

Dyddiad/Date: 12<sup>th</sup> September 2024

Ms Claire Bowden  
Deputy Head of NHS Financial Management  
Welsh Government  
King Edward VII Ave  
Cardiff  
CF10 3NQ

Dear Claire,

### **SWANSEA BAY UNIVERSITY HEALTH BOARD MONITORING RETURN 31<sup>st</sup> AUGUST 2024**

I enclose with this commentary the completed proformas in respect of the Health Board's Monitoring Returns to 31<sup>st</sup> August 2024.

The Annual Plan submitted on 28<sup>th</sup> March 2024 reported a deficit of £50.1m after the delivery of £26.1m of savings. The expectation was that the in-month position would reflect a 12<sup>th</sup> of the £50.1m deficit. For Month 5 the Health Board (HB) has reported a deficit of £6.9m (Month 4, £7.1m) against a 12<sup>th</sup> of the deficit plan of £4.2m. Clearly this position is unacceptable and immediate actions continue to be taken.

Within the April - July 2024 Monitoring Return submissions, details have been included on the actions taken to address the financial position. In this reply letter it is assumed that all previous actions have been noted and a timeline of actions taken since the July (month 4) MMR submission and those planned through to the end of September 2024 have been included within section 4.4 to provide assurance and the detail on work underway to address the financial position.

The key drivers of the in-month position were as follows:

**Table 1: Key Drivers**

Month 5 - In Month	HB Wide YTD £'m	MH/LD £'m	PCT £'m	NPTS £'m	Morr £'m	Corp £'m	Central £'m
<b>Plan 1: Plan</b>							
12th Deficit Plan	4.2	-	-	-	-	-	4.2
<b>Part 2: Savings Delivery</b>							
Non Delivery £26.1m Savings	(1.5)	(0.7)	(0.5)	(0.1)	0.2	(0.4)	0.0
<b>Part 3: Operational Pressures</b>							
<b>Income</b>							
- JCC Performance	0.1	-	-	-	0.1	-	-
- Dental PCR Income	0.1	-	0.1	-	-	-	-
<b>Pay</b>							
- Medical	0.8	0.1	-	0.3	0.4	-	-
- Nursing (inc UQ)	1.1	0.7	-	-	0.4	-	-
- A&C	0.0	-	-	-	-	-	-
- COO Overtime	0.2	-	-	-	-	0.2	-
<b>Surge Beds</b>							
- Gorseinon	0.1	-	0.1	-	-	-	-
- SUSD	0.0	-	-	-	-	-	-
- Singleton	0.1	-	-	0.1	-	-	-
<b>Non-Pay</b>							
- Secondary Care Drugs	0.5	-	-	0.2	0.3	-	-
- Non Pay General (inc.Clinical Supplies/Reserves)	1.6	0.2	0.1	0.6	0.7	-	-
- Estates (Building Materials / Energy)	(0.4)	-	-	-	-	(0.4)	-
- COO (Provisions)	0.1	-	-	-	-	0.1	-
- CHC	0.7	0.1	0.6	-	-	-	-
<b>Sub Total Part 3</b>	<b>5.0</b>	<b>1.1</b>	<b>0.9</b>	<b>1.2</b>	<b>1.9</b>	<b>0.1</b>	<b>-</b>
<b>Part 4: Further Opportunities</b>							
Balance Corporate Directorates	(0.1)	-	-	-	-	(0.1)	-
Central Z Codes	(0.7)	-	-	-	-	-	(0.7)
<b>Sub Total Part 4</b>	<b>(0.8)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.1)</b>	<b>(0.7)</b>
<b>Total</b>	<b>6.9</b>	<b>0.4</b>	<b>0.4</b>	<b>1.1</b>	<b>2.1</b>	<b>(0.6)</b>	<b>3.5</b>

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

The Health Board (HB) submitted an Annual Plan on 28<sup>th</sup> March 2024 which reported a deficit of £50.1m. This has not been approved by Welsh Government (WG) who have requested as a minimum the HB reduces its deficit to £17m; work and discussions are underway. In order to meet the £50.1m deficit plan operational savings totalling £26.1m need to be achieved and all service areas are required to breakeven to their delegated budgets. This will require the need for a significant reduction to the HB's current run rate of expenditure.

