

Dyddiad/Date: 13th February 2025

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

Dear Andrea,

SWANSEA BAY UNIVERSITY HEALTH BOARD MONITORING RETURN 31ST JANUARY 2025

I enclose with this commentary the completed proformas in respect of the Health Board's Monitoring Returns to 31st January 2025.

On the 26th September 2024 the Health Board submitted a revised Financial Assessment for 2024/25. The assessment and accompanying letter summarised a high degree of confidence in the delivery of £64.1m deficit position by the 31st March 2025, with further opportunities of £13.3m giving the Health Board line of sight to £50.8m. Recognising the risks around the delivery of the £50.8m but with a line of sight to £50.8m the forecast remained at £50.1m. In early December 2024 Welsh Government (WG) issued an additional £6.4m of recurrent funding to the Health Board, which has reduced the deficit plan to £43.7m.

On the 19th December 2024 a Special Board meeting was provided with an assessment of the position based on the information available following Month 8 closedown. In summary the financial assessment showed a possible outturn to end March 2025 of £57.9m, with a gap to the deficit plan figure of £14.3m. Full details of the work underway to mitigate the £14.3m were presented to the Board, which is available on the Swansea Bay Health Board website via this link [Special Board - December 2024 - Swansea Bay University Health Board](#).

Since the meeting on the 19th December 2024 there have been three Recovery & Sustainability Board meetings, which have focused primarily on driving down the in-year overspend to support the delivery of the deficit plan of £43.7m:

- 10th January R&S Board – assessed gap reduced from £14.3m to £12.0m
- 22nd January R&S Board – assessed gap reduced further from 12.0m to £10.7m.

The assessment of the Month 10 position identified a number of opportunities which supported the position achieving £0.185m over in month. Some of these opportunities were known and were simply a change in the phasing from Month 12 to Month 10, whilst others were non-recurrent opportunities, some were not included in the £10.7m gap. A summary of this is provided in the table below:

Movement Mth 9-10	£M
Mth 9 (& MMR Declared mth 10)	
Position	1.45
JCC English Growth & Pressures	0.31
VAT (Change Phasing)	(0.24)
C2W Balance Sheet Benefit (Change Phasing)	(0.25)
N/R Income Benefit Morrison	(0.29)
N/R Benefits Various Morrison	(0.25)
N/R Digital Benefits Income & Vacancies	(0.36)
N/R PCT Additional Income	(0.17)
Variance Mth 10	0.19

[JCC – 10/12th of the JCC pressure was reflected in the Month 10 position but Health Board is grateful for the £0.290m of funding WG have released since the Month 10 was finalised and this will be reflected in the Month 11 submission].

As a result of the specific Service Group changes, all Service Groups were asked to review their positions for the Recovery & Sustainability Board meeting on 12th February 2025 and the forecast assessment to the 31st March 2025. Due to the timing of completion of the MMR the final R&S Board papers were not available at the time of completing this letter but an indicative position has been provided by the Service Groups, which showed a further improvement and is summarised in the table below:

AREA	£M
Opening Deficit	43.7
Morr SG	24.4
NPTS SG	10.4
PCTSG	1.0
MH/LD SG	2.4
COO Dir	2.6
Estates & Fin	0.0
Other Corp Dir	(6.1)
Central	(8.2)
N/R Opportunities	(17.1)
Total	53.1
Deficit Plan	43.7
GAP	9.4

Therefore, the revised top-down assessed gap is £9.4m. The delivery of this will be from a combination of N/R Opportunities above the £17.1m and Productivity & Efficiency improvements

aligned to Variable Pay. As noted previously the N/R Opportunities above the £17.1m continue to be monitored and updated as further information is available but these are not able to close the £9.4m gap in full and many of the opportunities remain 'Amber' at this point as the value is uncertain.

