

Dyddiad/Date: 13<sup>th</sup> August 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> JULY 2024**

I enclose with this commentary the completed proformas in respect of the Health Board's Monitoring Returns to 31<sup>st</sup> July 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 4 the Health Board (HB) has reported a deficit of £7.1m (Month 3, £7.5m) 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 - June 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 submission and those planned through to the end of September 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 4 - 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	(0.0)	(0.4)	(0.6)	0.3	0.6	0.1	0.0
<b>Part 3: Operational Pressures</b>							
<b>Income</b>							
- JCC Performance	(0.3)	-	-	-	(0.3)	-	-
- Dental PCR Income	0.1	-	0.1	-	-	-	-
<b>Pay</b>							
- Medical	0.9	0.1	-	0.4	0.4	-	-
- Nursing (inc UQ)	0.9	0.4	-	-	0.5	-	-
- A&C	(0.2)	-	-	-	(0.2)	-	-
- COO Overtime	0.1	-	-	-	-	0.1	-
<b>Surge Beds</b>							
- Gorseinon	0.1	-	0.1	-	-	-	-
- SUSD	0.0	-	-	-	-	-	-
- Singleton	0.0	-	-	0.0	-	-	-
<b>Non-Pay</b>							
- Secondary Care Drugs	(0.2)	-	-	(0.4)	0.2	-	-
- Non Pay General (inc.Clinical Supplies/Reserves)	1.9	0.1	0.1	0.4	1.3	-	-
- Estates (Building Materials / Energy)	0.1	-	-	-	-	0.1	-
- COO (Provisions)	0.1	-	-	-	-	0.1	-
- CHC	1.0	0.2	0.8	-	-	-	-
<b>Sub Total Part 3</b>	<b>4.6</b>	<b>0.8</b>	<b>1.1</b>	<b>0.4</b>	<b>1.9</b>	<b>0.3</b>	<b>-</b>
<b>Part 4: Further Opportunities</b>							
Balance Corporate Directorates	(0.5)	-	-	-	-	(0.5)	-
Central Z Codes	(1.1)	-	-	-	-	-	(1.1)
<b>Sub Total Part 4</b>	<b>(1.6)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>(0.5)</b>	<b>(1.1)</b>
<b>Total</b>	<b>7.1</b>	<b>0.4</b>	<b>0.5</b>	<b>0.8</b>	<b>2.5</b>	<b>(0.0)</b>	<b>3.1</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.

As part of the Financial Planning process the Health Board identified a number of areas of focus to reduce the £50.1m plan to £24.5m, under the banner of Thematic Programmes with dedicated Executive SRO Leads. Updates on progress were reported via the agreed

internal governance route of Management Board 15<sup>th</sup> May 2024, Performance & Finance Committee 21<sup>st</sup> May 2024 and then Board 23<sup>rd</sup> May 2024. However, given the YTD financial performance, the Board has insufficient assurance to reduce the Planned Deficit and the resubmitted financial plan value for 2024/25 reported on the 31<sup>st</sup> May 2024 remains at £50.1m, with significant risks to delivery.

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

- 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. This will continue to be refined and will be further revised following the Special Board discussions scheduled for 5th September and referenced in section 4.4.
- 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 28 shows the impact of converting Red/Pipeline opportunities into delivery of Green/Amber schemes in the achievement of the Planned savings target (see associated risk in Section A2).
- Line 30 reflects the operational actions that will be required in addition to the delivery of the savings target in order to address the forecast Operational Variation to Plan; this remains indicative as the work described in section 4.4 is established.

## **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.

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

### **Risks:**

The risks reported at Month 4 are focused on two key areas:

- **Operational recovery** of the YTD and forecast financial position, which is discussed further under section 4.4. The risk reflects the potential non delivery in full of mitigating actions required to address the YTD and forecast overspend as detailed on line 30 of Table A.

