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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	24th May 2022	Agenda Item	2.1
Report Title	Financial Report – Period 1 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	The report advises the Performance and Finance Committee of the Health Board financial position for Period 1 (April 22) 2022/23 and sets out the current forecast revenue year end outturn.		
Key Issues	<p>The report invites the Performance and Finance Committee to note the detailed analysis of the financial position for Period 1 (April 22) 2022/23.</p> <p>The report includes an analysis of the COVID-19 revenue impact and the forecast year-end revenue position based on current planning assumptions.</p> <p>Risks have been updated.</p>		
Specific Action Required <i>(please choose one only)</i>	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 agreed 2022/23 financial plan. CONSIDER and comment upon the Board's financial performance for Period 1 (April 22) 2022/23. NOTE the actions to ensure delivery of the financial forecast. NOTE the savings position for 2022/23. AGREE the risk handling for the four risks noted. NOTE all actions manage the 2022/23 financial position. 		

FINANCIAL REPORT – PERIOD 1

1. INTRODUCTION

The report provides the Performance and Finance Committee with an account of the period 1 2022/23 position, with a summary of performance against capital.

2. IMTP / FINANCIAL PLAN 2022/23

The Health Board agreed the draft 3 Year recovery and Sustainability Plan 2022/23 at its meeting on 31st March 2022. This included a financial plan, which reflected a forecast £24.4m revenue deficit for 2022/23. The composition of this is set out below.

Table 1: 2022/23 Revenue Finance Plan

SBUHB Financial Plan 2022-23	Updated Assessment
	£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)
Savings required to manage FY21 Savings Gap	(5.3)
2022/23 underlying position after sustainability application	24.4
Application of core WG funding based on 2%	(9.7)
Cost pressures - National - core	7.1
Cost pressures - inflation	9.9
Cost pressures - demand growth	7.4
Investment decisions - 2022-23	7.0
CIPs - Service Transformation 2.5%	(17.0)
CIPs - General Savings 1.5%	(4.7)
Deficit/(surplus) for year 2022-23 - base plan	24.4

Key assumptions underpinning the plan:

- Starting with underlying deficit b/f = **£42.1m**
- Increase in WG funding for 22/23 = **£22.1m**
- Savings requirement = **£27.0m**
- Recognised growth & investment = **£31.4m**
- C/f underlying deficit 22/23 = **£24.4m**
- Anticipated that COVID transition and extraordinary cost pressures (Utilities / RLW / NI) will be funded in full by Welsh Government (WG)

For clarity the COVID transition and extraordinary cost pressure cover is an assumed allocation as instructed by WG. There is not yet funding in WG for this and hence is accounted for with no certain funding stream at this stage.

3. FINANCIAL PERFORMANCE

The key metrics linked to the revenue position are provided in the table below. Further details on the key drivers to this are provided in section 4 of the report.

Table 2: Summary Revenue Performance

	Opening Plan	In Mth	Year To Date	Forecast 31st March 2023
	£M	£M	£M	£M
Variance Against RRL Deficit / (Surplus)	24.4	2.25	2.25	24.40
Additional Expenditure Anticipated to be Funded by WG				
- Covid (excluding National Programmes)	25.0	4.00	4.00	49.43
- Extraordinary Pressures	19.9	1.41	1.41	16.96
Savings Delivery Target	27.0	2.15	22.00	27.00

Summary:

- **Variance Against RRL** – With a £24.4m deficit plan the target each month is £2.034m. The actual Month 1 variance was £2.247M and so was £0.213m off profile.
- **Additional Expenditure** – this is the value of the additional funding required to support COVID Transition and extraordinary pressures. At the end of Month 1 no funding had been received from WG and so £49.7m and £16.96m remain anticipated allocations and noted as a risk.
- **Savings Delivery** – With an annual target of £27.0m in month delivery is anticipated at £2.25m. For Month 1 the shortfall against this target was £0.1m.

4. KEY DRIVERS IMPACTING REVENUE

This section provides the reader with the key aspects within the Health Board position that is influencing the financial performance against the Revenue Resource Limit.

