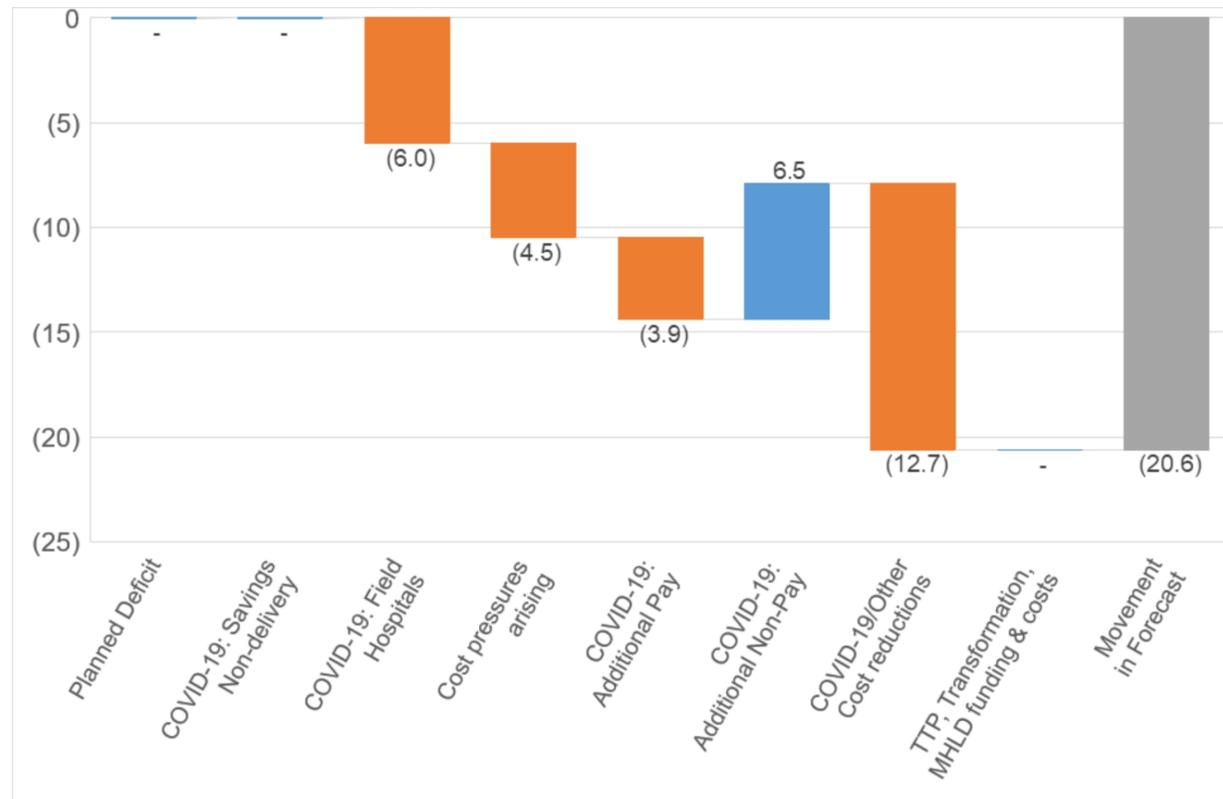
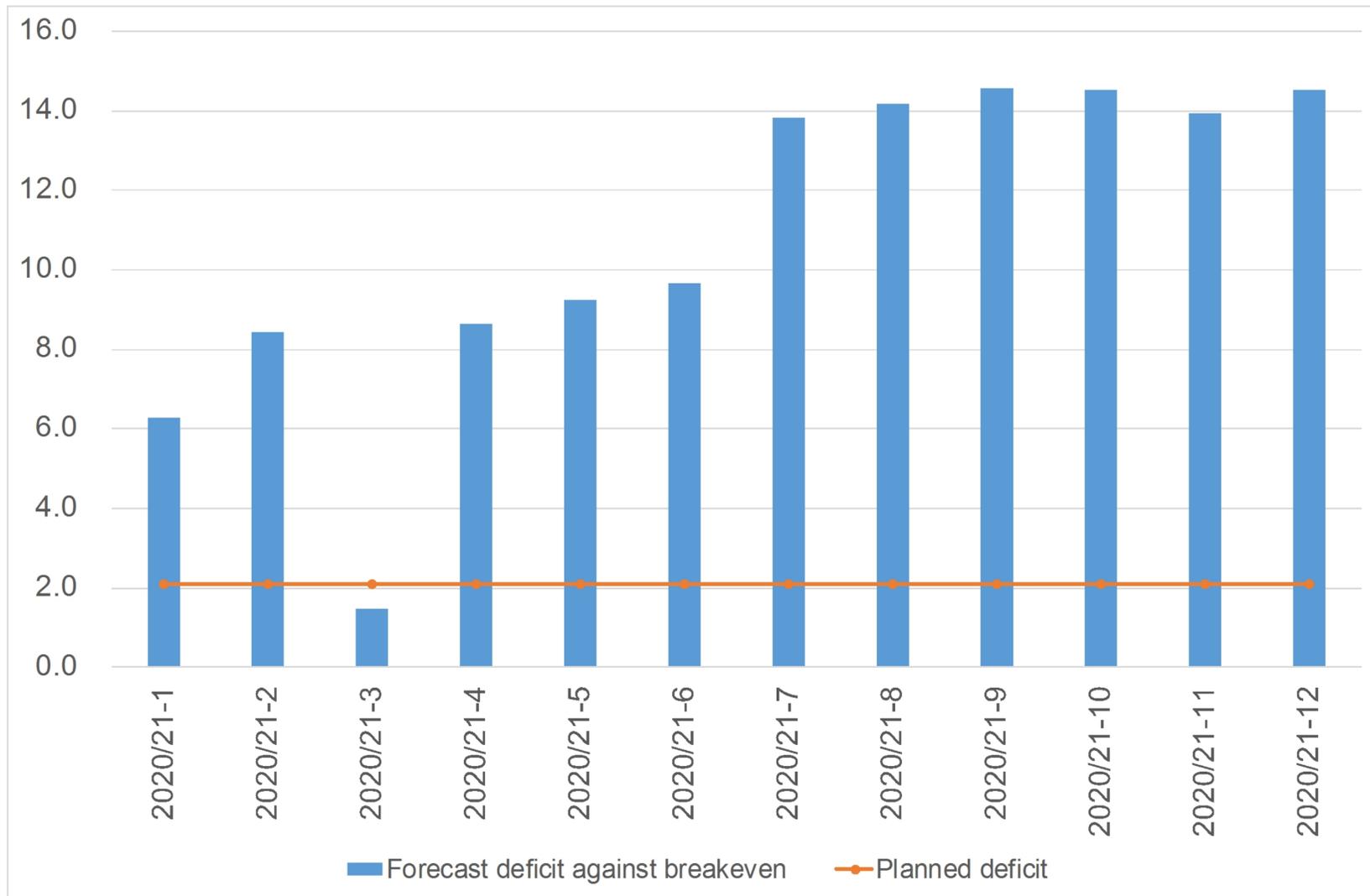