- **Savings delivery** and the conversion of Red/Pipeline opportunities into deliverable Green/Amber savings schemes. As it is early in the financial year, the risk regarding conversion to savings schemes has been limited to 60% of the current gap.

#### **Opportunities:**

As reported previously the Health Board established Thematic Programmes to support the improvement in the reported Planned Deficit of £50.1m. Listing of the programmes, the SRO and opportunities have been previously provided.

Also, in line with WG guidance, the recovery of Microsoft VAT has been removed from Table C3 and is now included in Table A2 as an opportunity (within line 32, Technical).

All opportunities will be updated following the outcomes of the Special Board meeting scheduled for 5<sup>th</sup> September (refer to section 4.4).

## **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 improved in-month, with an in-month overachievement of £0.3m, largely due to activity levels in Burns & Plastics, Bariatric and TAVI/Cardiology procedures. The YTD underachievement is £0.5m.

Dental Contract Income underachieved by £0.1m in-month, with an YTD underachievement of £0.5m.

- **Pay**

The Month 4 pay overspend was £2.2m (Month 3, £2.8m), largely driven by Medical & Dental and Nursing across the acute sites and MH&LD in addition to Hotel Services within COO. 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 £1.3m (Month 3, £1.2m). 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).

- **Non-Delivery Savings**

The Health Board has set a 2.5% savings target for 2024/25 which has been issued to Service Areas. There is currently a gap in the identification, and therefore delivery, of savings to meet the target set. However, due to phasing of schemes this has resulted in a £nil variance in Month 4 (Month 3, £0.9m).

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 increase relates to the updates to DEL/AME/IFRS16 to reflect the latest revenue affecting Capital position.
- Welsh NHS Local Health Boards & Trusts Income
  - PMF/PMFYF: The increase is based on the assumed continuation of YTD LTA performance (following recognition of a YTD 'catch-up' in months 3 and 4).
- JCC Income:

- PMF/PMFYF: The increase is based on the assumed continuation of YTD specialised services performance (following recognition of a YTD 'catch-up' in-month).
- Other Income:
  - PMFYF: this includes income for the R&D and Local Authority but there is no one specific area but a number of items each month impacting on the movement.
- Provided Services – Pay
  - PMFYF: The forecast decrease reflects the impact of the further actions taken for the reduction in reliance on variable pay; this will continue to be refined.
- Provided Services – Non-Pay
  - PMF/PMFYF: The increase in-month compared to forecast was significant, largely linked to activity levels in Morriston and NPTS. In addition, the Microsoft VAT savings schemes have been removed in line with WG guidance.
- Healthcare Services Provided by Other NHS Bodies
  - PMF/PMFYF: The increase is driven by the latest 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.
- DEL Depreciation
  - The Month 4 MMR has been updated to reflect the necessary changes from the latest Non-Cash Submission.

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

The table below provides a summary of the actions being taken by the Health Board during July and those planned through to the end of September to provide assurance and details on how the improvement in financial performance will be achieved.

There are two areas of work underway linked to the Recovery & Sustainability (R&S) Programme. Programme 1 focusing on immediate actions to address controllable expenditure and Programme 2 focusing on Short Term Service Changes that will impact on run rates and savings delivery.

Date	Action
28 <sup>th</sup> June	<b>Programme 2 R&amp;S</b> - All Service Groups submitted options to mitigate operational pressures, run rate reductions and address savings target set for 2024/25, to be scrutinised via the 'Star Chamber' meetings scheduled for 11 <sup>th</sup> -24 <sup>th</sup> July.
8 <sup>th</sup> July	<b>Recovery &amp; Sustainability Overarching</b> - Director Recovery & Sustainability commenced role, working directly to the Director of Finance and Performance