4.1 Pay / Variable Pay – Trends

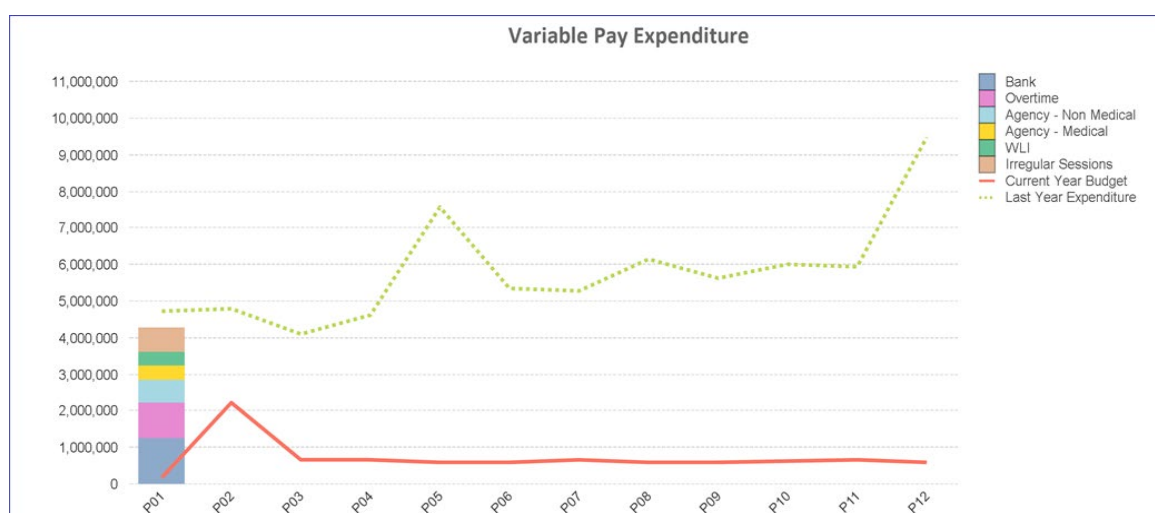
The performance against budget both in month and YTD is provided below, with the variance split between Variable Pay costs and fixed staff costs.

Table 3: Variance on Pay 2022/23

Pay	Budget	Actual	Variance Variable Pay	Variance Fixed Costs	Total Variance
	£'000	£'000	£'000	£'000	£'000
Mth 1	49,837	49,556	3,894	- 4,175	- 281
YTD	49,837	49,556	3,894	- 4,175	- 281

The performance of variable pay in comparison to 2021/22 is summarised in the graph below. At this point in the year, Variable Pay is below last year's level.

Table 4: Variable Pay Analysis



4.2 Non Pay

The performance against budget both in month and YTD is provided below, with the variance split between the deficit of £24.4m reported within Non Pay and general non pay pressures.

Table 5: Variance on Non-Pay

Non Pay	Budget	Actual	Variance Linked Deficit	Variance Non Pay Pressure	Total Variance
	£'000	£'000	£'000	£'000	£'000
Mth 1	51,733	54,108	2,034	341	2,375
YTD	51,733	54,108	2,034	341	2,375

4.2.1 CHC

The area of most significant variance against budget in Month 1 within Non Pay was CHC. An analysis of actuals since 2020/21 is provided in the table below.

Table 6: - CHC Breakdown

Service Area	Cost Centres	2020/21	2021/22	2022/23 YTD
		£'000	£'000	£'000
MH	R401	3,169	3,642	317
	R411	7,996	8,926	803
LD	T201	6,119	6,195	536
	T211	12,678	14,440	1238
General	V103	5,957	5,750	487
	W103	18,005	18,876	1460
Total		53,924	57,829	4,841

Of note is that within both 2020/21 and 2021/22 is expenditure specifically relating to the Adult Social care support provided to Care Homes linked directly to COVID. In 2021/22 this total £2.2m. In addition, there is also other associated

COVID costs supporting early discharge. This makes a direct comparison of trends difficult in 2022/23.