Significant risks and opportunities which could materially affect the forecast depending on the evolving COVID-19 situation.

The forecast has moved from £129.4m in Month 3 to £108.8m in Month 4.



- Field Hospitals: £6m reduction based on moving from a 'worse case' peak 501 bed requirement to 'realistic' model. All decommissioning costs now in FY21. Significant reduction in the benefit previously identified from utilising staff from existing sites following the social distancing bed reduction.
- Now several months of data is available, Prescribing costs previously charged to core budgets have been re-classified as COVID-19 costs (£3.9m re-classified, £4.4m total charge to COVID-19);
- Werndale contract Q3&4 £3.5m broadly offset by a reduction in the cost of the fixed term staff cohort;
- Assumption regarding timing and volume of return of elective care services significantly reduced in Planned Care Non-Pay (c.£5.6m) and Pay (c.£3.2m);
- Significantly lower than anticipated activity in other services, and extended for majority of financial year;
- Following a review of Reserves, release of NICE Reserve (£1.1m) against lower than expected activity.



# Financial Forecast 2020/21: Key Items

	Total	Central	Pay	Non-Pay
Plan	25.0	25.0		
Field Hospitals	26.2		2.4	23.8
Savings	30.8	30.8		
COVID-19 Existing sites	65.4		31.5	33.9
Cost pressures	1.8			1.8
Q1 WG funding	(10.8)	(10.8)		
TTP, Transformation, MHL D funding	(6.0)	(6.0)		
Cost reductions	(23.6)	(23.6)		
	108.8	15.4	33.9	59.5

- Rent and rates £8.5m;
- Fit out and restoration costs £10.1m;
- Security, site management, equipment and bed hire £2.0m;
- Consequential losses £1.2m;
- Running costs £1.4m.