The Health Board has been asked to submit a revised Plan for 2024/25; this is currently being drafted, with details on the actions in Section 4.4, which were shared with all Board

members at a Board Briefing on 10<sup>th</sup> September 2024 in draft, before finalising for Public Board on 25<sup>th</sup> September, with submission to WG on 26<sup>th</sup> September. This work brings together the work of the Programme 1 and Programme 2 of the Recovery & Sustainability Programme Board.

As the Plan has yet to be finalised in respect of (1) the options which have been categorised as Red and (2) non-recurrent opportunities, there is further work required to reflect the final Board approved revised 2024/25 Plan in Table A. However, elements have been included in Month 5 submission, with a full review and update of Table A to be completed post 25<sup>th</sup> September and reporting in the Month 6 MMR submission.

Provided below is information regarding the presentation of the numbers within the in-year section of Table A at this point:

- Line 26 and Lines 31-34 reflects the adverse Operational Variance to Plan forecast net of run rate reductions achieved; this aligns to the summary provided above on the In Month position and assumes the actions outlined in section 4.4 deliver. As part of the revised 2024/25 Plan an assessment of the Operational Variance to Plan has been completed and so lines 26, 31-34 will be updated to reflect the final Board approved plan in Month 6.
- Line 27 recognises the repurposing of the £2.16m discretionary COVID-19 funding (as shown on Line 22) as part of the Annual Planning cycle.
- Line 35 reflects a draft assessment of the balance of the Variable Pay Control total issued in August 2024, but after an element of reduction is netted off within Line 32 (Programme 1 Recovery & Sustainability).
- Line 36-38 has started to reflect the work undertaken by the Health Board outlined in Section 4.4 below, aligned to the revised Plan and the work of the Recovery & Sustainability Programme. As noted above further work is required with regard to these lines and updates will be provided in Month 6 pending the submission of the revised 2024/25 Plan on the 26<sup>th</sup> September 2024. (Programme 2 Recovery & Sustainability)

## 2. Underlying Position (Table A1)

The underlying b/f position reflects the £54.9m, reported both in the Month 12 MMR submission and the MDS submitted on the 29<sup>th</sup> March 2024. The Annual Planning cycle has resulted in an improvement of £4.8m, adjusting the underlying position to £50.1m. This is predicated on the recurrent delivery of £34.5m of savings schemes (£26.1m operational and £8.4m of disinvestment decisions made in the planning cycle) and of all Service Areas achieving a breakeven position against their delegated budgets.

The revised 2024/25 Plan has currently focused on the in-year delivery, however many of the options presented have a higher recurrent value and the impact of this alongside the recurrent operational variances will need to be considered as part of the 2025/26 Planning process. Table A1 will then be updated as underlying position is reported to the Board later in 2024/25.

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

#### **Risks:**

The risks reported at Month 5 are focused on two key areas of Operational Recovery and Savings delivery. The quantum of these two lines has not changed from the quantum reported in Month 4, but the allocation between the two has changed. However, the work on the revised 2024/25 Plan needs to be completed before a true assessment of the risks can be finalised. Therefore, we have retained the risk quantum for these two lines pending the completion of the work on the plan.

#### **Opportunities:**

Within the opportunities sections on Table A2 the Health Board has previously reported the values associated with the Thematic Programmes. The Thematic Programmes have now been absorbed within the Recovery & Sustainability Programme. Those elements of the programme that have been assessed as likely to deliver 'savings' have been incorporated within Lines 36 and 38 of Table A or within Further Red Opportunities in Table A2, and so are now within the wider options being considered as part of the revised plan and are not a separate programme.

