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Dyddiad/Date: 11th July 2019

Mrs Andrea Hughes  
 HSSDG – Deputy Head of NHS Financial Management  
 Welsh Government  
 Sarn Mynach  
 Llandudno Junction  
 Conwy, LL31 9RZ

Dear Andrea,

**SWANSEA BAY UNIVERSITY HEALTH BOARD MONITORING RETURNS 30 June 2019**

I enclose for your attention the completed proformas in respect of the Health Board's Monitoring Returns to 30<sup>th</sup> June 2019. This letter provides the supporting commentary to the proformas.

**1. Actual Year to Date and Forecast Under/Overspend 2019/20 (Tables A & B)**

**(a) Movement of Opening Financial Plan to forecast outturn (Table A)**

The Health Board has developed a balanced financial plan within the Annual Operating Plan.

Costs	£m	Savings/Funding	£m
2018/19 Underlying Carry Forward Deficit	23.3	Savings	(21.3)
		Non-Recurrent Opportunities	(0.7)
		Actions to mitigate Bridgend transfer impact	(7.1)
<u>2019/20 New Costs</u>		<u>Additional Funding</u>	
Service Costs	42.3	WG Allocation Uplifts	(33.2)
		Income Benefits	(0.4)
		WG Additional Funding Support	(10.0)
		Potential Reduction in WG Allocation	7.1
<b>Total</b>	<b>65.6</b>	<b>Total</b>	<b>(65.6)</b>

The Health Board's ambition is to achieve financial balance in 2019/20.

To support this, address the current overspend and to make progress in identifying and delivering further opportunities, where possible, to mitigate and manage the risks, the Health Board has established a dedicated Delivery Support Team, which will work alongside the externally commissioned support when this work commences. The Delivery Support Team is a multi-disciplinary team that will focus on:

- Accelerating the delivery of current plans with immediate focus on USC plans and High Value Opportunities;
- Accelerating the development of pipeline plans and opportunities;

- Developing a battle rhythm from monthly progress to daily and weekly focus, unblocking issues, problem solving and supporting system wide working; and
- Ensuring robust "grip and control" in place throughout the Health Board.

However, the Health Board recognises the scale of the challenge to breakeven, given the potential impact of the Bridgend Boundary Change. The scale of the current savings plans sits alongside the associated additional twofold risk:

- i. the clinical and management diseconomies of scale; and
- ii. the transfer to CTM HB (and the handling of) an assessed share of the former ABMU HB underlying deficit of £30.4m

The Health Board has adjusted its opening underlying deficit position to recognise that the value of £7.1m deficit transfer to CTMUHB, which is the transfer value that both Health Boards recognise. SBUHB is no longer incurring the costs associated with the Bridgend underlying deficit, nor does it have the opportunity and influence to address that element of the underlying position. However following discussion with NHS FDU and WG colleagues the HB accepts that until the arbitration process is resolved that cost neutrality across the system needs to be maintained and has therefore temporarily recognised the risk of a further loss on income due to the Bridgend transition.

It should be noted that in recognising this potential further loss of income (for purposes of Monitoring Return reporting and to support system balance) that the Health Board is not recommending or agreeing that an allocation transfer of resources for the population of Swansea and Neath Port Talbot, to CTMUHB is an appropriate solution to addressing the financial impact of the deficit transfer.

PWC has been commissioned by WG to undertake due diligence on the Bridgend Financial Impact Assessment, in addition to the WG Arbitration process which is currently in train. We recognise the need for both of these exercises to conclude prior to any final assessment of the impact on the overall Swansea Bay University Health Board Financial Plan. At the point of reporting neither the PWC process nor the arbitration process had concluded.

The Health Board recognises that the breakeven forecast, at this point, carries significant risk.

**(b) Monthly Positions (Table B & B1)**

The Month 3 reported position is an overspend of £3.409m. This overspend reflects the challenges of delivering the required level of savings, particularly those required to manage the diseconomies of scale following the Bridgend Boundary Change and also reflects the on-going operational pressures being experienced, which have resulted in much of the winter surge capacity remaining open and being staffed at premium rate and also impacted on Health Board income due to lower than planned levels of elective activity being undertaken.

The Health Board has continued with the regular Service Delivery Unit Financial Recovery meetings to increase accountability and support for savings delivery and cost pressure management and the Financial Management Group chaired by the Chief Executive, which was established to provide a more comprehensive review of the Health Board financial performance, facilitating collective learning and good practice sharing and development clear action plans to support financial delivery.