However, post Month 10 further work has been undertaken and a bottom-up assessment of the variances by Service Group (using the indicative R&S information), Corporate Directorates (using run rate trends) and cost centre analysis for specific areas of the ledger was undertaken to test the gap further. From this perspective the YTD variances of £47.7m and the assessed variances for Months 11 and 12 were brought together and the output from this work is summarised in the table below:

	YTD £M	Mth 11 £M	Mth 12 £M	Assessed Outturn £M	Data Source
Opening Plan	36.4	3.6	3.6	43.7	Plan
Service Groups					
- Mental Health & LD (Profile base FBP)	2.6	(0.1)	(0.1)	2.4	Indicative R&S Position 12/02/25
-Morrison (Profile base FBP)	21.2	2.0	1.2	24.4	Indicative R&S Position 12/02/25
-NPT & Singleton (inc PC Prescribing)	9.4	0.5	0.5	10.4	Indicative R&S Position 12/02/25
-PC & Community	1.8	(0.4)	(0.4)	1.0	Indicative R&S Position 12/02/25
Corporate Directorates					
-COO	2.0	0.3	0.3	2.6	Assessment End Q3
-Estates	(0.5)	0.2	0.2	(0.1)	Assessment End Q3
-Corp Directorate (Other)	(5.1)	(0.5)	(0.5)	(6.1)	Assessment Run Rates Mth 10
Central Cost Centres					
-PFI	(1.2)	(0.1)	(0.1)	(1.5)	As per N/R Opportunities List
-Provider Income	(0.7)	(0.1)	(0.1)	(0.9)	As per N/R Opportunities List
-VAT	(0.6)	(0.2)	(0.2)	(1.1)	As per N/R Opportunities List
-N/R Benefits BS	(0.3)	0.0	0.0	(0.3)	As per N/R Opportunities List
-Bad Debt	0.5	0.0	0.0	0.5	As per N/R Opportunities List
-Central Z Codes	(0.3)	0.2	0.2	0.1	As per N/R Opportunities List
-N/R Opportunities (Further Opp inc £11m)	(17.6)	(3.7)	(3.7)	(25.1)	As per N/R Opportunities List
Assessment Exc. Further Opportunities	47.7	1.7	0.9	50.2	
Further N/R Opportunities/Pressures (Amber)					Line 31/32 Table A
- NICE Reserves	0.0	0.0	0.1	0.1	As per N/R Opportunities List
- Prescribing Assessment	0.0	0.0	(1.1)	(1.1)	As per N/R Opportunities List
- Perm Injury Assessment	0.0	0.0	0.6	0.6	As per N/R Opportunities List
- SIFT Slippage	0.0	0.0	(1.0)	(1.0)	As per N/R Opportunities List
- Health Protection Slippage	0.0	0.0	(0.4)	(0.4)	As per N/R Opportunities List
- Further Slippage Funding (various)	0.0	0.0	(0.3)	(0.3)	As per N/R Opportunities List
- NSWWP Rebate (to be finalised)	0.0	0.0	(0.2)	(0.2)	As per N/R Opportunities List
- Blood Products Stock adjustment	0.0	0.0	0.2	0.2	As per N/R Opportunities List
- RIF Health Board Slippage 24/25	0.0	0.0	(0.5)	(0.5)	As per N/R Opportunities List
- Further Balance Sheet Opportunities	0.0	0.0	(0.8)	(0.8)	As per N/R Opportunities List
- Deployment Funding to Match 50 Day Work within Service Areas	0.0	0.0	(0.6)	(0.6)	As per N/R Opportunities List
- Planned Care Recovery Assessment Uncommitted from original £15.2	0.0	0.0	(0.3)	(0.3)	As per N/R Opportunities List
- JCC WG Funding Offset Mth 10 Costs	0.0	(0.3)	0.0	(0.3)	Email WG 10/02/25
Total Further Opportunities	0.0	(0.3)	(4.3)	(4.6)	
Assessment Including Further Opportunities	47.7	1.4	(3.4)	45.6	
Further Productivity & Efficiency Gains					
Variable Pay	0.0	0.0	(1.9)	(1.9)	Line 33 Table A
Assessment Including Productivity & Efficiency	47.7	1.4	(5.4)	43.7	