So, for Month 6 reporting there are 3 lines in this section:

- Microsoft VAT Recovery – as per Month 4 submission and in line with WG guidance, the recovery of Microsoft VAT was removed from Table C3 and is included in Table A2 as an opportunity.
- Indicative Non-Recurrent Landing Plan – work is underway to assess all aspects of the Health Board position including the balance sheet, use of funding and performance of LTA's. These are indicative at this point but will continue to be refined through Q3 to support further the in-year financial performance of the Health Board, whilst additional Red schemes are developed and turn Green/Amber.
- Further Red opportunities under assessment – the Health Board has been working through £38m of Red Schemes. Each scheme has had to be impacted assessed, considered by the Executive Team and recommended to the Board. The value at this point of the recommended schemes is included on this line until such time as the schemes are finally approved as part of the revised 2024/25 Plan and value finalised. This is also being assessed for potential need to engage with Llais which could introduce timing delays for realisation of savings if further engagement with our populations is needed.

### 4. **Monthly Positions (Table B)**

#### **4.1 Overview Variance & Plan:**

The profile of income and expenditure in Table B is indicative at this stage given the number of actions underway. The profile will also be refined as further analysis is completed on the YTD operational drivers and mitigating actions.

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

#### **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 run rate pressures currently reported on Ref Line 26 and Lines 31-34 of Table A and relate to the summary provided in Table 1 above:

- **Income**

The Joint Commissioning Committee (JCC) Income as a provider deteriorated in-month, with an in-month underachievement of £0.13m, largely due to activity levels being significantly higher in Burns & Plastics, Bariatric and TAVI/Cardiology procedures in Month 4, which have returned to more standard levels in Month 5. The YTD underachievement is £0.6m.

Dental Contract Income underachieved by £0.04m in-month, with an YTD underachievement of £0.6m.

- **Pay**

The Month 5 pay overspend was £1.0m (Month 4, £2.2m), largely driven by Medical & Dental and Additional Clinical Services across the acute sites and MH&LD. The pay pressures are driven by a number of factors including the continuation of staffing surge bed capacity, pressures on services across the organisation and high levels acuity, coupled with high levels of sickness.

- **Clinical Consumables**

This area continues to be a significant pressure with an in-month position of £1.6m (Month 4, £1.3m). There are 80+ subjective lines within this category including secondary care drugs but areas seeing most pressures YTD continue to be general consumables (M&SE), laboratory products and implants (which in part will be driven by activity).

- **Prescribing**

Currently prescribing is balanced in month and there is a small YTD underspend of £0.3m. We have at this point received 3 months of PAR data. The Q1 data is below the anticipated levels at this point in the year. However, the data developed in partnership with Pharmacy colleagues is indicating that price concessions linked to Cat M and NCSO may increase significantly in Q2. Therefore, the position is being maintained as relatively balanced pending further PAR data in the coming months.

As per **action point 2.1** 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.

- Primary Care Contractor has an additional assumed £1.0m in Month 12 in relation to the GP Refresh anticipated allocation – confirmation of this pass-through cost is not typically received until Month 12.
- Capital Donation/Government Grant Income is typically confirmed in Month 12.
- 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.
- Non-Pay is profiled in line with when services are received or goods are delivered.
- Continuing Care will be driven by the number and price of packages of care at any given time, and the number of calendar days each 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 main driver of the decrease relates to the issuing of the pay award based on the pay matrix and subsequent adjustment to RRL.
- Welsh NHS Local Health Boards & Trusts Income
  - PMF/PMFYF: The increase is primarily as a result of the pay matrix adjustments to LTA values and updated performance based on the YTD position. There has also been an increase in drug recharge assumptions.
- JCC Income:
  - PMF/PMFYF: The increase is as a result of the pay matrix adjustments to LTA values and updated performance based on the YTD position. There has also been an increase in drug recharge assumptions.
- Provided Services – Pay
  - PMFYF: The forecast increase reflects a delay to the expected reductions in variable pay
- Secondary Care Drugs:
  - PMFYF: The forecast increase reflects increased recharges to both JCC and other Welsh NHS bodies
- Healthcare Services Provided by Other NHS Bodies
  - PMF/PMFYF: The in month increase is due to a YTD “catch up” to reflect the latest end of year forecast, which is driven by the latest Pay Matrix implications and updates to LTA and JCC performance.
- Continuing Care and Funded Nursing Care:
  - PMF/PMFYF: the increase is based on the latest database modelling, driven by case numbers and package prices.
- Other Private and Voluntary Sector:
  - PMF: This relates to outsourcing invoices that related to March and correctly accrued at year end, however the accruals were not released in month 1 when invoices were recognised in error. This has been corrected in month