In response to the challenging start to the financial year, the Executive Team has established a focussed Delivery Team to support and drive the 2019/20 financial position and support our plans to achieve sustainability. The team will critically evaluate key service issues, savings delivery and identification and operational expenditure risks and opportunities. This team will develop a battle rhythm to ensure actions/plans are daily /weekly focussed not monthly. This team will work alongside the externally commissioned support when it is in place to ensure maximum delivery traction over the next 3 to 6 months, to ensure in-year financial performance improvement and increase financial sustainability into next year.

## 2. Underlying Position (Table A1)

The Health Board underlying carry forward position moving into 2019/20 was assessed at £30.4m based on the former ABMU Health Board. The Swansea Bay University Health Board financial impact assessment undertaken as part of the Bridgend Boundary Change has identified £7.1m of this underlying deficit as relating to the Bridgend population and the services they access and therefore transferring Cwm Taf Morgannwg. That value is recognised and agreed with CTMUHB. SBUHB is no longer incurring the costs associated with the Bridgend underlying deficit, nor does it have the opportunities and influence to address that underlying position. However following discussion with NHS FDU and WG colleagues the HB accepts that until the arbitration process is resolved that cost neutrality across the system needs to be maintained and has therefore temporarily recognised the risk of loss on income due to the Bridgend transition. It must be noted that the Health Board has no clear plans to manage this £7.1m in the event of the HB being unable to recognise the deficit transfer in its opening position or having an additional income adjustment in favour of CTMUHB.

The table below provides an analysis of the movement from the 2018/19 out-turn position for ABMU to the 2019/20 underlying position for Swansea Bay.

	<b>£m</b>
2018/19 Forecast Deficit	(9.879)
2018/19 Non Recurrent Savings	(3.075)
Non-Recurring Mitigating Actions – Slippage on New Monies	(1.500)
Non-Recurring Mitigating Actions – Non recurrent Benefits	(1.500)
Non-Recurring Mitigating Actions – Enhanced Control Measures	(2.000)
Non-Recurring Mitigating Actions – WHSSC slippage on developments	(0.500)
Non-Recurring Mitigating Actions – Reserve Release	(0.800)
Non-Recurring Mitigating Actions – Identified M07	(1.820)
Non-Recurring Accountancy Gains - Pharmacy	(4.500)
Non-Recurring Accountancy Gains - Other	(1.000)
Non-Recurrent WG Allocation	(10.000)
Full year effect of 2018/19 Savings	5.215
Full year effect of 2018/19 Cost Pressures – Nurse Staffing Act	(1.100)
Other Non-Recurring Factors Negative – Other Non	(1.910)

recurrent benefits	
Other Non-Recurring Factors Positive – TAVI	2.000
Other Non-Recurring Factors Positive - ChC	1.300
Other Non-Recurring Factors Positive – Operational Pressures	0.600
Other Non-Recurring Factors Positive – impact on underlying deficit of BBC	7.100
<b>2019/20 Underlying Position</b>	<b>(23.369)</b>

### 3. Ring Fenced Allocations (Tables N & O)

Tables N and O have been completed as required. A balanced position is currently anticipated on all ring-fenced allocations with the exception of GMS which has an anticipated surplus of £854k.

### 4. Net Expenditure Profile Analysis (Table B & B1)

**Resource Limit** – at the end of month 3 the Revenue Resource Limit is over-phased by £0.7m.

Reserves are not profiled in a straight line across all categories within Table B, the elements of the difference relate to the following:

Primary Care Contractor	GP enhanced services £0.9m
Primary Care Drugs & Appliances	Prescribing growth and no cheaper stock option £0.4m
Provided Services - Pay	Non-consolidated lump sum (£1.6m), Winter Pressures (£1.0m), other pay pressures including agency (£1.3m)
Provided Services – Non Pay	Clinical negligence (£0.1m), other non-pay pressures (£1.8m)
Secondary Care - Drugs	NICE growth (£0.8m)
Healthcare Services Provided by Other NHS Bodies	LTA performance £0.5m
Continuing Care and Funded Nursing Care	CHC pressures (£1.1m)
Other Private & Voluntary Sector	Outsourcing £0.4m
Joint Financing and Other	Local Authority ICF expenditure £1.7m
<b>Expenditure in excess of run rate</b>	<b>£3.4m (£3.4m against break-even - £3.4m)</b>

The Net Expenditure Profiles for Swansea Bay are likely to be subject to change as the impacts of the Bridgend Boundary Change on income and expenditure become clearer.

