**Total YTD** - calculating the Year to Date Position.

**Full Year Forecast Position** - cell calculating the Year End Position based on Actual Year to Date Position plus the Forecast Position for the remaining months of the financial year.

**Note: The monthly totals on Table C3 should agree to the monthly totals on Table C.**

The supporting Budget/Plan and Actual/Forecast 'input' tables should be completed as follows:

1. In the organisations separate working sheet, ensure there is a list of the actual/forecast values of all savings schemes, sorted in descending order.
2. Copy the first 20 and paste names & values into 'Actual/Forecast' input table (third table).
3. For those top 20 schemes, copy plan/budget data, **sorted in any order**, into the Budget/Plan (second) table in the template. The names

of the schemes must be exactly as they appear in the Actual/Forecast table.

4. Copy and paste the 'Balance of remaining schemes' Budget/Plan' and 'Actual/Forecast' profiles within the corresponding input tables.

### **2.13 Table D Columns: Income/Expenditure Assumptions**

**Contracted Income** – This should reflect the annual income contained within agreed/anticipated contracts (signed or un-signed), that has been incorporated into the financial forecast.

**Non Contracted Income** – This should reflect the annual income not included in the agreed/anticipated contracts that has been incorporated into the financial forecast.

**Total Income** – Protected cell calculating the contracted and non contracted forecast income.

**Contracted Expenditure** – This should reflect the annual expenditure contained within agreed/anticipated contracts (signed or un-signed), that has been incorporated into the financial forecast.

**Non Contracted Expenditure** – This should reflect the annual expenditure not included in the agreed/anticipated contracts that has been incorporated into the financial forecast.

**Total Expenditure** – Protected cell calculating the contracted and non contracted forecast expenditure.

### **2.14 Table E Columns: Resource Limits**

**Anticipated Allocations** – Include details of the anticipated allocations.

**HCHS** – This should reflect the resource allocation received to date, plus details of any anticipated income expected from WG, via an allocation adjustment.

**Pharmacy** – This should reflect the resource allocation received to date, plus details of any anticipated income expected from WG, via an allocation adjustment.

**Dental** – This should reflect the resource allocation received to date, plus details of any anticipated income expected from WG, via an allocation adjustment.

**GMS** – This should reflect the resource allocation received to date, plus details of any anticipated income expected from WG, via an allocation adjustment.

**Total Revenue Resource Limit** – Protected cell calculating the sum of the resource allocation received to date, plus details of any anticipated income expected from the WG, via an allocation adjustment for HCHS, Pharmacy, Dental and GMS.

**Recurring/Non recurring** – Enter the applicable indicator (R or NR) against each line of anticipated income.

**Total Revenue Drawing Limit** – This should reflect the sum of the cash allocation received to date, plus details of any anticipated cash expected from the WG, via an allocation adjustment for HCHS, Pharmacy, Dental and GMS.

**Total Capital Resource Limit** – This should reflect the limit as per the latest issued Capital Resource Limit schedule, plus any additional Capital Resource allocations, that have been authorised but not yet included within S1 & S2 of the Capital Resource Limit Schedule. This can include items where a Grant letter has been received from the WG, but has yet to be returned signed to WG.

**Total Capital Drawing Limit** – This should reflect the latest capital cash drawing limit as shown on the cash note on the Capital Resource Limit Schedule, plus any additional cash allocations that have been authorised but not yet included within S1 and S2 of the Capital Resource Limit Schedule. This can include items where a Grant letter has been received from the WG, but has yet to be returned signed to WG.

**Contact and Date Item First Entered into Table** – Enter the name of the WG contact notifying the release of additional funding, together with the month the anticipated income was first requested via this table.

## **2.15 Table F Columns: Risks**

**Overview of risks and opportunities** – This should include summary details of the main risk areas and opportunities affecting the forecast outturn. The narrative should provide additional commentary where necessary. **No risk should be mentioned in the narrative without also being included in this table.**

**Forecast Year End** – Quantify each risk and opportunity area, that would result in either a higher (worse case) outturn, or lower (best case) outturn. Only one assessed value can be entered per Risk\Opportunity, which would result in either a higher (worse case) outturn or in terms of opportunities only, lower (best case) outturn. The assessment is not a worse or best case range value of each risk or opportunity.

An assessment is required of the likelihood of the risk or opportunity materialising using the high, medium or low options from the drop-down tab.

Only opportunities will affect the best case outturn. The worse case position however, may be a combination of risks offset with potential opportunities.

## **2.16 Table G Columns: SoFP (required from month 3 onwards)**

**2018-19 Opening Balance** – For organisations wishing to complete this table earlier, this should be completed using your **Draft** Annual Accounts for 2017/18. This should be updated in subsequent months using your 2017/18 Audited **Final** Accounts.

**Closing Balance** – This will reflect your actual SoFP at the end of the current period.

**Forecast Closing Balance** – This will reflect your forecast SoFP (and supporting analysis) at the end of the Financial Year. This information will be used in support of any cash requests as a result of movements in working balances.

## **2.17 Table H Columns: Cash Flow**

### **Monthly Cash Flow Forecast**

**Monthly Analysis (April – March)** – This should reflect previous and current months figures as actual, and future months as forecast positions.

**Total** – Protected cell containing formula to total the individual receipt and payment lines.

## **2.18 Table I Columns: PSPP (Quarterly)**

**Year to Date and Year End** – Complete the year to date column using actual performance percentages.

Provide a forecast performance percentage position, within the year end column. This should be updated throughout the year.

**Variance** – These are protected cells reflecting the variance between the target and reported performance, for the 30 day section only.

## **2.19 Table J Columns: Capital Resource Limit Management**

**YTD Plan** – This should reflect the cumulative approved WG capital plan allocation to date.

**YTD Actual** – This should reflect the year to date actual capital expenditure, and should agree to the cumulative months values of each scheme as reported on Table K.

**YTD Variance** – Protected cell, reflecting the variance between the capital spend to date and the approved WG capital plan allocation to date. Any expenditure incurred on schemes that are currently without approval, should be shown as a variance against the approved plan; with a corresponding under spend variance, shown against discretionary capital; or if authorised, against another scheme. This is to ensure that organisations have coverage for the expenditure incurred at risk, and that the Capital Resource Limit is not exceeded.

**Forecast Plan** – This should reflect the approved WG annual capital plan allocation and not the LHB Annual Plan.

**Forecast Outturn** – This should reflect the annual forecast capital expenditure. The forecast expenditure should agree to the total scheme expenditure profile on Table K.

**Forecast Variance** – Protected cell which should reflect the variance between the forecast annual capital expenditure and the approved WG annual capital plan allocation. Any expenditure incurred on schemes that are currently without approval, should be shown as a variance against the approved plan; with a corresponding under spend variance shown against discretionary capital; or if authorised, against another scheme. This is to ensure that organisations have coverage for any expenditure incurred at risk, and that the Capital Resource Limit is not exceeded.

## **2.20 Table K Columns: In Year Capital Schemes**

**Scheme** – Enter name of scheme.

**Project Manager** – A named Project Manager should be entered for each scheme.

**2018-19 Plan (Min/Max)** – This should reflect the forecast annual expenditure for each scheme, analysed by a minimum and maximum expenditure assessment, thus identifying the potential variation against the approved WG allocation and risk in each scheme. Where schemes are assessed as medium or high risk, it is expected that a range of values be recorded in the table.

**Monthly Analysis (April to March)** – This should reflect the monthly profile of the planned capital expenditure.

**Total** – Protected cell reflecting the total of the monthly expenditure profiles.

**Risk Level** – Using the drop down menu this should reflect the risk assessment of the achievement of the plan in year.

- **High Risk** – Schemes which are considered highly unlikely to achieve the WG allocation plan and for which contingency arrangements will need to be put in place to ensure achievement of the CRL.

- **Medium Risk** – Schemes which may achieve the WG allocation plan, but for which there are factors yet to be fully assessed which may prevent this, which if they materialise will result in the requirement to implement contingency plans to achieve the CRL.
- **Low Risk** – The scheme will achieve the WG allocation plan based on the current month's available information.

## 2.21 Table L Columns: Capital Disposals

### Section A: In Year Disposal of Assets

**Description** – This should reflect the details of the asset being disposed of.

**Date of Cabinet Secretary Approval to Dispose** – This only applicable to Land and Building disposals. A supporting comment should be provided in the DoF narrative to explain the position if a date can not be provided.

**Date of Disposal** – This should reflect the anticipated or actual date of disposal.

**NBV** – This should reflect the anticipated Net Book Value at the date of disposal.

**Sales Receipts** – This should reflect the total anticipated or actual sales receipts less any costs of disposal.

**Costs of Disposals** – This should reflect the value of the allowable cost deductions on disposal.

**Gain/Loss** – This is a protected cell calculating the difference between the sales receipts and the NBV.

**Comments** – Free text space to allow for comments e.g. slippage on timescales.

### Section B: Future Year Disposal of Assets

**Description** – This should reflect the details of the asset being disposed of.

**Date of approval from Cabinet Secretary to Dispose** – This is only applicable to Land and Building disposals. A supporting comment should be provided in the DoF narrative to explain the position if a date can not be provided.

**Date of approval from Cabinet Secretary to Retain Sale Proceeds in excess of £0.500m** – A supporting comment should be provided in the DoF narrative to explain the position if a date can not be provided.

**Date of Disposal** – This should reflect the anticipated or actual date of disposal.



**NBV** – This should reflect the anticipated Net Book Value at the date of disposal.

**Sales Receipts** – This should reflect the total anticipated or actual sales receipts less any costs of disposal.

**Costs of Disposals** – This should reflect the value of the allowable cost deductions on disposal.

**Gain/Loss** – This is a protected cell calculating the difference between the sales receipts and the NBV.

**Comments** – Free text space to allow for comments e.g. slippage on timescales.

## **2.22 Table M: Debtors Schedule**

**Debtor** – Enter the name of the organisation who owes the debt.

**Inv#** – Enter the invoice reference number.

**Inv Date** – Enter the date shown on the invoice.

**Orig Inv £** – Enter the original invoice value.

**Outstanding Inv £** – Enter the value of remaining outstanding balance.

**Valid Entry – >11 weeks but <17 weeks, Over 17 weeks and Arbitration Due Date** are all protected cells containing formulae.

**Comments** – Provide details relating to escalation, dispute warnings, confirmed payment dates etc.

## **2.23 Table N Columns: General Medical Services**

**WG Allocation** – This should reflect the latest WG allocation including anticipated income reported in Table E.

**Current Plan** – This should reflect the latest WG allocation updated for any further in year amendments as a result of any LHB reassignment of budgets.

**Forecast Outturn** - This should reflect your forecast year end position.

**Variance** – This is a calculated cell of the difference between the current plan and the forecast year end position.

**Year to Date** – This should reflect the actual year to date position.

## **2.24 Table O Columns: Dental (Quarterly)**

**WG Allocation** – This should reflect the latest WG allocation. Including anticipated income reported in Table E.

**Current Plan** – This should reflect the latest WG allocation updated for any further in year amendments as a result of any LHB reassignment of budgets.

**Forecast Outturn** - This should reflect your forecast year end position.

**Variance** – This is a calculated cell of the difference between the current plan and the forecast year end position.

**Year to Date** – This should reflect the actual year to date position.

## **2.25 Day 5 Table (separate schedule)**

**Actual YTD** – This should reflect the year to date position.

**Annual Forecast** – This should reflect the forecast year end out-turn position.

**Explanation Required for Movement in Annual Forecast from Previous Month** – Provide a brief explanation for the cause of the movement in annual forecast since the previous month's Day 9 submission. If this relates to a number of issues please separately identify and quantify them.

### 3. LINE GUIDANCE

#### 3.1 Lines: Summary Sheet

##### Revenue Performance Section

1 This table is automatically populated from the information provided in Table B.

#### 3.2 Table A Lines: Movement from Opening Financial Plan to Forecast Outturn

1 Details of the underlying brought forward position from 2017/18 as per (included in) the latest 3 year plan submitted to the WG (negative value). This should agree to the 'underlying position b/f' column on Table A1 (underlying) for sections A,B & C.

2 Details of the new cost pressures for 2018/19 as per (included in) the latest IMTP submitted to the WG (negative value).

3 Protected cell calculating the Opening Cost Pressures.

4-10 Details of savings, funding, income, accountancy gains, unallocated reserves and other initiatives (free text line) identified which are included within the latest plan submitted to the WG, to reduce the opening cost pressures (positive values).

11 Protected cell calculating the total balance shown within the Opening Financial Plan (as per the latest version submitted to the WG).

12 Details of the cost pressure brought forward from the previous year that were unidentified (excluded) from the latest version of the 3 year plan (negative value).

13-37 Additional in year savings, accountancy gains, income, funding, release of previously committed contingencies and reserves, non delivery of savings which were yet to be identified and initiatives identified after completion of the financial plans should be included. Set text lines have been included which should be used; the remaining lines are free text.

38 Protected cell calculating the Forecast Out-turn. **Note: This must agree with Table B, Monthly Positions, Line 20.**

#### 3.3 Table A1 Lines: Underlying Position

The brought forward and carried forward underlying positions must be consistently reported across the three sections.

## Section A: Traditional Analysis

*Section A is in a format similar to the previous 'Underlying Table' which was included in Monitoring Return Tables (Table D) between 2010/11 - 2015/16*

**1** This Line should reflect the previous year's **outturn position** within the 'Underlying Position b/f column'. The current year's forecast outturn in the 'Underlying Position c/f' column is protected as it is linked to the corresponding value in Table A.

**2** In the 'IMTP underlying b/f' column report the previous year's **savings** which were delivered on a non recurring basis. As per Line 1, the current year's non recurring savings with the c/f column is automatically linked to the corresponding non recurring savings value in Table C.

Below are designated categories (primarily non recurring items) which are contributing to the reported b/f (as per IMTP/AOP) and projected c/f underlying positions.

**3 Non Recurring Mitigating Actions**

**4 Non Recurring Revenue Resource Limit – Allocated**

**5 Non Recurring Revenue Resource Limit – Anticipated**

**6 Non Recurring Other Income/Disposals**

**7 Non Recurring Accountancy Gains**

**8 Non Recurring New Cost Avoidance** – It will be unusual for organisations to have this item; however, this relates to the cost avoidance that has not been included in your Savings Plans, as it did not require management action and which was accounted for in the net new cost pressures, but was non recurring.

**9 Full Year Effect of Recurring Savings**

**10 Full Year Effect of New Cost Pressures**

**11-12** Items reported on lines 11 & 12 (**Other Non Recurring factors**) which are having either a favourable or adverse impact on the underlying position (b/f or c/f) should be explained in the supporting narrative.