5 by releasing the balance making the YTD position correct. Balance sheet review processes are a key point of focus for the Finance function and improved processes have been implemented as a result.

- Joint Financing and Other
  - PMFYF: The primary driver is new funding confirmed in relation to ICRF

#### 4.4 Actions to Manage Risks and YTD Variance

Through previous submissions and from comments in previous sections, WG will be aware that the Health Board is working through a process to identify further opportunities to support the financial position, culminating in the submission of the revised 2024/25 Plan. At the time of completing the MMR submission this work has not concluded, which would provide the clarity on a number of the queries included within the reply letter from 29<sup>th</sup> August 2024 and action points 4.1 and 4.2. As per the timeline below this work will be concluded by 26<sup>th</sup> September 2024, allowing the Month 6 MMR submission to be updated aligned to outputs from this work, which will impact on Table A, A2 and Table B.

At this point in the process the table below provides a summary of the actions being taken by the Health Board since the submission of the July (Month 4) MMR submission through to the end of September, to continue to provide the assurance on the focus within the Health Board of the actions to improve financial performance. Actions up to and including the Month 4 (July) submission are provided in previous submissions. Each action is aligned to the Recovery & Sustainability (R&S) Programme, which is made up of three elements: -

- Programme 1 focusing on immediate actions to address controllable expenditure.
- Programme 2 focusing on Short Term Service Changes that will impact on run rates and savings delivery, including the governance linked to the original accountability letters culminating in the re-submission of the 2024/25 Plan.
- Programme 3 focus on medium term sustainability to support the 2025/26-2027/28 Plan to deliver financial balance during this period.

Date	Action
14 <sup>th</sup> Aug	<b>Programme 2 R&amp;S</b> - Updated options to mitigate operational pressures, run rate reductions and address savings target submitted. This is the revised submissions required on 31 <sup>st</sup> July, following the first round of Star Chamber meetings.
19 <sup>th</sup> - 23 <sup>rd</sup> Aug	<b>Programme 2 R&amp;S</b> - Star Chamber meetings Round 2 Chaired by the CEO; there was also a focus on Estates and Hotel Services in this round of meetings.
27 <sup>th</sup> Aug	<b>Programme 2 R&amp;S</b> – Briefing to Performance & Finance Committee on the outcomes of Star Chamber and the development of the revised Plan.
30 <sup>th</sup> Aug	<b>Recovery &amp; Sustainability Overarching</b> – follow up meeting with WG/NHS Executive (NHSE), building on the discussion from 5 <sup>th</sup> June.