This table aligns to Table A for the variances for Month 11 and 12. Of the N/R Opportunities, only those not allocated to a specific cost centre and therefore held centrally have been earmarked as 'Further N/R Opportunities' in the table above and on lines 31 and 32 of Table A. The requirement to reduce Variable Pay (Productivity & Efficiency improvements) is allocated to line 33 of Table A. Whilst for the purpose of the table above and Table A a value for Variable Pay has only been attributed to Month 12 the organisation must continue to focus on Variable Pay for Month 11 as well as Month 12 to mitigate any changes in the N/R Opportunities, as there remains a risk that these will not deliver to the full levels required.

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

The forecast will remain at £43.7m, with the risk to achieving this and the delivery of the actions to close the assessed gap of the £9.4m detailed in table A2, which were clearly detailed in the Special Board paper from 19th December 2025 and in the Month 10 MMR submission. The profiling on Table A attempts to highlight where the risk on delivery and timings remains for achievement of the deficit plan, with the majority of the benefits assumed to deliver in Month 12. Full details have been provided in the opening section of this letter, with the entries on Table A reflecting the bottom-up assessment undertaken post Month 10.

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 29th March 2024. The 2024/25 Annual Planning cycle resulted in an improvement of £4.8m, adjusting the underlying position to £50.1m. This plan 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. As the £6.4m issued to Health Board is recurrent the underlying deficit of £50.1m has been adjusted to reflect the revised value of £43.7m in Month 8.

The Health Board recognises the Target Control Total set of £17m, which is the Underlying Deficit value brought into 2024/25, from 2023/24. As WG will be aware from the Financial Assessment submitted in September 2024 and the subsequent papers aligned to the 19th December Special Board meeting the underlying run rate is significantly higher, which has been offset in 2024/25 by non-recurrent opportunities. The construct of the 2025/26 Plan was presented to NHSE and WG at the Touchpoint meeting on 6th February and outlined an opening position in excess of the £17m. However, for the purposes of Month 10 reporting the ULD included in Table A1 remains as per the Month 9 position, until the Plan is finalised. For noting the value remains significantly in excess of the current value reported through Table A1.

3. Risk Management (Table A2)

Risks:

For Month 10 the risks are:

- £9.4m Gap = N/R Opportunities

Areas	£M
NR Opportunities - LTA Performance	+0.9
NR Opportunities – PC Prescribing	+1.1
NR Opportunities – Remaining Balance	+1.5

The table above reflects the most significant risks regarding those items listed as part of the N/R opportunities following the work undertaken in Month 10.

- £9.4m Gap = Part 2 Productivity & Efficiency – As a minimum the Health Board needs to deliver £1.9m of Variable Pay Reductions based on the position outlined in the opening section of the letter. At Month 10 there was no change in the overall Variable Pay position and this presents a serious risk to the delivery of the plan.
- £0.3m Further Pay – At the time of writing this letter the Health Board was still working through the impact of the WLI arrears, which was due to be paid in Month 10 but was delayed. This was not part of the funding from WG and may represent a risk but this links to the comments below on Pay Award, which needs to be assessed in full.
- Pay Award – Health Board is grateful for the clarity issued on 11th February 2025 with regard to the Pay Award and the N/R Funding for Bank. At the time of completing this letter and the associated work on the assessment to March 2025, the detailed work on reconciling the confirmed allocations to the anticipated funding and the supplementary bank funding had not be completed in full. So the risk is simply a note in the letter and has not been included in Table A2. We also note the RLW allocation of £3.1m will be issued in Month 11 and are grateful for the clarification.

