



AGENDA ITEM

6.5

CTM BOARD

FINANCE UPDATE – MONTH 11 of 2021/22

Date of meeting	31 /3/2022
FOI Status	Open/Public
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Report purpose	FOR DISCUSSION / REVIEW

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)

Committee/Group/Individuals	Date	Outcome
Welsh Government	11/3/2022	NOTED

ACRONYMS

A&C	Administration & Clerical	I&E	Income & Expenditure
AWCP	All Wales Capital Programme	LTA	Long Term Agreement
AME	(WG) Annually Managed Expenditure	M1	Month 1 (M2 Month 2 etc)
CHC	Continuing Healthcare	PCMH	Primary Community & Mental Health
COO	Chief Operating Officer	PCH	Prince Charles Hospital
CRES	Cash Releasing Efficiency Savings	POW	Princess of Wales Hospital



CRL	Capital Resource Limit	RGH	Royal Glamorgan Hospital
FNC	Funded Nursing Care	PSPP	Public Sector Payment Policy
HCHS	Healthcare & Hospital Services	WG	Welsh Government
IHI	Institute of Healthcare Improvements	WHSSC	Welsh Health Specialised Services Committee
IMTP	Integrated Medium Term Plan	YTD	Year to Date

FINANCE REPORT – MONTH 11 of 2021/22

1. SITUATION

The purpose of this report is to highlight the key messages in relation to the current month, year to date and forecast year-end financial position of Cwm Taf Morgannwg (CTM) University Health Board as at Month 11 (M11). The report sets out the position in respect of confirmed and anticipated income and actual and forecast expenditure.

2. BACKGROUND

This report should be read in the context of the draft CTM Integrated Medium Term Plan for 2021/22 to 2023/24, which is available on the website, and the updated draft 2021/22 financial plan, as described in earlier finance reports.

The updated draft financial plan for 2021/22 consists of three elements; core, Covid response and planned care recovery. The 21/22 financial plan also assumed that around £9m of existing cost pressures projected by ILGs & Directorates is avoided or managed out. There is a £5m transitional budget to support this which will provide some temporary headroom if actual costs are lower. The plan reflected a breakeven position through Q1 to Q4, with the deficit in the core plan being offset by a corresponding surplus against Covid funding, giving an overall breakeven position for 2021/22.

3. ASSESSMENT

As at M11, we are reporting a YTD underspend of £(0.6)m.

We are continuing to forecast a break even position for 2021/22. The key issue to highlight this month is the movement in the Annual leave accrual: The annual leave accrual at 31 March 21 was £13.5m and we are forecasting that this will increase by £3.9m in 21/22 to £17.4m. We are planning to meet £1.9m of this increase from existing budgets and are requesting additional WG funding of £2.0m for the balance.

Forecast savings performance remains lower than plan and there needs to be a clear focus to increase recurrent savings to reduce the impact into 2022-23.

The planned recurrent deficit at the end of 2021/22 was £31.4m. The forecast underlying deficit at M11 is now £44.5m (M10: £44.5m). This level of underlying deficit represents a significant concern, especially given the challenging resource outlook for 2022-23.

4. RECOMMENDATION

The Board is asked to **DISCUSS** the contents of the Month 11 Finance report for 2021/22.

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5. HEADLINE MESSAGES AND KEY ACTIONS

5.1 MONTH 11

- At M11, we are reporting a small YTD underspend of £(0.6)m. Actual expenditure to M11 on delegated budgets was showing a £10.2m overspend and this was offset by a £(10.8)m underspend on Non Delegated budgets to give a £0.6m underspend.

Revenue Performance

	Year to Date £'m	Annual Forecast £'m
(Under)/Over spend	(0.6)	0

5.2 SAVINGS PERFORMANCE

- The actual savings to M11 of £11.5m (M10: £10.5m) is £1.1m below the M11 YTD target of £12.6m.
- The forecast savings for 21/22 is £12.7m which is £1.8m below the In year savings target of £14.5m.
- The forecast savings for M12 is therefore £1.2m which is broadly consistent with the actual savings in M11 of £1.0m.
- Forecast recurrent savings at M11 is £5.4m (M10:£5.4m) compared to a recurrent savings target of £16.1m. The forecast recurrent shortfall in savings delivery is therefore £10.7m.

5.3 FORECAST OUT TURN

- We are continuing to forecast a break even position at M11. The key issue to highlight is the movement in the Annual leave accrual: The annual leave accrual at 31 March 21 was £13.5m and we are forecasting that this will increase by £3.9m in 21/22 to £17.4m. We are planning to meet £1.9m of this increase from existing budgets and are requesting additional WG funding of £2.0m for the balance.

5.4 UNDERLYING POSITION

- The planned recurrent deficit at the end of 2021/22 was £31.4m. The forecast recurring deficit is £44.5m at M11 (M10: £44.5m).
- This level of underlying deficit remains a significant concern, especially given the challenging resource outlook for 2022/23. There needs to be a clear focus on recovery plans to reduce the impact going into next financial year.