Date	Action
2 <sup>nd</sup> Sept	<b>Programme 2 R&amp;S</b> – Briefing to Independent Members on the progress of the revised Plan
4 <sup>th</sup> Sept	<b>Programme 2 R&amp;S</b> – Formal Executive Team meeting to discuss all Red options submitted on 14 <sup>th</sup> August. Output from meeting was a recommendation on each of the 148 red schemes to support the revised 2024/25 Plan.
9 <sup>th</sup> Sept	<b>Programme 2 R&amp;S</b> – Informal Executive Team meeting to continue discussions on Red options submitted on 14 <sup>th</sup> August to finalise the recommendation to support the submission of the draft revised Plan at the Board Briefing on 10 <sup>th</sup> September.
10 <sup>th</sup> Sept	<b>Programme 2 R&amp;S</b> – Board Briefing to discuss draft of revised 2024/25 Plan.
<b>12<sup>th</sup> September 2024 Completion and Submission Month 5 MMR</b>	
16 <sup>th</sup> Sept	<b>Programme 2 R&amp;S</b> – Informal Executive Team discussion on draft revised 2024/25 Plan.
17 <sup>th</sup> Sept	<b>Programme 2 R&amp;S</b> – Presentation to In-Committee PFC on the latest 2024/25 Plan for recommendation to the Board scheduled for 25 <sup>th</sup> September.
18 <sup>th</sup> Sept	<b>Programme 2 R&amp;S</b> – Finalisation of the 2024/25 Plan for submission to the Board.
25 <sup>th</sup> Sept	<b>Programme 2 R&amp;S</b> – Public Board which will include the discussion and approval of the revised 2024/25 Plan.
26 <sup>th</sup> Sept	<b>Programme 2 R&amp;S</b> – Submission of revised Plan for 2024/25 to WG.
26 <sup>th</sup> Sept – 9 <sup>th</sup> Oct	<b>Landing Plan to 31<sup>st</sup> March 2025</b> – Building on the work done as part of the revised 2024/25 Plan continue to refine the Landing Plan for 2024/25 to support meeting on 9 <sup>th</sup> October.
Oct 2024	<b>Programmes 1-3 R&amp;S</b> – establishment of the new R&S Board, reporting to PFC to provide the oversight of all aspects of the Recovery & Sustainability Programme.
9 <sup>th</sup> Oct	<b>Recovery &amp; Sustainability Overarching</b> – further discussion with WG/NHSE on the revised 2024/25 Plan submitted, output from Month 6 and trajectory to 31 <sup>st</sup> March 2025.
9 <sup>th</sup> Oct Onwards	<b>Landing Plan to 31<sup>st</sup> March 2025</b> – continued refinement and identification of non-recurrent opportunities to support the 2024/25 Financial Performance.
11 <sup>th</sup> October	<b>Submission Month 6 MMR</b> – updated so the outputs from the revised 2024/25 Plan and other actions from the Landing Plan are reflected with the relevant I&E Tables of the MMR.

#### 4.5 Other Areas of Comment:

- **Energy Forecast (F)**

An update was received on 10<sup>th</sup> June 2024 from NWSSP regarding the forecast which has been validated and included in Month 3 MMR submission. As a result,



Month 1 and 2 actuals have been restated. There is no update for the Month 5 MMR submission.

- **Uncommitted Reserves (G)**

The Health Board is not holding uncommitted reserves, any reserves it holds are linked to projects (e.g. Recovery Programme) or NICE and are issued on an actual basis.

- **Accountancy Gains (E)**

There are no Accountancy Gains anticipated at this stage; this will remain under review during the year.

## 5. Pay, Agency & Other Variable Pay Expenditure (Table B2)

The Health Board Agency expenditure for Month 5 is £1.5m (Month 4, £1.5m), which is 2.3% (Month 4, 2.4%) of the overall pay expenditure.

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

- Vacancy Cover – 70%
- Temporary Absence Cover – 8%
- Additional Support to delivery and performance – 22%
- COVID-19 – 0%

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:

Category	In-month expenditure £'000
Bank	2,206
Overtime	643
WLI	404
Irregular Sessions	836
<b>Total</b>	<b>4,090</b>

Both 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.

Drivers of the material movements from the prior month's forecast are provided below:

Table A:

- Medical & Dental: the increase is driven by the in-month position being significantly higher than expected and returning to the levels in Months 2 and 3 and being largely driven by variable pay.
- Nursing & Midwifery: the decrease reflects the continuing actual improvement YTD, predominantly linked to variable pay, however this is partly offset by an increased reliance on Unregistered Nursing (in Additional Clinical Services).

Table B:

- Nursing & Midwifery: see above comment on Table A.

Table C:

- Medical & Dental: see above comment on Table A.

It is of concern that the level of Agency expenditure has remained consistent with the prior month, and Other Variable Pay has increased significantly. Further scrutiny is needed given the reduction targets issued to Service Groups.