4.2.2 Primary Care Prescribing

As the Primary Care prescribing data is 2 months in arrears that is no 2022/23 data at this point. The accrual has been calculated based on historical trends. Updated will be provided in future months.

4.2.3 Other key issues arising In Year

In most months, there are numerous under and over spends against the various non-pay subjective codes. This section will be used to identify any material issues that impact on the financial performance. For Month 1 there were no material issues of note.

4.3 Income

Table 7: Variance on Income 2022/23

Income	Budget	Actual	Variance
	£'000	£'000	£'000
Mth 1	- 23,248	- 23,094	154
YTD	- 23,248	- 23,094	154

In Month 1 the underachievement in income is primarily linked to pressures in two subjective categories = (1) WHSSC income and (2) other health care activities income.

4.4 Savings

The 2022/23 savings target is £27m. As per the weekly CIP report dated 11/05/22, the total value of schemes identified for 2022/23 is £22.0m (£20.8m recurrently).

Table 8: Saving Position at Month 1 2022/23

	Reported April	Reported May	Movement
	£m	£m	£m
2022/23 Identified	20.0	22.0	2.0
2022/23 Identified Recurrently	19.6	20.8	1.2

Table 9: Savings Breakdown

Summary Breakdown	Target 2022/23 £k	Identified 2022/23 £k	Shortfall £k	Recurrently Identified £k	Shortfall £k
MHLD	3,203	2,818	385	1,702	1,501
Morrison	8,956	8,237	719	8,680	276
NPTS	6,189	4,943	1,247	5,297	892
PCC	3,457	3,534	-77	2,404	1,053

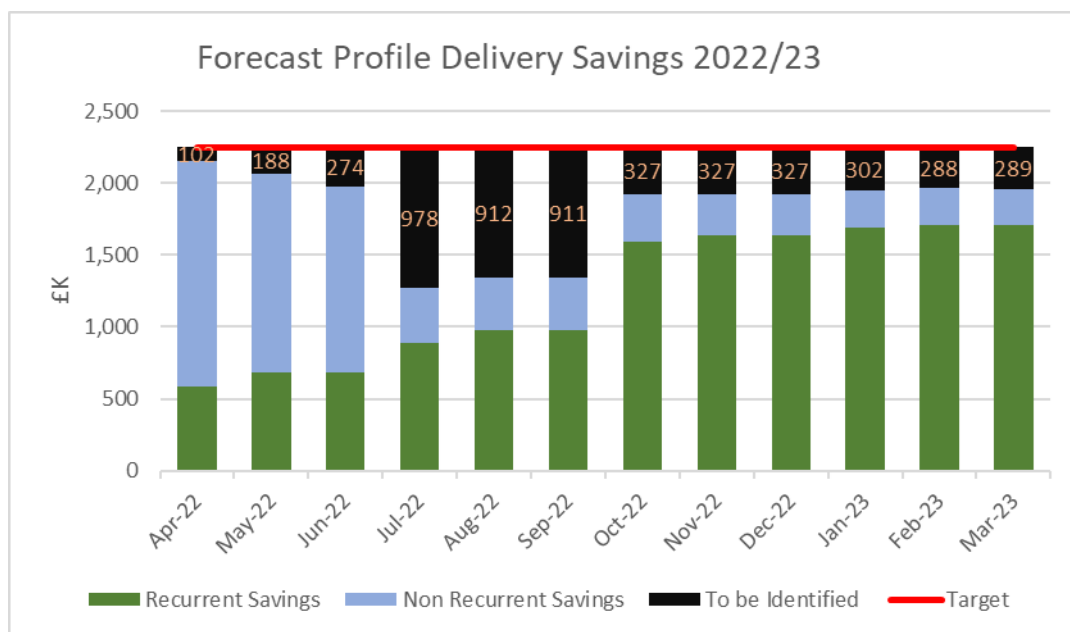
Summary Breakdown	Target 2022/23 £k	Identified 2022/23 £k	Shortfall £k	Recurrently Identified £k	Shortfall £k
Corporate	3,377	1,688	1,688	1,688	1,688
IMM and Health Board Wide	1,819	800	1,019	1,000	819
	27,000	22,020	4,981	20,771	6,229