5.5 CAPITAL

- The Capital Resource Limit for 2021/22 currently stands at £79.7m.
- The Health Board is continuing to forecast a breakeven position against the CRL for 2021/22.
- Actual spend to M11 is £57.1m (M10: £48.4m), leaving a balance of circa £22m to be spent in M12.

5.6 KEY ACTIONS

The key actions include:




- Developing recovery plans to address the significant deterioration in the forecast recurrent deficit at the end of 2021/22.
- Finalising the financial plan for 22/23.

6. SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)

6.1 Financial Position and Key Targets – Month 11

The Health Board has a statutory duty to achieve a break even position over a period of three financial years. This applies to both revenue and capital expenditure. Over the last two financial years, the Health Board has achieved a surplus of £971k and £71k for revenue and capital expenditure respectively. This means that the Health Board can overspend by £971k and £71k for revenue and capital expenditure respectively in 2021/22 and still meet its three year statutory duty. The Health Board also has an administrative duty to pay a minimum of 95% of all non-NHS invoices within 30 days.

The table below details the Health Board's 2021/22 current and forecast performance against these key financial targets:

Target	Unit	Current Month	Year to Date	Trend	Forecast Year End
Revenue To ensure that the Health Board's revenue expenditure does not exceed the aggregate of it's funding in each financial year. Measured by variance against plan to break even.	£'000 +Adverse ()Favourable	(273)	(590)		0
Capital To ensure net capital spend does not exceed the Welsh Government Capital Resource Limit. Measured by variance against plan to manage to the Resource Limit	£'000 +Adverse ()Favourable	741	0		0
Public Sector Payment Policy To pay a minimum of 95% of all Non NHS invoices within 30 days. Measured by actual performance	%	96.2%	95.5%		95%

6.2 Revenue Performance by Expenditure Category

	Annual Budget £'000	Over/(Under) Spend	
		Current Month £'000	Year to Date £'000
Delegated Budgets			
Pay	610,499	864	1,519
Non Pay	721,868	(1,144)	5,241
Income	(143,728)	(245)	359
Delegated Savings Plans	(3,653)	421	3,110
Total Delegated Budgets	1,184,985	(104)	10,229
Non Delegated Budgets	55,641	(169)	(10,819)
WG COVID Allocations	(111,133)	0	0
WG Allocations	(1,129,493)	0	0
GRAND TOTAL M11	0	(273)	(590)
GRAND TOTAL Previous month	0	(118)	(317)

The M10 YTD Delegated overspend was £10.3m which represented an average monthly overspend of £1.0m. The M11 underspend of £(0.1)m was therefore a £1.1m improvement from trend.

The key overspends to highlight in the M11 Current month position are as follows:

- The £864k pay overspend includes BG ILG (£733k), MC ILG (£133k) and W&OD (£112k).
- The non-pay underspend of £(1,144)k includes overspends for Facilities (£193k), Medicines Mgt (£298k), Covid projects (£116k) and Estates (£302k).
- The income underspend of £(245)k includes overspends for Bridgend ILG (£161k) and Primary Care (£122k).

Further information on these overspends is provided in Section 6.4 below.

The key overspends to highlight in the M11 YTD position are as follows:

- The £1,519k YTD pay overspend includes BG ILG (£3,319k), Medical Director (£205k), Estates (£228k), W&OD (£294k) and Covid projects (£128k).
- The non-pay overspend of £5,241k includes RTE ILG (£496k), Facilities (£1,735k), Medicines Mgt (£3,205k), Primary care (£535k), PC&S (£412k), Estates (£2,164k), W&OD (£159k) and Covid projects (£122k).
- The income overspend of £359k includes Bridgend ILG (£1,940k), MC ILG (£124k), Facilities (£281k) and PC&S (£142k).

Further information on these overspends is provided in Section 6.4.

Further information on the Savings position is provided in Section 6.7.

Further information on the Non Delegated budgets is provided in Section 6.8.

6.3 Pay Expenditure trends

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

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

The Key issues to highlight are as follows:

- The M1 position was broadly consistent with the previous 3 months, after taking account of the following comments:
 - The M12 position includes additional accruals for NHS Pensions, NHS Staff bonus, Annual Leave not taken & study leave, which total £52m.
 - Medical costs include £3.6m of accountancy gains in M10 and £0.4m in M11, which would increase the gross position to £12.3m and £11.9m respectively.
 - The increase in Nursing & ACS costs in M10 was due to the introduction of a new accruals methodology (Nursing £1.9m and ACS £1.2m).
- The M2 position remained consistent with M1, the only movement was within Additional Clinical Services, where bank costs caused an increase of £0.5m on M1.
- The M3 position was £2m lower than M2 with the main reductions being seen in Nursing £0.7m and ACS £1.0m. This was due to reductions in the payments for overtime in M3.
- The M4 position remained consistent with M3 with no significant movements.
- The M5 position increased by £2.5m over M4. The main reason for this increase was a new charge of £1.9m for the additional costs for annual leave on overtime to 31 March 21, which has been calculated on an All Wales basis. The M5 position also included a corresponding assumed allocation for this amount.
- The M6 position increased by £5.5m compared to M5. After allowing for the £1.9m additional one off costs for annual leave on over time, the net increase was £7.4m. This was primarily attributed to the national pay award of 3% being applied in M6, including arrears back to April 21.
- The total expenditure in M7 of £50.9m represented a £1.5m over the M4 spend of £48.0m after uplifting for 3% inflation. The main increases were Additional Clinical Services (ACS) £600k (9.7%), Medical & Dental (M&D) £500k (4.1%) and

