

Dyddiad/Date: 12<sup>th</sup> June 2025

Ms Andrea Hughes  
Head of NHS Financial Management  
Welsh Government  
King Edward VII Ave  
Cardiff  
CF10 3NQ

Dear Andrea,

### SWANSEA BAY UNIVERSITY HEALTH BOARD MONITORING RETURN 31<sup>st</sup> MAY 2025

I enclose with this commentary the completed proformas in respect of the Health Board's Monitoring Returns to 31<sup>st</sup> May 2025.

The Annual Plan submitted to Welsh Government on 31<sup>st</sup> March 2025 for assessment and scrutiny included a financial assessment, as summarised in the table below:

Elements of the Plan	Financial Assessment @ 31st March 2025 £M
Financial Assessment ULD	92.5
Growth/Inflation	33.7
<b>Operational Pressure</b> Net Impact Commissioning	3.1
Offset WGFunding	(15.2)
<b>Total</b>	114.1
<b>Savings Target</b>	(55.4)
<b>Financial Deficit Plan</b>	58.7

The Health Board's actual performance against the three components (Operational Pressure, Savings Target, and Planned Deficit) for 2025/26 YTD are provided in the table below. This table shows that in Month 2 the reported deficit was £8.043m, which is £3.15m above the planned deficit. The YTD position reports a £17.04m deficit, which is £7.26m above plan.

Elements of In Month	Month 1 £M	Month 2 £M	YTD £M
Operational Pressure	(0.05)	(0.73)	(0.78)
<b>Saving Target</b>			
- 12th Savings Target	4.62	4.62	9.23
- Less Actual Im Month Delivery	(0.46)	(0.74)	(1.20)
<b>=Impact In Month</b>	<b>4.16</b>	<b>3.88</b>	<b>8.04</b>
<b>Financial Deficit Plan</b>			
- 12th Deficit Value	4.89	4.89	9.78
<b>Deficit/ (Surplus) In Month Performance</b>	<b>9.00</b>	<b>8.04</b>	<b>17.04</b>
<b>Deficit/(Suplus) Above Plan</b>	<b>4.11</b>	<b>3.15</b>	<b>7.26</b>

As you will note from the table above the key driver of the YTD £7.26m deficit over plan is the non-delivery of savings. This shortfall was partly mitigated in Month 2 by non-recurrent in month benefits for the NPTS and Morriston Service Groups and a further underspend in the Corporate Directorates. To achieve the original £58.7m plan the Health Board needs to recover the £7.26m during 2025/26 by delivering more savings and/or reducing expenditure below plan in future months.

On 6th June 2025 the Health Board received Judith Paget’s letter which clearly set out the next steps and expectations of Welsh Government with regard to the Annual Plan and Financial Position. Key is the expectation that as a minimum the Health Board submits a forecast position that maintains the 2024/25 Outturn position of £42.5m. Since receipt of the letter the Health Board has been setting out the actions and developing plans aligned to the submission for 30<sup>th</sup> June. To support this work below are some of the key actions over the next 3 weeks: -

- 9<sup>th</sup> June discussion at informal Executive Team with continued focus on strengthening the “choices” list, including ‘Adopt or Justify’ Red Pool Schemes identified as part of the 2024/25 September Financial Assessment that remain active.
- 10<sup>th</sup> June Independent Member briefing on 6<sup>th</sup> June letter, proposals to formal Executive Teams and next steps.
- 11<sup>th</sup> June proposal to formal Executive Team on immediate action required from financial perspective to address at pace the shortfall in savings that would provide cash releasing reduction in expenditure to address the recovery of the £7.3m and shortfall in saving target in future months.
- 11<sup>th</sup> June R&S Board the Service Group Directors, Clinical and Nurse Directors alongside the Executive Directors had a presentation based on the recommended actions from financial perspective, aligned to the Executive Team paper (see bullet point above). The outcome was a agreed set of actions, with a follow up meeting on these in the diary for 25<sup>th</sup> June. Outputs from this will form part of the submission on 30<sup>th</sup> June.
- Executive Workstreams to focus on 5 “big hitter” areas (Workforce redesign; CHC; UEC; Procurement; Medicines)
- 17<sup>th</sup> June interview and then on 24<sup>th</sup> June appoint to the External Support to commencement by end June early July depending on preferred bidder.

