



**AGENDA ITEM**

2.2.1a

**PLANNING, PERFORMANCE & FINANCE COMMITTEE**

**MONTH 09 MONITORING RETURNS TO WELSH GOVERNMENT**

|                                         |                                              |
|-----------------------------------------|----------------------------------------------|
| <b>Date of meeting</b>                  | 28 <sup>th</sup> February 2023               |
| <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>                     | Sally May, 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                   | 13/01/2023  | NOTED          |

**ACRONYMS**

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



## MONTH 09 MONITORING RETURNS TO WELSH GOVERNMENT

### 1. SITUATION/BACKGROUND

- 1.1 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.
- 1.2 The purpose of this report is to provide the PPFC with information from the M09 Financial Monitoring Return submission to Welsh Government.

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

- 2.1 The HB, SHA & Trust Monthly Financial Monitoring Return Guidance was issued on 26 April 2022. This guidance refers to the monitoring return spreadsheet and accompanying narrative that LHBs will need to complete to report their 2022/23 financial performance, together with the following requirements:
- 2.2 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.
- 2.3 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 and Tables C, C1, C2 & C3) in order to provide the Committee with , transparency on the submission made to WG.
- 2.4 The following information is provided at Annex A:

| <b>Annex A</b>        |
|-----------------------|
| M09 Narrative report  |
| Table A - Movement    |
| Tables C, C1, C2 & C3 |



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

3.1 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.

3.2 The key information included in the M09 Financial Monitoring returns is summarised below:

|                                          | M9<br>Actual | M9 YTD      | M9<br>Forecast | M8<br>Forecast | Financial<br>Plan |
|------------------------------------------|--------------|-------------|----------------|----------------|-------------------|
|                                          | £m           | £m          | £m             | £m             | £m                |
| <b>Core plan deficit</b>                 | <b>3.3</b>   | <b>21.3</b> | <b>26.5</b>    | <b>26.5</b>    | <b>26.5</b>       |
| <b>Exceptional items:</b>                |              |             |                |                |                   |
| National insurance changes               | 0.0          | 3.1         | 3.1            | 3.1            | 5.0               |
| Energy inflation                         | 1.1          | 7.5         | 11.5           | 12.3           | 11.6              |
| Real Living Wage for Social Care Workers | 0.2          | 1.8         | 2.4            | 2.4            | 2.4               |
| Anticipated funding                      | (1.3)        | (12.4)      | (17.0)         | (17.8)         | (19.0)            |
| <b>Total</b>                             | <b>0</b>     | <b>0</b>    | <b>0</b>       | <b>0</b>       | <b>0</b>          |
| <b>Covid response costs:</b>             |              |             |                |                |                   |
| Programme                                | 0.9          | 11.5        | 13.9           | 13.9           | 15.6              |
| Other                                    | 1.2          | 12.4        | 16.1           | 16.2           | 16.7              |
| Anticipated funding                      | (2.1)        | (23.9)      | (30.1)         | (30.1)         | (32.3)            |
| <b>Total</b>                             | <b>0</b>     | <b>0</b>    | <b>0</b>       | <b>0</b>       | <b>0</b>          |
| <b>Grand total</b>                       | <b>3.3</b>   | <b>21.3</b> | <b>26.5</b>    | <b>26.5</b>    | <b>26.5</b>       |

3.3 The M9 YTD position is a £21.3m deficit. This represents a £1.4m adverse variance compared to 9/12<sup>th</sup> of the £26.5m Core plan deficit.

3.4 It is important to note that M9 internal reporting within the Health Board is reporting a M9 YTD savings consistent with the £0.7m position reported in this Monitoring Return.



|                              | Monitoring Return<br>Table C | Internal HB reporting |
|------------------------------|------------------------------|-----------------------|
|                              | £m                           | £m                    |
| Annual Plan                  | 17.3                         | 17.3                  |
| Year to date Plan            | 12.9                         | 12.9                  |
| Year to date actual          | (13.6)                       | (13.6)                |
| <b>Year to date Variance</b> | <b>(0.7)</b>                 | <b>(0.7)</b>          |

3.5 The financial plan for 2022/23 also includes planned accountancy gains of £4.5m and unplanned accountancy gains of £0.9m for the HSE provision release.

#### 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<br>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)<br>The paper is directly relevant to the allocation and utilisation of resources. |
| <b>Link to Strategic Goals</b>                                      | Sustaining Our Future                                                                                                |

#### 5. RECOMMENDATION

5.1 The Committee is asked to **NOTE** the contents of the Month 09 Monitoring Returns submitted to Welsh Government for 2022/23.