Nursing £400k (2.5%). The most significant increase was seen in ACS and this was attributed to the impact of increased overtime rates in M7.

- The M8 spend of £53.1m was a £2.2m increase over M7 and £1.8m of this increase was seen in Nursing. The most significant impacts in M8 were:
 - Write back of NHS Bonus £(1.0)m
 - Recognition of holiday pay on overtime £1.2m
 - Increase in overtime following new overtime arrangements £1.1m
 - Increased Nurse Agency costs to support capacity in Bridgend locality £0.8m
- The accrual that was recognised in 2020/21 for the NHS COVID bonus was £13.4m. Total payments to M6 was £12.4m (M5: £12.4m) for NHS employed staff. The £1m benefit has been returned to WG and the £1m write back was released in M8.
- The M9 position decreased by £0.8m compared to M8. The main reason for this decrease was a reduction in registered nursing agency costs as a result of difficulties in filling shifts.
- The M10 position increased by £2.1m over M9. The main reason for the increase was the additional 1% non consolidated lump sum pay award of £2.1m which was paid in M10.
- The M11 position decreased by £1.4m compared to M10. After allowing for the £2.1m non consolidated payment in M10, the real M11 position was a £0.7m increase. The most notable increases were M&D £0.4m and A&C £0.2m.

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



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

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



6.4 Revenue Performance by Area

		Over/(Under) Spend		
	Annual Budget £'000	Current Month £'000	Year to Date £'000	Year to Date %
Integrated locality groups:				
Bridgend	210,561	108	4,456	2.32
Merthyr & Cynon	215,396	(238)	(730)	(0.37)
Rhondda & Taff Ely	224,995	(448)	1,034	0.50
Total ILGs	650,953	(578)	4,760	0.50
Delivery Executive:				
Medicines Management	132,242	108	3,316	2.77
Primary care	139,045	11	(916)	(0.72)
Facilities	15,096	260	2,143	15.52
COVID Planned projects	1,974	191	243	14.09
Planned Care Recovery plans	8,305	(6)	0	0.00
Other	2,554	(3)	(8)	(0.03)
Total Delivery Executive	299,216	561	4,783	1.60
Contracting & Commissioning	133,396	(389)	(1,817)	(1.47)
Corporate Functions	101,421	302	2,503	2.75
Total Delegated Budgets	1,184,985	(104)	10,229	0.95
Non Delegated budgets	(1,184,985)	(169)	(10,819)	
GRAND TOTAL M11	0	(273)	(590)	
GRAND TOTAL Previous month	0	(118)	(317)	

The key pay, non pay and income **overspends** to highlight in relation to the M11 Current month and the M11 YTD positions are as follows:



	M11 Current month	
	£k	Comment
BG ILG- Pay	733	Key drivers include: - Medicine and ED/AMU overspends for both nursing and medical staff. - Ongoing pressures in unfunded surge areas at POW and YS. - Transfer of the previously commissioned Rheumatology service from Swansea Bay, unfunded additional costs for TUPE'd staff and associated service provision.
BG ILG- Income	161	Three key issues: Colorectal LTA cessation, HSDU SLA cessation plus shortfalls against CAMHS income targets linked to new funding for Swansea Bay.
MC - Pay	133	Primarily nursing budgets (£98k in Acute Surgery, £89k in Mental Health, £58k in Acute Medicine offset by a £103k underspend in Women and Children).
Primary Care – Income	122	Reflects the slow recovery of patient charge income within dental services linked to ongoing reduced activity levels as a result of the pandemic.
Medicines Mgt – Non Pay	298	The M11 overspend includes a £194k overspend on primary care prescribing which was driven by a further increase in costs based on the most recent PAR data for December. There was also an in month catch up on vaccine costs (£122k) bringing the position in line with forecast.
Facilities – Non pay	193	This includes the ongoing cost pressure linked to COVID vehicles (£97k), beds (£55k) and other various transport pressures (£42k).
Estates - non pay	302	This overspend reflects the ongoing pressures around increased gas and electricity prices linked to recent market volatility.
Covid Projects – Non pay	116	The current month deficit reflects the ongoing running costs of Ysbyty Seren