To date the key pressure areas are:

- Pay – due to the increasing use of premium rate agency supporting additional surge capacity.
- Non-Pay – due in the main to unidentified savings requirement.
- Drugs – due to an increase in expenditure on HIV homecare and Hepatitis C drugs.
- ChC – pressure of full year effect of 2018/19 case number growth and continuing growth in case numbers.

## **5. Agency/Locum Expenditure (Table B2)**

The Health Board Agency expenditure for Month 3 is £1.697m which is 3.7% of the overall pay expenditure. This is an increase of £1.763m compared to quarter 1 in 2018/19 (adjusted for Bridgend).

The increase primarily relates to nurse agency costs, which increased during 2018/19 and have remained high during the opening months of 2019/20. This in part reflects the operational pressures being experienced and the additional capacity in place to support the operational pressures.

The key reasons for Agency expenditure in month are:

- Vacancy Cover – 58%
- Temporary Absence Cover – 12%
- Additional Support to delivery and performance – 30%

## **6. Savings Plans (Table C, C1, C2 and C3)**

The Health Board financial plan identified a £21.3m savings requirement for 2019/20 to support the delivery of a balanced financial plan. This savings requirement does not include any actions required to mitigate and manage the impact of the Bridgend Boundary Change clinical and corporate management diseconomies of scale.

The Health Board savings plan comprises of three elements; local savings, cost containment and management and High Value Opportunities.

The Health Board plan identified an opening level of savings of £18.151m. This includes £1m Income Generation and £0.3m Accountancy Gains, which do not show on Table C. Since the opening plan was reported £2.4m additional savings have been identified.

The Health Board is working to identify and exceed savings requirement.

The actual savings delivery is £0.086m below plan and the current forecast from plans estimates a full year savings delivery in 2019/20 of £2.57m in excess of initial plan.

To support savings delivery the Health Board has continued its regular Service Delivery Unit Financial Recovery meetings and has also established a Financial Management Group and a Health Care Value and Efficiency Group to support ongoing financial management and the delivery of savings opportunities both in-year and for future years.

In response to the financial performance to date the Health Board has established a Delivery Support Team to strengthen savings delivery and the development of a pipeline of opportunities. This team will work alongside the externally commissioned support.

## **7. Income Assumptions 2019/20 (Tables D & E)**

Table D sets out the income and expenditure assumptions with other Health Boards based on current LTA and other income and expenditure assumptions. These are subject to further refinement as the Bridgend impacts become clearer.

Table E provides the allocations anticipated by the Health Board. These include:

- The SBUHB income allocation based on the Welsh Health Circular 2018 050 - 2019-20 Health Board and Public Health Wales NHS Trust Allocations;
- the £10m additional WG non-recurrent funding support which our annual plan written feedback (January 2019) indicated was a reasonable assumption to make; and
- Six month's impact of the Agenda for Change terms and conditions funding.

## **8. Health Care Agreements and Major Contracts**

All LTAs were signed off by the end of May.

## **9. Risk Management (Table F)**

The Health Board has considered the key risks and opportunities and would wish to highlight the following:

- Non-delivery of savings plans – identified savings are currently around £4.3m lower than the level of savings required. The Health Board is focussed on increasing the level of identified savings and the delivery confidence on identified schemes, however this is highlighted as a risk at this point.
- Nurse Staffing Act – the Health Board has committed significant investment to meet the requirements of the Nurse Staffing Act for Medical and Surgical wards. The continuing rollout of the Nurse Staffing Act to other areas including Mental Health and Paediatrics may increase the requirement for investment, however this would need to be considered against current expenditure levels and also current service provision.
- WG Additional Funding Support – the Health Board financial plan includes the anticipated allocation of additional WG funding support, as provided non-recurrently in 2018/19. This additional funding was included on the advice of WG colleagues, however the funding has not been formally confirmed.
- Ophthalmology Gold Command – a clinical risk has been identified in Ophthalmology linked to follow up not booked capacity constraints. The Health Board has established “Gold Command” team to review and assess clinical risk and to prioritise actions to minimise these risks. These actions may require additional financial support. This risk has been downgraded as any impact should be managed within performance plans.
- Performance Sustainability – the Health Board has identified resources to support unscheduled care, RTT and Cancer performance within its financial plan. The current operational pressures and emerging clinical pressures are putting at risk the ability to sustain performance levels within the earmarked funding available.