- Planned Care Non-Pay £5.9m and Pay £3.2m;
- Reduced activity in specialist and support services £2.6m;
- Nursing Agency £2.5m;
- Unscheduled Care £2.4m
- Travel £1.7m;
- Dental GDS contract £1.7m;
- Utilise NICE reserve £1.1m;
- LTA drugs recharges £1.0m;
- WHSSC LTA £0.7m.

- Fixed term cohort extended to March 2021 £12.2m;
- Establishment additionality £11.5m (Nursing £5.7m, Medical £2.8m, HCSW £2.5m, Estates £1.2m);
- Agency £5.1m (Nursing £3.2m, Medical £1.6m);
- Student Nurses early on-board £2.3m.

- Drugs and Oxygen £2.0m;
- CHC (accelerated discharge premium) £2.0m;
- Tregaron and South Pems bed capacity £1.1m
- Prescribing £0.5m;
- Dental GDS contract and loss of income £0.6m.

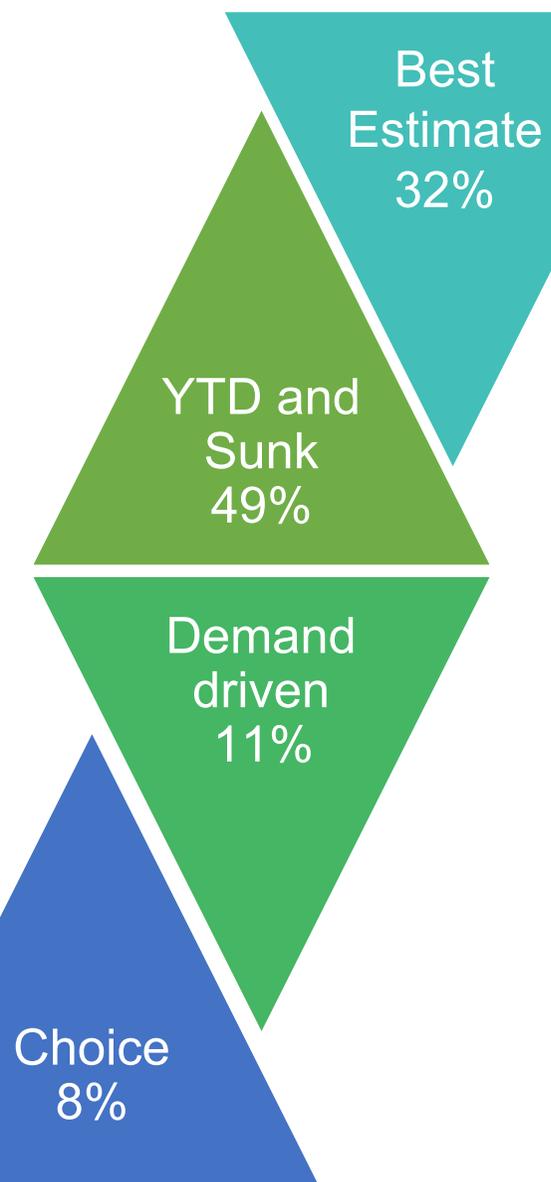
*Note that Test Trace Protect (TTP) costs now include Local Authority expenditure (Non-Pay, £3.7m) and HB expenditure (Pay, £0.4m) which is funded by WG. The above also includes previously forecast HB costs of £1.0m Antigen testing and £1.1m Antibody testing for which no funding is currently assumed. Transformation and MHL D reserves of £1.8m will be diverted to COVID-19 responses.*

Modelled assuming more 'realistic' scenario based on demand to date and local intelligence.

- Impact of current 2m social distancing guidelines in ward areas, whereby existing acute capacity would not significantly reduce following mitigating actions such as screens; the 2m guidance is currently under review;
- Existing Acute capacity is required to be utilised at the forecast Q2 level for the remainder of the year in response to COVID-19;
- Additional capacity required in response to Winter Pressures will largely be fulfilled by Field Hospitals;
- Fixed term cohort extended to March 2021;
- Werndale contract assumed to continue without WG funding in Q3 and Q4;
- Cost reductions assumed to continue to some extent for remainder of financial year;
- Trace element of TTP now included for both HB and Local Authority expenditure in line with WG funding.