Opportunities:

For Month 10 reporting some of the lines previously included here have been removed as per comments below:

- Further N/R opportunities – the Health Board continues to seek all opportunities to mitigate the financial position.
- R&S Work Plan – the R&S programme is continuing to assess and challenge many areas of expenditure. Outputs from all areas of work will be added to the savings trackers once finalised, and thus have the potential to increase the value of schemes currently included Table C of the MMR. However, no values have been attributed to this in Table A2.

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. The Month 10 position is therefore an improvement of £1.3m compared to Month 9, however this is due to a combination of the release of central non-recurrent opportunities (part of the £25m) and Service Group non-recurrent benefits and does not reflect the operational improvements needed within services (details are provided in the opening section of this letter).

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

Table 2: Key Drivers

Month 10 - In Month	HB Wide £'m	MH/LD £'m	PCT £'m	NPTS £'m	Morr £'m	Corp £'m	Central £'m
Plan 1: Plan							
12th Deficit Plan	3.6	-	-	-	-	-	3.6
Part 2: Savings Delivery							
Non Delivery £26.1m Savings	(4.5)	(0.9)	(1.3)	(1.2)	(0.9)	(0.0)	0.0
Part 3: Operational Pressures							
Income							
- JCC Performance	(0.1)	-	-	-	(0.1)	-	-
- Dental PCR Income	0.1	-	0.1	-	-	-	-
- Other	0.0	-	-	-	-	-	-
Pay							
- Medical	0.9	0.2	-	0.5	0.2	-	-
- Nursing (inc UQ)	1.0	-0.3	-	0.1	0.6	-	-
- A&C	-	-	-	-	-	-	-
- COO Overtime	0.0	-	-	-	-	-	-
Surge Beds							
- Gorsehon	0.1	-	0.1	-	-	-	-
- SUSD	-	-	-	-	-	-	-
- Singleton	0.2	-	-	0.2	-	-	-
- OPAU Morr / Surge Critical Care	0.3	-	-	-	0.3	-	-
Non-Pay							
- Secondary Care Drugs	0.0	-	-	-	-	-	-
- Non Pay General (inc.Clinical Supplies/Reserves)	2.4	0.3	-	0.8	1.3	-	-
- Estates (Building Materials / Energy)	0.0	-	-	-	-	-	-
- COO (Provisions)	-	-	-	-	-	-	-
- CHC (inc LAC)	0.9	0.2	0.7	-	-	-	-
- JCC Presures	0.3	-	-	-	-	0.3	-
Sub Total Part 3	6.0	1.0	0.9	1.6	2.3	0.3	-
Part 4: Further Opportunities							
- Balance Corporate Directorates	(1.0)	-	-	-	-	(1.0)	-
- Central Z Codes	(4.0)	-	-	-	-	-	(4.0)
Sub Total Part 4	(5.0)	-	-	-	-	(1.0)	(4.0)
Total	0.2	0.0	(0.3)	0.4	1.4	(0.7)	(0.4)

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 28 of Table A and relate to the summary provided in Table 2 above:

- **Income**

The Joint Commissioning Committee (JCC) Income as a provider overperformed in-month with increased activity across Plastics, Bariatrics and Pancreatic services; the in-month overachievement was £0.3m. The YTD underachievement is £0.1m.

Dental Contract Income underperformed in-month by £0.1m, with an YTD underachievement of £1.0m.

- **Pay**

The Month 10 pay overspend was £0.8m (Month 9, £1.2m), this was again largely due to a continuation of surge bed capacity required, staff sickness absence and acuity in Critical Care. The YTD 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 pressure with an in-month position of £1.1m (Month 9, £1.8m). 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**

Prescribing is providing a £0.2m underspend in-month following receipt of the latest datasets and there is a YTD underspend of £0.7m. We have at this point received 8 months of PAR data. The Q3 data is below the anticipated levels at this point in the year and therefore some of this anticipated benefit has been again recognised in-month. The Pharmacy team are expecting potential further reductions linked to Cat M later in the year; there is the possibility of further opportunities. The position will remain under close review 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.