	(SRO) leading on a three-programme approach supported by the existing Finance PMO Team.
11 <sup>th</sup> - 24 <sup>th</sup> July	<b>Programme 2 R&amp;S</b> - Star Chamber meetings Round 1 held and Chaired by the CEO, with the next steps detailed in action dated 31 <sup>st</sup> July 2024
17 <sup>th</sup> July	<b>Programme 1 R&amp;S</b> - Immediate pause on A&C Bank/Agency/Overtime and also a pause on all A&C Recruitment, with new vacancy panel being developed to increase the scrutiny on A&C posts being put in place after the 3 month pause.
23 <sup>rd</sup> July	<b>Programme 2 R&amp;S</b> - Summary of the submissions from 28 <sup>th</sup> June and Star Chamber meetings held to date, presented to PFC (In-Committee), who requested further actions by Service Groups, communicated via the action dated 31 <sup>st</sup> July.
27 <sup>th</sup> July	<b>Programme 1 R&amp;S</b> - Board authorised the Executive Team to consider and approve actions to reduce controllable expenditure.
w/c 29 <sup>th</sup> July	<b>Programme 2 R&amp;S</b> - Commencement of the review of investment and choices made through IMTP process over last 3-4 years. Work to date has focused on Omnicell Invest to Save (Non-Pay Theatres) and Emergency Department in Morriston.
29 <sup>th</sup> July	<b>Recovery &amp; Sustainability Overarching</b> - Launch of Phase 1 of the new Health Board Repository of Opportunities which brings together benchmarking, value and sustainability opportunities nationally and locally identified, as well as research on good practice to support the wider Recovery & Sustainability agenda. The product is similar to the NHS Executive FP&D Vault and has a direct link to this product. Phase 2 of this work, which is planned for the Autumn will include latest Welsh Costing Return data; Weekly Reporting of non-financial indicators that impact on financial position; Theatre comparison data; and further detailed analytics to highlight opportunities using the existing repository data.
31 <sup>st</sup> July	<b>Programme 1 R&amp;S</b> - Special Executive Team to consider options to reduce or cease controllable expenditure. Agreed reduction in Travel, Office Equipment, Telephones and Building/Maintenance Costs, which could reduce run rate by £0.9m in 2024/25.
31 <sup>st</sup> July	<b>Programme 2 R&amp;S</b> - Following actions required by the PFC, instructions and feedback were provided to all the Service Groups following first round of Star

	Chamber meetings (11 <sup>th</sup> -24 <sup>th</sup> July). Further submission of options, with required actions to be submitted 14 <sup>th</sup> August.
7 <sup>th</sup> Aug	<b>Programme 1 R&amp;S</b> - Further Executive Team discussions on the Controllable expenditure focusing on Variable Pay and CHC, with agreed approach to setting reduction targets for Variable Pay, followed up by action from 12 <sup>th</sup> August.
12 <sup>th</sup> Aug	<b>Programme 1 R&amp;S</b> - Issued instruction to Service Areas on the Variable Pay Control targets for 2024/25, with 25% reduction required by end September and a further 25% reduction by the end of December. This has the potential to reduce Variable Pay by £13.5m by the 31 <sup>st</sup> March 2025.
13 <sup>th</sup> August 2024 Completion and Submission Month 4 MMR	
13 <sup>th</sup> Aug	<b>Programme 1 R&amp;S</b> – Issue further instructions to Service Areas on controllable expenditure agreed by the Executive Team, focusing on Travel, Office Equipment, Telephones and Building/Maintenance Costs.
14 <sup>th</sup> Aug	<b>Programme 2 R&amp;S</b> - Submission deadline for updated options to mitigate operational pressures, run rate reductions and address savings target linked to action from 31 <sup>st</sup> July.
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 will also be a focus on Estates and Hotel Services in this round of meetings.
23 <sup>rd</sup> Aug	<b>Recovery &amp; Sustainability Overarching</b> - Submission of reply to Judith Paget letter dated 26 <sup>th</sup> July on Annual Plan 2024-2025.
5 <sup>th</sup> Sept	<b>Programme 2 R&amp;S</b> - Special Board to consider options submitted on 14 <sup>th</sup> August and scrutinised at Star Chamber meetings 19 <sup>th</sup> - 23 <sup>rd</sup> August.
End Sept	<b>Recovery &amp; Sustainability Overarching</b> - Combine data from Controllable Expenditure work, Outputs 5 <sup>th</sup> September, Assessment of LTA Performance and Non-Recurrent opportunities to build an assessed position for 2024/25 and start assessment of underlying position for 2025/26 planning process.