## Field Hospitals

- Field Hospital requirement of 94 beds at a potential peak:
  - Fulfills capacity lost in existing sites following implementation of current 2m social distancing guidance;
  - Number of sites assume no requirement; Parc Y Scarlets Stadium to be de-commissioned;
- Field Hospital staffing modelled on substantive costs basis – no premium for Agency workers is included. Where fixed term employees are available, assumed that these will firstly fulfil the requirements in the Field Hospitals;
- All de-commissioning costs assumed to fall into current financial year, regardless of exit date;
- VAT on revenue set-up costs for Bluestone and Parc Y Scarlets Barn now recognised based on latest guidance.



	Total £'m	YTD and Sunk	Best Estimate	Demand driven	Choice
Plan	25.0	25.0			
Field Hospitals	26.2	21.2		2.9	2.1
Savings	30.8	10.5	20.3		
Additional Pay	31.5	12.9	12.2		6.4
Additional Non-Pay	33.9	10.5	2.9	20.0	0.5
Cost pressures	1.8	0.6	1.2		
Q1 WG funding	(10.8)	(10.8)			
TTP, Transformation, MHLD funding	(6.0)	(6.0)			
Cost reductions	(23.6)	(11.0)	(2.1)	(10.5)	
	<b>108.8</b>	<b>52.9</b>	<b>34.5</b>	<b>12.4</b>	<b>9.0</b>

## YTD and Sunk

- Contractually committed set-up and restoration costs, and consequential losses.
- Months 1-4 Actual costs incurred.
- Months 5-6 Fixed Term cohort contracted.

## Best Estimate

- Existing site Pay continues for remainder of year to retain current capacity.

## Demand Driven

- Variable costs linked to activity.
- Assumes all Field Hospital (FH) Pay linked to demand.

## Choice

- Choice to exit from all FH sites by end December 2020.
- Fixed term staff cohort extended beyond Month 6.

Field Hospitals (Revenue)	Total £'m	YTD and Sunk	Best Estimate	Demand driven	Choice
Set up	6.8	6.8	-	-	-
Restoration	3.2	3.2	-	-	-
Consequential losses	1.2	1.2	-	-	-
Pay	2.3	0.1	-	2.2	-
Rent	8.5	6.4	-	-	2.1
Rates and utilities	0.3	0.3	-	-	-
Laundry, Cleaning, Catering	0.6	0.4	-	0.2	-
Security, Site Management and Maintenance	1.6	1.5	-	0.1	-
Equipment hire	1.3	1.3	-	-	-
Drugs and Medical gases	0.2	-	-	0.2	-
M&SE consumables	0.1	-	-	0.1	-
Other	0.1	-	-	0.1	-
<b>Total</b>	<b>26.2</b>	<b>21.2</b>	<b>-</b>	<b>2.9</b>	<b>2.1</b>

## YTD and Sunk

- Contractually committed set-up and restoration costs, and consequential losses.
- Months 1-4 Actual costs incurred.

## Best Estimate

- Assumes exit from all FH sites by end December 2020.

## Demand Driven

- Variable costs linked to activity.

## Choice

- Choice to exit from all FH sites by end December 2020.

**NB.** The above figures align to the Month 4 submission to Welsh Government; however, since the submission, the Health Board has extended its contract with Bluestone to the end of December 2020 and negotiated a 50% reduction in rent from 14<sup>th</sup> August 2020.

Existing sites	Total £'m	YTD and Sunk	Best Estimate	Demand driven	Choice
Additional costs in Primary Care	2.9	0.8	0.3	1.8	-
Private Provider Services	3.5	-	-	3.5	-
CHC	1.9	0.8	0.2	0.9	-
Drugs inc Medical Gases	1.2	0.3	0.1	0.8	-
Rent	1.2	0.6	0.1	-	0.5
Test, Trace Protect (inc Local Authority)	4.0	0.2	0.5	3.3	-
Transformation funds	1.8	-	-	1.8	-
Loss of Non-Contracted Income	3.1	2.0	0.6	0.5	-
M&SE Consumables	3.3	0.9	0.3	2.1	-
Prescribing	4.4	1.3	0.4	2.7	-
PPE	1.2	0.4	0.1	0.7	-
Estates/Security costs	1.8	1.0	0.1	0.7	-
Equipment costs	1.1	0.7	-	0.4	-
Other	2.5	1.5	0.2	0.8	-
<b>Non-Pay Sub-total</b>	<b>33.9</b>	<b>10.5</b>	<b>2.9</b>	<b>20.0</b>	<b>0.5</b>
<b>Pay</b>	<b>31.5</b>	<b>12.9</b>	<b>12.2</b>	<b>-</b>	<b>6.4</b>
<b>Total</b>	<b>65.4</b>	<b>23.4</b>	<b>15.1</b>	<b>20.0</b>	<b>6.9</b>