## Section B: By Spend Area

*This section requires organisation to report the key SoCNE expenditure areas which are directly contributing to the b/f underlying position and the corresponding in year category movements (e.g. saving areas) directly impacting on the reported c/f underlying position. If there are any uncertainties around which category to use, please contact the NHS Financial Management Team for advice.*

**1-9 Pay A4C category:**  
**Administrative, Clerical & Board Members**  
**Medical & Dental**  
**Nursing & Midwifery Registered**  
**Prof Scientific & Technical**  
**Additional Clinical Services**  
**Allied Health Professionals**  
**Healthcare Scientists**  
**Estates & Ancillary**  
**Students**

**10-16 Non Pay expenditure category:**  
**Supplies and services – clinical (includes Drugs)**  
**Supplies and services – general**  
**Consultancy Services**  
**Establishment**  
**Transport**  
**Premises**  
**External Contractors**

**17–21 Health Care Provided by Other Services** split by, Welsh LHBs, Welsh Trusts, WHSSC, English Providers and Private /Other. *In order to ensure consistency all organisations should report any CHC/FNC and Primary Care pressures on Line 21 ‘Healthcare Provided by Other Orgs – Private/Other’.*

### **Section C: By Directorate**

*This section requires organisation to report recurring expenditure pressures by Directorate which are directly contributing to the b/f underlying position and/or the corresponding in year category movements (e.g. saving areas/new pressures) directly impacting on the reported c/f underlying position.*

**1-11 Designated Directorates:**  
**Primary Care**  
**Mental Health**  
**Continuing Healthcare**  
**Scheduled Care**  
**Unscheduled Care**  
**Children & Womens**  
**Community Services**  
**Specialised Services**

**Executive /Corporate Areas  
Support Services (incl Estates & Facilities)**

**3.4 Table B Lines: Monthly Positions**

**Section A: SCNE**

- 1 Revenue Resource Limit** – This should reflect the total allocated and anticipated Revenue Resource Limit.
- 2 Miscellaneous Income** – Capital Donated and Government Grant Income.
- 3 Miscellaneous Income – Other (including non resource limited items)**
- 4** Protected cells calculating the total Income.
- 5 Primary Care Contractor – GMS, Dental and Pharmaceutical** (excluding drugs), but including non resource limited items.
- 6 Primary Care – Drugs & Appliances**
- 7 Provider Services Pay** – Expenditure total.
- 8 Provider Services Non Pay** – Expenditure total (excluding drugs and appliances).
- 9 Secondary Care – Drugs** – Expenditure based on the same subjective analysis codes used to populate LFR3.
- 10 Healthcare Services Provided by Other NHS Bodies** – This will include expenditure for all LHB services and costs for Healthcare Services by provider.
- 11 Non Healthcare Services Provided by Other NHS Bodies** – This will include expenditure for all LHB services and costs for Non Healthcare Services by provider.
- 12 Continuing Care and Funded Nursing Care**
- 13 Other Private and Voluntary Sector**
- 14 Joint Financing** – This will include expenditure for Jointly Financed schemes e.g. Community Equipment.
- 15-16 DEL & AME Depreciation** is the amount charged to the income and expenditure account for the year, in respect of the depreciation of both donated and non-donated assets. It includes the amortisation of

any intangible assets, such as deferred development expenditure and deferred assets arising from PFI schemes. The depreciation, accelerated depreciation and impairment expenditure should be separated and recorded on either the DEL or AME line. The variance should reflect the true under or overspend against the income received for this expenditure.

- 17 Reflect the value of non allocated contingencies forming part of the reported positions.
- 18 This should include the (profit)/loss on the disposal of assets. Show losses as **positive** (+) and gains as **negative** (-).
- 19 Protected cell calculating the total of all costs.
- 20 Protected cell calculating the Net Surplus / Deficit.

### **Section B: Assessment of Financial Forecast Positions**

- 21 Protected cell showing the Year to Date surplus/deficit as shown in Line 18 – Total YTD Column.
- 22 Protected cell showing the previous month's actual YTD surplus/deficit.
- 23 Protected cell showing the current month's reported surplus/deficit.
- 24 Protected cell calculating the average monthly surplus/deficit. Trend indicator highlights whether current month variance has improved or deteriorated from the average monthly position.
- 25 Protected cell calculating the YTD actual surplus/deficit divided by the number of remaining months.
- 26 Protected cell calculating the extrapolated forecast outturn position. *This is calculated as the YTD position plus the continuation of the current month trend.*
- 27 Protected cell calculating the YTD Trend forecast outturn position. *This is calculated as the YTD position plus the continuation of the average YTD trend.*

### **Section C: DEL / AME Depreciation & Impairments**

#### **DEL**

- 28 Baseline Provider Depreciation** – This should reflect asset depreciation charges which align with the WG depreciation baseline provider allocation.
- 29 Strategic Depreciation** – This should reflect depreciation charges for capital schemes where strategic WG funding has been provided. This funding is provided in addition to the depreciation funding baseline.
- 30 Accelerated Depreciation** – This should reflect DEL accelerated depreciation charges.
- 31 Impairments** – This should reflect DEL impairment charges.
- 32 Other** – Any DEL charges which can not be categorised within Lines 28 -31. Supporting narrative should be provided to support any reported charges.
- 33 Total** – Protected cells calculating Total DEL Charges. **If these values differ from those reported on Line 15 (DEL) of the monthly profiles, provide an explanation within your narrative submission.**

#### **AME**

- 34 Donated Asset Depreciation** – This should reflect AME donated asset depreciation charges.
- 35 Impairments** – This should reflect AME Impairment charges.
- 36 Other** – Any AME charges which can not be categorised within Lines 34 and 35. Supporting narrative should be provided to support any reported charges.
- 37 Total** – Protected cells calculating Total AME Charges. **If these values differ from those reported on Line 16 (AME) of the monthly profiles, provide an explanation within your narrative submission.**

#### **Section D: Accountancy Gains**

- 38** This should reflect Accountancy Gains which should be fully phased into the monthly position once identified.

#### **Section E: Committed Expenditure held in Reserves & Contingencies**

- 39-66** This should reflect any committed expenditure held in reserves or contingencies (by main area\category) that form part of the outturn position and therefore have been phased into Section A of Table B. The description in the line must include the corresponding expenditure line reference, where the expenditure is reported in Section A.



- 67 **Total** – Protected cells calculating Total Committed Reserves & Contingencies.

### 3.5 Table B1 Lines: Net Expenditure Profiles

**Note:** The Plan value is not a reflection of your internal budget as organisations in financial deficit will have a higher forecast planned spend value than their available internal budget value. Organisations who are forecasting financial balance are unlikely to see absolute correlation between their planned forecast expenditure profiles and their internal budget values.

It should be noted that there should be no values reported on the 'Committed Reserves' line of each section for current and previous months.

#### Section A: Provider Pay Expenditure Analysis

- 1 This line should be populated with the total planned gross Pay expenditure (before savings).
- 2-6 (excluding 5) These lines should be populated with actual and forecast gross expenditure (before savings) by the designated category.
- 5 This should reflect actual\forecast profile of any associated committed expenditure held in reserves\contingencies.
- 7 Protected cell – Total Gross Expenditure – Actual/Forecast – automated total.
- 8 Protected cell Total Gross Expenditure – Variance against plan – automated total.
- 9 Protected cell – Workforce Savings Plan automatically linked to Table C1.
- 10-13 Protected cells – Linked to actual/forecast individual pay savings by category reported in Table C1.
- 14 Protected cell – Total Workforce Savings – Actual/Forecast – automated total.
- 15 Protected cell – Pay Savings Variance against Plan – automated total.
- 16 This line should be populated with the total planned Unidentified Savings / Mitigating Actions to be Identified.
- 17 This line should be populated with the total Unidentified Savings – forecast.
- 18 This line should be populated with the total Mitigating Actions to be Identified – forecast.

- 19 Protected cell – Total Unidentified Savings + Mitigating Actions to be Identified – automated total.
- 20 Protected cell calculating variance against plan – automated total.
- 21-23 Protected cells – Automated total calculating Net Expenditure – Plan (Gross Expenditure less Savings), Net Expenditure – Actual/Forecast (Gross Expenditure less Savings) and Net Expenditure – Variance (Net Plan less Net Expenditure).

**Section B: Non Pay Expenditure Analysis**

- 24 This line should be populated with the total planned gross Non Pay expenditure (before savings).
- 25-26 These lines should be populated with actual and forecast gross expenditure (before savings) by the designated category.
- 27 This should reflect actual\forecast profile of any associated committed expenditure held in reserves\contingencies.
- 28 Protected cell – Total Gross Non Pay Expenditure – Actual/Forecast – automated total.
- 29 Protected cell – Total Gross Non Pay Expenditure Variance against plan – automated total.
- 30 Protected cell – Non Pay Savings Plan automatically linked to Table C.
- 31 Protected cell – Total Non Pay Savings – Actual/Forecast – automated total.
- 32 Protected cell Non Pay Savings Variance against Plan – automated total.
- 33 This line should be populated with the total planned Unidentified Savings / Mitigating Actions to be Identified.
- 34 This line should be populated with the total Unidentified Savings – forecast.
- 35 This line should be populated with the total Mitigating Actions to be Identified – forecast.
- 36 Protected cell – Total Unidentified Savings + Mitigating Actions to be Identified – automated total.
- 37 Protected cell calculating variance against plan – automated total.

**38-40** Protected cells – Automated total calculating Net Expenditure – Plan (Gross Expenditure less Savings), Net Expenditure – Actual/Forecast (Gross Expenditure less Savings) and Net Expenditure – Variance (Net Plan less Net Expenditure).

### **Section C: Drugs Expenditure Analysis**

**41** This line should be populated with the total planned gross Drugs expenditure (before savings).

**42-43** These lines should be populated with actual and forecast gross expenditure (before savings) by the designated category.

**44** This should reflect actual\forecast profile of any associated committed expenditure held in reserves\contingencies.

**45** Protected cell – Total Gross Expenditure – Actual/Forecast – automated total.

**46** Protected cell – Total Gross Expenditure Variance against Plan – automated total.

**47** Protected cell – Medicines Management Savings Plan automatically linked to Table C.

**48** Protected cell – Total Medicines Management Savings – Actual/Forecast – automated total.

**49** Protected cell – Medicines Management Savings Variance against plan – automated total.

**50** This line should be populated with the total planned Unidentified Savings / Mitigating Actions to be Identified.

**51** This line should be populated with the total Unidentified Savings – forecast.

**52** This line should be populated with the total Mitigating Actions to be Identified – forecast.

**53** Protected cell – Total Unidentified Savings + Mitigating Actions to be Identified – automated total.

**54** Protected cell calculating variance against plan – automated total.

**55-57** Protected cells – Automated total calculating Net Expenditure – Plan (Gross Expenditure less Savings), Net Expenditure – Actual/Forecast

(Gross Expenditure less Savings) and Net Expenditure – Variance (Net Plan less Net Expenditure).

#### **Section D: Primary Care Contractor Expenditure Analysis**

- 58** This line should be populated with the total planned gross primary care expenditure (before savings).
- 59-60** These lines should be populated with actual and forecast gross expenditure (before savings) by the designated category.
- 61** This should reflect actual\forecast profile of any associated committed expenditure held in reserves\contingencies.
- 62** Protected cell – Total Gross Expenditure – Actual/Forecast – automated total.
- 63** Protected cell – Total Gross Expenditure Variance against plan – automated total
- 64** Protected cell – Primary Care Savings Plan automatically linked to Table C.
- 65** Protected cell – Total Primary Care Savings – Actual/Forecast – automated total.
- 66** Protected cell – Primary Care Savings Variance against plan – automated total.
- 67** This line should be populated with the total planned Unidentified Savings / Mitigating Actions to be Identified.
- 68** This line should be populated with the total Unidentified Savings – forecast.
- 69** This line should be populated with the total Mitigating Actions to be Identified – forecast.
- 70** Protected cell – Total Unidentified Savings + Mitigating Actions to be Identified – automated total.
- 71** Protected cell calculating variance against plan – automated total.
- 72-74** Protected cells – Automated total calculating Net Expenditure – Plan (Gross Expenditure less Savings), Net Expenditure – Actual/Forecast (Gross Expenditure less Savings) and Net Expenditure – Variance (Net Plan less Net Expenditure).

## **Section E: Continued Healthcare/Funded Nursing Care Expenditure Analysis**

- 75** This line should be populated with the total planned gross CHC/FNC expenditure (before savings).
- 76** These lines should be populated with actual and forecast gross expenditure (before savings) by the designated category.
- 77** This should reflect actual\forecast profile of any associated committed expenditure held in reserves\contingencies.
- 78** Protected cell – Total Gross Expenditure – Actual/Forecast – automated total.
- 79** Protected cell Total Gross Expenditure Variance against plan – automated total.
- 80** Protected cell – Continuing Healthcare / Funded Nursing Care Savings Plan automatically linked to Table C.
- 81** Protected cell – Total Continuing Healthcare / Funded Nursing Care Savings – Actual/Forecast – automated total.
- 82** Protected cell Continuing Healthcare / Funded Nursing Care Savings Variance against plan – automated total.
- 83** This line should be populated with the total planned Unidentified Savings / Mitigating Actions to be Identified.
- 84** This line should be populated with the total Unidentified Savings – forecast.
- 85** This line should be populated with the total Mitigating Actions to be Identified – forecast.
- 86** Protected cell – Total Unidentified Savings + Mitigating Actions to be Identified – automated total.
- 87** Protected cell calculating variance against plan – automated total.
- 88-90** Protected cells – Automated total calculating Net Expenditure – Plan (Gross Expenditure less Savings), Net Expenditure – Actual/Forecast (Gross Expenditure less Savings) and Net Expenditure – Variance (Net Plan less Net Expenditure).

## **Section F: Commissioned Services Expenditure Analysis**

- 91** This line should be populated with the total planned gross Commissioned Services expenditure (before savings).
- 92-95** These lines should be populated with actual and forecast gross expenditure (before savings) by the designated category.
- 96** This should reflect actual\forecast profile of any associated committed expenditure held in reserves\contingencies.
- 97** Protected cell – Total Gross Expenditure – Actual/Forecast – automated total.
- 98** Protected cell – Total Gross Expenditure Variance against plan – automated total.
- 99** Protected cell – Commissioned Services Plan automatically linked to Table C.
- 100** Protected cell – Linked to actual/forecast Commissioned Services savings category reported in Table C.
- 101** Protected cell Commissioned Services Savings Variance against plan – automated total.
- 102** This line should be populated with the total planned Unidentified Savings / Mitigating Actions to be Identified.
- 103** This line should be populated with the total Unidentified Savings – forecast.
- 104** This line should be populated with the total Mitigating Actions to be Identified – forecast.
- 105** Protected cell – Total Unidentified Savings + Mitigating Actions to be Identified – automated total.
- 106** Protected cell calculating variance against plan – automated total.
- 107-109** Protected cells – Automated total calculating Net Expenditure – Plan (Gross Expenditure less Savings), Net Expenditure – Actual/Forecast (Gross Expenditure less Savings) and Net Expenditure – Variance (Net Plan less Net Expenditure).

### **3.6 Table B2 – Section A Lines: Pay Expenditure Analysis**

This table should reflect net pay expenditure by A4C category and is to be completed on an actual/forecast basis to give a full year forecast outturn.

1-9 This should reflect the monthly actual and forecast spend for each of the 9 A4C categories (where appropriate).

10 **Total – Actual/Forecast** – Protected cell, calculating the total actual/forecast spend, for all A4C categories.

11 **LHB Provided Services – Pay** – Protected cells Linked to Table B – reflects the monthly pay expenditure reported on Table B Line 7.

12 **Other Services (incl. Primary Care) – Pay** – This should reflect the actual/forecast monthly pay expenditure on areas other than LHB Provided Services. For example, reported within the Primary Care Contractor line on Table B line 5.

13 Protected cell calculating the total pay, as per lines 11 and 12.

### **3.7 Table B2 Section B Lines: Agency/Locum (premium) Expenditure by A4C category**

1-9 The lines should be completed to reflect the total Agency Expenditure plus any payments to Locums at a premium rate, for previous, current and future month, analysed by staff group.

#### The following categories of expenditure should be included

- Staff not employed by the LHB and therefore not in receipt of payments through your LHB's payroll. This would include staff employed through Agencies, Self Employed Individuals etc.
- Staff employed by another NHS organisation who are undertaking sessional work within your LHB, and again are not in receipt of payments through your LHB's payroll for whom the work is being undertaken, which are paid at a premium.

#### The following categories of expenditure should be excluded

- Staff that are employed by the LHB, who undertake additional work on a temporary basis for another department within the same LHB or at another hospital site within the same LHB.
- Any staff employed on a temporary basis or fixed term contract but who are in receipt of payment through a LHB's payroll, on terms and conditions defined by that LHB.

10 Protected cells calculating the total expenditure per month, for the year to date and forecast as shown in lines 1 to 9.

11 Protected cells calculating the total agency expenditure as a percentage of the total pay expenditure.

### **3.8 Table B2 Section C Lines: Agency/Locum (premium) Expenditure – Analysed by reason for usage**

1-12 These lines have been agreed and created by the Medical Efficiency Working Group and will enable organisations to report the reasons (e.g.

vacancy) for incurring the monthly agency/locum (premium) spend reported in Section B of Table B2. Total monthly spend should reconcile to the corresponding value of Table B2 Section B.

### **3.9 Table C Lines: Savings Schemes**

Organisations should not include accountancy gains as a savings achievement. Savings can not be accrued in the year to date position.

The reported data should reflect all savings schemes (including Cost Improvement Plans) where management action is required in order to deliver the saving.