Table 10: Savings by RAG

	Total		MHL D		Morrison		NPTS		PCC		Corp/HB Wide	
	22-23 Saving £000s	FYE Saving £000s	22-23 Saving £000s	FYE Saving £000s	22-23 Saving £000s	FYE Saving £000s	22-23 Saving £000s	FYE Saving £000s	22-23 Saving £000s	FYE Saving £000s	22-23 Saving £000s	FYE Saving £000s
Red	5,408	9,068	64	258	2,719	5,190	1,825	2,620	-	-	800	1,000
Amber	6,363	7,472	1,280	990	1,191	1,423	1,507	2,253	697	1,118	1,688	1,688
Green	10,249	4,231	1,474	454	4,327	2,068	1,611	424	2,837	1,285	-	-
	22,020	20,771	2,818	1,702	8,237	8,680	4,943	5,297	3,534	2,404	2,488	2,688
% of CIPS Green	46.54%	20.37%	52.31%	26.67%	52.53%	23.82%	32.59%	8.00%	80.28%	53.47%	0.00%	0.00%

The focus will continue to ensure that in each month there are savings delivered of £2.25m (1/12th of £27m) and that the recurrent component of that increases to the £2.25m value and this is achieved as quickly as possible.

Table 11: Savings Profile 2022/23



The Services Group and Corporate Directorates will be using Non-recurrent opportunities to ensure that the gap of 'to be identified' is addressed in 2022/23 but the recurrent delivery is equally as important to deliver.

Actions:

- Each Wednesday a weekly report is produced by the PMO and issued to Executive and Service Group Directors to ensure there is a constant focus. Within the weekly report are detailed actions that will be taken and updates provided on progress against these.

4.5 LTA (including WHSSC) Performance

Historically LTA contracts have been based on a Cost and Volume approach, which reflects adjustments for under and over performance. From the start of the COVID pandemic in April 2020 all LTA agreements in both England and Wales transferred to a block arrangement, whereby commissioners funded providers on 2019/20 levels uplifted by nationally agreed rates with no adjustment for performance. From 1st April 2022 the previous block arrangements have ceased and a hybrid model adopted where under or over performance adjustments will become applicable above a tolerance level. This will be relevant to both services we commission from other Health Boards and services commissioned from SBU HB.

For a robust assessment to be made the Health Board will need a number of months data. Therefore, it is proposed that the first round of information will be included during Q2 to reflect data relating to Q1 and going forward will be updated on a quarterly basis.

Action:

- Update to be provided during Q2 and quarterly from that point.

4.6 COVID Transition

The national COVID programmes of TTP, Mass Vaccinations and PPE are confirmed as funded by WG. Whilst the COVID Transition costs are recognised by WG, there is no confirmed funding at this point. However, within the financial position and plan is it assumed this will be funded via an anticipated allocation.

Within the IMTP, the HB included anticipated costs of £25m, however the first full assessment reported to WG in mid-April included costs of circa £40m.

The forecast position for 2022/23 at the end of Month 1 is included the table below and has been reported in detail to WG as part of the MMR submissions:

Table 12: RRL COVID Anticipated Allocation 2022/23

RRL COVID Allocations	2022/23 Forecast @ mth 1	Total By Type
	£'000	£'000
National Programmes: Tracing	5,600	19,968
National Programmes: Testing	2,098	
National Programmes: Mass Vaccinations	6,565	
National Programmes: PPE	5,127	
National Programmes: Long COVID	578	
COVID Transition: Cleaning Standards	1,906	43,729
COVID Transition: Extended Flu	1,190	
COVID Transition: Dental Income Shortfall (as per WG Letter)	1,418	
COVID Transition: Dental Income Shortfall (Balance)	398	
COVID Transition: Other	38,817	
Total Table B3	63,697	63,697

Actions:

- Forecast continue to be refined and updated based on most relevant information from the Service Groups.
- Check & Challenge meeting with CEO in diary for May
- Continued discussion with WG on the risks regarding funding.