- Capital Donation/Government Grant Income is typically confirmed in Month 12.
- 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.
- 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.

- Other Private & Voluntary Sector is showing an increase in Months 11 and 12 due to the Outsourcing plans associated with the new additional Waiting Time funds issued by WG.
- Joint Financing and Other has a higher profile in the final quarter of the year than on average year-to-date due to the recognition of £1.3m of additional Local Authority expenditure plans to deliver the 50 Day Integrated Care Winter Challenge, for which the Health Board is the banker (funding confirmed in Month 9).

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 additional Waiting Times, ATMP drugs, and further 2024/25 Pay Award (as paid in January 2025) funding.
- Welsh NHS LHBs & Trust Income
 - PMF/PMFYF: The increase largely relates to the YTD recognition of additional LTA income in relation to Hywel Dda UHB in Month 10.
- Other Income
 - PMF/PMFYF: The increase largely relates to R&D income, however there are a number of smaller increases across multiple streams in addition to this.
- Provided Services – Pay
 - PMF/PMFYF: Month 10 recognises the in-month and arrears payments for further elements of the 2024/25 Pay Award, being the A4C Band 8A and above increments and groups of Medical & Dental staff. These uplifts are forecast for the remaining months; the forecast also recognises some continuation of the need for additional staff in relation to the number of surge capacity beds required and high levels of staff sickness.
- Provided Services – Non-Pay
 - PMF/PMFYF: The increase in-month is largely driven by higher levels of activity, however the full year forecast is expected to reduce based on the opportunities anticipated to materialise in Months 11 and 12.
- Secondary Care Drugs
 - PMF: The in-month position was higher than forecast primarily due to an increase in Homecare drugs, suggesting that this is a timing difference due to prescribing cycles.
- Healthcare Services Provided by Other NHS Bodies
 - PMF/PMFYF: The forecast has been increased to reflect the pass-through cost of the ATMP drugs funding confirmed in Month 10.
- Other Private & Voluntary Sector

- PMFYF: the forecast is showing an increase for Months 11 and 12 primarily due to the Outsourcing plans associated with the new additional Waiting Time funds issued by WG.
- Joint Financing and Other
 - PMF: The forecast remains unchanged; the in-month reflects a timing difference in relation to RPB expenditure plans for which SBUHB is the banker.

4.4 Other Areas of Comment:

- **Energy Forecast (F)**
An update was received on 10th 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 10 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. We have presented the remaining NICE reserve in sub table G.
- **Accountancy Gains (E)**
The Accountancy Gains identified to date are reported in Table C3; this is profiled in Month 7 following verification. The potential for further Gains will remain under review during the year.

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

The Health Board Agency expenditure for Month 10 is £1.5m (Month 9, £1.9m), which is 2.0% (Month 9, 2.8%) 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 – 10%
- 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	2,233
Overtime	541
WLI	386
Irregular Sessions	664
Total	3,824

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:

- All Staff Groups: Month 10 recognises the in-month and arrears payments for further elements of the 2024/25 Pay Award, being the A4C Band 8A and above increments and groups of Medical & Dental staff. These uplifts are forecast for the remaining months

Table B:

- No material changes.

Table D:

- No material changes.

