



Meeting Date	25th April 2023	Agenda Item	2.1
Report Title	Financial Report – Period 12 2022/23		
Report Author	Samantha Moss, Deputy Director of Finance Alison McLennan, Finance Business Partner		
Report Sponsor	Darren Griffiths, Director of Finance and Performance		
Presented by	Darren Griffiths, Director of Finance and Performance		
Freedom of Information	Open		
Purpose of the Report	<p>The report advises the Performance and Finance Committee of the Health Board on the interim outturn financial position for Period 12 (March) 2022//23.</p> <p>The position will be interim until signed off through audit processes.</p>		
Key Issues	<p>The report invites the Performance & Finance Committee to note the interim financial position for Period 12 (March 2023) 2022/23. The figures in the report only provide the interim statement pending completion of the Draft Annual Accounts and the full audit programme.</p> <p>Key messages: -</p> <ul style="list-style-type: none"> • Delivery of forecast balanced revenue is anticipated, subject to audit sign off • Capital Resource Limit (CRL) is predicted to be delivered subject to audit sign off • Public Sector Payment Policy (PSPP) will be just under the 95% target at 94.69% <p>The Committee is asked to note the next steps and timetable for the finalisation of the 2022/23 Annual Accounts, as shared with Audit Committee.</p> <p>Risks have been updated.</p>		
Specific Action Required (please choose one only)	Information	Discussion	Assurance
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • NOTE the Board's interim outturn financial performance for Financial Year 2022/23, in particular: <ul style="list-style-type: none"> ▪ the revenue draft outturn position; ▪ the capital draft outturn position; and ▪ PSPP draft outturn position. 		

	<ul style="list-style-type: none">• NOTE the ongoing risks.• NOTE the Annual Accounts Timetable and the next steps in finalising the 2022/23 Financial Position.
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FINANCIAL REPORT – PERIOD 12

1. INTRODUCTION

The report provides the Performance and Finance Committee with an interim statement on the accounts of period 12 for 2022/23.

The report remains interim as the final month 12 position for 2022/23 will be confirmed once the full audit process has been completed during April 2023 to July 2023 and the 2022/23 Annual Accounts submitted to Welsh Government (WG) at noon on 31st July 2023. In the meantime, this report provides a summary of the information available at the 24th April 2022.

2. FINANCIAL PLAN 2022/23

The Health Board (HB) agreed the 3-year recovery and sustainability plan for 2022/23 at its meeting on 31st March 2022. The plan was subsequently revised and updated following notification from Welsh Government (WG) that the deficit of £24.4m would be funded recurrently, and was approved on 28th July 2022.

Table 1: 2022/23 Year 1 of Recovery and Sustainability Plan

SBUHB Financial Plan 2022-23	Submission (inc £24.4m) £m
Opening deficit	24.4
FY21 savings gap	17.7
FY22 savings gap	0.0
2022/23 opening position	42.1
WG Allocation applied against sustainability	(12.4)
Additional WG allocation applied against sustainability	(24.4)
Savings required to manage FY21 Savings Gap	(5.3)
2022/23 underlying position after sustainability application	0.0
Application of core WG funding based on 2%	(9.7)
Cost pressures & Investments	31.4
Cost pressures Operational	0.0
CIPs - 4%	(21.7)
Deficit/(surplus) for year 2022-23 - base plan	(0.0)
Extraordinary cost pressures	24.1
Deficit/(surplus) for year 2022-23 - after extraordinary pressures	24.1
COVID Scheduled & Unscheduled care Sustainability Funding	(21.6)
COVID Recovery Costs	21.6
COVID Response Costs	42.9
Covid Transition & Extraordinary Pressures Funding	(67.0)
Deficit/(surplus) for year	(0.0)

Key assumptions underpinning the plan:

- Starting with underlying deficit b/f = **£42.1m**
- Increase in WG funding for 22/23 = **£22.1m**
- Additional Funding WG = **£24.4m**
- Savings requirement = **£27.0m**
- Recognised growth & investment = **£31.4m**
- Anticipated that COVID transition and extraordinary funded in full by WG as per forecasts at Month 3

3. FINANCIAL PERFORMANCE

Revenue Position

The Health Board was forecasting a balanced plan for 2022/23. The interim position against the Revenue Resource Limit at 24th April was **£0.401m under**. However, this will be subject to a full audit commencing on the 9th May 2023.

Capital Position

The approved Capital Resource Limit (CRL) value, at 31st March 2022, was **£0.039M under**. The approved CRL value includes Discretionary Capital and the schemes under the All Wales Capital Programme.

PSPP (Public Sector Payment Policy)

The Health Board is expected to deliver a target of 95% against the total number of Non NHS Invoices Paid Within 30 Days. At the 31st March 2023 the interim performance for the year was **94.69%** against the 95% target.

4. RISK ASSESSMENT

As outlined in the Performance and Finance Committee in August 2022 it was agreed there would be two Board level financial risks: -

- **Achieving financial balance**, which replaces the risks previously reported and referenced as 73, 79 and savings, with the key elements as follows: -
 - Risk of delivery of savings quantum
 - Risk of operational overspend being in excess of slippage to cover in year
 - Risk of residual COVID costs becoming part of base expenditure for the Board
 - Risk of commitment of reserves being above reserves available.
- **Availability of capital (risk 72)**. This risk has been re-opened for 2022/23 as the initial draft financial plan is not balanced given a 24% reduction in discretionary capital allocation. Work is underway to manage schemes to reduce commitments in 2022/23 and to produce a balanced plan. This risk varies during the year as more details on schemes emerge and potential slippage funding is made available by Welsh Government.

For 2022/23 the scores for both risks have been reduced to nil given the interim performance details above. The 2023/24 financial outlook and the risks surrounding the plan have been reported to various Boards and Committees during Quarter 4 of 2022/23. Both these risks will need to be re-assessed in the light of the 2023/24 plan and will be reported to the committee from Month 1 of 2023/24.

5. ACTIONS AND NEXT STEPS

Annual Accounts Task	Deadline
Submission of draft Accounts (WG Deadline)	5 th May 2023 (Noon)
Commencement of External Audit Programme	9 th May 2023
Submission of Audited Accounts (WG Deadline)	31 st July 2023 (Noon)

6. RECOMMENDATIONS

Members are asked to:

- **NOTE** the Board's interim outturn financial performance for Financial Year 2022/23, in particular:
 - the revenue draft outturn position;
 - the capital draft outturn position; and
 - PSPP draft outturn position.
- **NOTE** the ongoing risks.
- **NOTE** the Annual Accounts Timetable and the next steps in finalising the 2022/23 Financial Position.

Governance and Assurance		
Link to Enabling Objectives <i>(please choose)</i>	Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	Deliver better care through excellent health and care services achieving the outcomes that matter most to people	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input checked="" type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
Health and Care Standards		
<i>(please choose)</i>	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input type="checkbox"/>
	Effective Care	<input type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
Quality, Safety and Patient Experience		
Financial Governance supports quality, safety and patient experience.		
Financial Implications		
The Board is reporting a balanced forecast year-end deficit financial outturn prior to the impact of COVID-19.		
Legal Implications (including equality and diversity assessment)		
No implications		
Staffing Implications		
No implications		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
No implications		
Report History	Updates on the financial position are provided at every meeting	
Appendices	none	