#### 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 4 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 4 is £1.5m (Month 3, £1.8m), which is 2.4% (Month 3, 2.8%) of the overall pay expenditure.

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

- Vacancy Cover – 68%
- Temporary Absence Cover – 8%
- Additional Support to delivery and performance – 24%
- 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	1,743
Overtime	638
WLI	211
Irregular Sessions	790
<b>Total</b>	<b>3,382</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:

- Admin & Clerical: the decrease in the End of Year (EoY) forecast reflects the expected impact of the immediate pause from 17<sup>th</sup> July on A&C

Bank/Agency/Overtime and also a pause on all A&C Recruitment. This assessment will continue to be refined.

- Nursing & Midwifery: the decrease reflects the continuing actual improvement YTD.
- Estates & Ancillary: the decrease in forecast anticipates the continuation of the Month 4 run rate as additional scrutiny is being placed particularly on non-clinical pay expenditure.

**Table B:**

- Admin & Clerical: the decrease in the EoY forecast reflects the expected impact of the immediate pause from 17<sup>th</sup> July on A&C Bank/Agency/Overtime and also a pause on all A&C Recruitment. This assessment will continue to be refined.
- Medical & Dental, Nursing & Midwifery and Additional Clinical Services: the decrease is reflective of the actual YTD results and the issuing of the specific reduction targets 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:

£'000	Funding	Plan / Forecast
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:

In-Year Savings	2024/25 Savings Target £'m	In Year Opportunities to Deliver Savings (Forecast) £'m	Less Opportunities to manage In Year Pressures £'m	In Year Opportunities to Deliver Savings (Forecast) £'m	In Year Shortfall on Savings Target £'m	Recurrent Shortfall: Planned vs. Target £'m
Morrison	7.8	1.3	0.0	1.3	6.5	6.5
NPTS	8.0	4.3	0.0	4.3	3.6	3.5
MHLD	2.6	7.2	4.6	2.6	0.0	0.0
PCT	3.1	6.7	3.6	3.1	0.0	0.0
Corporate	4.7	2.2	0.0	2.2	2.5	2.5
	<b>26.1</b>	<b>21.7</b>	<b>8.2</b>	<b>13.5</b>	<b>12.6</b>	<b>12.4</b>

Overall, there has been progress in the identification of opportunities and further pipeline ideas. 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.

Please note that the schemes in relation to recovery of Microsoft VAT have been removed in Month 4 in line with WG guidance; as one of these schemes was included in the Plan (and flagged as 'Month 1'), removing this scheme would have amended the Plan section of Table A, therefore the original scheme remains unchanged, with a new line entered (flagged 'In Year') reporting negative values to fully offset the original scheme.

A summary of the total opportunities at 9<sup>th</sup> August 2024, is provided in the table below:

	2024/25 Savings Target £'m	In Year Opportunities to Deliver Savings (Forecast) £'m	Less Opportunities to manage In Year Pressures £'m	In Year Opportunities to Deliver Savings (Forecast) £'m	In Year Shortfall: Forecast vs.Target £'m	Recurrent Shortfall: Planned vs. Target £'m
Morrison	7.8	2.9	0.0	2.9	4.9	3.0
NPTS	8.0	5.4	0.0	5.4	2.6	2.1
MHLD	2.6	7.2	4.6	2.6	0.0	0.0
PCT	3.1	8.2	5.1	3.1	0.0	0.0
Corporate	4.7	2.8	0.0	2.8	1.9	1.9
	26.1	26.4	9.7	16.7	9.4	6.9