- End June (dates to be confirmed) Special In-Committee Performance & Finance Committee and Special Board to discuss WG submission for 30<sup>th</sup> June.
- Early July (date to be confirmed) Independent Member review and deep dive into Service Group savings and Executive Team workstreams.

With regard to the tables on the MMR, the forecast submitted at Month 2 remains in line with the original plan submission of £58.7m pending the completion of the work required for the 30<sup>th</sup> June submission.

## 1. Movement of Opening Financial Plan to Forecast Outturn (Table A)

The forecast will remain at £58.7m, with the risk to achieving this and the delivery of the actions to close the assessed gap detailed in Table A2. The profiling on Table A is highly indicative at this stage given the level of unidentified savings (£49.4m against a required £55.4m) and YTD overspend above plan of £7.3m which will need to be recovered in future months to achieve the planned deficit. Free text lines have been added to reflect:

- **Ref Line 26 Dental PCR Income shortfall** – Table B2 presents the expenditure position and does not report Income. Therefore a line has been added to report the cost pressure relating to the shortfall in Dental PCR income; this is expected to continue for the remainder of the year at this stage.
- **Ref Lines 27 & 28 Welsh LHB and NCA Income** – a YTD correction has been made in Month 2 to remove the values reported in Month 1 in line with WG feedback,
- **Ref Line 29 Unidentified Actions to mitigate Dental PCR Income** – in-year mitigation will be required for the cost pressure identified on Line 26; at this stage it is unknown what opportunities are available to mitigate the pressure.
- **Ref Line 30 JCC Income underperformance** – a clearer understanding of activity levels and performance was available for Month 2 and therefore a YTD underperformance has been recorded in Month 2. Based on current plans it is expected that this will improve over the coming months.
- **Ref Line 31 Unidentified Actions to mitigate JCC Income underperformance** – in-year mitigation will be required for the cost pressure identified on Line 30; at this stage it is unknown what opportunities are available to mitigate the pressure.
- **Ref Line 32 Unidentified income generation mitigating actions** – further Income Generation savings schemes or opportunities will be required to deliver the plan; options are being explored within contractual arrangements and commercial income but remain pipeline only at this stage.

The Health Bord welcomes the support made available through the escalation process for finance, planning and strategy and is proceeding at pace to appropriately source, procure and implement this support, as outlined in the section above. This work will help support the requirement to identify further mitigating actions to address issues reference in line 29,31 and 32 of Table A.

## **2. Underlying Position (Table A1)**

The underlying b/f position reflects the £92.478m, reported both in the Month 12 MMR submission and in the MDS submitted on the 31<sup>st</sup> March 2025. The planned savings of £55.4m are assumed to deliver recurrently in full in order to achieve a c/f underlying position of £58.7m in line with the planned deficit for 2025/26.

## **3. Risk Management (Table A2)**

### **Risks:**

For Month 2 the key risks for the delivery of the Deficit Plan are:

- Delivery of savings – as seen in the YTD performance, savings have not been identified or delivered at the required pace. At 5<sup>th</sup> June the Health Board had identified plans totalling £18.8m of savings (including Red schemes) and whilst it continues to scrutinise delivery of these via the Recovery & Sustainability Team and Board (chaired by the CEO), there is a significant increase required to deliver the plan. Therefore, at this early stage in the year it is assumed that the risk and the value of this, remains as per the MDS submission.
- Operational Pressures above baseline budgets – at Month 2 the YTD pressures driving the non-delivery of the plan primarily relates to savings. However there have been areas of operational pressures particularly with regard to the placement of Adult Mental Health patient in temporary external providers, which has driven a £1.3m pressure YTD. This has been mitigated currently by other areas (primarily NPTS Service Group and PCT Service Group) under spending against their delegated operational budgets as a result of non-recurrent benefits. This line reflects a general risk regarding operational pressures, which have been a financial challenge over the last 2 financial years.