Drug cost savings generated by dispensing practices should be shown in the Medicines Management category.

#### **1-18 These lines should reflect the actual and forecast performance against the identified Savings Plans.**

**Budget/Plan** – This should reflect the monthly identified budget/plan savings for each of the 6 savings group categories (where appropriate).

**Actual/Forecast** – This should reflect the monthly actual and forecast savings for each of the 6 savings group categories (where appropriate).

**Variance** – Protected cell, calculating the difference between the Budget/Plan Savings and Actual/Forecast Savings for each of the 6 savings group categories (where appropriate).

**19 Total – Budget/Plan** – Protected cell, calculating the total identified budget/plan savings, for all savings group categories.

**20 Total – Actual/Forecast** – Protected cell, calculating the total actual/forecast savings, for all savings group categories.

**21 Total – Variance** – Protected cell, calculating the difference between the total identified budget/plan savings, and the actual/forecast savings, for all savings group categories.

**22 Variance in Month** – Protected cell, calculating the in month total variance as a percentage of the in month budget/plan for all savings group categories.

**23 In month achievement against FY forecast** – Protected cell calculating the monthly actual savings as a percentage of the full year actual/forecast savings.

### **3.10 Table C1 Lines: Pay Savings Schemes**



**1-18 This should reflect the actual and forecast performance against the identified Savings Plans by listed category. It should be noted that the 'Agency / Locum paid at a premium' category should only reflect Secondary Care workforce savings. Those delivered within Primary Care should be reported against the 'Primary Care' savings category within Table C to correspond to the associated expenditure.**

**Budget/Plan** – This should reflect the monthly identified budget/plan savings for each of the 6 pay savings group categories (where appropriate).

**Actual/Forecast** – This should reflect the monthly actual and forecast savings for each of the 6 pay savings group categories (where appropriate).

**Variance** – Protected cell, calculating the difference between the Budget/Plan Savings and Actual/Forecast Savings for each of the 6 pay savings group categories (where appropriate).

**19 Total – Budget/Plan** – Protected cell, calculating the total identified budget/plan savings, for all pay savings group categories.

**20 Total – Actual/Forecast** – Protected cell, calculating the total actual/forecast savings, for all pay savings group categories.

**21 Total – Variance** – Protected cell, calculating the difference between the total identified budget/plan savings and the actual/forecast savings, for all pay savings group categories.

### **3.11 Table C2 Lines: Agency/Locum (Paid at a premium) analysis**

**1-12 This should reflect the actual and forecast performance against the identified Savings Plans by listed category. Any reported in the 'Other' category should be explained in the narrative.**

**Budget/Plan** – This should reflect the monthly identified budget/plan savings for each of the 4 savings group categories (where appropriate).

**Actual/Forecast** – This should reflect the monthly actual and forecast savings for each of the 4 savings group categories (where appropriate).

**Variance** – Protected cell, calculating the difference between the Budget/Plan Savings and Actual/Forecast Savings for each of the 4 pay savings group categories (where appropriate).

**13 Total – Budget/Plan** – Protected cell, calculating the total identified budget/plan savings, for all savings group categories.

- 20 Total – Actual/Forecast** – Protected cell, calculating the total actual/forecast savings, for all pay savings group categories.
- 21 Total – Variance** – Protected cell, calculating the difference between the total identified budget/plan savings and the actual/forecast savings, for all pay savings group categories.

### **3.12 Table C3 Lines: Top 20 Identified Saving Schemes By Forecast Delivery**

Organisations should not include accountancy gains as a savings achievement. Savings can not be accrued in the year to date position. The value of the data reported in this Table C3 should agree to the Identified Savings Plan and delivery values reported in Table C.

Some organisations may have less than 20 schemes and therefore will have unused lines. Most organisations will have in excess of 20 schemes; therefore, a balancing line is provided (see lines 61-63).

During the year, schemes which will no longer deliver the planned level of savings and therefore fall out of the classification of a 'Top 20' scheme, should be removed and added to the balancing line. A replacement scheme(s) designed to recover and maintain the level of Identified Forecast Savings, should be added to the 'Top 20' listing and/or the balancing line. Irrespective of the in-year changes, for organisations that have in excess of 20 schemes that are also using the balancing line, should always be making full use of all 'Top 20' lines.

For organisations that have less than 20 schemes, replacement scheme(s) designed to recover and maintain the level of Identified Forecast Savings, may be added to the 'Top 20' listing. The scheme which is no longer delivering as planned may remain listed.

As per the column section, the main Table C3 is automatically populated via the completion of the two 'input' tables.

**1-60** This should reflect the actual and forecast performance against the Top 20 (in terms of value) Identified Savings Plans.

The title and brief description of each scheme should be entered in the cells described in the template as 'Schemes 1 to 20'.

**61-63** This should reflect the balance between the total of the Top 20 schemes and the total Identified Savings Plan. Organisations should state the total number of schemes which are being consolidated into the balancing line.

**Budget/Plan** – reflect the monthly identified budget/plan savings for each of the lines (where appropriate).

**Actual/Forecast** – reflect the monthly actual and forecast savings for each of the lines (where appropriate).

**Variance** – Calculates the difference between the Budget/Plan Savings and Actual/Forecast Savings for each of the lines (where appropriate).

**64 Total – Budget/Plan** – calculating the total identified budget/plan savings, for all lines.

**65 Total – Actual/Forecast** - calculating the total actual/forecast savings, for all lines.

**66 Total – Variance** – calculating the difference between the total identified budget/plan savings and the actual/forecast savings, for all lines.

### **3.13 Table D Lines: Income/Expenditure Assumptions**

**1-13** Data should be entered for each Welsh NHS organisation. All material income and expenditure should be included. However, any exclusions considered immaterial must be agreed between both parties to ensure consistent reporting and where the risk of non receipt will not impact on an organisations financial outturn. As a minimum, the actual income & expenditure to date must be reported for non contracted items. The inclusion of forecast figures should again be agreed between both parties.

**14** Protected cell calculating the total for all Welsh NHS organisations.

### **3.14 Table E Lines: Resource Limits**

**Ensure either a recurring (R) or Non recurring (NR) indicator is entered (typed) for each anticipated income item.**

**1 Latest Allocation Letter/Schedule Ref** – Allocations are issued from the Resources Directorate Team using sequentially numbered references. Quote the reference numbers for the latest allocation included in Line 2.

**2 Total Confirmed Funding** – This should be completed to reflect the revised resource limits as per the most recently issued allocation letter as shown in line 1, for HCHS, Pharmacy, Dental and GMS.

It should also reflect the total revenue cash drawing limit, total capital resource limit and total capital cash drawing limit as per the latest issued WG schedules.

- 3-55 Additional anticipated allocations** – List separately, under the appropriate columns, any additional revenue and capital allocations expected, approved by the WG, via an allocation adjustment in the current year, but not yet actioned. This can include capital allocations confirmed via WG Grant Letters, which have yet to be returned signed to WG.
- 56 Total Anticipated Funding** – Protected cell calculating the sum of Lines 3 to 55 for the individual columns and the sum of the combined columns.
- 57 Confirmed Resources Per 1. above** – Protected cell equalling the sum of Line 2.
- 58 Anticipated Resources Per 2. above** – Protected cell equalling the sum of Line 56.
- 59 Total Resources** – Protected cell calculating the sum of Lines 57 and 58 for the individual columns and the sum of the combined columns. **The Total Revenue Resource Limit should equal the amount shown in Table B, Line 1 (Revenue Resource Limit).**

### **3.15 Table F Lines: Risks**

**Current Reported Forecast Outturn** – Protected cell showing the current forecast year end position as reported in Table B.

- 1-22** Enter data for individual items. A number of set text risk descriptions (lines 1-6) have been created which should be used; the remaining lines are free text. In addition an assessment of the likelihood of the risks materialising should be provided using the drop-down selection in Column D. An Action Plan should be provided within the narrative report or as an appendix, for each of the items reported within this table. Risks can not form part of an improved best case outturn.
- 23-29** Enter data for individual items. In addition, an assessment of the likelihood of the opportunity materialising should be provided using the drop-down section in Columns D and F. The value and assessment must be consistent, if it is being reported in the Worse Case column to offset Risks, with that reported in the Best Case.
- 30** Protected cell calculating the total for all risks\opportunities entered into Lines 1 to 29.
- 31** Protected cell calculating the amended forecast outturn positions after all risks\opportunities are taken into consideration.

### **3.16 Table G Lines: SoFP (Required from Month 3 onwards)**

For further guidance, refer to the Final Account Notes.

- 1 **Property, Plant & Equipment** – This should reflect all Non Current Assets.
- 2 **Intangible Assets** – This should reflect all Non Current Intangible assets.
- 3 **Trade and Other Receivables** – This should reflect all Non Current Trade and Other Receivables.
- 4 **Other Financial Assets** – This should reflect all Non Current Other Financial Assets.
- 5 **Sub Total – Non Current Assets** – Protected cell calculating the sub total of Lines 1 to 4.
- 6 **Inventories** – This should reflect the total Inventory.
- 7 **Trade and Other Receivables** – Include the total of all Current Receivables.
- 8 **Other Financial Assets** – This should reflect other Current Financial Assets.
- 9 **Cash and Cash Equivalents** – The figure to be recorded here is the total of cash and cash equivalents held by the LHB.
- 10 **Non Current Assets Classified as held for sale** – Record any Non-current assets which are short term purchases for resale.
- 11 **Sub Total – Current Assets** – Protected cell calculating the sub total of Lines 6 to 10.
- 12 **Total Assets** – Protected cell calculating the total of Lines 5 and 11.
- 13 **Trade & Other Payables** – Include the total of all Current Payables.
- 14 **Other Financial Liabilities** – This should reflect other Current Financial Liabilities.
- 15 **Provisions** – Record all short term Provisions.
- 16 **Sub Total – Current Liabilities** – Protected cell calculating the sub total of Lines 13 to 15.
- 17 Protected cell calculating total assets less current liabilities.

- 18 Trade and Other Payables** – Include the total of all Non Current Payables.
- 19 Other Financial Liabilities** – This should reflect other Non Current Financial Liabilities.
- 20 Provisions** – Record all long term Provisions.
- 21 Sub Total – Non Current Liabilities** – Protected cell calculating the sub total of Lines 18 to 20.
- 22 Total Assets Employed** – Protected cell calculating Line 17 less Line 21.
- 23 General Fund** – The General Fund represents total assets less liabilities to the extent that it is not represented by other reserves and financing items.
- 24 Revaluation Reserve** – this reserve records the value of indexation and revaluation adjustments relating to purchased assets only.
- 25** Protected cell calculating Total Tax Payers Equity.
- 26-34** This should provide details of all provisions included in Lines 15 and 20. If a category of provision appears in both 15 and 20, these should be listed separately.
- 35** Protected cell calculating Total Material Provisions.
- 36-38** This should provide details of Aged Welsh NHS Receivables analysed over the provided age brackets. This should agree to the monthly detailed Aged Welsh NHS Receivable listing (Table M), supplied for the reporting period.
- 39-40** This should provide details of Trade and Other Payables analysed between capital and revenue.

**3.17 Table H Lines: Cash Flow**

- 1-7** Record cash received against the relevant line, separately recording revenue (cash limited, non cash limited & invoices), capital (cash Limited), sale of assets and other. Items shown on line 7 (other) must be specified in the narrative.
- 8** Protected cells calculating the total receipts for the funding categories shown in lines 1 to 7.

- 9-17** Detail payments made against the relevant line. Items shown on line 17 (other) must be specified in the narrative. Non cash limited payments are now separately recorded in line 13.
- 18** Protected cells calculating the total expenditure for the payments categories shown in lines 9 to 17.
- 19** **Net Cash Inflow/Outflow** – Protected cell calculating the net cash flow for the month.
- 20-21** Protected cells calculating the carried forward cash balance from previous month (with the exception of the April column, where the closing 2017/18 cash balance should be entered into the balance b/fwd. cell) plus the net cash flow within the month, to show the monthly cash balance.

### **3.18 Table I Lines: PSPP**

**Data to be entered to 1 decimal place only**

#### **30 Day Compliance**

- 1** This should reflect the % value of NHS invoices paid within 30 days.
- 2** This should reflect the % number of NHS invoices paid within 30 days.
- 3** This should reflect the % value of Non NHS invoices paid within 30 days.
- 4** This should reflect the % number of Non NHS invoices paid within 30 days.

#### **10 Day Compliance**

- 5** This should reflect the % value of NHS invoices paid within 10 days.
- 6** This should reflect the % number of NHS invoices paid within 10 days.
- 7** This should reflect the % value of Non NHS invoices paid within 10 days.
- 8** This should reflect the % number of Non NHS invoices paid within 10 days.

**The performance target is based on the number of bills paid.**

If current performance is under 95% then an explanation must be provided in the commentary of why target has not been met and what remedial action is being taken to achieve compliance by March 2019.

### **3.19 Table J Lines: Capital Resource Limit Management**

The **agreed CRL funding** value should be shown within the cell provided.

The **issue date** of the latest approved CRL should be shown within the cell provided. As a minimum, revised CRL Schedules provided within the first 5 working days should be reflected in the latest Monitoring Return submission

## **Lines 1 to 70 Gross Capital Expenditure, including Finance Leases**

### **1-41 All Wales Capital Programme**

The lines should provide the relevant information for each individual approved scheme within the All Wales Capital Programme.

**42** Protected cells calculating the totals for all schemes funded through the All Wales Capital Programme.

### **43-47 Discretionary**

The lines should provide details of expenditure for the five categories of Discretionary Schemes.

**48** Protected cells calculating the totals for all schemes funded through the Discretionary Capital.

**49-68 Other Schemes** The lines should provide details of expenditure for all other capital scheme expenditure. This includes capital expenditure utilising donation and capital grant receipts. In addition, where capital sales receipts have been re-invested as additional capital expenditure to net of the NBV from the Asset Disposal, this should also be reflected within this section.

**69** Protected cells calculating the totals for all other schemes.

**70** Protected cells calculating the total expenditure all capital schemes.

**71-75 Capital Grants** – Information should be by individual Grant Scheme Receipt, relating to expenditure recorded within this table.

**76** Protected cells calculating the totals for all capital grant receipts.

**77 Donations** – This should include the information for donation receipts, relating to expenditure recorded within this table.

**78** Protected cells calculating the totals for all donation receipts.

**79-89 Asset Disposals** – The net book value should be included for each individual asset disposal, including donated.

**90** Protected cells calculating the totals for all asset disposals.

**91 Technical Adjustments** – This line should reflect the charge against the CRL of losses on the disposal of donated assets. Organisations should not use this line for anything other than this without WG approval.



- 92 Charge against CRL** – Protected cell calculating the total capital expenditure less capital grants receipts, donations receipts, NBV of asset disposals, plus or minus technical adjustments.
- 93 Performance against CRL** – Protected cell calculating the variance between the approved notified CRL funding value, and the charge against CRL.

### **3.20 Table K Lines: In Year Capital Schemes**

The lines should provide a monthly analysis of the planned capital expenditure for individual schemes, by:

- 1-33** All Wales Capital Programme
- 34** Protected cells calculating the totals for all schemes funded through the All Wales Capital Programme
- 35-39** Discretionary
- 40** Protected cells calculating the totals for all schemes funded through the Discretionary Capital
- 41-60** Other Schemes
- 61** Protected cells calculating the totals for all other schemes
- 62** Protected cells calculating the monthly and annual totals for all schemes.

### **3.21 Table L Lines: Capital Disposals**

#### **Section A: In Year Disposal of Assets**

- 1-19** Details of individual planned and actual disposals for the current year. It is acceptable to consolidate all equipment disposals onto one line, if there are insufficient lines available.

#### **Section B: Future Years Disposal of Assets**

- 20-38** Details of individual planned disposals for future years. It is acceptable to consolidate all equipment disposals onto one line, if there are insufficient lines available.

### **3.22 Table M Lines: Debtors Schedule 2018-19**

Invoices which have exceeded the 17 week deadline and which have not been submitted for arbitration must be cancelled and must not form part of the submission or the organisation's financial position.

Enter the details of each outstanding Debtor, using the comments column to provide any additional details. This should agree to the analysis on the SoFP.