W&OD - Pay	112	This overspend mainly relates to a catch up in the costs of Graduates and agency costs in Occupational Health which relate to earlier months of the year but were only accounted for in M11.
Total	2,170	

	M11 YTD	
	£k	Comment
BG ILG - Pay	3,319	The YTD overspend is predominantly driven by the pressures outlined above for the M11 in month overspend. Medical & Nursing pressures are in part being driven by the additional costs of the surge ward at POW, surge at YS and ED Covid stream staffing costs. Also transfer of the previously commissioned Rheumatology service from Swansea Bay UHB from October 1 st 2021 has attracted associated costs, predominantly medical and nursing costs of TUPE'd staff, without any funding having been delegated.
BG ILG- income	1,940	Key elements: Colorectal LTA cessation, HSDU SLA cessation, plus CAMHS income targets linked to new funding for Swansea Bay which is offset by a corresponding underspend against pay budgets. It is important to note that the CAMHS pay underspends mask other pay overspends which are predominantly driven by medical and nursing pressures in the acute CSGs, particularly in Medicine.
MC ILG- Income	124	This is primarily in Therapies (£170k) and relates to posts funded from external sources (LAs, UHBs and others) which are or have been vacant. The under-recovery of income is offset by an under spend against the corresponding pay budgets.
RTE ILG – non pay	496	This includes overspends on Mental Health CHC (£896k), Immunology outsourcing due to the collapse of the service (£414k), maintenance contracts in surgery (£49k) and Diabetic pumps and consumables (£608k). These overspends are partially offset by underspends on drugs (£677k),



		orthopaedic implants (£490k), pacemakers (£100k) and the Pathology managed service contract (£194k). These underspends are largely due to planned care activity levels being lower than they were pre Covid.
Facilities – non pay	1,735	This overspend spans a number of issues including taxis, patient transport (including COVID vehicles), beds and security. Further urgent work is being undertaken by the Facilities directorate to understand the drivers for these significant overspends and the recovery plan actions needed to bring the costs back to the budgeted levels. Actions taken to cease costs associated with storage are now showing a monthly improvement in the ongoing cost.
Facilities – income	281	The main drivers are a loss of income for PCH and other residential income due to conversion into office spaces and social distancing measures (£152k) plus a loss of income from the CPU (£42k) due to Covid. In addition there is a £55k under recovery against income for the laundry which is offset by an underspend on pay
Medicines Mgt – non pay	3,205	The budget requested by Medicines Mgt for Primary Care prescribing in 21/22 was significantly less than the actual out-turn position for 20/21. Actual costs have not reduced to the levels anticipated in the IMTP as quickly as anticipated and this budget continues to overspend. However reductions in CATM prices from July and again in October have improved the position compared to Q1. Further reductions are anticipated from January. These have however been offset to some degree by increased spend linked to prescribing activity seen in the last two months actual data (Nov & Dec)
Primary care – non pay	535	<p>The M11 YTD non pay overspend is now £535k. However, the overall M11 YTD position is showing a total underspend of £916k. The £515k non- pay overspend is therefore more than offset by underspends on Pay and Income.</p> <p>The key driver of the £535k non pay overspend is a net overspend of £666k on the managed practice which is in part off set by underspends on PCSU.</p>



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PC&S – Non Pay	412	This includes a £484k overspend on Legal claims which is being offset by other non-pay underspends across a range of areas.
PC&S - Income	142	This includes £181k of unachieved income on income generation linked to RESUS. This is driven by the impact of COVID restrictions and is offset by overachievement across a number of other areas.
Medical Director - Pay	205	This includes a £29k overspend on the AMD structure plus a £106k overspend on the Neonatal Improvement team. Also included is an overspend of £45k due to not managing to the planned vacancy factor levels.
Estates - Pay	228	Increased temporary staffing and overtime costs across the directorate to cover vacancies which are being covered at a premium cost.
Estates – Non pay	2,164	Largely driven by the increased gas and electricity costs linked to recent market volatility plus a deteriorating position within B&E expenditure. The latter is across numerous headings and further work is ongoing to understand the drivers.
W&OD- Pay	294	This overspend includes £121k for the Health & Safety team linked to long COVID agency cover and unfunded posts. £84k of nurse agency relates to expenditure which needs to be recharged to ILG's once details are provided
W&OD – Non pay	159	This is largely driven by the costs for hoists which were purchased as part of the COVID response, advertising and recruitment, £72k relating to staff vaccines and £57k for Computer Software/ Licenses.
Covid projects - Pay	128	The year to date deficit reflects the ongoing pay costs associated with therapy and ancillary staff within Ysbyty Seren.
Covid projects – Non pay	122	The year to date deficit reflects the ongoing running costs of Ysbyty Seren, in particular the impact upon provisions and PPE.
Total	15,489	

6.5 Forecast Positions

We are continuing to forecast a break even position at M11. The key issue to highlight is the movement in the Annual leave accrual: The annual leave accrual at 31 March 21 was £13.5m and we are forecasting that this will increase by £3.9m in 21/22 to £17.4m. We are planning to meet £1.9m of this increase from existing budgets and are requesting additional WG funding of £2.0m for the balance.