As the year progresses there will be further risks, some of these were listed within the MDS Risk Table, but it is felt at this point further in year data is required to assess whether these will be a possible risk to the position and the potential value. For Month 2 the areas of concern are listed below and have been noted as an entry on Table A2 but with the value to be confirmed:

- Prescribing
- CHC growth
- JCC Savings
- Performance issues (including LTAs)
- NHS Wales Environmental Standards of Cleanliness
- Workforce changes
- Planned Care Recovery Funding Overcommitment to deliver Ministerial Targets
- Uncertainty of receiving WG match funding for increased ENIC costs

As the Finance Team gather the intelligence and data on the impact of these and other issues throughout the year the risk section of the MMR Tables and this letter will be updated.

## Opportunities:

Further work will be required during Q1/Q2 to look for N/R opportunities that can support the delivery of the plan. At this stage, the potential recovery of one year's VAT in relation to Microsoft has been included.

### 4. Monthly Positions (Table B)

#### 4.1 Overview Variance & Plan:

The profile of income and expenditure in Table B continues to be refined as further analysis is completed on the YTD operational drivers and mitigating actions/options.

Further details regarding the reasons for the variance to plan reported in Table B are provided in Section 4.2 below.

A summary of the drivers of the In-Month position is summarised in the table below:

**Table 2: Key Drivers**

Month 2 - In Month	TOTAL	MH/LD	PCT	NPTS	Morr	COO	Estates (inc Finance)	Corporate Directorates	Central
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
<b>Plan 1: Plan</b>									
In Month Deficit Plan	4.89								4.89
<b>Part 2: Delivery 2025/26 Target £55.4m &amp; Run Rate</b>									
Non Delivery £55.4m Savings	3.88	0.43	1.05	0.85	1.32	0.13	0.02	0.04	0.04
Non Delivery of Run Rate Target	(0.59)						(0.07)	(0.51)	0.00
Sub Total Part 2	3.29	0.43	1.05	0.85	1.32	0.13	(0.05)	(0.48)	0.04
<b>Part 3: Operational Pressures Above Underlying Deficit Income</b>									
- JCC Performance	0.60	0.00	0.00	0.00	0.60	0.00	0.00	0.00	0.00
- Dental PCR Income	0.04	0.00	0.04	0.00	0.00	0.00	0.00	0.00	0.00
- Other	(0.10)	0.00	0.00	(0.10)	0.00	0.00	0.00	0.00	0.00
<b>Pay (including VP)</b>									
- Medical	0.01	0.18	0.00	(0.13)	(0.04)	0.00	0.00	0.00	0.00
- Nursing (inc UQ)	0.19	0.23	0.05	(0.06)	(0.03)	0.00	0.00	0.00	0.00
- A&C	(0.07)	(0.07)	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Other	(0.30)	(0.09)	(0.37)	(0.00)	0.00	(0.04)	(0.08)	0.00	0.00
<b>Surge Beds</b>									
- Gorseinon	0.09	0.00	0.09	0.00	0.00	0.00	0.00	0.00	0.00
- Singleton/NPT	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- Morriston	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Non-Pay</b>									
- Secondary Care Drugs	(0.10)	0.00	0.00	(0.10)	0.00	0.00	0.00	0.00	0.00
- Clinical Consumables	(0.03)	0.00	(0.07)	(0.24)	(0.52)	0.00	0.00	0.00	0.00
- Estates (Building Materials / Energy)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- COO (Provisions)	(0.07)	0.00	0.00	0.00	0.00	(0.07)	0.00	0.00	0.00
- CHC (inc LAC)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
- CHC Temporary Adult MH Placements	0.65	0.65							
- Primary Care Prescribing	0.05			0.05					
- Other Non Pay	(0.07)	0.00	0.00	0.00	0.00	(0.05)	(0.02)	0.00	0.00
Corporate Directorate Balance	(0.17)							(0.17)	
Sub Total Part 3	(0.30)	0.90	(0.25)	(0.59)	0.01	(0.16)	(0.10)	(0.17)	0.00
<b>Part 4: Central Codes</b>									
- Central Z Codes	0.22								0.22
- NR Opportunities	0.00								0.00
Sub Total Part 4	0.22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.22
<b>Total Variance</b>	8.043	1.334	0.792	0.261	1.324	(0.026)	(0.149)	(0.642)	5.149
<b>Total In Month Budget</b>		12.211	23.807	32.033	31.574	3.500	5.131	23.721	
<b>Variance as % Budget</b>		11%	3%	1%	4%	(1)%	(3)%	(3)%	

## 4.2 Movements In-Month / YTD Variance and Forecast Profile

The key areas of variance across the Health Board are summarised in the commentary below. The items below are those that drive the operational spend reductions and cost pressures currently reported on Ref Lines 21 and 22 of Table A and relate to the summary provided in Table 2 above:

- **Income**

The Joint Commissioning Committee (JCC) Income as a provider under-performed by £0.6m in-month due to reduced activity levels, partly driven by staff sickness absence (YTD £0.6m).