4.7 COVID Recovery

The Health Board has received £21.6M recurrently to support COVID recovery. The funding is held in a central reserve and issued out based on the cost of the work undertaken called own by the Service groups each month. There will close monitoring of the financial performance against this budget and an update of the spend by recovery areas is provided below. The budget column is an indicative estimate of costs by area, but the Health Board needs to ensure that whilst one area may require more investment this is offset but under commitments in other areas of the Recovery Plan.

Table 13: COVID Recovery Fund Allocation

COVID Recovery Areas	Indicative Budget 2022/23	YTD Funding Committed	Balance Funding Remaining 2022/23
	£'000	£'000	£'000
National Endoscopy Programme	2,877	266	2,610
Regional Cataract Services	1,398	184	1,214
Regional Orthopaedics	3,419	-	3,419
Strengthened Diagnostic & Imaging services	4,500	1,280	3,219
Implementation of the Critical Care Plan	-	-	-
Cancer	1,280	552	728
Other Capacity	4,140	618	3,522
Other Eyes	319	-	319
Primary Care Pathway Redesign	26	22	4
Other - Pre Committed	3,222	1,050	2,172
Therapies	122	-	122
Other (WHSSC)	298	4	294
TOTAL	21,600	3,977	17,623

Actions:

- To ensure there is clear ownership of the funding Finance is working through the allocation of each area to an operational lead and a supporting finance lead.

4.8 Extraordinary Pressures

As per the IMPT submission, there are three areas of extraordinary pressures within 2022/23. For planning purposes and within the Month 1 position it is assumed this will be funded by WG. As breakdown of the estimated costs for these three areas is provided below:

Table 14: Anticipated Allocation COVID Transition/Response 2022/23

Extraordinary Items	2022/23 Forecast @ mth 1
	£'000
NI Health & Social Care Levy	6,929
RLW (Care Homes Only)	1,581
Energy Costs (inc Non BG items)	8,452
TOTAL ALLOCATION	16,962

Actions:

- Continual review of each area and refinement of forecast.
- Continued discussion with WG on the risks regarding funding.

5. SUMMARY ALL RISKS – REVENUE

As per Table A2 of the MMR returns the risks reported are as follows:

Table 15: Risks to Financial Plan 2022/23

RISKS	
AREA	£'000
LTA 'Go Live' with 10% tolerance	- 7,200
Savings Delivery above current identified Schemes (inc red)	- 7,000
Learnig Disability Commissioing Arrangements	- 1,000
WAST Transition Plan Full Year Impact	- 200
CTM SLA disag	- 1,000
Net Impact ALN	- 300
Service Group Cost Pressures excluding Covid Response	- 4,000
Digital Service cost pressures linked to SLA	- 1,200
ICF / RIF	- 500
Childrens Services response	- 800
COVID Recovery not able to be constrained within funding	- 5,000
CHC growth volume and cost	- 2,000
Covid Funding WG (Transition)	- 43,729
Extraordinary Funding WG	- 16,962
TOTAL RISKS	- 90,891

6. OPPORTUNITIES (RESERVES)

Linked to Budgetary Management Revenue Resource Limit & Plan 2022/23, not all funding is issued to Budget Holders at the start of the year. An element of the funding remains within the Health Board reserves. A brief summary of the reserves held is provider below:

Reserve Heading	Purpose
Prices	At the start of the financial year inflationary funding included in the Plan for standard