Due to timing differences, there is an opportunity to record payments which have been received after month end, but before the submission of the Monitoring Return, in order to provide the latest position on debt recovery.

### **3.23 Table N Lines: General Medical Services (From Quarter 1)**

**Any items recorded within the free text on 'other' categories, should be support with further detail within the narrative submission.**

#### **Summary of General Medical Services Financial Position**

- 1-2** This should reflect the year to date expenditure for Global Sum and MPIG. GP superannuation and training costs relating to staff should be included under Global Sum.
- 3** Total Global Sum and MPIG. - This should reflect the WG Allocation, Current Plan and Forecast Outturn totals. The variance and year to date totals are calculated cells.
- 4-5** This should reflect the total expenditure for Quality Aspiration and Quality Achievement Payments.
- 6** Total Quality - This should reflect the WG Allocation, Current Plan and Forecast Outturn totals. The variance and year to date totals are calculated cells.
- 7** This should reflect the total expenditure for Direct Enhanced Services and must equal the data entered under **line 28**.
- 8** This should reflect the total expenditure for National Enhanced Services and must equal the data entered under **line 41**.
- 9** This should reflect the total expenditure for Local Enhanced Services and must equal the data entered under **line 94**.
- 10** This should reflect the WG Allocation. The Current Plan, Forecast, Outturn, Variance and Year to date are calculated cells. The total Enhanced Services must equal the data entered under **line 95**.

- 11** This should reflect the WG Allocation, Current Plan, Forecast Outturn and year to date expenditure for LHB Administered Services and must equal the data entered under **line 113**.
- 12** This should reflect the WG Allocation, Current Plan, Forecast Outturn and year to date expenditure for Premises and must equal the data entered under **line 149**.
- 13** This should reflect the WG Allocation, Current Plan, Forecast Outturn and year to date expenditure for IM&T Services.
- 14** This should reflect the WG Allocation, Current Plan, Forecast Outturn and year to date expenditure for Out of Hours Services.
- 15** This should reflect the WG Allocation, Current Plan, Forecast Outturn and year to date expenditure for Dispensing and must equal the data entered under **line 165**.
- 16** Protected cells.
- 17-27** This provides an analysis of expenditure for Direct Enhanced Services.
- 28** Protected cells calculating the Total Direct Enhanced Services. This must equal the data entered under **line 7**.
- 29-40** This provides an analysis of expenditure for National Enhanced Services.
- 41** Protected cells calculating the Total National Enhanced Services. This must equal the data entered under **line 8**.
- 42- 93** This provides an analysis of expenditure for Local Enhanced Services.
- 94** Protected cells calculating the Total Local Enhanced Services. This must equal the data entered under **line 9**.
- 95** Protected cells calculating the Total Enhanced Services. This must equal the data entered under **line 10**.
- 96-112** This provides an analysis of expenditure for LHB Administered Services. Further details are required for any entries entered under line 112. **GP Locum superannuation** should be included in LHB Administration 'Other', **line 112**. The analysis shown under lines 114 to 133 should clearly identify this as Locum Superannuation and not GP Superannuation, which should be shown under Line 1.

**Managed practices costs** should be entered in the relevant lines, with

Excess costs associated with Managed Practices entered under **line 11** LHB Administered, with a breakdown of these costs within **line 112** LHB Administered – Other.

**113** Total LHB Administered Services – This should reflect the WG Allocation, Current Plan and Forecast Outturn. The variance and year to date expenditure are protected cells. This must equal the data entered under **line 11**.

**114-133** Further analysis is required to analyse Line 112 – LHB Administered – Other, for year to date expenditure only.

**134** Protected cell calculating the Total LHB Administered Services – Other Payments. This must equal the data entered under **line 112**.

**135-148** This provides an analysis of information for year to date expenditure for Premises. Further details are required for any entries entered under line 148. All **Clinical Waste** should be included in the **Premises line 139** only and not under any other line.

**149** Total Premises – This should reflect the WG Allocation, Current Plan and Forecast Outturn. The variance and year to date expenditure are protected cells. This must equal the data entered under **line 12**.

**150-156** Further analysis is required to analyse Line 148 – All Other Premises, for year to date expenditure only.

**157** Protected cells calculating the Total Other Premises. This must equal the data entered under **line 148**.

**158** Enter data for Enhanced Services included but in dispute with the LMC.

**159** Enter data for Enhanced Services included but not formally agreed with the LMC.

**160-164** This provides an analysis of Year to Date expenditure only for dispensing.

**165** Total for Dispensing – This should reflect the WG Allocation, Current Plan and Forecast Outturn. The variance and year to date expenditure are protected cells. This must equal the data entered under **line 15**.

**166** This should be completed to reflect the total differences between the Current WG Allocation and Current Plan.

**167-183** This should provide further analysis of the differences between the current WG allocation and plan and should reconcile to the entries in **Line 166**.

### **3.24 Table O Lines: Dental (From Quarter 1)**

**1-11** Expenditure categories should be completed with data that is received from NHS Dental Services Divisions and LHB data. These lines should record expenditure and activities from GDS contracts and/or PDS agreements.

**12** This must equal the analysis section Lines 14 to 42, which details activities and expenditure not included in a GDS Contract and/or PDS agreement.

**13** This is a calculated cell showing the total dental services expenditure.

**14-42 Analysis of Other items** – Utilise the set text lines where applicable and for all other items use the free text lines.

This is for expenditure not included in a GDS contract and/or PDS agreement. This includes payments made under other arrangements e.g. GA under an SLA, D2S, plus other or one off payments.

The budget for the Community Dental Service (CDS) is within the overall Hospital & Community Health Services and Prescribing (HCHSP) Revenue allocation, therefore the expenditure against that budget should not be recorded here.

Any additional expenditure for CDS services against the dental contract budget that may have arisen, for example, due to an under spend in the ring-fenced revenue allocation may be recorded here.

**43** This is a calculated cell showing the total of the Other analysis, and must equal Line 12.

**44** Dental Services Income

## NHS TRUST FINANCIAL MONITORING GUIDANCE 2018-19

### Summary

1. This guidance refers to the monitoring return spreadsheet and accompanying narrative that NHS Trusts will need to complete, to report their 2018/19 financial performance. There are a number of changes to the format of the returns from those issued previously. Colleagues are asked to review this guidance in full to refresh and confirm their understanding.

### Importance of Monitoring Returns

2. Together with the Local Health Board (LHB) financial returns, the NHS Trust financial returns are an essential element in monitoring the financial position of individual organisations and the overall financial health of NHS Wales. They are used by the Health and Social Services Group and form the basis of reports to Cabinet Secretaries.
3. **It is essential that the monitoring returns are accurate and that they are submitted in accordance with the timescales outlined in Annex 1.** Your organisation will be held to account for the information submitted within the returns. It is essential that you ensure that your forecasts within the tables are based on a balanced view of your anticipated outturn and that your commentary correctly outlines the major issues affecting your forecast.
4. All monitoring returns **must be supported by a detailed commentary.** A minimum content format is mandatory and is set out in Annex 2.
5. All information made available to the Department should be consistent with that provided to Trust Boards. The detailed commentary **must** include a statement confirming that the financial information reported in the monitoring return aligns to the financial details included within the internal Board papers.
6. There are a number of tables to be provided as set out in Annex 3. Notes on completion of the tables are set out in Annex 4.
7. **Concerns continue regarding the robustness of financial forecasting within the NHS in Wales. Finance Directors are accountable for the content of the submission and the reliability of their forecasts; performance will continue to be reviewed on this issue on an individual basis. All tables must be fully completed and a comprehensive narrative, providing a detailed explanation of all key issues must be provided. Should the return not meet this requirement, it will be returned and a resubmission will be required.**

8. **Chief Executives are also personally accountable to the Accounting Officer for the reliability of the forecasts submitted by their Trust.**
9. **To ensure that the information on expected end of year outturns is consistent across NHS bodies, Trusts are required to ensure that in their reporting they must strike a balance between optimism/pessimism resulting in a realistic assessment of the challenge when forecasting their financial position.**
10. Organisations **must** ensure that accountancy gains, unallocated reserves and savings items are appropriately phased to ensure that the year to date position is not distorted.

### **Timetable for completion**

**All Financial Position data, provided electronically to the WG, must be cleared by the Director of Finance and Chief Executive Officer before submission.**

11. All main monitoring returns will be required on the **9<sup>th</sup>** working day of each month, with the exception of Month 12. There continues to be a requirement to complete a Month 1 submission. The full template should be submitted with the following tables completed: Table A (Movement), Table A1 (Underlying Position), Table B, B1 & B2 (Monthly Profiles), Table C, C1, C2 & C3 (Savings), Table D (I & E Assumptions), Table E (Anticipated Income), Table F (Risks) and the Aged Debtors Template (Table N), along with a supporting Director of Finance narrative. **A schedule of monitoring dates is provided in Annex 1.**
12. An electronic version of the full submission, **both the spreadsheet and the narrative**, must be submitted via email (address below), to the NHS Financial Management Team, Health and Social Services Group by **5.00p.m** on the due date. **Hard copies signed by the Chief Executive and Director of Finance or signed electronic copies must be received by the NHS Financial Management Team, Health and Social Services Group within five working days of the full submission electronic copy.**
13. Organisations are required to submit their year to date and forecast financial position information of the **5<sup>th</sup>** working day, for Months 2 to 12. A separate template table is provided. A brief explanation should be provided on the template, **for any movement in your year end outturn since the previous month.** An electronic version of the template should be submitted via email (address on page 5), to the NHS Financial Management Team, Health and Social Services Group by **5.00p.m** on the due date. A hard copy is not required. **A schedule of submission dates is provided in Annex 1.**
14. In previous years there have been requirements to submit tables either monthly or quarterly. For 2018-19 all tables should be provided monthly

except for, Table I (PSPP) Quarterly, Table G (SoFP) monthly from Month 3 onwards, Table H monthly from Month 2 onwards, Tables J,K & L (Capital) monthly from Month 2 onwards and Table M (EFL) monthly from Month 3 onwards. Organisations that continually submit inaccurate or incomplete information will be required to submit tables on a monthly basis.

In relation to Table A1 (Underlying) - All Organisations must fully complete this table for Month 1. Organisations that are in Targeted Intervention / Special Measures for Finance will need to complete this table on a monthly basis thereafter. Other Organisations will only be required to complete this table on a quarterly basis thereafter.

## Principle Changes to Requirements

15. Following the following information draws your attention to the principle changes to the 2018/19 requirements. It is still recommended however, that the full documentation is reviewed before completing the tables.

- **Movement of Opening Financial Plan to Forecast Outturn (Table A & Other supporting analysis)**

All planned savings, supporting the forecast outturn position, must be identified and finalised by the end of June 2018. Therefore, from Month 3 onwards, reported forecast positions must not be based on the delivery of unidentified savings.

- **Underlying Position (Table A1)**

An 'Underlying Position' table has been re-introduced which requires organisations to report their position over three different analysis formats. This analysis is essential, as across NHS Wales the underlying position is the largest deficit component of the financial positions described in submitted IMTPs. Of concern, is that these were not reconciled to either services areas or functional spends. Understanding what the pressures are and why they are driving this position, is crucial to both your Boards and the WG. This will inform: your local actions to reduce this position, future WG national policies, consideration of resource allocation opportunities and to properly consider long term sustainability with the NHS.

Organisations to note frequency of completion within Section 14 above, with all organisations required to submit at Month 1.

- **Net Expenditure Profile Analysis (Table B1)**

The guidance for this key table has been enhanced under Section 2.5 of the column guidance. It is imperative that this table it is completed with viable monthly profiles and sufficient supporting explanations for key movements are provided in the supporting commentary.

- **Pay Expenditure Analysis (Table B2 – Section A)**



The Pay Expenditure Analysis, previously provided as a supplementary table in 2017/18 by all Health Boards, has been incorporated into the main tables for all organisations (including Trusts) to complete. This table should be completed on an actual and forecast basis.

- **Agency / Locum (paid at a premium) Expenditure (Table B2 - Section B)**  
Previously Table K in the 2017/18 Templates. This is also to be completed on an actual and forecast basis.
- **Analysis by Reason using for Agency / Locum (paid at a premium) (Table B2 - Section C)**  
This new table requires organisations to analyse the reasons for incurring Agency /Locum (paid at a premium) over the categories agreed by the Medical Efficiencies Working Group. The table is to be completed on an actual and forecast basis.
- **Savings Scheme Agency/Locum (paid at a premium) Analysis (Table C2)**  
This new table requires organisations to provide an analysis of Agency/Locum (paid at a premium) Savings (profiled in Table C1). The table is to be completed on an actual and forecast basis, in line with Table C1.
- **Top 20 Identified Expenditure Saving Schemes by Forecast (Table C3)**  
Following a request from NHS representatives at the Monitoring Return Review Group, an unprotected 'Input' section has been incorporated at the foot of Table C3 to ease the reporting of schemes by forecast delivery (Highest to Lowest). These free text tables then automatically populate the protected main Table C3.
- **Invest/Innovative to Save (Table D in 2017/18)**  
This table has been removed in 2018/19; however organisations will be required to continue to report on individual schemes to the WG Policy Lead.
- **Welsh NHS Assumptions (Table D)**  
EASC and Health Education Improvement Wales (HEIW) have been added to the listing.
- **Invoices Raised for Overseas Visitors Charges (Table Q in 2017/18)**  
This table has been removed in 2018/19; however, as this a 'hot topic' issue, equivalent information is to be maintained by the NHS in order to respond promptly to Government Business information requests.

#### General

- Any identified key changes to previous month's reported data, on all tables, can only be actioned following discussion and agreement with the

WG NHS Financial Management Team. Otherwise, changes should be adjusted in the current month, with a supporting explanation provided in the narrative.

- The savings tables should reflect all savings schemes (including Cost Improvement Plans) where management action is required in order to deliver the saving. Cost Avoidance Plans, which do not require management action in order to deliver a saving, should be accounted for when calculating the organisations net Opening Cost Pressure Value; therefore ensuring that both the Opening Cost Pressure and the Required Savings value are not over stated at the start of the year. In the event that the Trust considers a scheme to be classified as ‘Cost Avoidance’ but feel this should form part of the Savings Plans, particularly if delivery requires management action, then these can be reported and monitored in Tables C, C1, C2 & C3. The following definitions may assist:

Cost Reduction & Efficiency Savings Definitions		
Term	Definition	Monitoring Returns Classification
Cash-Releasing Saving (Pay)	A form of cost reduction saving which is workforce related, and specifically relates to providing a service at the same or better quality, for a lower cost, through new ways of working, that reduce cost on an ongoing recurrent basis.	Expenditure Savings Schemes
Cash-Releasing Saving (Non-Pay)	A form of cost reduction saving which is non-pay related, and specifically relates to providing a service at the same or better quality, for a lower cost, through new ways of working or reduced prices, that reduce cost on an ongoing recurrent basis.	Expenditure Savings Schemes
Cost Avoidance	A form of cost reduction which specifically relates to eliminating or preventing future costs arising. This should be as a result of management action to drive a reduction in costs, for expenditure which is yet to be incurred. Cost avoidance measures may involve some expenditure but at a lower level than predicted future costs.	Expenditure Savings Schemes
Income Generation	A form of cost efficiency where an increased contribution to an organisation is generated that can be used for improving services. Income is typically recovered through providing more output from the same cost base, or charging for services provided. Schemes are typically cash generating and not cash releasing schemes.	Income Generation
Accountancy Gain	A form of cost reduction which is typically technical in nature, relating to changes in the balance sheet position, or changes in actual expenditure in comparison to previous years estimates or provisions. Savings are typically non-recurrent in nature.	Accountancy Gain
Non-Cash Releasing Productivity Gain	A form of cost efficiency where more output, or increased activity, is delivered through the same service and workforce cost base (i.e. more output is delivered for the same cost). The action does not generate a cash-releasing saving.	N/A

- It should be noted that additional requirements may be introduced during the financial year, which may result in new/amended tables. For example:
  - Introduction of monitoring arrangements in respect of future year financial plans.
  - Any agreed requirements to support work being undertaken by newly established Finance Delivery Unit (FDU).