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

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

The £13.1m deterioration in the forecast underlying deficit from the planned recurrent deficit of £31.4m is a key financial priority for the Health Board.

6.6 Covid Position

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

	Note	M11 Year end forecast	M10 Year end forecast	Movement between M11 and M10 forecasts
Programme costs		£m	£m	£m
TTP		12.1	11.9	0.2
Mass Vaccination		13.4	13.0	0.4
Extended Flu		0.8	0.8	0
Cleaning standards		1.3	1.2	0.1
CHC/FNC support		0.8	0.8	0
PPE		2.9	2.9	0
Long COVID		0.8	0.7	0.1
Sub total		32.1	31.3	0.8
Assumed funding – programme element		(29.9)	(29.9)	0
Total Programme costs		2.3	1.5	0.8
Other Covid costs:				
Field hospital	1	2.9	2.9	0
Dental income loss	1	3.0	3.0	0
Operational expenditure cost reduction	1	(2.1)	(1.8)	(0.2)
Other covid costs	1	26.2	25.1	1.1
Increased covid response to reflect revised assessment of bed demand		4.5	4.5	0
Planned Care Recovery Tranche 1	2	15.0	15.6	(0.6)
Planned Care Recovery Tranche 2 (inc NRS, PACU & Community Health)		5.8	5.8	0
Annual Leave accrual	3	3.9	0.0	3.9
Sub total		59.3	55.1	4.2
Confirmed funding- formula element		(26.1)	(26.1)	0
Confirmed funding- PCR element		(16.8)	(16.8)	0



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

The key points to note are as follows:

1. Other Covid costs

	M11 Year end forecast	M10 Year end forecast	Movement between M11 and M10 forecasts
	£m	£m	£m
Covid response ILGs	17.2	17.2	0
Covid response outside ILGs	4.5	4.5	0
Urgent emergency care (inc SDEC & 111)	2.6	2.6	0
Reduction in NHS Bonus	(1.0)	(1.0)	0
RPB Winter Funding	1.5	1.5	0
Social model for Primary Care	0.3	0.3	0
MCA	0.1	0.1	0
Prison Services	0.1	0.1	0

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

2. Planned care recovery- Tranche 1

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

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

3. Annual leave accrual

Please see Section 3 above.

6.7 Savings Performance by Area

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

	Month 11			Month 10		
	M11 YTD	21/22	Rec	M10 YTD	21/22	Rec
	£m	£m	£m	£m	£m	£m
Savings targets	12.6	14.5	16.2	11.6	14.5	16.2
Actual and Forecast Savings	(11.5)	(12.6)	(5.5)	(10.4)	(12.7)	(5.5)
Total	1.1	1.9	10.7	1.2	1.8	10.7

The key points to highlight are as follows:

- The actual savings to M11 of £11.5m (M10: £10.4m) is £1.1m below the M11 YTD target of £12.6m.
- The forecast savings for 21/22 is £12.6m which is £1.9m below the In year savings target of £14.5m.
- The forecast savings for M12 is therefore £1.1m which is broadly consistent with the actual savings in M11 of £1.1m.
- Forecast recurrent savings at M11 is £5.5m (M10: £5.5m) compared to a recurrent savings target of £16.2m. The forecast recurrent shortfall in savings delivery is therefore £10.7m.

A summary analysis by ILG, service area and corporate directorates is provided below:



Area	In year Savings Target £000	M11 YTD Actual £000	Current In Year Forecast	Green	Amber	% of Current Year Forecast to Target
Bridgend ILG	4,031	3,038	3,349	3,336	13	83.1%
Merthyr & Cynon ILG	3,609	2,504	2,757	2,757		76.4%
Rhondda & Taf ILG	3,924	2,708	3,085	3,001	84	78.6%
Medicines Management	1,752	918	1,005	1,005		57.4%
Primary Care	138	126	138	112	26	100.0%
Corporates	835	691	754	754		90.3%
Other Delivery Executive	170	2	2	2		1.3%
Contracting & Commissioning	90	0	0			0.0%
Non Delegated	0	1,487	1,497	1,497		
Grand Total	14,549	11,475	12,587	12,463	124	86.5%

Area	Recurrent Savings Target £000	Forecast FYE	Green	Amber	% of Forecast recurrent savings to Target
Bridgend ILG	4,031	1,535	1,392	143	38.1%
Merthyr & Cynon ILG	3,609	759	759		21.0%
Rhondda & Taf ILG	3,924	1,260	916	344	33.1%
Medicines Management	2,708	1,005	1,005		37.1%
Primary Care	213	0			0.0%
Corporates	1,337	721	721		54.0%
Other Delivery Executive	263	0			0.0%
Contracting & Commissioning	139	0			0.0%
Non Delegated	0	130	130		
Grand Total	16,223	5,411	4,924	487	33.4%