**6. COVID-19 (Table B3)**

The total forecast expenditure shown on Table B3 for 2024/25 is currently £7.188m following a capping of expenditure versus the funding provided as part of the Annual Planning cycle. This action has been taken to drive efficiency within this element of the Health Board. The breakdown of this by area of COVID is provided below:

<b>£'000</b>	<b>Funding</b>	<b>Plan / Forecast</b>
Health Protection (including PPE)	3,994	3,154
Vaccination Programme	4,400	3,080
Long COVID	954	954
<b>Total</b>	<b>9,348</b>	<b>7,188</b>

**7. Savings (Tables C, C1, C2, C3)**

The position reported in the MMR by each area is provided in the table below, which will only reflect Green and Amber schemes:

Savings Table 1: Green/Amber

In-Year Savings	2024/25 Savings Target £'m	In Year Opportunities Identified Trackers 2024/25 £'m	Less Opportunities to manage In Year Pressures £'m	In Year Opportunities to Deliver Savings £'m	In Year Shortfall on Savings Target £'m	Recurrent Shortfall on Savings Target £'m
Morrison	7.8	3.0	0.0	3.6	4.2	2.6
NPTS	8.0	6.6	0.0	6.9	1.0	0.1
MHLD	2.6	9.2	7.5	2.6	0.0	0.0
PCT	3.1	5.4	4.3	3.1	0.0	0.0
Corporate	4.7	3.8	0.0	3.9	0.8	2.3
	<b>26.1</b>	<b>28.1</b>	<b>11.8</b>	<b>20.1</b>	<b>6.0</b>	<b>5.0</b>

Overall, there has been progress in the identification of opportunities and further pipeline ideas, aligned in part to the work outlined in Section 4.4. As the Health Board will need to deliver mitigating cost reduction actions to address the YTD overspend and run rate pressures the overall level of savings and mitigating actions required will be more than the £26.1m planned target.

A summary of the total opportunities at 6<sup>th</sup> September 2024, is provided in the table below:

Savings Table 2: All Schemes

	2024/25 Savings Target £'m	In Year Opportunities Identified (Plans) 2024/25 £'m	Less Opportunities to manage In Year Pressures £'m	In Year Opportunities to Deliver Savings £'m	In Year Shortfall: Forecast vs.Target £'m	Recurrent Shortfall on Savings Target £'m
Morrison	7.8	3.4	0.0	3.7	4.1	2.0
NPTS	8.0	6.6	0.0	6.9	1.0	0.1
MHLD	2.6	9.2	7.5	2.6	0.0	0.0
PCT	3.1	7.6	5.8	3.1	0.0	0.0
Corporate	4.7	6.1	0.0	4.5	0.2	1.6
	<b>26.1</b>	<b>33.0</b>	<b>13.3</b>	<b>20.9</b>	<b>5.2</b>	<b>3.7</b>

For clarity the Savings Table 1 above do not currently reflect all the Green/Amber schemes proposed as part of the Plan or the further red opportunities but is a summary of the trackers at a point in time. All Service Areas have until end of September to ensure all Green and Amber schemes are entered onto the savings trackers, which feed the MMR Tables. However, a reconciliation of the work completed for the revised plan and the current Green and Ambers in the table above indicate that there is potentially a further £13.1m of Greens/Ambers to be included next month. For Month 5 this is incorporated within Line 36 of Table A.

Savings Table is missing both some of the Green/Ambers as mentioned in the paragraph above but also does not include those Red Schemes being considered by the Board as part of the Plan. Once the Plan has been approved those schemes agreed can then be

added to the savings trackers. For Month 5 they are noted in Table A2 under opportunities.

## 8. Welsh NHS Assumptions (Table D)

Please note that in column D, a hidden row (row 24) seems to have figures in it, which are contributing to the overall total being incorrect – shown in red below.

This was resolved after Month 3, with a revised template being issued to us, but it is still causing a problem. Is it possible for a revised template to: -

- Either show row 24, and make it editable, so that we can remove any incorrect values included in it, which will ensure that the reported position is accurate or
- Hide row 24 and make it not editable.