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
Total	9,348	7,188

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

Risk Adjusted Month 10 Savings Report - GREEN and AMBER				In Year			2025-26		
Service Group	Initial Savings Target £000's	Additional Savings Target £000's	Total Savings Target £000's	Total Planned Savings £000's	Total Forecast Savings £000's	Shortfall From Target £000's	Total Planned Savings £000's	Total Forecast Savings £000's	Shortfall From Target £000's
Morrison	7,805	5,961	13,766	8,769	7,946	(5,820)	9,619	8,099	(5,667)
NPTS	7,965	9,619	17,584	15,304	16,170	(1,414)	12,317	13,586	(3,998)
PCTG	3,091	7,962	11,053	7,090	12,471	1,418	4,050	4,046	(7,007)
MHLD	2,603	9,299	11,902	9,621	8,376	(3,526)	6,740	6,398	(5,504)
Service Group Sub Total	21,464	32,841	54,305	40,783	44,963	(9,342)	32,727	32,129	(22,176)
Corporate	4,654	291	4,945	5,316	4,958	13	4,851	4,856	(89)
Total	26,118	33,132	59,250	46,099	49,921	(8,129)	37,577	36,985	(22,263)

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. Following the financial assessment and the issuing of control totals to Service Groups and Corporate Directorates we have restated the required savings targets to the above £59.2m.

A summary of the total opportunities on 7th January 2025, is provided in the table below:

Savings Table 2: All Schemes

Month 10 Savings Report - ALL RAG Rating				In Year			2025-26		
Service Group	Initial Savings Target £000's	Additional Savings Target £000's	Total Savings Target £000's	Total Planned Savings £000's	Total Forecast Savings £000's	Shortfall From Target £000's	Total Planned Savings £000's	Total Forecast Savings £000's	Shortfall From Target £000's
Morrison	7,805	5,961	13,766	10,924	8,595	(5,171)	15,035	11,426	(2,340)
NPTS	7,965	9,619	17,584	16,433	16,180	(1,404)	14,828	13,601	(3,983)
PCTG	3,091	7,962	11,053	10,254	12,471	1,418	4,050	4,046	(7,007)
MHLD	2,603	9,299	11,902	9,621	8,376	(3,526)	6,740	6,398	(5,504)
Service Group Sub Total	21,464	32,841	54,305	47,232	45,621	(8,684)	40,654	35,471	(18,834)
Corporate	4,654	291	4,945	6,595	5,065	120	5,883	5,888	943
Total	26,118	33,132	59,250	53,827	50,686	(8,564)	46,536	41,359	(17,891)

There are 5 validation errors on Table C3 where 5 Amber schemes have passed the 'Go Green' date. These schemes are delayed in their delivery start date compared to Plan and the forecast is now lower than Plan, however, are still expected to deliver some benefit in-year; this will remain under review.

[Note these tables do not include the £8.4m of choices made in the original Financial Plan submission from March 2024, but it is recorded in Table C of the MMR]

8. Welsh NHS Assumptions (Table D)

Table D reflects the latest Month 10 position.

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 £43.7m target.

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 £11.890m at the end of December 2024, to £11.426m at the end of January 2025, a decrease of £0.464m.

There has been an increase in trade receivables from £303.106m at the end of December 2024 to £303.246m at the end of January 2025, an increase of £0.140m. This is due to an increase within WRP (Welsh Risk Pool) Debtors of £2.5m and a decrease in the VAT debtor of £2.598m.

The closing January 2025 cash balance of £3.330m is larger than the range of the Health Board target of a cash balance of £2.5m at month end and less than the best practice cash target for Health Board of £6m.

The trade and other payables figure saw an increase from £245.102m at the end of December 2024 to £247.019m at the end of January 2025; an increase of £1.917m. This relates to increases in NHS and non-NHS accruals of expenditure.

Provisions decreased by £2.482m from £223.613m at the end of December 2024 to £221.131m at the end of January 2025. This movement relates to 18 legal cases, with a range of impact on the provisions totalling £2.482m. These movements are directed by the monthly quantum's, and the changes in probability.