6.8 Non Delegated budgets

The Month 11 YTD position is summarised below:

	M11 YTD	M10 YTD
	£k	£k
Non Recurring slippage – Annual target £2.0m	1,833	1,667
Actual Slippage	(4,613)	(4,194)
Other Non delegated variances	(7)	(206)
Non Delegated Savings Variance	(1,546)	(1,546)
Phasing in of Reserve budgets	(6,486)	(6,370)
Total	(10,819)	(10,649)

6.9 Key Risks and Opportunities

The key financial risks and opportunities for 21/22 are summarised below. These are consistent with the M11 Monitoring return submission to WG:

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

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

7. IMPACT ASSESSMENT

Quality/Safety/Patient Experience implications	There are no specific quality and safety implications related to the activity outlined in this report.
Related Health and Care standard(s)	Governance, Leadership and Accountability
	If more than one Healthcare Standard applies please list below:
Equality Impact Assessment (EIA) completed - Please note EIAs are required for <u>all</u> new, changed or withdrawn policies and services.	<p>No (Include further detail below)</p> <p>If yes, please provide a hyperlink to the location of the completed EIA or who it would be available from in the box below.</p> <p>If no, please provide reasons why an EIA was not considered to be required in the box below.</p>
Legal implications / impact	There are no specific legal implications related to the activity outlined in this report.
Resource (Capital/Revenue £/Workforce) implications / Impact	<p>Yes (Include further detail below)</p> <p>The paper is directly relevant to the allocation and utilisation of resources.</p>
Link to Strategic Goals	Sustaining Our Future

APPENDIX A

WELSH GOVERNMENT ALLOCATIONS

	Annual Budget
	£k
Confirmed funding	1,217,546
Unconfirmed funding	23,080
TOTAL	1,240,626

Key Issues

The most significant anticipated allocations include:

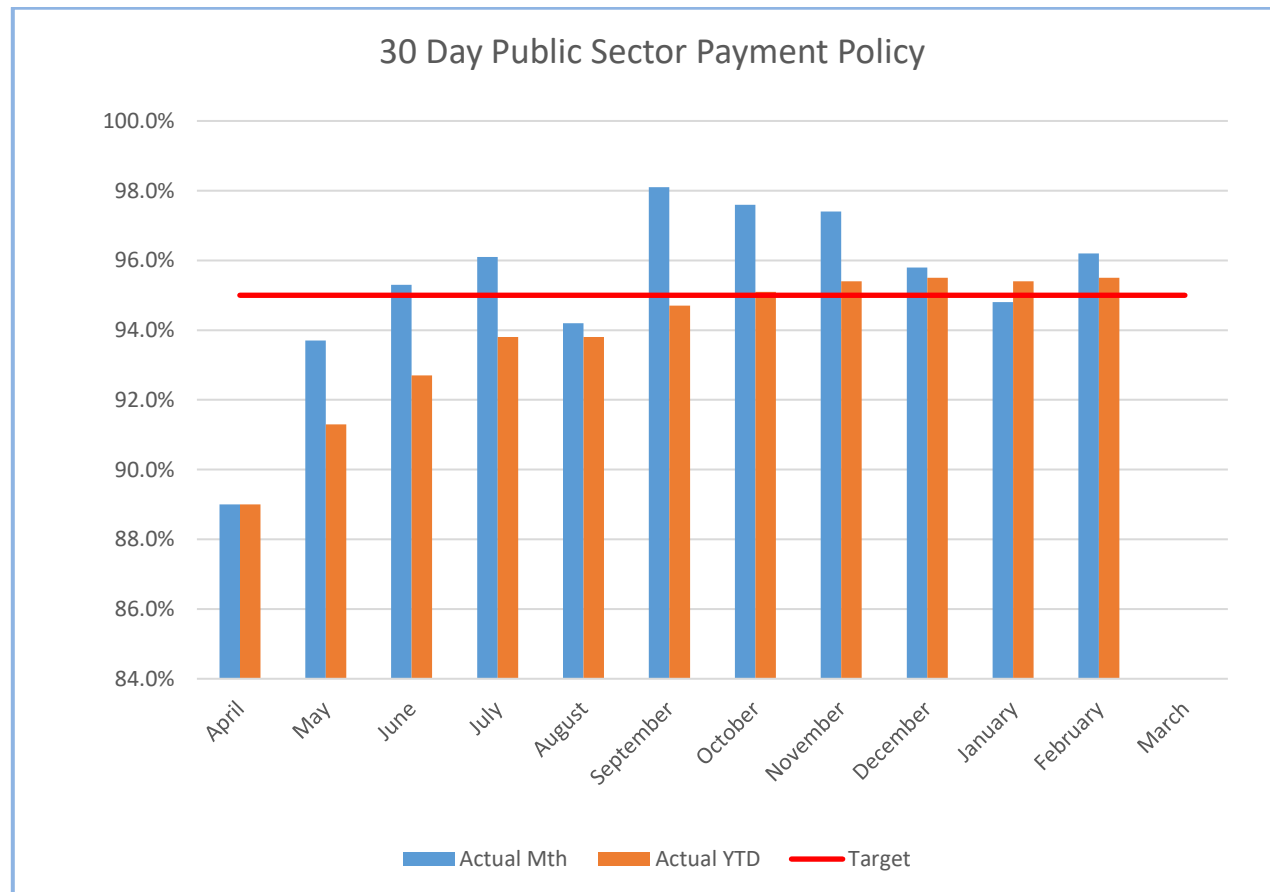
- Non Cash Depreciation - £11.9m
- Transformation Fund - £3m
- Substance Misuse - £3.7m
- Value in Health - £2.2m
- RPB Transformation Scaling Fund - £0.6m
- Holiday Pay on Overtime – £1m
- GMS Capacity Fund - £0.3m