Reserve Heading	Purpose
	increases in areas on Non-Pay inflation are held in Priced Reserve before being allocated to Service Groups/Corporate Directorates
Pay	Pay uplifts are funded by WG. When the funding is received it will be held in Pay Reserve before being allocated to Service Groups/Corporate Directorates.
NICE	This reserve remains but elements are allocated each month to Service Groups based on the usage of NICE/High Cost Drugs
Plan	The Plan reserve is where the deficit value is held. For 2022/23 the opening deficit was £24.4m. A 12 th of this value is fed into the position each month and reported through Non Pay.
Non Recurrent	Small reserve of £0.2M to support ad hoc Non Recurrent investments committed by the Health Board each year.
Internal Recurrent	This reserve holds all the investments agreed within the Plan, which is then fed out to Service Groups/Corporate Directorate as the spend is committed.
Main	Within the year the Health Board will receive in year allocation or anticipate in year allocation from WG. This funding is held here until it is passed to the Service Groups/Corporate Directorates as the spend is committed.
Main (COVID / Extraordinary Pressures)	For 2022/23 the Health Board will be anticipating funding for COVID Transition and Extraordinary Pressures funding. Funding will be issued to Service Groups/Corporate Directorates in advance of funding being received. With the risk sitting centrally as noted in the risk table below.

To improve transparency and reporting the aspiration is to share wider what is held in reserves, what is already committed and how the reserve can be used to support the risks and pressures within the financial position. This will be refined in the next few months to develop a system of providing key information in a manner that is useful to the reader.

Action:

- Develop process for reporting reserves that is helpful to the reader to improve the transparency of the financial position.

7. RISK ASSESSMENT

The Performance and Finance Committee oversees four Board level financial risks: -

- **Residual Cost Base (risk 73):** There remains 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**. A detailed submission has been shared with Finance Delivery Unit and discussions have commenced at a National Welsh level on handling of the impact of COVID on underlying pressures from 2022/23. **It is proposed that this risk remains unchanged whilst this work is undertaken.**

• **Resource required lower than health board recovery plan ambition (risk 79):** The Performance and Finance Committee agreed that this risk be established for 2021/22. During 2020/21 the COVID-19 pandemic impacted services in many different ways. Of particular concern has been the impact on access to services, particularly outpatients, diagnostic tests, elective surgery and therapy services. The recovery of access times to pre-pandemic levels will require a significant amount of human, estates and financial resource to support it. There is potential for the scale of ambition that the Health Board has in terms of access recovery will be unaffordable in context of the current financial plan. **The risk is reported as severe impact (5) but moderate likelihood (3) score 15.**

The Health Board has received £22m in 2021/22 to address access pressures and further funding will be notified for 2022/23. It is therefore proposed that the risk score remains the same but that the risk be modified to incorporate 2022/23. £21.6m has been allocated recurrently to the Health Board but the schemes identified against this funding are substantially above this level.

• **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 recue 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. A score of 20 is suggested at this stage as the whilst plan is now balanced a number of schemes are on hold and the flexibility within the plan is extremely limited given the reduction in the allocation.

• The September 2021 Committee also agreed to add an additional risk regarding the **savings schemes related to bed release**. A significant amount of work is underway on this area at the moment with changes planned in the Emergency Department itself, GP services in support of this, length of stay reduction plans and the purchase of care home beds to increase patient flow. These developments are intended to reduce admission and occupancy and will ultimately release bed capacity. In the first instance this released capacity will be used to reduce risk in the delivery of care, but then will be further used to reduce cost. It is therefore proposed that **a current score of 15 be maintained this month** with a high impact but medium likelihood. The mitigation of the risk will come through the actions of the Urgent Emergency Care (UEC) Programme Board and will be considered through a number of detailed discussions in February and early March 2022 to refresh the savings profile for the Health Board.

It is proposed that the risk above be closed and replaced with the new risk identified below.

Additional risk: -

- The April 2022 Committee also recognised the overarching risk in the delivery of the £27.0M savings requirement for 2022/23. Performance against target is detailed within Section 4.4 of this report. Whilst a significant amount of work is being undertaken, under the direction of the PMO, there remain a shortfall in savings identified by in year and recurrent as well as a significant number of schemes identified as red. Work will continue through the CEO Check and Challenge sessions and the monthly Unit Performance & Finance meetings chaired by the DOF. However, whilst gaps in delivery remain if it proposed that a **risk score of 15 be added with a high impact but medium likelihood**.