Dental Contract Income underperformed in-month by £0.045m (YTD £0.1m).

- **Pay**

Month 2 Pay was again broadly a breakeven position, with vacancies offsetting the pressures in Medical & Dental and Nursing linked to high levels of sickness absence and a continuation of staffing surge bed capacity.

- **Clinical Consumables**

This area overall has an in-month position of an underspend of £0.9m, partly driven by the reduced JCC activity in-month. There are 80+ subjective lines within this category, including secondary care drugs.

- **Continuing Health Care (CHC)**

In Month 2 CHC was overspent by £0.7m (YTD £1.3m) due to temporary Adult Mental Health placements with external providers due to demand being more than the Health Board's internal bed capacity.

- **Prescribing**

Prescribing is providing a further small overspend in-month (YTD £0.1m) following receipt of the latest datasets (March 2025). As PAR data is received 2 months in arrears it is not possible to confirm any achievement of the planned Amber savings scheme in-month and therefore for prudence is reported as an under-delivery, however the delivery is forecast in Month 3 as there is equally no evidence that the scheme has not delivered at this stage.

As per previous actions points an analysis of items with a forecast greater than £0.5m when compared to an equal twelfth of the end of year total forecast was completed.

- RRL: each month, the gross income and expenditure position is finalised on an actuals basis (as reported in the MMR Table B); these actuals compared to the budget in the ledger create a variance. The variance needs to be reported as the 'bottom line' financial position for the Health Board (as reported in the 'Net surplus/(deficit)' total in the MMR Table B). Effectively the RRL is the budget allocated to Service Groups or Directorates based on the profiling for that month.

- Primary Care Contractor: The GP Refresh funding allocation is typically confirmed and passed to Contractors in Month 12.
- Capital Donation/Government Grant Income is typically confirmed and received in Month 12 (to note, should receipts be earlier in the year the income would be recognised at that point).
- Primary Care Drugs is phased based on prescribing days in any given month and anticipated timings of Category M drug prices.
- Pay will naturally fluctuate with the timing of starters and leavers, as well as the level of reliance on variable pay linked to sickness, number of open beds, additional activity etc.
- CHC inflation has assumed to be agreed and paid (inclusive of arrears) in Month 6, after which point the projected uplifted rates will apply. The profile of expenditure will also be affected by the number of days in each calendar month.

### 4.3 Movements In-Month / Forecast Actuals (Table B1)

The keys issues of note from Table B1 against the core heading of (1) PMA = Prior Month Actuals, (2) PMF = Prior Month Forecast and (3) PMFYF = Prior Month Full Year Forecast are provided in the section below:

- Revenue Resource Limit (RRL)
  - PMF/PMFYF: The increase primarily relates to the recognition of the Real Living Wage uplift for A4C, and additional Planned Care funding to support Cataract Surgery and RTT Waiting times.
- JCC Income
  - PMFYF: Despite the under-performance in the YTD position, it is expected that activity will increase over the remainder of the year based on the latest plans.
- Other Income
  - PMFYF: The increase relates to a number of small increases across multiple streams; the forecast is reflective of YTD performance.
- Primary Care Contractor
  - PMFYF: The forecast has been updated to reflect the full year effect of the contractual changes made in 2024/25.
- Provided Services – Pay
  - PMF/PMFYF: The increase primarily relates to the recognition of the Real Living Wage uplift for A4C (arrears for April 2025 were paid in May 2025), in addition to an in-month increase in variable pay and some increases in substantive pay in Medical and Nursing staff groups.
- Provided Services – Non-Pay
  - PMFYF: The increase in-month in refuse & clinical waste and computer licences is expected to continue throughout the year.
- Secondary Care Drugs
  - PMF: The decrease in-month is due to a timing difference is the issuing of Homecare drugs and therefore there is no expected impact on the EoY forecast.