Table D should be showing the following totals:

	LHB/Trust	Contracted Income	Non Contracted Income	Total Income	Contracted Expenditure	Non Contracted Expenditure	Total Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000
1	Swansea Bay University	-	-	-	-	-	-
2	Aneurin Bevan University	1,269	2,493	3,762	201	953	1,154
3	Betsi Cadwaladr University	-	257	257	-	534	534
4	Cardiff & Vale University	2,371	4,133	6,504	3,878	4,705	8,583
5	Cwm Taf Morgannwg Univ	35,503	5,835	41,338	29,837	2,444	27,393
6	Hywel Dda University	38,563	4,010	42,573	4,558	1,095	5,653
7	Powys	8,756	2,235	10,991	1,036	474	1,510
8	Public Health Wales	2,132	1,856	3,988	-	5,111	5,111
9	Velindre	-	7,135	7,135	515	55,085	55,600
10	NWSSP						
11	DRCW	458	395	853	5,499	242	5,741
12	Wales Ambulance Service	-	200	200	720	312	1,032
13	JCC (WHSSC/EASC)	152,280	2,227	154,507	138,887	775	139,662
14	HEIW	-	18,404	18,404		8	8
15	NHS Executive						
17	Total	241,332	49,180	290,512	185,131	66,850	251,981
				290,512			251,981
	Table D is showing:	240,173	49,180		185,131	66,850	

## 9. Resource Limits (Table E)

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

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

The key issues in respect of the statement of financial position movements are as follows:

The inventory value has decreased from £11.878m at the end of July 2024 to £11.139m at the end of August 2024, a decrease of £0.739m. The decrease mainly relates to blood stocks across all hospital sites.

There has been a decrease in trade receivables from £239.897m at the end of July 2024 to £212.827m at the end of August 2024, a decrease of £27.070m. Of this decrease £1.2m relates to the VAT Debtor, £2m to prepayments, and £20m on NHS Debtors.

The closing August 2024 cash balance of £2.635m is within range of the Health Board target of a cash balance of £2.5m at month end and the best practice cash target for the Health Board of £6m.

The trade and other payables figure saw a reduction from £220.530m at the end of July 2024 to £179.134m at the end of August 2024, a reduction of £41.396m. This comprised a reduction in revenue payables. The reduction in revenue payables mainly relates to reductions in goods received not invoiced, accruals, NHS and WGA (Whole Government Account), and other creditors.

Provisions increased by £5.495m from £205.186m at the end of July 2024 to £210.681m at the end of August 2024. The majority of the increase (£5m), relates to 1 case where the latest quantum received shows that the probability has increased, therefore increasing the provision attached to the case. As the quantum's received are now being reflected in the financial ledger monthly, rather than quarterly. This will create a more regular movement for both the Trade Receivables (WRP Debtors) and the Provision figures.

## 11. Cash Flow Forecast (Table G)

As at the end of August 2024, the Health Board had a cash balance of £2.635m, which within the best practice cash target for the Health Board of £6m.

The cash deficit position of £97.013m is detailed in the table below:

	£'000
Forecast I&E Deficit	- 50,100
Reimbursement from Capital to Revenue	9,307
Movement in Working Capital Balances	- 59,079
Opening Cash Balance	2,859
<b>Forecast Cash Deficit</b>	<b>- 97,013</b>

The difference between the £97.013m forecast cash deficit and the Forecast I&E deficit Cash figure, reflects the £9.307m 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 several times a week, to ensure that any changes to our cash requirements, can be communicated in a timely manner to WG.

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

The Health Board achieved the 95% PSPP target the % of Non-NHS Invoices Paid within 30 Days in Quarter 1 with compliance being 95.4% for the quarter.

NHS payment compliance for invoices paid within 30 days was, however, below 95% with the quarterly performance being 83.2%. The Health Board remains focussed on improving PSPP compliance for NHS invoices and ensuring that performance remains above 95% for Non-NHS invoices.

