



AGENDA ITEM

6.1

PLANNING, PERFORMANCE & FINANCE COMMITTEE

FINANCE UPDATE – MONTH 12 of 2020/21

Date of meeting	27/04/2021
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 DISCUSSION / REVIEW

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

Committee/Group/Individuals	Date	Outcome
Management Board	21/04/21	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 UPDATE – MONTH 12 of 2020/21

1. SITUATION/BACKGROUND

The purpose of this report is to provide an update on the draft Month 12 (M12) financial position of Cwm Taf Morgannwg (CTM) University Health Board.

The draft position reported to WG on April 9th (Day 5) was a M12 deficit of £182k and a small M12 YTD surplus of £30k. This is a draft position, pending the submission of our M12 Monitoring Return to WG on 26 April and our draft Annual Accounts on 30 April.

The normal monthly report will be completed once we have submitted our M12 Monitoring Return to WG.

2. HEADLINE MESSAGES AND KEY ACTIONS

2.1.1. Headline Messages

Budgets were reset in Month 7 to take account of the significant additional allocations for Covid from the Welsh Government. Actual expenditure to Month 11 on Delegated budgets was £4.4m under those reset budgets and this was offset by a £4.2m overspend on Non Delegated budgets to give a small M11 Year to date underspend of £0.2m. The draft M12 position is summarised below:

	M11 YTD	M12 Draft position	M12 Draft Year end position
	£k	£k	£k
Delegated budgets	(4,425)	(3,253)	(7,678)
Non delegated budgets and Reserves	4,213	3,435	7,648
Total	(212)	182	(30)

It is important to note, however, that the M12 draft year end positions are significantly different to the bottom up forecasts from Delegated budget holders after M11:

	M12 forecast Year end position	M12 Draft Year end position	Variance
	£k	£k	£k
Delegated budgets	(12,755)	(7,678)	5,077
Non delegated budgets and Reserves	12,755	7,648	(5,107)
Total	0	(30)	(30)

A summary of the movements in the M12 Delegated position is provided below:



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

Month 12 Draft positions	Forecast post M11 (Day 9)	M12 Day 10 Actual Position	Variance
Integrated Locality Groups			
Bridgend ILG	(3,146)	(2,509)	637
Merthyr & Cynon ILG	(2,316)	(1,260)	1,056
Rhondda & Taff ILG	(1,244)	(1,164)	80
Total Integrated Locality Groups	(6,706)	(4,933)	1,773
Delivery Executive			
Facilities	1,292	1,450	158
Mental Health	(96)	(95)	1
Medicines Management	(2,883)	(3,404)	(521)
Primary Care	(1,544)	(1,836)	(292)
COVID Planned Projects	515	837	322
Other	(221)	(104)	117
Total Delivery Executive	(2,937)	(3,152)	(215)
Corporate Executives			
Patient Care & Safety	(72)	210	282
Corporate Development	(21)	64	85
Chief Executive	(20)	22	42
Finance	(222)	(193)	29
Public Health	(44)	(243)	(199)
ICT	138	343	205
Medical Director	(10)	60	70
National Imaging Academy	(19)	(220)	(201)
Commissioning (inc in P&P)	(606)	1,627	2,233
Planning & Partnership	0		0
Performance & Information	(94)	(56)	38
Research & Development	36	(21)	(57)
Estates	(926)	(633)	293
Therapies & Healthcare Sciences	(14)	0	14
Transformational Project	0	0	0
Workforce & OD	73	580	507
Total Corporate Executives	(1,801)	1,540	3,341
Contracting & Commissioning	(1,311)	(1,133)	178
TOTAL DELEGATED BUDGETS	(12,755)	(7,678)	5,077

Further work is being undertaken to fully understand the reasons for key movements and any associated learning for the finance teams and budget holders within the ILGs, service areas and corporate directorates. This work will be reported to the Management Board and PFC in due course.

It is also important to note that the Delegated forecasts have been volatile in recent months with significant variations between the monthly forecasts and actual positions.

	M12 Draft position	M11 Forecast	M10 Forecast	M9 Forecast
	£m	£m	£m	£m
Forecast underspends on Delegated budgets	(7.7)	(12.8)	(8.2)	(5.8)
Forecast underspends on Non delegated budgets	(19.2)	(14.1)	(11.8)	(14.0)
Planned return of funding to WG	26.9	26.9	21.0	19.8
Total Forecast	0	0	0	0

2.1.2. Welsh Government Allocations

The following Welsh Government allocations are still formally outstanding and we are expecting these to be confirmed shortly:

- Annual leave on overtime - £0.2m
- Capital charges - £(0.4)m

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

The key overarching action is to fully understand the reasons for the key movements in the M12 Delegated position and any associated learning for the finance teams and budget holders within the ILGs, service areas and corporate directorates. This work will be reported to the Management Board and PFC in due course.

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
Equality Impact Assessment (EIA) completed - Please note EIAs are required for all new, changed or withdrawn policies and services.	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

The Committee is asked to:

- **DISCUSS** the contents of the Month 12 Finance report for 2020/21.