## Action

- Directors of Finance are asked to return their first set of returns via email by 5.00pm on the 14th May. For the Month 2 submission, both the April and May columns should be completed separately on the applicable tables that were not submitted at Month 1. Full details are given in the attached guidance.

## **Points of Contact**

17. Comments or enquiries on technical issues should be directed to Kim Jenkins, Head of Financial Governance & Control (03000 251 056) at HSSG. Specific queries regarding completion and performance issues, should be directed to Andrea Hughes, Head of NHS Financial Management (0300 062 5558).

Electronic versions (including the scanned signed version) to be submitted to the following email address:

NHSFinancialManagement@gov.wales

This guidance has been issued by:

**Director of Finance, Health and Social Services Group**

**Schedule of monitoring dates:**

<b>For period ended</b>	<b>Day 5 Submission Date</b>	<b>Day 9 Submission Date</b>
30 <sup>th</sup> April	Not Required	14 <sup>th</sup> May
31 <sup>st</sup> May	7 <sup>th</sup> June	13 <sup>th</sup> June
30 <sup>th</sup> June	6 <sup>th</sup> July	12 <sup>th</sup> July
31 <sup>st</sup> July	7 <sup>th</sup> August	13 <sup>th</sup> August
31 <sup>st</sup> August	6 <sup>th</sup> September	12 <sup>th</sup> September
30 <sup>th</sup> September	5 <sup>th</sup> October	11 <sup>th</sup> October
31 <sup>st</sup> October	7 <sup>th</sup> November	13 <sup>th</sup> November
30 <sup>th</sup> November	7 <sup>th</sup> December	13 <sup>th</sup> December
31 <sup>st</sup> December	8 <sup>th</sup> January	14 <sup>th</sup> January
31 <sup>st</sup> January	7 <sup>th</sup> February	13 <sup>th</sup> February
28 <sup>th</sup> February	7 <sup>th</sup> March	13 <sup>th</sup> March
31 <sup>st</sup> March	5 <sup>th</sup> April	25 <sup>th</sup> April *

\* TBC subject to Draft Accounts deadline

## **DIRECTOR OF FINANCE COMMENTARY**

Organisations will continue to be required to follow the prescribed narrative layout detailed below. Each section must be reflected within the narrative report and in the order prescribed. Additional appendices can be provided; however these must be referenced in the relevant section. The commentary can be supplemented with copies of Finance reports submitted to the Trust Board. The narrative should provide supporting details in relation to expenditure and savings correlation. Responses to the previous month's WG Monitoring Return reply letter must be included within the relevant section or in a separate appendix. The layout of the WG reply letters will also reflect the prescribed layout.

Directors of Finance should be aware that the monitoring returns and their associated commentary form an important part of the management of NHS Wales and the information is provided to various Groups and Cabinet Secretaries. It is important to ensure that the underlying commentary is comprehensive and accurate.

### **12. Actual Year to Date and Forecast Under / Overspend 2018/19 (Tables A, B & B2)**

Comment on and provide reasons for, any changes in the movements between the opening financial plan and the forecast out-turn position. In particular, movements on unidentified savings resulting in changes to identified savings plans or any other lines on Table A including the forecast deficit.

Comment on the actual surplus/deficit reported as at the period end. Details should be provided to explain any movements between the year to date and forecast positions reported at Day 5 and the main Day 9 submission. A reconciliation should be provided to explain any changes from the previous month's reported position.

End of Year Forecasts should be based on the best assessment of the most likely year end outturn. These must strike a balance between optimism\pessimism and a realistic assessment of the challenge. Any accountancy gains/statement of financial position movements, unallocated reserves and savings items should be appropriately phased to ensure that the year to date position is not distorted.

Comment on the projected surplus/deficit for the year end. A reconciliation should be provided to explain any changes from the previous month's reported projected position. For all individual lines, detailed explanations should be provided for material movements in monthly values. This should include details of material movements in previously reported values.

Comment on the reasons for significant movements between the actual year to date position and the forecast year end position. Details should be provided to explain the actions being undertaken to facilitate improvements.

Trusts are also required to detail any unconfirmed increases or decreases in funding that have been assumed in the plans and implied forecast position, as detailed in Table B. In addition, the Trust should comment on any unconfirmed income assumptions from sources other than WG.

Trusts must confirm within their detailed commentary, the total value of any unallocated reserves\unallocated contingency (Line 15 Table B) and the amount that has been released from this line into the reported year to date position. The detailed commentary should include additional supporting explanations for all committed expenditure held in reserves\contingencies as reported in section E of Table B.

Comment on the current and forecast Accountancy Gains which are reported within the tables. This should include an explanation as to why an Accountancy Gain is forecast but not yet reflected in the year to date position.

Hosting organisations should also provide comments on the financial positions of Agency Bodies.

Key actual/forecast monthly movements reported in the newly introduced Pay Expenditure A4C Analysis (Table B2 – Section A) must be explained in the commentary.

### **13. Underlying Position (Table A1)**

Comment on the FYE of recurring actions (both savings and allocations) which reduce the b/f underlying position.

Comment on any new in year recurring pressures, which are unmitigated and increase the underlying position.

The commentary must explain the cause of all movements from the previous submission (monthly or quarterly).

### **14. Ring Fenced Funding (Table B)**

A statement is required to describe the financial position of the ring fenced funding (e.g. Depreciation (inc. Impairments)). Any forecast under spends should be disclosed and quantified.

### **15. Net Expenditure Profile Analysis (Table B1)**

Comment on and provide reasons for any material deviations from equal twelfths phasing (e.g. savings plans stepping up in future months, impact of targeted improvements in performance (RTT etc), Winter Pressures etc.)

Provide explanations for movements in the current month and future months values by category (Sections A – B) and individual lines from those projected in the applicable previous month (e.g. new unplanned cost pressures or costs being materially higher or lower than expected etc).

#### **16. Agency/Locum (premium) Expenditure (Table B2 Section B/C)**

Comment on the Agency/Locum (paid at a premium) Expenditure information provided in **Table B2 (Sections B/C)**. Provide details of action plans and progress being made to reduce expenditure.

#### **6. Saving Plans**

**(Table C, C1, C2 and C3) The savings plan should be completed in conjunction with the 'Value & Efficiency Framework' currently being progressed via the NHS Wales Directors of Finance Group.**

Trusts are required to provide details of progress on the development of savings schemes required to achieve financial balance and to highlight any deficits between total requirements and identified savings schemes. Unidentified savings supporting the outturn position should not be reported with tables C, C1, C2 & C3; however, these should be reported within the set text line on Table A. As referenced above, from Month 3 the reported forecast positions must not be based on the delivery of unidentified savings.

All tables must be completed on a gross basis.

Detailed reporting against the delivery of the savings plans which are required to achieve financial balance/surplus should be provided. This should include details by each savings category (Table C1) of the actions being taken to recover any underachieved savings in future months.

Supporting narrative should also be provided on performance, recovery issues and any scheme changes, for each of the listed top 20 schemes (Table C3).

Trusts are required to provide explanations for any re-phasing of plans into future months.

Comment on each of the categories set out in the 'Agency /Locum (paid at a premium)' Savings Plan Analysis (Table C2). As with all tables, an explanation of key movements should be provided in the commentary.

#### **7. Income Assumptions 2018/19 (Tables D & E)**

Comment on any income assumptions included within the reported year to date and forecast financial positions in Table B.

Provide details of the basis of the assumptions used to complete the values reported in Table D, by organisation.

Comment on any agreed income assumptions for revenue, reported in Table E.

## **8. Health Care Agreements and Major Contracts**

Confirm the position with regard to the sign off (deadline last working day of June) of agreed contract values shown within the Health Care Agreements and Major Contracts.

For each unsigned Agreement and Contract, details should be provided to explain actions (including timescales), being undertaken to eliminate risk. Confirmation should be provided if WG arbitration is being sought (see WHC 2017 013).

Details should also be provided to explain any risks associated with the agreed values in signed LTA's, due to for example, a change in activity levels from both a commissioner and provider perspective.

## **9. Risk Management (Table F)**

The narrative should detail the material risks and/or the opportunity factors that would result in a worse or best case outturn. This should include details of action plans to mitigate risks. Details should be provided to support the likelihood assessment of each risk and opportunity occurring. Any new, removed or amended risks and opportunities from those reported in the previous month should be explained in the narrative.

Please note that all risks and opportunities discussed within the narrative must be reported within the table, even if the quantification is yet unknown (TBC to be reported in table). The narrative however, should provide a timeframe for when quantification will be known.

## **10. Statement of Financial Position and Aged Welsh NHS Debtors (Table's G & N)**

Comment on any significant month on month Statement of Financial Position movements.

Details should be provided to support the additional analysis of provisions, as reported on Table G.

Details should also be included to support aged receivables/payables (over 11 weeks old) and disputed invoice information. This is supported on a monthly basis with the completion of the Aged Debtors template (Table N). –Invoices which have exceeded 17 weeks must not form part of the financial position and should be cancelled, unless they are being arbitrated on by the WG.

Provide supporting explanations for material movements on the trade and other payables analysis.

## **11. Cash Flow Forecast (Table H)**



The cash flow forecast is a planning tool to enable the WG to have an early understanding of any cash flow difficulties organisations may face. As such, Trusts should report their most likely scenario regarding cash receipts and payments on a monthly basis. For future months, as the year progresses, the entries relating to the previous month's forecast should be replaced with actual figures.

## **12. Public Sector Payment Compliance (Table I)**

Trusts are accountable for achievement of this target. Trusts are required to provide a commentary on creditor payment compliance (NHS and Non NHS) together with detailed plans and progress towards achieving full compliance.

WG will continue to measure payments within 10 days as required by Parliament. The same principles adopted for measuring the 30 day payment rules apply.

## **13. Capital Schemes and Other Developments (Tables J, K & L)**

Trusts are required to achieve the CEL financial target.

Organisations will also be required to operate within a tolerance of a £0.5m underspend.

Comment on capital expenditure compared with the plan. Give reasons for any significant variances per scheme reported in Table J. A detailed explanation is required, to provide reasons for any variation in overall performance against the total CEL.

Comment on any significant variances between minimum and maximum expenditure shown on Table K against the allocated funding.

The risk assessment of each scheme should be discussed for schemes identified as high or medium risk in Table K.

Comment on any changes to the in month expenditure profiles detailed in Table K.

Provide details of any further issues relating to capital projects, which may impact on your financial position or the achievement of the Capital Expenditure Limit. This should include any planned asset transfers between other Welsh NHS organisations.

Hosting organisations should also provide comments on the Capital performance of Agency Bodies, where applicable.

## **14. EFL (Table M)**

Detail any issues that could affect achievement of the EFL. Ensure that requested changes to the latest notified EFL are highlighted.

**15. Other Issues**

The narrative must include a statement confirming that the financial information reported in the monitoring return aligns to the financial details included within the internal Board papers.

Please comment on any other issues which need to be drawn to the attention of the Health and Social Services Group – NHS Financial Management.

**16. Authorisation of Return**

The monitoring return should be authorised by the Chief Executive and the Director of Finance. The electronic submissions of the Day 5 and Day 9 positions must have been agreed by the Chief Executive and the Director of Finance.

## TECHNICAL GUIDANCE – NHS TRUSTS

### Introduction

All worksheets are included within the one spreadsheet, except for the Day 5 financial position table which has been provided as a separate excel worksheet.

The template worksheets for the monitoring returns are as follows:

### Validation Sheet

For each applicable table, there is a quality validation checklist. These checks are included to assist organisations who have various staff completing specific tables. The overall summary position is shown on the Validation Sheet.

### Summary Sheet

Automated summary of main financial performance

**Movement from Opening Plan/Position to Forecast Out turn** **Table A**

**Underlying Position** **Table A1**

Annual movement in Underlying Position

**Monthly Positions** **Table B**

Monthly profile of actual YTD income and expenditure & forecast income and expenditure for future months

**Net Expenditure Profile Analysis** **Table B1**

Monthly profile of Gross expenditure by category, Committed Reserves and Savings (linked to Table C), agreeing back to Net Profiles reported in Table B

**Pay Expenditure Analysis** **Table B2 (Section A)**

Monthly profile of actual YTD and forecast pay expenditure by A4C

**Agency\Locum (premium)** **Table B2 (Section B)**

Monthly profile of actual and forecast Agency/Locum (paid at a premium) expenditure by staff group

**Reasons for Agency Usage** **Table B2 (Section C)**

Actual and future month forecasted Agency / Locum (paid at a premium) spend, analysed by reason (e.g. Vacancy)

**Savings Schemes** **Table C**

Monthly profile of actual YTD savings & planned savings for future months

<b>Savings Schemes Pay Analysis</b> Monthly profile of actual YTD & planned pay savings for future months	<b>Table C1</b>
<b>Savings Schemes Agency Analysis</b> Monthly profile of actual YTD & planned agency savings for future months	<b>Table C2</b>
<b>Top 20 Identified Savings Schemes by Forecast Delivery</b> Monthly profile of actual YTD savings & planned savings for future months	<b>Table C3</b>
<b>Income/Expenditure Assumptions</b> Statement of annual income and expenditure assumptions for Welsh NHS organisations	<b>Table D</b>
<b>Resource Limits</b> Statement of confirmed and anticipated allocations	<b>Table E</b>
<b>Risks</b> A balanced judgment of the potential worse and best case forecast outturn position. I.E. (Best Case = Most likely reduced by potential opportunities) (Worse Case = Most likely increased by potential risks offset by potential opportunities).	<b>Table F</b>
<b>Statement of Financial Position (SoFP)</b> SoFP for the current month and forecast year end, analysis of Provisions, analysis of Welsh NHS payables and analysis of Trade and Other Payables	<b>Table G</b>
<b>Cash Flow</b> Cash position showing cash balances and future monthly forecasts	<b>Table H</b>
<b>PSPP</b> Public sector payment policy table for 30 day & 10 day compliance	<b>Table I</b>
<b>Capital Expenditure Limit Management</b> Year to date and End of Year Forecast position for capital expenditure against the Capital Expenditure Limit	<b>Table J</b>
<b>In Year Capital Schemes</b> Monthly scheme profiles of capital expenditure for current year	<b>Table K</b>
<b>Capital Disposals</b> Analysis of in year and future year disposals	<b>Table L</b>
<b>External Financing Limit</b>	<b>Table M</b>

Forecast performance against latest target

**Aged Debtor Analysis**

Outstanding Invoices 11 weeks and over

**Table N**

**Day 5**

Year to date and Forecast outturn position

**Separate Table**

**Completion**

All worksheets should be fully completed as per the guidance provided. Any incomplete or reformatted submissions will not be accepted and will need to be re-submitted.

## NOTES ON COMPLETION OF FINANCE DATA TABLES 2018/19

### 1. General

The financial projections should be prepared in accordance with IFRS. The accounting treatment should be consistent with that in the current Manual of Accounts.

**All figures must be entered into the return as round thousands, with the exception of Aged Debtors which should be exact amounts (£&p). The Creditor Compliance should be completed to one decimal place.**

Some cells contain pre-determined formulae that calculate based on data entered in other cells – these are shown in blue and are protected.

#### 1.1 Validation system

A quality validation checklist was first introduced in 2011/12 and for 2018/19 the validations continue to be located to the right of the applicable individual tables. The first tab of the spreadsheet only provides a summary position of the individual table validations i.e. the number of validation errors.

### 2. Columns

#### 2.1 Summary Sheet Columns

**Trust** – select the applicable organisation using the drop down menu.

**Period** – This should be completed using the drop down menu, to reflect the reporting period.

#### Revenue Performance

This table is automatically populated from the information provided in the Monthly profiles (Table B).

**YTD** – This section of the table is automatically populated using formulae linked to the main data.

**Forecast** – This section of the table is automatically populated using formulae linked to the main data.

#### 2.2 Table A Columns: Movement from Opening Plan/Position to Forecast Outturn

This table should detail the movement between the Opening Financial Plan and the current month Forecast Outturn position.

Cost Avoidance Plans, which do not require management action in order to deliver a saving, should be accounted for when calculating the organisations net Opening Cost Pressure Value; thus ensuring that both the Opening Cost Pressure and the Required Savings value are not over stated.