11. Cash Flow Forecast (Table G)

As at the end of January 2025, the Health Board had a cash balance of £3.330m, which is greater than 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 cash request to WG is as follows, with a revision for the Strategic Cash support in line with a revised forecast financial position:

- **Strategic Cash Support** - £43.7m (revised from £50.1m)
- **Working Capital Cash Support** - £33.7m, detailed below

Cash Support	£'000
Revenue	29,012
Capital - Owned Capital	-
Capital - IFRS 16	4,700
Total	33,712

As advised by WG, Table E now shows the working capital cash requirement of £33.712m, but not the Strategic cash support requirement of £43.7m. As a result, the M10 forecast cash position is showing a cash deficit of £41.773m.

With the strategic cash support, confirmed in Judith Paget's letter of 10th February, of £43.7m, we would anticipate a closing cash position of £1.927m for end of March 2025, as detailed in the table below:

	£'000
Forecast I&E Deficit (revised)	- 43,700
Reimbursement from Capital to Revenue	9,307
Strategic Cash support requested	43,700
Working Capital Cash support requested	33,712
Movement in Working Capital balances	- 43,951
Opening Cash Balance	2,859
Forecast Cash Deficit	1,927

The difference between the £1.927m forecast cash surplus and the Forecast I&E deficit Cash figure, reflects the £9.307m of capital cash to reimburse revenue CRL, the requested Strategic and working capital cash support from WG, and the movement in the working capital balances.

The letter outlined that the Health Board would only require cash support during March 2025, however, Table G shows that the cash pressure will impact us during February 2025 and March 2025. This is a realistic position given that all allocations (£39.3m) may not be received prior to March 2025.

Therefore, the timing of receiving this funding is key because directly impacts when the Health Board cash position will deteriorate, so an early indication of when we can expect to receive some of the larger sums of funding would be appreciated.

The cash flow is updated daily, and a full review of the cash forecast is currently being undertaken weekly, 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)

Further updates will be reported at the end of Quarter 4.

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

The forecast outturn shows an overspend position of £1.075m. Allocations are anticipated on the following schemes, which will provide a balanced position.

Scheme	£m / Risk Level	Narrative
Year-End Funding - February 2025	1.075 / Low	Funding Approval Letter received. CRL uplift to follow upon signing.

The following allocations are classed as risks.

Scheme	£m / Risk Level	Narrative
EFAB	0.256 / High	Scheme slippage to be managed by the Health Board
Year-End Funding – October 2024	0.198 / High	Scheme slippage to be managed by the Health Board.

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 is one further planned property disposal this year for Phillips Parade with expected sale proceeds of £0.150m.

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 November. The value of NHS debts outstanding for between 11 and 17 weeks amounted to £424k at the end of January 2025 (December 2024 - £434k) with the number of invoices decreasing in this category to 12 invoices compared to 34 invoices as at the end of December 2024.

Of the outstanding invoices between 11 and 17 weeks old, 0 invoices (£000) have been paid since the end of January 2025.

7 of the outstanding invoices were agreed as part of the M9 Agreement of balances process.

All 12 outstanding invoices are actively being chased:

- Anéurin Bevan – 1 invoice, <£100
- CTM – 2 invoices, £39k
- DCHW – 1 invoice, £66k
- HEIW – 5 invoices, £47k
- JCC – 1 invoice, £4k
- Powys – 2 invoices, £5k

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

Table N & O updates will be reported at the end of Quarter 4.

Table P all funding is committed with the exception of Value Based Health Care, where uncommitted balances are being actively reviewed in Q4.

17. IFRS 16 (Table Q)

Approved schemes: There was an increase in the 2024/25 forecast in Month 10 compared to Month 9. This movement is mainly driven by updated lease information affecting the interest, timing of payments and the amount of depreciation charged during the year, and, several leases being approved.

Unapproved schemes: The movement in the 2024/25 forecast in Month 10 compared to Month 9 was mainly as a result of several leases being approved during January 2025, and a lease being postponed to next year.

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 25th February 2025.

Yours sincerely,



**DARREN GRIFFITHS
DIRECTOR OF FINANCE**



**DR RICHARD EVANS
DEPUTY CHIEF EXECUTIVE**

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