- Continuing Health Care
  - PMFYF: The continuation of the temporary Mental Health placements (due to insufficient local capacity) was forecast to largely continue in Month 2 with material resolution by Month 3, however the case numbers remain at a similar level in early June and therefore additional costs have been forecast.
- Other Private & Voluntary
  - PMFYF: The increase relates to the additional Planned Care funding to support Cataract Surgery and RTT Waiting times in respect of outsourcing activity.

#### 4.4 Other Areas of Comment:

- **Accountancy Gains (D)**  
The potential for Accountancy Gains will remain under review over the course of the year.
- **Committed Reserves (E)**  
The Health Board is holding committed reserves in respect of NICE, which is issued on an actual basis and a Health Board wide forecast is assessed regularly. Within the Mental Health & Learning Disabilities and Primary Care & Community Service Groups local Reserves are held for CHC Inflation until Provider uplifts are confirmed and paid. We have presented the remaining reserves in sub table E.
- **COVID-19 Expenditure (F)**  
The breakdown of this by area of COVID is provided below:

£'000	Funding	Plan	Forecast
Health Protection (including PPE)	3,289	3,289	3,213
Vaccination Programme	3,291	3,291	3,422
Long COVID	954	954	954
<b>Total</b>	<b>7,534</b>	<b>7,534</b>	<b>7,589</b>

#### 5. Expenditure Movements (Table B2)

The Plan figures have been restated to reflect the MDS submission from 31<sup>st</sup> March 2025 after adjusting for the movement in identified Green and Amber savings schemes between 31<sup>st</sup> March and the Month 1 MMR submission in April, as requested by WG colleagues; a YTD correction has been reported in Month 2 which distorts the in-month position.

##### **Section A: Primary Care Contractor**

The only material line relates to Virements between expenditure categories.

Primary Care Contractor is overall at a break-even position YTD and EoY; full datasets are not yet available at which point a full reconciliation and forecast will be completed.

## **Section B: Primary Care Drugs & Appliances (Prescribing)**

The only material line relates to Virements between expenditure categories.

Primary Care Prescribing is providing a small YTD underspend which is reflected in the Table; until another month of PARS data is available to assess the YTD position this has not been extended into future months.

## **Section C: Provided Services – Pay**

The Unplanned Spend Reductions (Line 35) relates to Vacancies and other one-off benefits within Corporate Directorates, which are driving an underspend. Actions are underway to formally request that all Corporate Directorates continue to hold this position into future months in order to support the overall Health Board position.

Unplanned additional required Mitigations yet to be finalised have been mostly allocated against Pay given this is the largest expenditure type and should present the largest opportunity; also targeted efforts to reduce variable pay are already underway.

## **Section D: Provided Services – Non-Pay**

All unidentified savings targets are held on a consistent subjective for all Service Groups and Corporate Directorates; this 'gap' is classified under non-pay and therefore this Section holds the full Health Board value on the "Red, Pipeline and Planning Assumptions" line (line 48).

The YTD overall Non-Pay position is underspent by £1.5m; this relates to a range of one-off benefits, primarily in NPTS and PCT. £0.9m relates to Clinical Consumable as described in Section 4.2 above, in addition to various benefits in maintenance, managed service contracts and external data contracts.

Unplanned Cost Pressures (Line 54) is forecast for future months based on local intelligence regarding likely growth and inflationary pressures not yet in the YTD position; in addition, in Month 12, anticipated pressures that will not be certain until year end such as Bad Debt Provisions are included.

Unplanned additional required Mitigations yet to be finalised (line 57) have been next allocated against Non-Pay given this is second the largest expenditure type (excluding LTAs as these are contractually agreed) and should present the second largest opportunity.

## **Section E: Secondary Care Drugs**

The YTD Secondary Care Drug position is overspent by £0.3m; it is assumed that this is less of a pressure for the remainder of the year, however further work is required.

Unplanned additional required Mitigations yet to be finalised (line 72) is assumed to be required in line with future cost pressures.

## **Section F: Healthcare Services Provided by Other NHS Bodies**

The only material line relates to virements between expenditure categories.

There is an immaterial YTD benefit due to LTA performance (Line 83)

### **Section G: Non-Healthcare Services Provided by Other NHS Bodies**

No deviation in the Month 2 submission.