### **2.3 Table A1 Columns: Underlying Position**

*Within this table, any deficit positions should be reflected as negative values and surpluses should be reported as positive values.*

#### **B. Traditional Analysis**

The 'IMTP Underlying Position b/f' column should reflect the b/f underlying position reported in the current year IMTP/AOP Financial Plan. The starting position for this analysis should be the 'Previous Year's Financial Outturn'.

The 'IMTP Underlying Position c/f' column should reflect the projected underlying position which will be carried forward into the following year's financial plan. The starting position for this analysis should be the 'Current Year's Forecast Financial Outturn'.

#### **B/C. By Spend Area / By Directorate**

Underlying Position b/f – should reflect the position reported in latest IMTP/AOP which is contributing to the current year's financial outturn. In Section B this should be analysed by designated expenditure areas and in Section C via listed Directorates.

Full Year Effect (FYE) Actions:

- c) Recurring Savings – by designated category, quantify the full year effect of current year savings which will have a direct positive impact on the b/f underlying position.
- d) Recurring Allocations – by designated category, quantify in year recurring allocations which will have a direct positive impact on the b/f underlying position.

Subtotal – protected column which will calculate the net impact of the b/f underlying position and recurring savings/allocations by designated category.

New in Year Unmitigated Recurring Pressures – should reflect the FYE of in year emerging pressures (by designated category) that have not been mitigated and which will have an adverse annual impact on the reported underlying position.

Underlying Position c/f – protected column which will calculate by designated category the underlying position which will be taken forward into the new year and should be reflected in following years' financial plan.

## **2.4 Table B Columns: Monthly Profiles**

### **F. Monthly Statement of Comprehensive Net Expenditure Summary**

**Monthly Analysis (April to March)** – This should reflect:

- c) The actual monthly data up to, and including, the current month submission,
- d) The forecast monthly data for future months.

**Total YTD** - Protected cell calculating the Year to Date Position.

**Declared Full Year Forecast** - Protected cell showing the Forecast End of Year position.

**G. Assessment of Financial positions** – This is a fully automated section.

### **H. DEL/AME Depreciation & Impairments**

These values should include anticipated income if this has been recorded in Table E (Resource Limits).

The columns are as detailed for Section A of the table.

### **I. Accountancy Gains**

The columns are as detailed for Section A of the table.

### **J. Committed Reserves & Contingencies**

These values represent the committed expenditure which is still held in Reserves and Contingencies and which forms part of the forecast position. A reference should be included for each item to confirm which expenditure line they have been included on Section A.

The columns are as detailed for Section A of the table.

## **2.5 Table B1 Columns: Net Monthly Expenditure Profiles**

This table aims to analyse, the items affecting the monthly net run rate, reported as the net expenditure profile by category (Section A-B) reported within Table B.

The monthly gross plans can be amended, with the exception of previous month's actual values. The annual plans should always be based on and support the planned financial outturn reported within the organisations latest Integrated Medium Term Plan or Annual Operating Plan.

Material movements in reported annual plan values by category should be explained within the supporting narrative.



The reasons for any material reported YTD and Annual forecast variances by category should also be provided within the narrative.

Any unidentified savings/mitigating actions supporting the forecast outturn should only be reported within future months columns.

The columns are as detailed for Section A of Table B above.

## **2.6 Table B2 – Section A Columns: Pay Expenditure**

This table analysis actual and forecast monthly pay spend (provider and other) by A4C category.

With the exception of the A4C category 'Type' column, the columns are as detailed for Section A of Table B above.

## **2.7 Table B2 – Section B Columns: Agency / Locum (premium) expenditure**

This table analysis actual and forecast monthly agency/locum (paid at a premium) pay spend.

With the exception of the A4C category 'Type' column, the columns are as detailed for Section A of Table B above.

## **2.8 Table B2 – Section C Columns: Reasons for Agency / Locum (premium) expenditure**

This table analyses the actual and forecast monthly agency/locum (paid at a premium) spend, by reason. Locums 'paid at a premium' are those paid above the rate of the substantive post holder.

With the exception of the pre-set 'Reason' column for using agency/locum (premium) e.g. establishment vacancy, the columns are as detailed for Section A of Table B above.

## **2.9 Table C Columns: Saving Schemes**

The reported data should reflect all savings schemes (including Cost Improvement Plans) where management action is required in order to deliver the saving.

**Monthly Analysis** – This should reflect:

- d) The Annual Identified Savings Plan, phased over the 12 month period,
- e) The actual monthly data up to, and including, the current month submission,
- f) The forecast monthly data for future months.

**Total YTD** - Protected cell calculating the Year to Date Position.

**Full Year Forecast Position** - Protected cell calculating the Year End Position based on Actual Year to Date Position plus the Forecast Position for the remaining months of the financial year.

**Year to Date as a percentage of Full Year / YTD Variance as a percentage of YTD Budget/Plan** – Protected cell calculating:

- c) the YTD Actual Savings as a % of the Full Year Forecast Savings
- d) the YTD Variance as a % of the YTD Budget/Plan Savings.

**Total YTD** – Provide an analysis of the YTD Savings, split between recurring and non recurring; the sum of both columns should agree to the Total YTD column.

**Full Year Forecast** - Provide an analysis of the Forecast Savings, split between recurring and non recurring; the sum of both columns should agree to the Full Year Forecast column.

**Note: The total pay savings reported on Table C is linked to the pay category of Table C1, therefore will automatically be populated following the completion of Table C1.**

## **2.10 Table C1 Columns: Savings Schemes by Pay Analysis**

**Monthly Analysis** – This should reflect:

- g) The Annual Identified Savings Plan, phased over the 12 month period;
- h) The actual monthly data up to, and including, the current month submission;
- i) The forecast monthly data for future months.

**Total YTD** - Protected cell calculating the Year to Date Position.

**Full Year Forecast Position** - Protected cell calculating the Year End Position based on Actual Year to Date Position plus the Forecast Position for the remaining months of the financial year.

**Note: The total agency/locum (premium) pay savings reported on Table C1 is linked to the total agency/locum (premium) pay savings Table C2, therefore will automatically be populated following the completion of Table C2.**

## **2.11 Table C2 Columns: Savings Schemes by 'Agency/Locum paid at a premium' Analysis**

**Monthly Analysis** – This should reflect:

- j) The Annual Identified Savings Plan, phased over the 12 month period;

- k) The actual monthly data up to, and including, the current month submission;
- l) The forecast monthly data for future months.

**Total YTD** - Protected cell calculating the Year to Date Position.

**Full Year Forecast Position** - Protected cell calculating the Year End Position based on Actual Year to Date Position plus the Forecast Position for the remaining months of the financial year.

## 2.12 Table C3 Columns: Top 20 Saving Schemes by Value

The below guidance provides the detail required to populate the main 'protected' Table C3 which is automated following the population of the two input tables at the foot of Table C3. How these 'Input' tables should be populated is provided at the foot of this section.

**Scheme Title and Brief Scheme Description** –brief description of the identified scheme.

**Monthly Analysis** – This should reflect:

- d) The Annual Identified Savings Plan, phased over the 12 month period;
- e) The actual monthly data up to, and including, the current month submission;
- f) The forecast monthly data for future months.

**Total YTD** - calculating the Year to Date Position.

**Full Year Forecast Position** - cell calculating the Year End Position based on Actual Year to Date Position plus the Forecast Position for the remaining months of the financial year.

**Note: The monthly totals on Table C3 should agree to the monthly totals on Table C.**

The supporting Budget/Plan and Actual/Forecast 'input tables' should be completed as follows:

5. In the organisation's separate working sheet, ensure there is a list of the actual/forecast values of all savings schemes, sorted in descending order
6. Copy the first 20 and paste names & values into 'Actual/Forecast' input table (third table)
7. For those top 20 schemes, copy plan/budget data, **sorted in any order**, into the Budget/Plan (second) table in the template. The names of the schemes must be exactly as they appear in the Actual/forecast table

8. Copy and paste the 'Balance of remaining schemes' Budget/Plan' and 'Actual/Forecast' profiles within the corresponding input tables.

### 2.13 Table D Columns: Income & Expenditure Assumptions

**Contracted Income** – This should reflect the annual income contained within agreed/anticipated contracts (signed or un-signed), that has been incorporated into the financial forecast.

**Non Contracted Income** – This should reflect the annual income not included in the agreed/anticipated contracts that has been incorporated into the financial forecast.

**Total Income** – Protected cell calculating the contracted and non contracted forecast income.

**Contracted Expenditure** – This should reflect the annual expenditure contained within agreed/anticipated contracts (signed or un-signed), that has been incorporated into the financial forecast.

**Non Contracted Expenditure** – This should reflect the annual expenditure not included in the agreed/anticipated contracts that has been incorporated into the financial forecast.

**Total Expenditure** - Protected cell calculating the contracted and non contracted forecast expenditure.

### 2.14 Table E Columns: Anticipated Income

**Organisations** - These are self explanatory and should be completed in order to analyse additional anticipated income by commissioner, which has yet to be received. All items should include the contact who has agreed to the funding and the date when the item was first reported within this table.

Details should be included within your narrative for items included in the table, but not included within your financial forecast.

### 2.15 Table F Columns: Risks

**Overview of risks and opportunities**– This should include summary details of the main risk areas and opportunities affecting the forecast outturn. The narrative should provide additional commentary where necessary. **No risk should be mentioned in the narrative without also being included in this table.**

**Forecast Year End** – Quantify each risk and opportunity area, that would result in either a higher (worse case) outturn, or lower (best case) outturn. Only one assessed value can be entered per Risk\Opportunity, which would result in either a higher (worse case) outturn or in terms of opportunities only,

lower (best case) outturn. The assessment is not a worse or best case range value of each risk or opportunity.

An assessment is required of the likelihood of the risk or opportunity materialising using the high, medium or low options from the drop-down tab.

Only opportunities will affect the best case outturn. The worse case position however, may be a combination of risks offset with potential opportunities.

## **2.16 Table G Columns: SoFP (required from Month 3 onwards)**

**2018-19 Opening Balance** - For organisations wishing to complete this table earlier, this should be completed using your 2017/18 **Draft** Annual Accounts. This should be updated in subsequent months using your 2017/18 Audited **Final** Accounts.

**Closing Balance** - This will reflect your actual SoFP at the end of current period.

**Forecast Closing Balance** – This will reflect your forecast SoFP (and supporting analysis) at the end of the Financial Year. This information will be used in support of any cash requests as a result of movements in working balances.

## **2.17 Table H Columns: Cash flow**

**Monthly Analysis (April – March)** - This table should reflect previous and current month's cash figures as actual and future months as forecast positions.

**Total** – Protected cell containing formula to total the individual receipt and payment lines.

## **2.18 Table I Columns: PSPP (Quarterly)**

**Year to Date and Year End** – Complete the year to date column using actual performance percentages. Provide a forecast performance percentage position, within the year end column. This should be updated throughout the year.

**Variance** – These are protected cells reflecting the variance between the target and reported performance, for the 30 day section only.

## **2.19 Table J Columns: Capital Expenditure Limit Management**

**YTD Plan** - This should reflect the cumulative approved WG capital plan allocation to date.

**YTD Actual** - This should reflect the year to date actual capital expenditure and should agree to the cumulative months values of each scheme as reported on Table K.

**YTD Variance** - Protected cell, reflecting the variance between the capital spend to date and the approved WG capital plan allocation to date. Any expenditure incurred on schemes that are currently without approval, should be shown as a variance against the approved plan; with a corresponding under spend variance, shown against discretionary capital; or if authorised, against another scheme. This is to ensure that organisations have coverage for the expenditure incurred at risk, and that the Capital Expenditure Limit is not exceeded.

**Forecast Plan** - This should reflect the approved WG annual capital plan allocation and not the Trust Annual Plan.

**Forecast Outturn** - This should reflect the annual forecast capital expenditure. The forecast expenditure should agree to the total scheme expenditure profile on Table K.

**Forecast Variance** - Protected cell which should reflect the variance between the forecast annual capital expenditure and the approved WG annual capital plan allocation. Any expenditure incurred on schemes that are currently without approval, should be shown as a variance against the approved plan; with a corresponding under spend variance shown against discretionary capital; or if authorised, against another scheme. This is to ensure that organisations have coverage for any expenditure incurred at risk, and that the Capital Expenditure Limit is not exceeded.

## **2.20 Table K columns: In Year Capital Scheme Profiles**

**Scheme** - Enter name of scheme

**Project Manager** - A named Project Manager should be entered for each scheme.

**2018-19 Plan (Min/Max)** - This should reflect the forecast annual expenditure for each scheme, analysed by a minimum and maximum expenditure assessment, thus identifying the potential variation against the approved WG allocation and risk in each scheme. Where schemes are assessed as medium or high risk, it is expected that a range of values be recorded in the table.

**Monthly Analysis (April to March)** - This should reflect the monthly profile of the planned capital expenditure.

**Total** - Protected cell reflecting the total of the monthly expenditure profiles.

**Risk Level** - Using the drop down menu this should reflect the risk assessment of the achievement of the plan in year.

- High Risk – Schemes which are considered highly unlikely to achieve the WG allocation plan and for which contingency arrangements will need to be put in place to ensure achievement of the CEL.
- Medium Risk – Schemes which may achieve the WG allocation plan, but for which there are factors yet to be fully assessed which may prevent this, which if they materialise will result in the requirement to implement contingency plans to achieve the CEL.
- Low Risk – The scheme will achieve the WG allocation plan based on the current month's available information.

## 2.21 Table L Columns: Capital Disposals

### Section A: In Year Disposal of Assets

**Description** – This should reflect the details of the asset being disposed of.

**Date of approval from Cabinet Secretary to Dispose** – This only applicable to Land and Building disposals over the threshold requiring approval. A supporting comment should be provided in the DoF narrative to explain the position if a date can not be provided.

**Date of approval from Cabinet Secretary to Retain Sale Proceeds in excess of £0.500m** - A supporting comment should be provided in the DoF narrative to explain the position if a date can not be provided.

**Date of Disposal** – This should reflect the anticipated or actual date of disposal.

**NBV** – This should reflect the anticipated Net Book Value at the date of disposal.

**Sales Receipts** – This should reflect the total anticipated or actual sales receipts less any costs of disposal.

**Costs of Disposals** – This should reflect the value of the allowable cost deductions on disposal.

**Gain/Loss** – This is a protected cell calculating the difference between the sales receipts and the NBV.

**Comments** – Free text space to allow for comments e.g. slippage on timescales.

### Section B: Future Year Disposal of Assets

**Description** – This should reflect the details of the asset being disposed of.

**Date of Disposal** – This should reflect the anticipated or actual date of disposal.

**NBV** – This should reflect the anticipated Net Book Value at the date of disposal.

**Sales Receipts** – This should reflect the total anticipated or actual sales receipts less any costs of disposal.

**Costs of Disposals** – This should reflect the value of the allowable cost deductions on disposal.

**Gain/Loss** – This is a protected cell calculating the difference between the sales receipts and the NBV.

**Comments** – Free text space to allow for comments e.g. slippage on timescales.

## **2.22 Table M Columns: EFL (required from Month 3 onwards)**

**Full Year per WG** – This should be completed using the latest EFL schedule issued by WG.

**Full Year per Trust** – This should reflect the Trust's forecast position against the EFL schedule issued by WG.

**Planning Variance** – This is a protected cell, reflecting the variance between the WG issued EFL and the Trust's forecast position against the EFL.

**Actual Year to Date** - This should reflect the year to date position against the EFL schedule issued by WG.

## **2.23 Table N Columns: Debtors Analysis**

**Debtor** – Enter the name of the organisation who owes the debt.

**Inv#** - Enter the invoice reference number.

**Inv Date** – Enter the date shown on the invoice.

**Orig Inv £** - Enter the original invoice value.

**Outstanding Inv £** - Enter the value of remaining outstanding balance.

**Valid Entry, >11 weeks but <17 weeks, Over 17 weeks and Arbitration Due Date** are all protected cells containing formulae.

**Comments** – Provide details relating to escalation, dispute warnings, confirmed payment dates etc.

## **2.24 Day 5 Table (Separate schedule)**



**Actual YTD** - This should reflect the year to date position.

**Annual Forecast** - This should reflect the forecast year end out-turn position.

**Explanation Required for Movement in Annual Forecast from Previous Month** – Provide a brief explanation for the cause of the movement in annual forecast since the previous month's Day 9 submission. If this relates to a number of issues please separately identify and quantify them.