- **Diseconomies of Scale** – the current forecast assumes the diseconomies of scale of £5.4m are able to be mitigated by SBUHB, where possible working with Cwm Taf Morgannwg and WG. The Health Board is committed to managing these diseconomies, however given the scale of the diseconomies, it will be extremely challenging to mitigate fully in 2019/20.
- **Bridgend Deficit Impact** – the Health Board plan assumes that £7.1m of the underlying deficit will transfer to Cwm Taf Morgannwg. However if the HB is unable to recognise this transfer following Welsh Government decisions following the PWC due diligence review or if core allocation adjustments are made, then the Health Board would need to identify further actions and savings to deliver a breakeven. At this point there are no plans in place.
- **Management of New Income Streams** – the Health Board would expect any new income streams to be effectively managed to ensure opportunities for managing costs are taken. It must be highlighted that this would be a non-recurrent benefit.
- **Enhanced controls measures and additional savings** – In response to the disappointing start to the financial year, the Health Board has established a Delivery Support team and has sought external support to enhance Health Board control measures, strengthen savings delivery and identify further savings opportunities.
- **Mitigating Opportunities and Actions** – whilst the Health Board plan already includes a level of non-recurrent opportunities, however, there may be further opportunities.
- **Contract Income** – an additional risk has been added this month, which reflects the potential contract income risks due to operational pressures.

#### **10. Statement of Financial Position (Table G)**

Work is ongoing within the Swansea Bay University Health Board to complete the disaggregation of the closing Statement of Financial Position of the ABMU Health Board, in order to identify the balances as at 1<sup>st</sup> April 2019 to transfer to Cwm Taf Morgannwg University Health Board and those to remain with Swansea Bay University Health Board following the Bridgend boundary change. This work is due for completion by 31<sup>st</sup> July 2019 at which point draft S1/S2 transfer documentation will be prepared in line with the critical path dates agreed by the Finance Workstream of the Bridgend boundary change project. The balances included in Table G at 1<sup>st</sup> April 2019 and 30<sup>th</sup> June 2019 are the balances prior to disaggregation, representing the actual ledger figures at these dates. The forecast closing Statement of Financial Position at 31<sup>st</sup> March 2020 reflects the current best estimate of the closing Statement of Financial Position for the Swansea Bay University Health Board based on the disaggregation work completed to date. These balances are likely to change in the coming months as the disaggregation process is completed.

For the period April to June, the key issues in respect of the statement of financial position movements are as follows:

- The inventory value increased from £10.234m at the end of March to £10.495m at the end of June, an increase in the first 3 months of £0.261m. The increase related to increased drug stocks at Singleton Hospital and an increase in Cardiac theatre stock at Morriston Hospital.
- There was an increase of £3.262m in trade receivables from £175.211m at the end of March to £178.473m at the end of June. The main increases relate to the income accrual of £4.541m in respect of the clinical services Service Level Agreements with Cwm Taf Morgannwg Health Board for services to the Bridgend population being provided by Swansea Bay Health Board and £0.780m relating to the income accrual for the first quarter NICE drugs charges to Hywel Dda Health Board. These increases are offset by a reduction of £2.052m in the Welsh Risk Pool debtor following reimbursements at the May WRP Advisory Board.
- As the Swansea Bay Health Board is continuing to pay invoices for goods and services received prior to March 2019 for services which transferred under the Bridgend boundary change as well as paying overtime and enhancements earned prior to March for staff who transferred under the Bridgend boundary change, forecasting the cash requirements on a monthly basis has been challenging during the first quarter. The closing June cash balance of £4.915m was above the month end cash target set by the health board of between £1m and £2m. This was primarily due to lower than expected creditor payment runs during the last week of the month.
- The trade and other payables figure saw an increase of £2.825m from £191.349m at the end of March to £194.604m at the end of June. This is the area of the Statement of Financial Position which has been most affected by the Bridgend boundary change as cash has been drawn down to clear the payables balances at year end relating to services which transferred to Cwm Taf Morgannwg Health Board on 1<sup>st</sup> April 2019. This has resulted in more than 3/12 of the cash allocation having been drawn down this being accounted for as income received in advance amounting to £27.570m as at the end of June. This cash has been used to reduce revenue creditors by £17.697m and there has also been a reduction in capital creditors of £7.048m.
- Provisions reduced from £150.506m at the end of March to £145.698m at the end of June, a reduction of £4.808m. This reduction is mainly in respect of payments made against the existing clinical negligence and personal injury cases as well as ongoing payments against the retrospective CHC provision, with the provisions for claims prior to 31<sup>st</sup> March 2019 relating to Bridgend services being retained by Swansea Bay Health Board as confirmed in the Welsh Government boundary change order.