The total level of identified opportunities pending the full assessment of the service areas financial strategy/options submissions outlined in section 4.4 is £26.4m. The first call on savings identified by service areas is to address the £26.1m target. Once a service area has identified their target all other opportunities will be deployed to manage run rate pressures. So, in the table above whilst £26.4m has been identified £9.7m is to support run rate pressures, leaving a net value of £16.7m to meet the £26.1m target. However, unlike Table C this will include red/pipeline ideas.

#### 8. Welsh NHS Assumptions (Table D)

Table D reflects the latest Month 4 position.

#### 9. Resource Limits (Table E)

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

We note receipt of the 2023/24 Pay Award Allocation letter and are working through the Commissioner/Provider allocation split during August.

#### 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 £12.264m at the end of March 2024 to £11.878m at the end of July 2024, a decrease of £0.386m. The mainly relates to drugs stocks across all hospital sites.

There has been a decrease in trade receivables from £242.977m at the end of March 2024 to £239.897m at the end of July 2024, a decrease of £3.080m.

The closing July 2024 cash balance of £1.526m is within Health Board target of a cash balance of £1m-£1.5m 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 £279.628m at the end of March 2024 to £220.530m at the end of July 2024, a reduction of £59.068m. This comprised a reduction in capital and 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 £4.797m from £200.389m at the end of March 2024 to £205.186m at the end of July 2024. 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 July 2024, the Health Board had a cash balance of £1.526m, which within the best practice cash target for the Health Board of £6m.

The cash deficit position of £103.455m 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	- 65,521
Opening Cash Balance	2,859
<b>Forecast Cash Deficit</b>	<b>- 103,455</b>

The difference between the £103.455m 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 £1.124m 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	0.082	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	0.074	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 Patient Waiting Area, Morriston Hospital	0.205 / High	A CRL transfer from Singleton Cladding - Main Works to Patient Waiting Area, Morriston Hospital of £0.205m is required as agreed with Ian Gunney.

As discussed at the CRM on 9<sup>th</sup> July, a request for a CRL adjustment between the scheme and discretionary will be made on the Catheter Lab A scheme. The Burns scheme shows as an underspend in year, but this is due to a pay back to discretionary for 2023/24.

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)**

Cymmer Health Centre was disposed earlier this year with sale proceeds of £0.175m. There are three other planned property disposals of Garngoch, Phillips Parade and Morrision land with combined expected sale proceeds of £0.850m.

#### **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 July. The value of NHS debts outstanding for between 11 and 17 weeks amounted to £201k at the end of July 2024 (June 2024 - £287k) with the number of invoices increasing in this category to 13 invoices compared to 8 invoices as at the end of June 2024.

Of the outstanding invoices between 11 and 17 weeks old, 3 invoices (£128k) have been paid since the end of July 2024.

All 10 outstanding invoices are being chased:

- Cwm Taf – Total Outstanding balance invoices is £8k where unable to find approvers for the invoices, which is causing delay in payment.
- Powys – Total outstanding balance invoices is £3.9k where £3.4k relates to 'Audiological Support' charges which are being chased, no reason provided for no payment.
- PHW – Total outstanding balance is £40.3k where one invoice for £37k relates to 'Bowel Screening LTS' and the rest of balance is being chased.
- Welsh Government – Total outstanding in one invoice agreed at year end £20.8k

#### **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 has been updated for the Month 4 submission.

#### **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 (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 27<sup>th</sup> August 2024.

Yours sincerely,



.....  
**SAMANTHA MOSS**  
**DEPUTY DIRECTOR OF FINANCE**



.....  
**DR RICHARD EVANS**  
**INTERIM CHIEF EXECUTIVE**

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

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