



AGENDA ITEM

2.2.2iii

PLANNING, PERFORMANCE & FINANCE COMMITTEE

MONTH 2 MONITORING RETURNS TO WELSH GOVERNMENT

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

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

Committee/Group/Individuals	Date	Outcome
Welsh Government	11/06/2021	NOTED

ACRONYMS

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

MONTH 2 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 M2 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:



Annex A
M2 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 M2 Financial Monitoring returns is summarised below. This information is consistent with the M2 Finance reports going to Management Board, PPFC and the Board.

	M2 Actual	M2 YTD	M2 Forecast
	£m	£m	£m
Core plan	2.0	3.7	20.5
Covid 19 plan	(1.7)	(3.4)	(20.5)
Planned care recovery	0	0	0
Total	0.3	0.3	0

The M2 YTD position is £0.3m above plan. This is due to a number of timing issues which are expected to recover in M3 and future months.

As at Month 2 we are reporting a forecast recurrent deficit of £31.4m (M1-£32.2m) at the end of 21/22. This is consistent with the latest draft financial plan submitted to WG on 11 June.

Summary of WG funding due to COVID-19

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

	M2 Actual	M2 YTD = M2 Plan	Updated Plan/ Forecast
Programme costs	£m	£m	£m
TTP	0.98	1.73	11.2
Mass Vaccination	1.27	2.3	10.1
Extended Flu	0	0	0
Cleaning standards	0	0.19	2.1
CHC/FNC support	0.3	0.6	3.6
PPE	0.26	0.4	1.7
Sub total	2.81	5.22	28.6
Assumed funding – programme element	(2.81)	(5.22)	(28.6)
Total Programme costs	0	0	0
Other Covid costs:			
Field hospital	0.34	0.95	3.0
Dental income loss	0.3	0.33	2.7
Operational expenditure cost reduction	(0.2)	(0.7)	(1.3)
Slippage on Planned investments and re-purposing of development initiatives	0	0	0
Other covid costs	2.2	3.9	25.7
Planned Care Recovery	0.7	0.7	16.8
Sub total	3.34	5.18	46.9
Confirmed funding	(3.34)	(5.18)	(46.9)
Requested funding for Covid overspends from 2020/21	(1.7)	(3.4)	(20.5)
Total Other Covid costs	(1.7)	(3.4)	(20.5)

The key points to note are as follows:

1. The forecast for Mass vaccination has increased by £0.5m from the Opening plan and the forecast for Cleaning standards has reduced by £0.3m.
2. The forecast for TTP includes £0.3m for the Community testing across CTM. No costs have been reported to M2 pending confirmation of actual costs incurred from the LAs.

3. We are awaiting updated forecasts from the LAs for their Mass vaccination and TTP costs.
4. The draft profile for the Planned care recovery plan is as follows:

	Plan	Actual/Forecast
	£m	£m
Q1	2.4	2.4
Q2	6.2	6.2
Q3	5.3	5.3
Q4	2.9	2.9
Total	16.8	16.8

Summary of Savings Plans & Achievement

The financial plan for 2020/21 includes a £14.5m In Year savings target which has been phased from M3 onwards. The recurring savings target is £16.1m.

	Month 2		
	M2 YTD	20/21	Rec
	£m	£m	£m
Savings targets	0	14.5	16.1
Actual and Forecast Savings	0	(11.3)	(7.4)
Total	0	3.2	8.7

We acknowledge that further work is needed to close the £3.2m 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

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 completed	Not required
Legal implications / impact	There are no specific legal implications related to the activity outlined in this report.
Resource (Capital/Revenue £/Workforce) implications / Impact	Yes (Include further detail below)
	The paper is directly relevant to the allocation and utilisation of resources.
Link to Strategic Well-being Objectives	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 2 Monitoring Returns submitted to Welsh Government for 2021/22.