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Bwrdd Iechyd Prifysgol  
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Swansea Bay University  
Health Board



<b>Meeting Date</b>	<b>27<sup>th</sup> April 2021</b>	<b>Agenda Item</b>	<b>4.1</b>
<b>Report Title</b>	Financial Report – Period 12 2020/21		
<b>Report Author</b>	Samantha Lewis, Deputy Director of Finance		
<b>Report Sponsor</b>	Darren Griffiths, Director of Finance and Performance (interim)		
<b>Presented by</b>	Darren Griffiths, Director of Finance and Performance (interim)		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	The report advises the Performance and Finance Committee of the Health Board financial performance for the 2020/21 financial year.		
<b>Key Issues</b>	<p>The report advises the Performance and Finance Committee: -</p> <ul style="list-style-type: none"> <li>• The Health Board's cash balance closed at £1.164m which is in line with Welsh Government requirements.</li> <li>• The Health Board has achieved its Capital Resource Limit (CRL) by delivering a £28k underspend against a total CRL of £48m.</li> <li>• The Health Board has reported a £24.305m year-end deficit against a forecast deficit of £24.405m.</li> <li>• Further detail will be available in the Health Board's Monitoring Return letter scheduled for sign off on 26<sup>th</sup> April 2021. This will be shared with Committee as is normal practice.</li> </ul> <p>These figures are draft and subject to audit review.</p>		
<b>Specific Action Required</b> <i>(please choose one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
<b>Recommendations</b>	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• <b>NOTE</b> the 2020/21 financial performance.</li> <li>• <b>NOTE</b> the key deadlines for the finalisation of the 2020/21 accounts</li> <li>• <b>CONSIDER</b> the key areas of focus for 2021/22</li> </ul>		

## FINANCIAL REPORT – PERIOD 12

### 1. INTRODUCTION

The report advises the Performance and Finance Committee of the financial performance for the 2020/21 financial year. This position is subject to audit review and as such is a draft position.

The report informs the Performance and Finance Committee of the key components of financial performance and the timetable of events to Final Accounts submission.

### 2. ASSESSMENT

#### Key Messages

- The Health Board's cash balance closed at £1.164m which is in line with Welsh Government requirements.
- The Health Board has achieved its Capital Resource Limit (CRL) by delivering a £28k underspend against a total CRL of £48m.
- The Health Board has reported a year-end deficit of £24.305m against the forecast deficit of £24.405m.
- The Health Board achieved 93.89% against the Public Sector Payment Policy target of 95%.
- Further detail will be available in the Health Board's Monitoring Return letter scheduled for sign off on 26<sup>th</sup> April 2021. This will be shared with Committee as is normal practice.

### 3. FINANCIAL IMPLICATIONS

#### 3.1 Revenue Position

The draft revenue position of £24.305m is £0.1m lower than the £24.405m forecast. The slide deck at **Appendix 1** provides further detail on actual expenditure which reflects a number of year-end specific costs, which were anticipated and/or have been supported by Welsh Government (WG) funding.

#### 3.2 The key dated for the coming weeks to the finalisation of the 2020/21 Annual Accounts are: -

- 26<sup>th</sup> April      Monthly Monitoring Returns Submission
- 30<sup>th</sup> April      Draft Accounts Submission
- 11<sup>th</sup> June      Final Audited Accounts Submission

### 4. RISK ASSESSMENT

There are currently three Board level financial risks: -

- Funding for COVID-19 (risk 71): As funding position is now clear, this risk has been closed.

- Capital Resource/Plan (risk 72): COVID-19 impact on Capital Resource Limit and Capital Plan for 2020-21- Risk Rated 15. This has now been closed.
- Residual Cost Base (risk 73): There is a potential for a residual cost base increase post COVID-19 as a result of changes to service delivery models and ways of working - Risk Rated 20

The residual cost base risk remains unchanged, however funding has been received to support COVID response costs in the first six months of 2021/22 which enables some time to further consider and manage the impact of any ongoing costs.

A further risk will be drafted, with the approval of the performance and Finance Committee which captures the risk of COVID recovery funding not being sufficient to meet the Health Board's aspirations to recover from COVID. By way of control, the Health Board will manage its cost of recovery within the funding made available by Welsh Government (as it becomes known). This risk captures the balance between availability of finance to recover and the risk that the funding will not match Health Board's aspiration to recover.

## 5. ACTIONS AND NEXT STEPS

The completion of the annual accounts and the management of the audit response is a key priority for the finance function over the forthcoming weeks.

The 2021/22 draft budget has been developed from the 2019/20 baseline which formed rebased budgets. The key areas of focus are: -

- Savings identification and control;
- Robust financial controls and governance;
- Management of service changes to support improved service efficiency;
- COVID response, including TTP and Vaccination;
- COVID recovery
- Allocation of budgets along with supporting information setting out activity delivery and performance delivery expectations.

The Performance and Finance Committee and the Board has signed off a draft Annual Plan which contains the agreed financial framework for 2021/22. The steps above support the delivery of the plan. An updated position on savings delivery for 2021/22 is included in **Appendix 1** for the Committee's information.

## 6. RECOMMENDATION

Members are asked to:

- **NOTE** the 2020/21 financial performance.
- **NOTE** the key deadlines for the finalisation of the 2020/21 accounts
- **CONSIDER** the key areas of focus for 2021/22

<b>Governance and Assurance</b>		
<b>Link to Enabling Objectives</b> (please choose)	<b>Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities</b>	
	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"/>
	<b>Deliver better care through excellent health and care services achieving the outcomes that matter most to people</b>	
	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"/>
<b>Health and Care Standards</b>		
(please choose)	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"/>
<b>Quality, Safety and Patient Experience</b>		
Financial Governance supports quality, safety and patient experience.		
<b>Financial Implications</b>		
The Board is reporting a £24.4m forecast year-end deficit financial outturn prior to the impact of COVID-19.		
<b>Legal Implications (including equality and diversity assessment)</b>		
No implications for the Committee to be aware of.		
<b>Staffing Implications</b>		
No implications for the Committee to be aware of.		
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>		
No implications for the Committee to be aware of.		
<b>Report History</b>	The Committee receives an update on the financial position at every meeting	
<b>Appendices</b>	Appendix 1 – P12 – 20 Financial Report Supporting Detail	