## **11. Cash Flow Forecast (Table H)**

As reported above, at the end of June, the health board had a cash balance of £4.915m, which is above the health board target of holding between £1m and £2m of cash at month end.

Forecasting the cash position for 2019/20 continues to be particularly challenging given the Bridgend boundary change. The health board is currently preparing a statement of

financial position identifying the assets and liabilities to transfer to Cwm Taf Morgannwg Health Board as at 1<sup>st</sup> April 2019, using the audited accounts as the basis for this transferring balance sheet, this process to be completed by the end of July 2019. This opening balance sheet will require a cash transfer between Swansea Bay University Health Board and Cwm Taf Morgannwg Health Board to be made for the net assets/liabilities and at this stage it is unclear as to what the cash impact of this transfer will be on working balances movements during 2019/20.

During the first quarter of 2019/20, Swansea Bay Health Board has continued to pay invoices relating to the period prior to 31<sup>st</sup> March 2019 for those services that have transferred so as to minimise disruption to suppliers and to the transferring services. This has resulted in little reduction in the monthly cash payments to suppliers, although this reduction will now manifest itself in future months as the majority of old year invoices have now been cleared. Similarly the Swansea Bay Health Board has continued to receive cash for invoices raised prior to 31<sup>st</sup> March for services which have transferred to Cwm Taf. Both these factors have made forecasting future months cash receipts and payments particularly difficult.

As a result the cash forecast for 2019/20 contains a number of assumptions which will undoubtedly change as the year progresses as the cash receipts and payments each month begin to crystallise, without the complication of receipts and payments in respect of prior year working capital balances. Based on the best estimate of the impact of the transfer and the current financial position of the health board, a forecast cash deficit of £8.064m is predicted. This cash forecast assumes that the £10m Welsh Government support provided in 2018/19 is made recurring (this is included in anticipated allocations in table E) that there is a potential further £7.1m reduction in the health board's allocation in respect of the share of the financial deficit transferring to Cwm Taf Morgannwg Health Board (again included in anticipated allocations in table E) and that the health board is able to achieve a financial breakeven position in 2019/20.

This cash forecast is reviewed daily taking into account the latest receipts and payments and it is anticipated that the forecast cash position will become clearer over the summer months as the cash impact of the exercise to identify the assets and liabilities transferring to Cwm Taf Morgannwg as at 1<sup>st</sup> April 2019 and the clearance of those balances during the early months of 2019/20 by the Swansea Bay University Health Board crystallises.

## **12. Public Sector Payment Compliance (Table I)**

The health board has achieved a cumulative PSPP compliance of 95.8% to the end of June, in excess of the target of 95%. The health board continues to work with NWSSP Accounts Payable to ensure that compliance continues to be above 95% as it is committed to achieving the PSPP target in 2019/20.

The percentage of NHS invoices paid within 30 days amounted to 88.5% for the first 3 months of the financial year, an improvement against the 84% compliance achieved during the 2018/19 financial year. The health board will continue to focus on this area in an attempt to continue improve this performance.

## **13. Capital Schemes and Other Developments (Tables J, K & L)**

### **A. Table J - 2019/20 Capital Resource Limit Management**

Table J reflects the CRL of £24.604m issued on 24<sup>th</sup> May 2019.

A number of schemes are showing a variance compared to the allocation, unless identified in the below risk assessment this is a planned variance to reflect the recovery of fees spent in prior years. In the case of National Clinical Systems and EDCIMS the Health Board are making an agreed contribution to the scheme from discretionary capital.