### 3. LINE GUIDANCE

#### 3.2 Summary Sheet

##### Revenue Performance Section

1 This table is automatically populated from the information provided in Table B.

#### 3.2 Table A Lines: Movement from Opening Plan/Position to Forecast Out-turn

- 1 Details of the underlying brought forward position from 2017/18 as per (included in) the latest 3 year plan submitted to the WG. (negative value). This should agree to the 'underlying position b/f' column on Table A1 (underlying) for sections A,B & C.
- 2 Details of the new cost pressures for 2018/19 as per (included in) the latest IMTP year plan submitted to the WG. (negative value)
- 3 Protected cell calculating the Opening Cost Pressures.
- 4 - 10 Details of savings, funding, income, accountancy gains, unallocated reserves and other initiatives (free text line) identified which are included within the latest plan submitted to the WG, to reduce the opening cost pressures. (positive values)
- 11 Protected cell calculating the total balance shown within the Opening Financial Plan (as per the latest version submitted to the WG).
- 12 Details of the cost pressure brought forward from the previous year that were unidentified (excluded) from the latest version of the 3 year plan. (negative value)
- 12–35 Additional in year savings, accountancy gains, income, funding, release of previously committed contingencies and reserves, non delivery of savings which were yet to be identified and initiatives identified after completion of the financial plans should be included. Set text lines have been included which should be used; the remaining lines are free text.
- 36 Protected cell calculating the Forecast Out-turn. **Note: This must agree with Table B, Monthly Profiles, Line 18.**

#### 4.3 Table A1 Lines: Underlying Positions

The brought forward and carried forward underlying positions must be consistently reported across the three sections.

## Section A: Traditional Analysis

*Section A is in a format similar to the previous Underlying Table which was included in Monitoring Return Tables (Table D) between 2010/11 - 2015/16*

- 1 This Line should reflect the previous year's **outturn position** within the 'Underlying Position b/f column'. The current year's forecast outturn in the 'Underlying Position c/f' column is protected as it is linked to the corresponding value in Table A.
- 2 In the 'IMTP underlying b/f' column report the previous year's **savings** which were delivered on a non recurring basis. As per Line 1, the current year's non recurring savings with the c/f column is automatically linked to the corresponding non recurring savings value in Table C.

Below are designated categories (primarily non recurring items) which are contributing to the reported b/f (as per IMTP/AOP) and projected c/f underlying positions.

- 11 **Non Recurring Mitigating Actions**
  - 12 **Non Recurring Revenue Resource Limit – Allocated**
  - 13 **Non Recurring Revenue Resource Limit – Anticipated**
  - 14 **Non Recurring Other Income/Disposals**
  - 15 **Non Recurring Accountancy Gains**
  - 16 **Non Recurring New Cost Avoidance** It will be unusual for organisations to have this item; however, this relates to the cost avoidance that has not been included in your Savings Plans, as it did not require management action and which was accounted for in the net new cost pressures, but was non recurring.
  - 17 **Full Year Effect of Recurring Savings**
  - 18 **Full Year Effect of New Costs**
- 11 – 12 Items reported on lines 11 & 12 (**Other Non Recurring factors**) which are having either a favourable or adverse impact on the underlying position (b/f or c/f) should be explained in the supporting narrative

## Section B: By Spend Area

*This section requires organisation to report the key SoCNI expenditure areas which are directly contributing to the b/f underlying position and the corresponding in year category movements (e.g. saving areas) directly impacting on the reported c/f underlying position. If there are any uncertainties around which category to use, please contact the NHS Financial Management Team for advice.*

**1 - 9 Pay A4C category:**  
**Administrative, Clerical & Board Members**  
**Medical & Dental**  
**Nursing & Midwifery Registered**  
**Prof Scientific & Technical**  
**Additional Clinical Services**  
**Allied Health Professionals**  
**Healthcare Scientists**  
**Estates & Ancillary**  
**Students**

**19– 16 Non Pay expenditure category:**  
**Supplies and services – clinical (includes Drugs)**  
**Supplies and services – general**  
**Consultancy Services**  
**Establishment**  
**Transport**  
**Premises**  
**External Contractors**

**17 – 21 Health Care Provided by Other Services** split by, Welsh LHBs, Welsh Trusts, WHSSC, English Providers and Private /Other. *In order to ensure consistency all organisations should report any CHC/FNC pressures on Line 21 ‘Healthcare Provided by Other Orgs – Private/Other’.*

### **Section C: By Directorate**

*This section requires organisation to report recurring expenditure pressures by Directorate which are directly contributing to the b/f underlying position and/or the corresponding in year category movements (e.g. saving areas/new pressures) directly impacting on the reported c/f underlying position.*

**1 – 11 Designated Directorates:**  
**Primary Care**  
**Mental Health**  
**Continuing Healthcare**  
**Scheduled Care**  
**Unscheduled Care**  
**Children & Womens**  
**Community Services**  
**Specialised Services**

**Executive /Corporate Areas  
Support Services (incl Estates & Facilities)**

**4.4 Table B Lines: Monthly Profiles**

**Section A: SCNI**

- 1-5** All income should be analysed over the headings provided. Entries in Line 5 (Other) should be kept to a minimum. Line 1 has been blocked this year to eliminate the Donated\Government Grant Income from the outturn position which is used to assess achievement of Statutory Duty.
- 6** Protected cells calculating the total for all Trust Income.
- 7** Organisations should reflect the total Pay Expenditure
- 8** Organisations should reflect the total Non Pay Expenditure
- 9** Organisations should reflect any losses, special payments or irrecoverable debts.
- 10** This should include Exceptional (Income) / Costs for any expenditure, which cannot be analysed under the other headings. A detailed explanation should be included within the narrative report. Show income **as negative** and costs as **positive**.
- 11** This should include Interest receivable and all figures should be entered as **negative**.
- 12** Interest payable will only include interest on short term loans. Interest charged to the Income and Expenditure account should include any accruals for interest payable in the period but not yet paid. All figures for total interest payable should be entered as **positive**. This should include the interest element of finance lease rental payments.
- 13-14** Depreciation is the amount charged to the income and expenditure account for the year, in respect of the depreciation of both donated and non-donated assets. It includes the amortisation of any intangible assets, such as deferred development expenditure and deferred assets arising from PFI schemes. The depreciation, accelerated depreciation and impairment expenditure should be separated and recorded on either the DEL or AME line. The variance should reflect the true under or overspend against the income received for this expenditure.
- 15** Reflect the value of non allocated contingencies forming part of the reported positions.

- 16 This should include the (profit)/loss on the disposal of assets. Show losses as **positive (+)** and gains as **negative (-)**.
- 17 Protected cell calculating the total of all costs.
- 18 Protected cell calculating the Net Surplus / Deficit.

### **Section B: Assessment of Financial Forecast Positions**

- 19 Protected cell showing the Year to Date surplus/deficit as shown in Line 18 – Total YTD Column.
- 20 Protected cell showing the previous month's actual YTD surplus/deficit.
- 21 Protected cell showing the current month's reported surplus/deficit.
- 22 Protected cell calculating the average monthly surplus/deficit. Trend indicator highlights whether current month variance has improved or deteriorated from the average monthly position.
- 23 Protected cell calculating the YTD actual surplus/deficit divided by the number of remaining months.
- 24 Protected cell calculating the extrapolated forecast outturn position. *This is calculated as the YTD position plus the continuation of the current month trend.*
- 25 Protected cell calculating the YTD Trend forecast outturn position. *This is calculated as the YTD position plus the continuation of the average YTD trend.*

### **Section C: DEL / AME Depreciation & Impairments**

#### **DEL**

- 26 **Baseline Provider Depreciation** - This should reflect asset depreciation charges which align with the WG depreciation baseline provider allocation.
- 27 **Strategic Depreciation** - This should reflect depreciation charges for capital schemes where strategic WG funding has been provided. This funding is provided in addition to the depreciation funding baseline.
- 28 **Accelerated Depreciation** - This should reflect DEL accelerated depreciation charges.
- 29 **Impairments** - This should reflect DEL impairment charges.

- 30 Other** – Any DEL charges which can not be categorised within Lines 26 -29. Supporting narrative should be provided to support any reported charges.
- 31 Total** – Protected cells calculating Total DEL Charges. **If these values differ from those reported on Line 13 (DEL) of the Monthly Profiles, provide an explanation within your narrative submission.**

#### **AME**

- 32 Donated Asset Depreciation** - This should reflect AME donated asset depreciation charges.
- 33 Impairments** - This should reflect AME Impairment charges.
- 34 Other** – Any AME charges which can not be categorised within Lines 32 and 33. Supporting narrative should be provided to support any reported charges.
- 35 Total** – Protected cells calculating Total AME Charges. **If these values differ from those reported on Line 14 (AME) of the Monthly Profiles, provide an explanation within your narrative submission.**

#### **Section D: Accountancy Gains**

- 36** This should reflect Accountancy Gains which should be phased into the monthly position once identified.

#### **Section E: Committed Expenditure held in Reserves & Contingencies**

- 37-64** This should reflect any committed expenditure held in reserves or contingencies (by main area\category) that form part of the outturn position and therefore have been phased into Section A of Table B. The description in the line must include the corresponding expenditure line reference, where the expenditure is reported in Section A.
- 65 Total** – Protected cells calculating Total Committed Reserves & Contingencies.

#### **4.5 Table B1 Lines: Net Expenditure Profiles**

**Note:** The Plan value is not a reflection of your internal budget as organisations in financial deficit will have a higher forecast planned spend value than their available internal budget value. Organisations who are forecasting financial balance are unlikely to see absolute correlation between their planned forecast expenditure profiles and their internal budget values.

It should be noted that there should be no values reported on the 'Committed Reserves' line of each section for current and previous months.

## Section A: Provider Pay Expenditure Analysis

- 1 This line should be populated with the total planned gross Pay expenditure (before savings).
- 2-6 (excluding 5) These lines should be populated with actual and forecast gross expenditure (before savings) by the designated category.
- 5 This should reflect actual\forecast profile of any associated committed expenditure held in reserves\contingencies.
- 7 Protected cell - Total Gross Expenditure – Actual/Forecast – automated total
- 8 Protected cell - Total Gross Expenditure – Variance against plan – automated total
- 9 Protected cell - Workforce Savings Plan automatically linked to Table C1
- 10 – 13 Protected cell - Linked to actual/forecast individual pay savings by category reported in Table C1
- 11 Protected cell - Total Workforce Savings – Actual/Forecast – automated total
- 12 Protected cell - Pay Savings Variance against Plan – automated total
- 16 – 18 Protected cell - Automated total calculating Net Plan (Gross Expenditure less savings), Net Expenditure (Gross Expenditure less savings) and net plan, Net Variance (Net Plan less Net Expenditure)

## Section B: Non Pay Expenditure Analysis

- 19 This line should be populated with the total planned gross Non Pay expenditure (before savings).
- 20-21 These lines should be populated with actual and forecast gross expenditure (before savings) by the designated category.
- 22 This should reflect actual\forecast profile of any associated committed expenditure held in reserves\contingencies.
- 23 Protected cell - Total Gross Non Pay Expenditure – Actual/Forecast – automated total.
- 24 Protected cell Total Gross Non Pay Expenditure Variance against plan – automated total.



- 25 Protected cell – Non Pay & Medicines Management Savings Plan automatically linked to Table C.
- 26 Protected cell - Non Pay Savings – Actual/Forecast – automated total.
- 27 Protected cell – Medicines Management Savings – Actual/Forecast – automated total.
- 28 Protected cell – Total Non Pay/ Medicines Management Savings – Actual/Forecast – automated total.
- 29 Protected cell Non Pay Savings/Medicines Management Variance against plan – automated total.
- 30 - 32 Protected cell - Automated total calculating Net Plan (Gross Expenditure less savings), Net Expenditure (Gross Expenditure less savings) and net plan, Net Variance (Net Plan less Net Expenditure).

#### **4.6 Table B2 – Section A Lines: Pay Expenditure Analysis**

This table should reflect net pay expenditure by A4C category and is to be completed on an actual/forecast basis to give a full year forecast outturn.

1 – 9 This should reflect the monthly actual and forecast spend for each of the 9 A4C categories (where appropriate).

10 **Total – Actual/Forecast** – Protected cell, calculating the total actual/forecast spend, for all A4C categories.

#### **3.7 Table B2 Section B Lines: Agency/Locum (premium) Expenditure by A4C category**

**1-9** The lines should be completed to reflect the total Agency Expenditure plus any payments to Locums at a premium rate, for previous, current and future month, analysed by staff group.

##### The following categories of expenditure should be included

- Staff not employed by the Trust and therefore not in receipt of payments through your Trust's payroll. This would include staff employed through Agencies, Self Employed Individuals etc.
- Staff employed by another NHS organisation who are undertaking sessional work within your Trust, and again are not in receipt of payments through your Trust's payroll for whom the work is being undertaken, which are paid at a premium.

##### The following categories of expenditure should be excluded

- Staff that are employed by the Trust, who undertake additional work on a temporary basis for another department within the same Trust or at another hospital site within the same Trust.

- Any staff employed on a temporary basis or fixed term contract but who are in receipt of payment through a Trust's payroll, on terms and conditions defined by that Trust.
- 10** Protected cells calculating the total expenditure per month, for the year to date and forecast as shown in lines 1 to 9.

**3.8 Table B2 Section C Lines: Agency/Locum (premium) Expenditure – Analysed by reason for usage**

**1-12** These lines have been agreed and created by the Medical Efficiency Working Group and will enable organisations to report the reasons (e.g. vacancy) for incurring the monthly agency/locum (premium) spend reported in Section B of Table B2. Total monthly spend should reconcile to the corresponding value of Table B2 Section B.

**3.9 Table C Lines: Savings Schemes**

Organisations should not include accountancy gains as a savings achievement. Savings can not be accrued in the year to date position.

The reported data should reflect all savings schemes (including Cost Improvement Plans) where management action is required in order to deliver the saving.

**1-18 This should reflect the actual and forecast performance against the identified Savings Plans.**

**Budget/Plan** – This should reflect the monthly identified budget/plan savings for each of the 6 savings group categories (where appropriate).

**Actual/Forecast** - This should reflect the monthly actual and forecast savings for each of the 6 savings group categories (where appropriate).

**Variance** - Protected cell, calculating the difference between the Budget/Plan Savings and Actual/Forecast Savings for each of the 6 savings group categories (where appropriate).

**19 Total – Budget/Plan** – Protected cell, calculating the total identified budget/plan savings, for all savings group categories.

**20 Total – Actual/Forecast** – Protected cell, calculating the total actual/forecast savings, for all savings group categories.

**21 Total - Variance** – Protected cell, calculating the difference between the total identified budget/plan savings, and the actual/forecast savings, for all savings group categories.

**22 Variance in Month** - Protected cell, calculating the in month total variance as a percentage of the in month budget/plan for all savings group categories.

**23 As % of Full Year Actual/Forecast** - Protected cell calculating the monthly Actual savings as a percentage of the full year actual/forecast savings.

### **3.10 Table C1 Lines: Pay Savings Schemes**

**1-18 This should reflect the actual and forecast performance against the identified Savings Plans by listed category.**

**Budget/Plan** – This should reflect the monthly identified budget/plan savings for each of the 6 pay savings group categories (where appropriate).

**Actual/Forecast** - This should reflect the monthly actual and forecast savings for each of the 6 pay savings group categories (where appropriate).

**Variance** - Protected cell, calculating the difference between the Budget/Plan Savings and Actual/Forecast Savings for each of the 6 pay savings group categories (where appropriate).

**19 Total – Budget/Plan** – Protected cell, calculating the total identified budget/plan savings, for all pay savings group categories.

**20 Total – Actual/Forecast** – Protected cell, calculating the total actual/forecast savings, for all pay savings group categories.

**21 Total - Variance** – Protected cell, calculating the difference between the total identified budget/plan savings and the actual/forecast savings, for all pay savings group categories.

### **3.11 Table C2 Lines: Agency/Locum (Paid at a premium) analysis**

**1-12** This should reflect the actual and forecast performance against the identified Savings Plans by listed category. Any reported in the 'Other' category should be explained in the narrative.