8. FINANCIAL MATURITY

The Health Board undertook a governance maturity assessment in the autumn. This was undertaken as a self-reflection to help to inform, drive and enhance improvements in the Health Board’s governance processes and ways of working.

Whilst the maturity element is titled “Money/Value for Money” the essence of the aspects of maturity is based on good financial discipline and control, transparency of process and robust, effective decision making.

The assessment of this maturity element was undertaken against the following assessment matrix and the assessment placed the Health Board at Early Progress level with 66% of the assessments being at that level with 16% Basic and 16% Results. This was considered a fair reflection.

Progress Levels →	BASIC LEVEL Principle accepted and commitment to action	EARLY PROGRESS Early progress in development	RESULTS Initial achievements achieved	MATURITY Results consistently achieved	EXEMPLAR Others learning from our consistent achievements
Key Elements ↓					
MONEY/VALUE FOR MONEY	Budget, cost pressures and efficiency targets are clearly identified and understood by the Board.	All in-year plans are costed and trajectory of spend / savings have been established to achieve breakeven / target. Quality implications are robustly tested.	The organisation has a record of meeting planned cost reductions / CIPs and agreed investments, whilst rejecting proposals with an unacceptable impact on quality. Unexpected in year pressures are identified and the Board show timely reprioritisation of deliverables.	Our services consistently run under benchmark cost. Headroom is created for developments / improvements. The Board is demonstrably reinvesting whole budget, rather than being limited by affordability at margins.	We successfully leverage wider community resources to improve service delivery and outcomes.

The System of Financial Control which was developed early 2020/21 will assist in further maturing the financial domain. The assessment scored as early progress, but further work was done in 2021/22, particularly on the system of financial control, which has been focussed on a move to “results” and “maturity”. The progress and next steps being worked on within the System of Financial Control is set out below across 8 key areas of financial control.

- **Planning – Integrated approach to service, workforce and financial planning.**
 - Progress – greater alignment of planning through Integrated Planning Group allowing service prioritisation within available resources. This is supported by clear business case scrutiny process.
 - Next Steps – expand focus to reallocation of resources not just investments.

- **Budget Planning – Revenue and Capital budgets set in line with organisation’s plan and allocation.**
 - Progress – revenue budgets aligned to 19/20 baseline
 - Next Steps – refresh of baseline budgets post COVID to ensure clear understanding of delivery expectations. Capital budget prioritisation and planning based on service priorities.
- **Budget Delegation – Clear and formal procedure for the delegation of budgets from the Board cascaded throughout the organisation.**
 - Progress – delegation letters issued to Service Groups but no response collated.
 - Next Steps – ensure delegation letters are issued to all Corporate Directorates as well as Service Groups and ensure appropriate recognition is returned. Reporting to Audit Committee
- **Budgetary Control – Clear and robust control process with accountability through the Performance Management Framework**
 - Progress – Performance Management Framework established and implemented
 - Next Steps – 12 month review of Performance Management Framework in readiness for 2022/23, aligned to clear budgetary, workforce and service performance trajectories.
- **Reserves – Agreed process for managing and reporting reserves**
 - Progress – reporting of reserves and allocations periodically through PFC
 - Next Steps – Agreed reporting on Quarterly basis including forecast.
- **Accountability and Performance Management – Linked to Performance Management Framework**
 - Progress – Service group recognition of budgetary and performance delivery based on 19/20. COVID impact has been significant
 - Next Steps – re-establish clear baseline and cascade throughout the organisation. Identify development needs for service and clinical managers to enable them to deliver effectively.
- **Board Reporting – Clear and concise Board Reporting, articulating risks and opportunities and providing insight to allow informed decisions**
- **Business Cases – Clear process for the development and approval of business cases, supported by post implementation benefits realisation monitoring.**
 - Progress – Establishment of Business Case Assurance Group and reporting to Management Board
 - Next Steps – Develop clear timeline and pre-scrutiny process for Business Cases to avoid unproductive work. Support training and development for managers in developing business cases including clear performance metrics.