## YTD and Sunk

- Months 1-4 Actual costs incurred (Pay £10.7m, Non-Pay £10.5m).
- Fixed term staff cohort contracted to Month 6 (£2.2m).

## Best Estimate

- Months 5-12 Pay forecast £12.2m (excluding Fixed Term cohort) to retain current capacity.
- Month 5 Non-Pay forecast.

## Demand Driven

- Variable costs linked to activity.
- Return of Non Contracted Activity (NCA) income from Month 5.
- Private Provider required (Werndale).

## Choice

- Accommodation costs for staff and marquee hire could be ceased.
- Fixed term staff cohort extended beyond Month 6 (£6.4m).

Cost (reduction)/pressure	Total £'m	YTD and Sunk	Best Estimate	Demand driven	Choice
Planned Care activity: Non-Pay	(5.9)	(3.4)	(0.4)	(2.0)	-
Planned Care activity: Pay	(3.2)	(0.5)	(0.3)	(2.4)	-
Travel	(1.7)	(0.6)	(0.2)	(1.0)	-
Catering	(0.4)	(0.2)	(0.0)	(0.2)	-
WHSSC slippage	(0.7)	(0.6)	(0.0)	(0.0)	-
Nursing Agency	(2.5)	(1.8)	(0.3)	(0.4)	-
Dental GDS reduced contractual payments	(1.7)	(0.5)	(0.2)	(1.1)	-
Other	(0.5)	(0.5)	-	-	-
Unscheduled Care Various	(2.4)	(1.9)	(0.2)	(0.3)	-
Radiology activity: RROL costs, Drugs, Agency use	(1.1)	(0.1)	(0.1)	(0.9)	-
Pathology activity: Drugs, ILOL costs and consumbles	(0.3)	-	(0.1)	(0.2)	-
Oncology activity: High Cost Drugs	(1.2)	(0.4)	(0.2)	(0.6)	-
NICE Reserve	(1.1)	-	(0.1)	(1.0)	-
LTAs: High Cost Drugs re-charges	(1.0)	(0.5)	(0.1)	(0.4)	-
<b>Cost reductions Total</b>	<b>(23.6)</b>	<b>(11.0)</b>	<b>(2.1)</b>	<b>(10.5)</b>	<b>-</b>
Category M, NCSO, NOACs in Primary Care Prescribing	1.6	0.6	1.0	-	-
Immunisations increased uptake	0.2	-	0.2	-	-
<b>Cost pressures Total</b>	<b>1.8</b>	<b>0.6</b>	<b>1.2</b>	<b>-</b>	<b>-</b>

## YTD and Sunk

- Month 1-4 Actual reductions materialised / costs incurred.

## Best Estimate

- Prescribing price increases experienced at an All-Wales level; assumes any increase in demand is contained.
- Month 5 cost reductions forecast.

## Demand Driven

- Variable cost reductions linked to activity.

Savings	Total £'m	YTD and Sunk	Best Estimate	Demand driven	Choice
Green and Amber schemes impacted by COVID-19	2.2	1.0	1.2	-	-
Red Pipeline schemes identified through planning cycle 20/21	12.8	9.5	12.8	-	-
Unidentified savings requirement	15.8		6.3	-	-
<b>Total</b>	<b>30.8</b>	<b>10.5</b>	<b>20.3</b>	-	-

## YTD and Sunk

- Months 1-4 non-delivery only.

## Best Estimate

- Green and Amber schemes that are not supportive of the response to the pandemic actively ceased.
- The operational focus is diverted to the organisation's response to COVID-19, and therefore not to the identification of further savings schemes.
- Red Pipeline schemes will require significant operational focus, and will be dependent on the demands resulting from time pressures driven by the scale and acuity of the pandemic.