



**AGENDA ITEM**

2.2.2

**PLANNING, PERFORMANCE & FINANCE COMMITTEE**

**MONTH 1 MONITORING RETURNS TO WELSH GOVERNMENT**

<b>Date of meeting</b>	22/06/2021
<b>FOI Status</b>	Open/Public
<b>If closed please indicate reason</b>	Not Applicable - Public Report
<b>Prepared by</b>	Mark Thomas, Deputy Director of Finance
<b>Presented by</b>	Steve Webster, Director of Finance & Procurement
<b>Approving Executive Sponsor</b>	Executive Director of Finance & Procurement
<b>Report purpose</b>	FOR NOTING

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

<b>Committee/Group/Individuals</b>	<b>Date</b>	<b>Outcome</b>
Welsh Government	14/05/2021	NOTED

**ACRONYMS**

WG	Welsh Government
M1 etc	Month 1 etc
PPFC	Planning, Performance & Finance Committee
LHB	Local Health Board

## **MONTH 1 MONITORING RETURNS TO WELSH GOVERNMENT**

### **1. SITUATION/BACKGROUND**

In addition to our normal internal Finance reports there is a WG requirement for a Committee of the Board to receive the monthly Monitoring Return submissions to WG (narrative report plus certain tables) in order to provide the Committee with transparency on the submission made to WG.

The purpose of this report is to provide the PPFC with information from the M1 Financial Monitoring Return submission to Welsh Government.

### **2. SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)**

The HB, SHA & Trust Monthly Financial Monitoring Return Guidance was issued on 23 April 2021. This guidance refers to the monitoring return spreadsheet and accompanying narrative that LHBs will need to complete to report their 2021/22 financial performance, together with the following requirements:

The Day 9 submission to WG must be agreed and the narrative signed by both the Director of Finance and Chief Executive before the submission is made to WG. The Board governance, regarding the arrangements for when the Director of Finance and/or Chief Executive is not available, should be set out at the start of the year and shared with the Head of NHS Financial Management.

An additional statement must be included in the narrative each month to clarify the date and main Committee of the Board which will receive that Month's Financial Monitoring return (consisting of the Narrative, Table A, Table A2, Table B3 and Tables C, C1, C2 & C3) in order to provide the Committee with , transparency on the submission made to WG.

The following information is provided at Annex A:

<b>Annex A</b>
M1 Narrative report
Table A - Movement
Table A2 - Risks
Table B3 – COVID-19 Analysis
Tables C, C1 & C2
Table C3

### 3. KEY RISKS/MATTERS FOR ESCALATION TO BOARD/COMMITTEE

All information made available to WG should be consistent with that provided to the Board. The detailed commentary in the Monitoring Returns must include a statement confirming that the financial information reported in the Monitoring Return aligns to the financial details included with the internal Board papers.

The key information included in the M1 Financial Monitoring returns is summarised below. This information is consistent with the M1 Finance reports going to Management Board, PPFC and the Board.

	M1 Actual	M1 Opening Plan	M1 Forecast	Opening plan Forecast
	£m	£m	£m	£m
Core plan	2.5	1.9	22.8	22.8
Covid plan	(2.5)	(2.5)	(3.0)	(3.0)
Planned care recovery	0	0	0	0
<b>Total</b>	<b>0</b>	<b>(0.6)</b>	<b>19.8</b>	<b>19.8</b>

The key points to note are as follows:

- The M1 Covid position is in line with the opening plan.
- The M1 Core plan is £0.6m above plan. This is due to a number of timing issue which are expected to recover in M2 and future months.

As at Month 1 we are reporting a forecast recurrent deficit of £32.2m at the end of 21/22. This is consistent with the draft financial plan submitted to WG as part of the IMTP submission.

### Summary of WG funding due to COVID-19



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

	<b>M1 Actual</b>	<b>M1 Opening plan</b>	<b>M1 Forecast</b>	<b>Opening plan Forecast</b>
<b>Programme costs</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
TTP	0.77	1.19	9.88	10.82
Mass Vaccination	1.1	1.1	9.6	9.6
Extended Flu	0	0	0	0
Cleaning standards	0.19	0.19	2.32	2.32
CHC/FNC support	0.3	0.3	3.6	3.6
PPE	0.15	0.2	1.6	1.65
<b>Sub total</b>	<b>2.5</b>	<b>2.98</b>	<b>27.04</b>	<b>27.99</b>
Assumed funding – programme element	(2.5)	(2.98)	(27.04)	(27.99)
<b>Total Programme costs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other Covid costs:</b>				
Field hospital	0.61	0.46	2.28	2.13
Primary care prescribing	0.3	0.3	3.6	3.6
Dental income loss	0.34	0.37	3.02	3.05
Undelivered savings	1.34	1.34	5.0	5.0
Operational expenditure cost reduction	(0.5)	(0.5)	(2.25)	(2.25)
Slippage on Planned investments and re-purposing of development initiatives	0	0	0	0
Other covid costs ( including Long covid, IT, Secondary care reactive costs and Costs to transition out of Covid operating models)	1.34	1.34	11.49	11.49
<b>Sub total</b>	<b>3.43</b>	<b>3.31</b>	<b>23.14</b>	<b>23.01</b>
Confirmed funding	(5.89)	(5.89)	(26.1)	(26.1)
<b>Total Other Covid costs</b>	<b>(2.46)</b>	<b>(2.58)</b>	<b>(2.96)</b>	<b>(3.09)</b>

The opening plan for TTP included £0.3m for the Community testing across CTM in M1 (forecast £0.3m). No costs have been reported for M1 pending confirmation of funding from WG

There are no other significant issues to note at M1



## Summary of Savings Plans & Achievement

The financial plan for 2020/21 includes a £16.2m recurring savings target which has been reduced by £5.0m on an In year basis only to reflect the ongoing impact of Covid 19 on savings delivery at the beginning of 21/22.

The savings plans being reported at M1 are consistent with the IMTP submission at the end of March:

	Month 1		
	M1 YTD	20/21	Rec
	£m	£m	£m
Savings targets	1.3	16.2	16.2
Forecast Savings	0	(7.8)	(10.8)
<b>Sub total</b>	<b>1.3</b>	<b>8.4</b>	<b>5.4</b>
Covid funding abatement	<b>(1.3)</b>	<b>(5.0)</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>3.4</b>	<b>5.4</b>

Further work is ongoing to close the £3.4m gap for 21/22 and this will continue to be updated during Q1 and will be fixed at M3.

The financial plan for 2020/21 also includes planned accountancy gains of £6.2m. These will be released into the YTD position by Month 6 at the latest.



#### 4. IMPACT ASSESSMENT

<b>Quality/Safety/Patient Experience implications</b>	There are no specific quality and safety implications related to the activity outlined in this report.
<b>Related Health and Care standard(s)</b>	Governance, Leadership and Accountability
	If more than one Healthcare Standard applies please list below:
<b>Equality impact assessment completed</b>	Not required
<b>Legal implications / impact</b>	There are no specific legal implications related to the activity outlined in this report.
<b>Resource (Capital/Revenue £/Workforce) implications / Impact</b>	Yes (Include further detail below)
	The paper is directly relevant to the allocation and utilisation of resources.
<b>Link to Strategic Well-being Objectives</b>	Ensure sustainability in all that we do, economically, environmentally and socially

#### 5. RECOMMENDATION

5.1 The Committee is asked to:

- **NOTE** the contents of the Month 1 Monitoring Returns submitted to Welsh Government for 2021/22.