It is worth note that some of the aspects of higher maturity, whilst reflected under the financial maturity assessment are broader than just finance. Members will recall that recently a formal review of the Annual Plan and an adjustment to that plan were made by the Board. This action relates very well to the results section of the maturity, particularly the description of “unexpected

in year pressures are identified and the Board show timely reprioritisation of deliverables”.

It is recognised that whilst progress has been made, further actions are required to progress the organisation’s financial maturity. A summary of the key areas focus for the Finance Function linked to the Maturity Assessment that will commence in 2022/23 are summarised in the table below, this may be expanded upon as the year progresses:

Areas of Financial Control	Area	Actions & Outcome	Next Steps
Budget Planning	Assess robustness and effectiveness of the current budget allocation process and comment changes.	Current budgets are based on 2019/20 outturn uplifted to growth and inflation where necessary. Question is whether this approach is now fit for purpose.	Ask 7 Finish Group to be established in June 2022. Lead to be confirmed.
Budget Delegation	Building on from Internal Audit recommendation from the Financial Reporting & Monitoring Audit it is recognised that the HB needs to re-establish what support budget holders require and how we deliver regular engagement	This will require the Finance function to re-evaluate who is a Budget Holder, how do we direct the resources available in the most efficient and effective manner, how we share financial information and the manner within which we engage i.e. virtual or face to face.	Programme to be developed and commence by end Q1. Lead to identified for programme.
Budgetary Control	Revised Closedown Process (In Year and Year End)	Explore options on closing ledger quicker but also improving quality data to support budgetary control and decision-making earlier in the month.	First meeting of Task & Finish group scheduled for 18 th May 2022.
Reserves	Transparency of reserve position	Refer to point 6 above	Refer to point 6 above
Reporting	Improve Financial Reporting to Board/PFC/WG	This will be an ongoing process to ensure all risks and opportunities are identified and providing insight into key drivers of the position, including improved understanding of the Reserves	The first revised reported issued to PFC in Month 1. Comments to be sort on how this could be improved but ensuring delivery of the core principles of ‘Good Practice for Financial Board and Committee reporting’ issued by Finance Academy.

9. SUMMARY OF ACTIONS AND UPDATES

Area	Ref	Action	Update- May Report
Savings	M01.1	Each Wednesday a weekly report is produced by the PMO and issued to Executive and Service Group Directors to ensure there is a constant focus. Within the weekly report are detailed actions that will be taken and updates provided on progress against these within the report.	
LTA Performance (Providers & Commissioner)	M01.2	Update to be provided during Q2 and quarterly from that point.	
COVID Transition	M01.3	Forecast continue to be refined and updated based on most relevant information from the Service Groups.	
	M01.4	Check & Challenge meeting with CEO in diary for May	
	M01.5	Continued discussion with WG on the risks regarding funding.	
COVID Recovery	M01.6	To ensure there is clear ownership of the funding Finance is working through the allocation of each area to an operational lead and a supporting finance lead.	
Extraordinary Pressures	M01.7	Continual review of each area and refinement of forecast.	
	M01.8	Continued discussion with WG on the risks regarding funding.	
Opportunities (Reserves)	M01.9	Develop process for reporting reserves that is helpful to the reader to improve the transparency of the financial position.	
Financial Maturity	M01.10	Various – refer to section 8	

10. RECOMMENDATIONS

Members are asked to:

- NOTE the agreed 2022/23 financial plan.
- **CONSIDER** and comment upon the Board's financial performance for Period 1 (April 22) 2022/23.
- **NOTE** the actions to ensure delivery of the financial forecast.
- **NOTE** the savings position for 2022/23.
- **AGREE** the risk handling for the 4 risks noted.
- **NOTE** all actions manage 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 £24.4m forecast year-end deficit financial outturn prior to the impact of COVID-19.		
Legal Implications (including equality and diversity assessment)		
No implications for the Committee to be aware of.		
Staffing Implications		
No implications for the Committee to be aware of.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
No implications for the Committee to be aware of.		
Report History	The Committee receives an update on the financial position at every meeting	
Appendices	n/a	