Further updates will be reported at the end of Quarter 2.

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

The forecast outturn shows a balanced position. The balanced position mitigates any non-receipt of the £1.160m business case fees shown as anticipated allocations below.

<b>Scheme</b>	<b>£m</b>	<b>Narrative</b>
Business Case Fees - Modular Theatres, Singleton	0.477	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees - Adult Acute Mental Health	0.172	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees - Tonna Older Adults Mental Health	0.043	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees – Thoracic, Morriston	0.111	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees - Urology Morriston to NPT	0.276	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees - 2nd CT Sim, Singleton	0.080	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.

As discussed at the CRM on 9<sup>th</sup> July, the £974k approved income from the City Deal has been included as a Capital Grant.

The following allocations are classed as risks.

<b>Scheme</b>	<b>£m / Risk Level</b>	<b>Narrative</b>
Singleton Cladding - Main works and	0.205 / High	A CRL transfer from Singleton Cladding - Main Works to Patient Waiting Area,

Scheme	£m / Risk Level	Narrative
Patient Waiting Area, Morriston Hospital		Morriston Hospital of £0.205m is required as agreed with Ian Gunney.
Burns Unit and Critical Care Expansion, Morriston Hospital	0.600 / Medium	As discussed at the CRM on 10 <sup>th</sup> September, initial indications suggest that an underspend of £0.400m-£0.600m may materialise on the scheme. This is to be confirmed in the coming months.
Morriston Infrastructure Modernisation Phase 2	0.250 / Medium	As discussed at the CRM on 10 <sup>th</sup> September, initial indications suggest that slippage of £0.200m-£0.250m may materialise on the scheme. This is to be confirmed in 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 three further planned property disposals this year for Garngoch, Phillips Parade and Morriston land with combined expected sale proceeds of £0.850m. However, as discussed at the CRM on 10<sup>th</sup> September 2024 there is a medium risk that the Garngoch disposal does not occur this year.

#### 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 August. The value of NHS debts outstanding for between 11 and 17 weeks amounted to £113k at the end of August 2024 (July 2024 - £118k) with the number of invoices increasing in this category to 18 invoices compared to 13 invoices as at the end of July 2024.

Of the outstanding invoices between 11 and 17 weeks old, 0 invoices (£000k) have been paid since the end of August 2024. One invoice over 17 weeks has been paid (£3.4k) since the end of August. All 17 outstanding invoices are being chased: -

- Cwm Taf – Total Outstanding balance invoices is £87k where incorrect cost centres used on the purchase orders, which is causing delay in payment.
- Powys – Total outstanding balance invoices is £16k no reasons provided for non-payment.
- PHW – Total outstanding balance is £10k no reasons provided for non-payment.
- Welsh Government – Total outstanding in one invoice agreed at year end £20.8k, reason is they are awaiting the signed approval grant. This has been flagged as requiring urgent resolution with the relevant service leads at SBU.

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

Tables N (GMS) and O (Dental) are not required until Quarter 2.

Whilst there are currently uncommitted values in Planned and Unscheduled Care Sustainability, Mental Health, and Value Based Health Care, this is due to plans being developed and prioritised. The expectation at this stage is that all funds will be utilised.

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

This Table was completed for the first time in Month 3. Approved schemes: The 2024/25 forecast in Month 5 has increased from Month 4 as a result of leases being approved following the IFRS 16 leases submission to WG in July 2024.

Unapproved schemes: The 2024/25 forecast in Month 5 has reduced compared to Month 4. Several leases have been approved during Month 5 and, the figures have also been updated for latest view following the leases submission to WG in September 2024.

**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 Darren Griffiths (Director of Finance and Acting 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> September 2024.

Yours sincerely,

  
.....  
**DARREN GRIFFITHS**  
**DIRECTOR OF FINANCE**  
**ACTING DEPUTY CHIEF EXECUTIVE**

  
.....  
**SAM MOSS**  
**DEPUTY DIRECTOR OF FINANCE**

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