APPENDIX B

Public Sector Prompt Payment (PSPP) Performance

The Health Board's monthly performance against the 95% public sector payment target is detailed in the graph below:



Key Issues:

- The percentage for the number of non-NHS invoices paid within the 30 day target in February was 96.2%.
- The M11 YTD percentage is 95.5%, which is above the target value of 95%.



APPENDIX C

Balance Sheet

The Month 11 Balance sheet is detailed below:

Balance Sheet	Opening Balance (01/04/2021) £'000	Closing Balance as at M10 £'000	Closing Balance as at M11 £'000	Forecast Closing Balance M12 £'000
Non Current Assets				
Property, Plant & Equipment	549,909	573,590	579,880	549,909
Intangible Assets	4,150	4,150	4,150	4,150
Trade and Other Receivables	39,298	39,298	39,298	39,298
Total Non-Current Assets	593,357	617,038	623,328	593,357
Current Assets				
Inventories	6,061	6,538	6,409	6,061
Trade and Other Receivables	124,984	103,370	103,974	112,484
Cash and Cash Equivalents	687	4,271	8,083	687
Total Current Assets	131,732	114,179	118,466	119,232
Current Liabilities				
Trade and Other Payables	175,210	171,576	173,831	162,710
Provisions	49,579	49,582	45,244	49,579
Total Current Liabilities	224,789	221,158	219,075	212,289
Non-Current Liabilities				
Trade and Other Payables	1,143	1,143	1,143	1,143
Provisions	45,680	45,680	45,680	45,680
Total Non-Current Liabilities	46,823	46,823	46,823	46,823
TOTAL ASSETS EMPLOYED	453,477	463,236	475,896	453,477
Financed By:				
General Fund	404,625	414,384	427,044	404,625
Revaluation Reserve	48,852	48,852	48,852	48,852
TOTAL	453,477	463,236	475,896	453,477

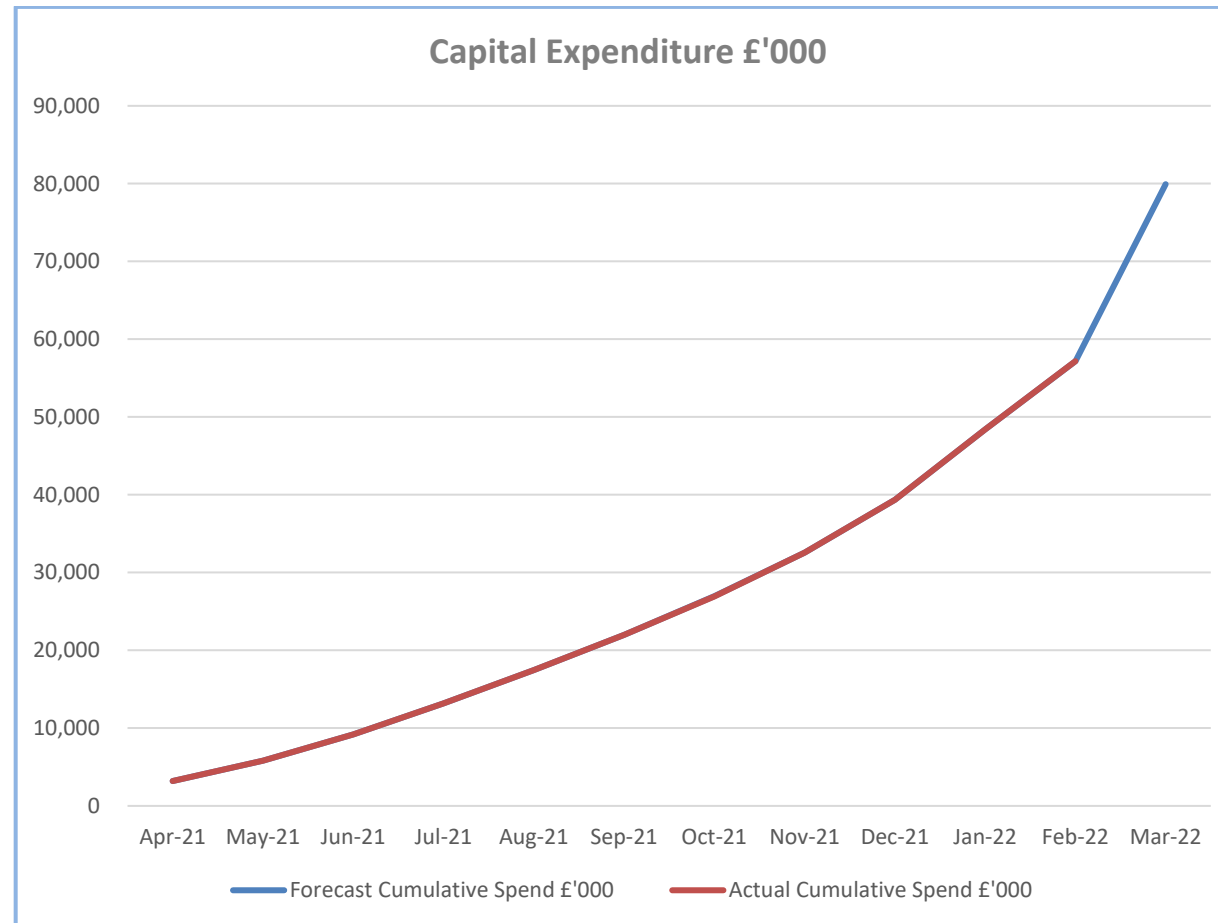
Key Issues:

- The closing cash balance at M11 was £8.0m.
- The value of Provisions has reduced by £4.3m largely as a result of the change in the quantum for one Clinical Negligence case.
- The value of Payables has increased by £2.3m largely due to the increase in NHS accruals.



APPENDIX D

Performance against Capital Resource Limit



Key Issues:

- The Capital Resource Limit of £79.7m was issued on the 4th March 2022.
- This is supplemented by £0.1m of donated funds, giving an overall programme of £79.8M. Assets with a NBV of £0.1M have been disposed of in this financial year and this figure will also be added to the programme.
- Expenditure to M11 was £57.2M, leaving a balance of circa £22.6m to be spent in M12.
- The forecast outturn capital position is breakeven against the CRL target.



APPENDIX E

Cash position

The monthly cash flow is detailed in the table below:

Cashflow	Actual/Forecast												
	Apr £'000	May £'000	Jun £'000	Jul £'000	Aug £'000	Sep £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £'000	Total £'000
Receipts													
WG Revenue Funding	90,592	84,776	99,547	107,200	89,625	100,204	186,320	116,125	2,058	95,801	106,892	116,554	1,195,694
WG Capital Funding	5,500	3,000	4,000	6,300	3,500	7,100	12,000	1,000	0	7,000	9,750	16,034	75,184
Sale of Assets	0	24	(4)	0	0	(15)	0	0	65	49	(40)	0	79
Welsh NHS Org'ns	21,950	9,746	12,834	13,714	9,265	11,772	8,693	8,945	10,729	9,687	9,409	12,183	138,927
Other	5,251	14,562	2,363	2,143	3,561	2,059	2,165	3,722	3,275	1,452	6,868	6,000	53,421
Total Receipts	123,293	112,108	118,740	129,357	105,951	121,120	209,178	129,792	16,127	113,989	132,879	150,771	1,463,305
Payments													
Primary Care Services	27,093	7,811	20,087	26,774	7,152	18,401	15,892	16,534	28,839	8,727	17,147	19,193	213,650
Salaries and Wages	43,069	54,707	51,906	47,419	56,951	51,799	44,045	49,276	49,790	50,757	49,847	56,000	605,566
Non Pay Expenditure	47,435	43,850	43,359	50,953	36,790	44,741	40,927	48,421	46,461	51,859	50,397	62,615	567,808
Capital Payments	4,725	3,689	3,634	4,331	4,070	5,313	4,188	5,104	6,022	3,170	11,676	20,359	76,281
Other	0	0	0	0	0	0	0	0	0	0	0		0
Total Payments	122,322	110,057	118,986	129,477	104,963	120,254	105,052	119,335	131,112	114,513	129,067	158,167	1,463,305
Net Cash In/Out	971	2,051	(246)	(120)	988	866	104,126	10,457	(114,985)	(524)	3,812	(7,396)	
Balance B/F	687	1,658	3,709	3,463	3,343	4,331	5,197	109,323	119,780	4,795	4,271	8,083	
Balance C/F	1,658	3,709	3,463	3,343	4,331	5,197	109,323	119,780	4,795	4,271	8,083	687	

Key Issues

- The closing cash balance at M11 was £8.083m.
- The latest forecast is showing a forecast cash surplus of £0.7m in M12. This is after the proposed return of £15m surplus Revenue cash and £4.5m surplus Capital cash to WG in 2021-22.
- Approximately £20.7m of WRP debtors remains outstanding at the end of M11. The profile of the remaining receipts are under regular review.