### **Section H: Continuing Care and Funded Nursing Care**

The Unplanned Cost Pressures (Line 114) relates to the temporary Adult Mental Health placements with external providers due to demand being more than the Health Board's internal bed capacity. Plans to repatriate these patients back into core capacity are underway.

Unplanned additional required Mitigations yet to be finalised (line 117) are not expected to fully mitigate the pressures within CHC.

### **Section I: Other Private & Voluntary Sector**

The only material lines relate to virements between expenditure categories and Additional spend associated with in-year funding.

### **Section J: Joint Financing and Other**

The only material lines relate to virements between expenditure categories and Additional spend associated with in-year funding.

## **6. Pay, Agency & Other Variable Pay Expenditure (Table B3)**

The Health Board Agency expenditure for Month 2 is £1.2m (Month 1, £1.1m), which is 1.7% (Month 1, 1.6%) of the overall pay expenditure.

The key reasons for Agency expenditure in month are set out in the bullets below:

- Vacancy Cover – 66%
- Temporary Absence Cover – 11%
- Additional Support to delivery and performance – 23%

Other Variable Pay (excluding Agency) is classified by the Health Board into the following categories: Bank, Overtime, Waiting List Initiatives (WLI) and Irregular Sessions and all of these have been included within the Table. A summary split by category is provided below:

<b>Category</b>	<b>In-month expenditure £'000</b>
Bank	2,239
Overtime	654
WLI	290
Irregular Sessions	877
<b>Total</b>	<b>4,060</b>

Agency/Premium Locum and Other variable pay remain key areas of focus for opportunities to reduce the current run rate of expenditure, with specific reduction targets having been issued to Service Groups.

## 7. Savings (Tables C, C1, C2, C3, C4)

The position reported in the MMR only reflects Green and Amber schemes.

The table below provides the detail of all schemes both in terms of In Year Delivery and Planned Schemes:

Service Area	Annual Plan Target	Planned Schemes					Actual Delivery				End of Year Forecast	Shortfall in Forecast
		Red Schemes	Amber Schemes	Green Schemes	Total	Gap / (Surplus) to Target	Mth 2	Total YTD	YTD Target	YTD Gap / (Surplus) to Target		
	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m
Morrison	16.08	8.04	0.20	0.26	8.50	7.59	0.02	0.20	2.68	2.48	0.46	(15.63)
NPTS	16.12	2.38	1.62	2.01	6.01	10.11	0.49	0.74	2.69	1.95	3.59	(12.52)
PCT	12.98	0.37	0.00	0.30	0.67	12.31	0.04	0.04	2.16	2.13	0.30	(12.68)
MH/LD	5.70	1.97	0.16	0.53	2.67	3.03	0.04	0.08	0.95	0.87	0.70	(5.00)
Corporate	4.56	0.00	0.00	0.96	0.96	3.60	0.15	0.15	0.76	0.61	0.96	(3.60)
<b>TOTAL</b>	<b>55.44</b>	<b>12.75</b>	<b>1.98</b>	<b>4.07</b>	<b>18.81</b>	<b>36.63</b>	<b>0.74</b>	<b>1.20</b>	<b>9.24</b>	<b>8.04</b>	<b>6.02</b>	<b>(49.42)</b>

In addition to the Green and Amber schemes, there are £12.8m of Red schemes which represents the further Pipeline Opportunities the Health Board is working to achieve. Further details on savings will be reported in future letters.

In addition to the shortfall from target of £49.4m reported in Table A, the Health Board will need to deliver mitigating cost reduction actions to address the YTD overspend of £7.3m to achieve the overall Plan of £58.7m deficit, which will not be part of the £55.4m savings target.

## 8. Welsh NHS Assumptions (Table D)

Except for JCC, Table D reflects the 2024/25 M12 Agreement of Balances position.

### Status of the LTA contract documentation for 2025/26

All contracts are agreed for 2025/26; there are 16 documents in total, 8 have been signed by both parties and 8 have been signed by SB and are with other parties for countersignature (but all agreed and no issues to report).

## 9. Resource Limits (Table E)

Table E provides the allocations received and those anticipated by the Health Board.

Any variance in the level of funding received aligned to anticipated allocations, may have a detrimental impact on the ability of the Health Board to achieve the £58.7m target.