**Budget/Plan** – This should reflect the monthly identified budget/plan savings for each of the 4 savings group categories (where appropriate).

**Actual/Forecast** - This should reflect the monthly actual and forecast savings for each of the 4 savings group categories (where appropriate).

**Variance** - Protected cell, calculating the difference between the Budget/Plan Savings and Actual/Forecast Savings for each of the 4 pay savings group categories (where appropriate).

- 13 Total – Budget/Plan** – Protected cell, calculating the total identified budget/plan savings, for all savings group categories.
- 20 Total – Actual/Forecast** – Protected cell, calculating the total actual/forecast savings, for all pay savings group categories.
- 21 Total - Variance** – Protected cell, calculating the difference between the total identified budget/plan savings and the actual/forecast savings, for all pay savings group categories.

### **3.12 Table C3 Lines: Top 20 Identified Saving Schemes by Forecast Delivery**

Organisations should not include accountancy gains as a savings achievement. Savings can not be accrued in the year to date position. The value of the data reported in this Table C3 should agree to the Identified Savings Plan and delivery values reported in Table C.

Some organisations may have less than 20 schemes and therefore will have unused lines. Most organisations will have in excess of 20 schemes; therefore, a balancing line is provided (see lines 61-63).

During the year, schemes which will no longer deliver the planned level of savings and therefore fall out of the classification of a 'Top 20' scheme, should be removed and added to the balancing line. A replacement scheme(s) designed to recover and maintain the level of Identified Forecast Savings, should be added to the 'Top 20' listing and/or the balancing line. Irrespective of the in-year changes, for organisations that have in excess of 20 schemes that are also using the balancing line, should always be making full use of all 'Top 20' lines.

For organisations that have less than 20 schemes, replacement scheme(s) designed to recover and maintain the level of Identified Forecast Savings, may be added to the 'Top 20' listing. The scheme which is no longer delivering as planned may remain listed.

**1-60** This should reflect the actual and forecast performance against the Top 20 (in terms of value) Identified Savings Plans.

The title and brief description of each scheme should be entered in the cells described in the template as 'Schemes 1 to 20'.

**61-63** This should reflect the balance between the total of the Top 20 schemes and the total Identified Savings Plan. Organisations should state the total number of schemes which are being consolidated into the balancing line.

**Budget/Plan** – This should reflect the monthly identified budget/plan savings for each of the lines (where appropriate).

**Actual/Forecast** - This should reflect the monthly actual and forecast savings for each of the lines (where appropriate).

**Variance** - Protected cell, calculating the difference between the Budget/Plan Savings and Actual/Forecast Savings for each of the lines (where appropriate).

**64 Total – Budget/Plan** – Protected cell, calculating the total identified budget/plan savings, for all lines.

**65 Total – Actual/Forecast** – Protected cell, calculating the total actual/forecast savings, for all lines.

**66 Total - Variance** – Protected cell, calculating the difference between the total identified budget/plan savings and the actual/forecast savings, for all lines.

### **3.13 Table D Lines: Income/Expenditure Assumptions**

**1 – 13** Data should be entered for each Welsh NHS Organisation. All material income and expenditure should be included. However, any immaterial exclusions must be agreed between both parties to ensure consistent reporting, and where the risk of non receipt will not impact on an organisations financial outturn. As a minimum, the actual income & expenditure to date must be reported for non contracted items. The inclusion of forecast figures should again be agreed between both parties.

**14** Protected cell calculating the total for all Welsh organisations.

### **3.14 Table E Lines: Anticipated Income**

**1** This should reflect the latest agreed annual income figures.

**2-34** List separately, under the appropriate columns, any additional income not yet received.

**35** Protected cell calculating the Total Annual Income (Received and Anticipated).

### **3.15 Table F Lines: Risks**

**Current Reported Forecast Outturn** – Protected cell showing the current forecast year end position as reported in Table B, Line 18.

**1-22** Enter data for individual items. A number of set text risk descriptions (lines 1-3) have been created which should be used; the remaining lines are free text. In addition an assessment of the likelihood of the risks materialising should be provided using the drop-down selection in

Column D. An Action Plan should be provided within the narrative report or as an appendix, for each of the items reported within this table. Risks can not form part of an improved best case outturn.

- 23-29** Enter data for individual items. In addition, an assessment of the likelihood of the opportunity materialising should be provided using the drop-down section in Columns D and F. The value and assessment must be consistent, if it is being reported in the Worse Case column to offset Risks, with that reported in the Best Case.
- 30** Protected cell calculating the total for all risks entered into Lines 1 to 29.
- 31** Protected cell calculating the amended forecast outturn positions after all risks are taken into consideration.

### **3.16 Table G Lines: SoFP (Required from Month 3 onwards)**

For further guidance refer to the notes of the Final Accounts

- 1 Property, Plant & Equipment** – This should reflect all Non Current Assets.
- 2 Intangible Assets** – This should reflect all Non Current Intangible assets.
- 3 Trade and Other Receivables** – This should reflect all Non Current Trade and Other Receivables.
- 4 Other Financial Assets** – This should reflect all Non Current Other Financial Assets.
- 5 Sub Total – Non Current Assets** – Protected cell calculating the sub total of Lines 1 to 4.
- 6 Inventories** - This should reflect the total Inventory.
- 7 Trade and Other Receivables** – Include the total of all Current Receivables.
- 8 Other Financial Assets** - This should reflect other Current Financial Assets.
- 9 Cash and Cash Equivalents** - The figure to be recorded here is the total of cash and cash equivalents held by the Trust.
- 10 Non Current Assets Classified as held for sale** - Record any Non-current assets which are short term purchases for resale.

- 11 **Sub Total – Current Assets** – Protected cell calculating the sub total of Lines 6 to 10.
- 12 **Total Assets** – Protected cell calculating the total of Lines 5 and 11.
- 13 **Trade & Other Payables** – Include the total of all Current Payables.
- 14 **Borrowings** – This should reflect all Current Borrowings.
- 15 **Other Financial Liabilities** – This should reflect other Current Financial Liabilities, as per note in the Final Accounts.
- 16 **Provisions** - Record all short term Provisions.
- 17 **Sub Total – Current Liabilities** – Protected cell calculating the sub total of Lines 13 to 16.
- 18 Protected cell calculating total assets less current liabilities.
- 19 **Trade and Other Payables** - Include the total of all Non Current Payables.
- 20 **Borrowings** – This should reflect all Non Current Borrowings.
- 21 **Other Financial Liabilities** – This should reflect other Non Current Financial Liabilities.
- 22 **Provisions** - Record all long term Provisions.
- 23 **Sub Total – Non Current Liabilities** – Protected cell calculating the sub total of Lines 19 to 22.
- 24 Protected cell calculating the Total Assets Employed.
- 25 **PDC** - This is the value of all Public Dividend Capital (PDC) held by the Trust.
- 26 **Retained Earnings** - This should reflect the net surplus/deficits retained by the Trust.
- 27 **Revaluation Reserve** – this reserve records the value of indexation and revaluation adjustments relating to purchased assets only.
- 28 **Other Reserve** - Other reserves should be used to account for any reserves not included in lines 27. If any such reserves are created a full note on the nature of and reasons for them should be provided.
- 29 Protected cell calculating Total Tax Payers Equity.

- 30-38** This should provide details of all provisions included in Lines 16 and 22. If a category of provision appears in both 16 and 22, these should be listed separately.
- 39** Protected cell calculating Total Provisions.
- 40-42** This should provide details of Aged Welsh NHS Receivables analysed over the provided age brackets. This should agree to the totals shown on the Aged Debtor schedule for the reporting period.
- 43-44** This should provide details of Trade and Other Payables analysed between capital and revenue.

### **3.17 Table H Lines: Cash Flow**

- 1 - 7** Detail cash received against the relevant line, separately recording income (LHB/WHSSC and WG), short-term loans, PDC, interest receivable, sale of assets and other. Items shown on line 7 (other) must be specified in the narrative.
- 8** Protected cells calculating the total receipts for the funding categories shown in lines 1 to 7.
- 9 - 15** Detail payments made, against the relevant line. Items shown on line 15 (other) must be specified in the narrative.
- 16** Protected cells calculating the total expenditure for the payments categories shown in lines 9 to 15.
- 17 – Net Cash Inflow/Outflow** - Protected cell calculating the net cash flow for the month.
- 18 – 19** - Protected cells calculating the carried forward cash balance from previous month (with the exception of the April column, where the closing 2017/18 cash balance should be entered into the balance b/fwd. cell), plus the net cash flow within the month, to show the monthly cash balance.

### **3.18 Table I Lines: PSPP**

**Data to be entered to 1 decimal place only**

**Lines on Table**

#### **30 Day Compliance**

- 9** This should reflect the % value of NHS invoices paid within 30 days.



- 10 This should reflect the % number of NHS invoices paid within 30 days.
- 11 This should reflect the % value of Non NHS invoices paid within 30 days.
- 12 This should reflect the % number of Non NHS invoices paid within 30 days.

**10 Day Compliance**

- 13 This should reflect the % value of NHS invoices paid within 10 days.
- 14 This should reflect the % number of NHS invoices paid within 10 days.
- 15 This should reflect the % value of Non NHS invoices paid within 10 days.
- 16 This should reflect the % number of Non NHS invoices paid within 10 days.

**The performance target is based on the number of bills paid.**

If current performance is under 95% then an explanation must be provided in the commentary of why target has not been met and what remedial action is being taken to achieve compliance by March 2019.

**3.19 Table J Lines: Capital Expenditure Limit Management**

The **agreed CEL funding** value should be shown within the cell provided.

The **issue date** of the latest approved CEL should be shown within the cell provided. As a minimum, updated CEL Schedules issued in the first 5 working days must be reflected in the latest Monitoring Return submission.

**Lines 1 to 70 Gross Capital Expenditure, including Finance Leases**

**1-41 All Wales Capital Programme**

The lines should provide the relevant information for each individual approved scheme within the All Wales Capital Programme.

- 42 Protected cells calculating the totals for all schemes funded through the All Wales Capital Programme.

**43-47 Discretionary**

The lines should provide details of expenditure for the five categories of Discretionary Schemes.

- 48 Protected cells calculating the totals for all schemes funded through the Discretionary Capital.

**49-68 Other Schemes**

The lines should provide details of expenditure for all other capital scheme expenditure. This includes capital expenditure utilising donation and capital grant receipts. In addition, where capital sales receipts have

been re-invested as additional capital expenditure to net of the NBV from the Asset Disposal, this should also be reflected within this section.

- 69 Protected cells calculating the totals for all other schemes.
- 70 Protected cells calculating the total expenditure all capital schemes.
- 71-75 **Capital Grants** - Information should be by individual Grant Scheme Receipt, relating to expenditure recorded within this table.
- 76 Protected cells calculating the totals for all capital grant receipts.
- 77 **Donations** - This should include the information for donation receipts, relating to expenditure recorded within this table.
- 78 Protected cells calculating the totals for all donation receipts.
- 79-89 **Asset Disposals** - The net book value should be included for each individual asset disposal, including donated.
- 90 Protected cells calculating the totals for all asset disposals.
- 91 **Technical Adjustments** – This line should reflect the charge against the CEL of losses on the disposal of donated assets. Organisations should not use this line for anything other than this without WG approval.
- 92 **Charge against CEL** - Protected cell calculating the total capital expenditure less capital grants receipts, donations receipts, NBV of asset disposals, plus or minus technical adjustments.
- 93 **Performance against CEL** - Protected cell calculating the variance between the approved notified CEL funding value, and the Charge against CEL.

### 3.20 Table K Lines: In Year Capital Schemes

The lines should provide a monthly analysis of the planned capital expenditure for individual schemes, by:

- 1-33 All Wales Capital Programme
- 34 Protected cells calculating the totals for all schemes funded through the All Wales Capital Programme
- 35-39 Discretionary
- 40 Protected cells calculating the totals for all schemes funded through the Discretionary Capital

## 41-60 Other Schemes

61 Protected cells calculating the totals for all other schemes

62 Protected cells calculating the monthly and annual totals for all schemes.

### 3.21 Table L Lines: Capital Disposals

#### Section A: In Year Disposal of Assets

1-15 Details of individual planned and actual disposals for the current year. It is acceptable to consolidate all equipment disposals onto one line, if there are insufficient lines available.

#### Section B: Future Years Disposal of Assets

16-30 Details of individual planned disposals for future years. It is acceptable to consolidate all equipment disposals onto one line, if there are insufficient lines available.

### 3.22 Table M Lines: External Financing Limit

This table shows in summary form the requirement for a positive or negative external financing limit arising from the proposed income, expenditure, and the SoFP plans. Lines 19 to 22 indicate how the Trust is keeping within its external financing limit. **The total at lines 18 and 23 should be equal and opposite.**

- 1 This line **must** be equal to Table B line 16 and should reflect the retained surplus/(deficit).
- 2 - 3 Enter the total DEL depreciation and AME donated depreciation as per Table B Section C (**positive**).
- 4 Enter the total AME and DEL Impairments as per Table B Section C (**positive**).
- 5 Enter the net gain (-)/loss(+) on the disposal of assets; this should be equal and opposite to Table B line 16.
- 6 Enter the profit(-)/loss(+) on the sale/termination of discontinued operations.
- 7 Enter the total of all proceeds from the sale of non current assets.
- 8 Enter income from other sources, including donations solely for the purpose of acquiring fixed assets; include sources as **positive**.
- 10 Show total capital expenditure as a **negative**. This must be equal (and opposite) to Table J line 70.

- 11 Provide details of any other items of expenditure included on this line in an accompanying note. Expenditure is shown as **negative**. Any entries on this line should be agreed in advance with Health and Social Services Group – Capital Division.
- 12-16 Enter the movement in the balances for the year using the SoFP **1 April 2018** and the **31 March 2019** figures in Table G.
- 12 The movement in inventory is the increase (-) or decrease (+) in Table G line 6, taking the opening SoFP amount from the closing SoFP amount.
- 13 The movement in receivables and prepayments and accrued income is the increase (-) or decrease (+) in Table G lines 7 to 8 and 10, taking the opening SoFP amount from the closing SoFP amount.
- 14 Derive movement in payables (for each type) and accruals by taking the opening SoFP amount from the balance at the end of the period using Table G lines 13 and 15 with increases in payables as **positive** and decreases as **negative**.
- 15 Enter the movement in creditors greater than one year. This figure must be calculated from Table G, line 19 and 21. Increases are shown as **positive** and decreases as **negative**.
- 16 Changes in provisions are taken from Table G, lines 16 and 22, increases shown as **positive** and decreases as **negative**.
- 17 Sub total of Lines 12 to 16.
- 18 The net financial change is equivalent in concept to the External Financing Requirement and is the sum of lines 1 to 16. **This must be equal and opposite to line 23.**

#### **External Financing Requirements (Lines 19 to 22)**

- 19 - 22 The data entered should all be derived from the movement in balances for the period from **1 April 2018** to **31 March 2019** as shown in Table G. For lines 19 to 22, all net increases should be shown as **positive**, all decreases as **negative, except for line 21 which is the opposite.**
- 19 Show PDC received or repaid during the year. This is derived from the movement of balances in Table G line 25.
- 20 Show the net movement in temporary borrowing, i.e. borrowing for periods of less than 12 months.

- 21** Show the net change in cash and cash equivalents. This is derived from the net movement in balances on Table G, line 9 where a net increase is shown as **negative** and a net decrease is shown as **positive**.
- 22** Show a net increase in finance lease payables as **positive(+)**, a net decrease as **negative(-)**.
- 23** This is the sum of lines 19 to 22, **and must be equal and opposite to line 18**.

### **3.23 Table N Lines: Debtors Schedule 2018-19**

**Invoices which have exceeded the 17 week deadline and which have not been submitted for arbitration must be cancelled and must not form part of the submission or the organisation's financial position.**

Enter the details of each outstanding Debtor, using the comments column to provide any additional details. This should agree to the analysis on the SoFP Sheet.

Due to timing differences, there is an opportunity to record payments which have been received after month end, but before the submission of the Monitoring Return, in order to provide the latest position on debt recovery.