## 10. Statement of Financial Position (Table F)

Not required in the Month 2 submission; to be completed from Month 3.

## 11. Cash Flow Forecast (Table G)

As at the end of May 2025, the Health Board had a cash balance of £4.227m, which is between the Health Board target of a cash balance of £2.5m at month end and less than the best practice cash target for the Health Board of £6m.

The difference between the £94.566m forecast cash deficit and the Forecast I&E deficit Cash figure, reflects the £6.532m of capital cash to reimburse revenue CRL, and the movement in the working capital balances.

The cash flow is updated daily, and a full review of the cash forecast is currently being undertaken monthly, to ensure that any changes to our cash requirements, can be communicated in a timely manner to WG.

The cash movements during May 2025 were:

	£'000
Forecast I&E Deficit	- 58,660
Reimbursement from Capital to Revenue	6,532
Movement in Working Capital balances	- 45,882
Opening Cash Balance	3,444
<b>Forecast Cash Surplus</b>	<b>- 94,566</b>

## 12. Public Sector Payment Compliance (Table H)

Not required in the Month 2 submission; to be completed from Month 3.

## 13. Capital Resource / Expenditure Limits (Table I & J)

The forecast outturn shows an overspend position of £1.083m. Allocations are anticipated on the following schemes, which will provide a balanced position.

Scheme	£m	Narrative
City Deal – Morriston Access Road Design	0.151	Funding approved.
Business Case Fees - Hybrid Theatre, Morriston	0.449	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees – Urology NPT	0.276	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.

Scheme	£m	Narrative
Business Case Fees – Taith Newydd Fire	0.206	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.

The following allocations are classed as risks.

Scheme	£m / Risk Level	Narrative
Positron Emission Tomography (PET) Service, Singleton Hospital	4.767 / Medium	Works to start in September 2025 therefore there will be a requirement to transfer funding into 2026-27. Quantum to be reviewed and finalised over the coming months.

All other schemes are low risk and any variances are linked to planned contributions from discretionary and in some instances payback of prior year fees.

#### 14. **Capital Disposals (Table K)**

There are two planned property disposals of Garngoch and Morryston Land with combined expected sale proceeds of £0.800m.

#### 15. **Aged Welsh NHS Debtors (Table M)**

Table M lists all Welsh NHS invoices outstanding for more than 11 weeks as at the end of May 2025. The value of NHS debts outstanding for between 11 and 17 weeks amounted to £700 at the end of May 2025 (April 2025 - £140k) with the number of invoices decreasing in this category to 4 invoices compared to 23 invoices as at the end of April 2025.

Of the outstanding invoices between 11 and 17 weeks old, 0 invoices (£0k) have been paid since the end of May 2025.

All outstanding invoices were agreed as part of the M12 Agreement of balances process. The appropriate arbitration letters have been sent to the corresponding Health Boards.

All 4 outstanding invoices are actively being chased: -

- Aneurin Bevan – 3 invoices, £300
- Powys – 1 invoice, £400

Please note there has been no specific reason provided for non-payment of these invoices to date.

#### 16. **Ring Fenced Allocations (Tables N & O & P)**

Not required in the Month 2 submission; to be completed from Month 3.

**17. IFRS 16 (Table Q)**

Not required in the Month 2 submission; to be completed from Month 3. This causes a validation error as Table Q is blank versus Table E which is populated.

**18. Governance Arrangements**

The financial information reported in these Monitoring Returns reflect those reported to the Health Board. These Monitoring Returns incorporate the financials of the following hosted bodies: -

- EMRTS

In the absence of the Chief Executive, the monthly monitoring return submission will be approved by Dr Richard Evans (Medical Director and Deputy Chief Executive) and for the Director of Finance by Samantha Moss (Deputy Director of Finance).

These Monitoring Returns will be circulated to the membership of the Health Board's Performance and Finance Committee on 24<sup>th</sup> June 2025.

Yours sincerely,



.....  
**DARREN GRIFFITHS**  
**DIRECTOR OF FINANCE**

Jan Williams, Chair  
NHS Financial Management  
Mr Jason Blewitt, Wales Audit Office



.....  
**ABIGAIL HARRIS**  
**CHIEF EXECUTIVE**