### Performance to Date

The reported financial performance at Month 3 is a £1.189m under spend to plan. See details below

<b>Scheme</b>	<b>Underspend to M3 £'000</b>	<b>Comments</b>
Neonatal and Post-Natal Capacity at Singleton Hospital	265	Continued delays in asbestos removal. Not anticipated to impact on year end position and contractor plans to recover the delay however scheme will be closely monitored.
Linac B	113	Scheme is substantially complete, see risk assessment below regarding remaining contingency
Environmental Modernisation Phase 2 Morriston	226	Scheme is 10 weeks behind programme due to delay in procuring generator to the new standards required. Completion scheduled for November 2019 so will not impact year end spend position
Discretionary - Estates - Morriston Isolation Room	190	Delay in works due to Emergency Department pressures limiting access to the working environment. Work is now continuing and this delay is not expected to impact on the year end forecast breakeven position
Discretionary - IT	104	RFID -delay in go live date from June 2019 to October 2019 due to HL7 integration not completing within the specified timescales. Scheme costs will increase as a result which will be managed within existing discretionary allocations.
<b>Total</b>	<b>898</b>	

### Forecast Outturn

The forecast outturn against the current CRL shows a breakeven position. This position assumes additional funding of £1.574m is received as detailed in section B on the Table K Profiles.

## B. Table K - In Year Capital Scheme Profiles

### Risk Assessment

The risk assessments on schemes which are not considered to be low risk are:

Scheme	Risk Profile	Risk Value £'000	Comments
Discretionary	Medium	1,574	<p>The discretionary plan is forecasting a breakeven position but is dependent on income being received for;</p> <ul style="list-style-type: none"> <li>- Welsh Risk Pool claim for fire on Ward 12, Singleton £500k. Initial claim being submitted to WRP.</li> <li>- WCCIS £524k. Funding requested through the national IT pipeline for development of the deployment order.</li> <li>- Coelbren Health Centre disposal £165k. Awaiting marketing of property.</li> <li>- Removal of cladding at Singleton Hospital £273k. Previous design fees to be funded through next phase 2 as agreed with WG Capital and Estates.</li> <li>- Business Case fees for cases in production £39k</li> <li>- ICF £73k. Funding request submitted to regional board for shortfall on schemes completing in 19/20</li> </ul>
Linac B	Medium	200	<p>There is currently a £200k contingency remaining on the scheme which is substantially complete and is in the commissioning phase. There are few minor areas left to work through including agreeing the contractors final account however it is anticipated there will be a contingency remaining. This was discussed with WG at the last progress meeting and will be discussed again when the value is confirmed.</p>
ICF – Tonna and ICF - Refurb for IAS MAPS ND and CAMHS	Medium	73	<p>Schemes have a combined overspend of £73k against the original allocation. This information has been reported to West Glamorgan Regional Partnership to request additional funding.</p>
Cladding Removal Works @ Singleton Hospital	Medium	95	<p>Scheme is forecasting an overspend of £95k against the original allocation, Welsh Government have agreed these costs can be included within the business case for phase 2 of the works.</p>

MRI Scanner at NPT	Medium	1,325	Based on the current programme from the PFI provider the MRI will not be delivered until May 2020. The Health Board are working with all parties to shorten this programme of works and also the associated legal and contractual elements that are unique to a PFI scheme. Revised programme expected end of July 2019
EDCIMS	Medium	270	The programme and hence timing of this spend is not yet confirmed. Current forecast is for spend in the final qtr. of 2019/20 but is subject to agreement of the national programme and so any delay will mean not achieving the full spend in year

### **C. Table L - Capital Disposals**

It is anticipated that the sale of Coelbren will complete in 2019/20.

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

Table M lists all Welsh NHS invoices outstanding for more than 11 weeks as at the end of June. The value of NHS debts outstanding for between 11 and 17 weeks amounted to £3.445m at the end of June (May £0.048m) with the number of invoices in this category increasing from 19 at the end of May to 28 at the end of June. Of concern is the remaining balance on the Intermediate Care Fund (ICF) invoice amounting to £3.236m relating to the Quarter 3 and 4 ICF capital, particularly as the health board merely passes this funding through to the local authorities and voluntary sector. The non-payment of this invoice has required the health board to draw down additional cash from WG in order to make the payments to the local authorities and voluntary sector. It is therefore essential that this invoice is paid as soon as possible, particularly as it was agreed as part of the year end agreement of balances with WG. Of the outstanding invoices between 11 and 17 weeks old, 1 has been paid since the end of June.

There were no invoices outstanding for more than 17 weeks at the end of June.

The financial information reported in these Monitoring Returns reflects those reported to the Health Board.

These Monitoring Returns incorporate the financials of the following hosted bodies: Delivery Unit and EMRTS.

These Monitoring Returns will be received by the Health Board's Performance and Finance Committee on 16<sup>th</sup> July 2019.

Yours sincerely,



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**LYNNE HAMILTON**  
**DIRECTOR OF FINANCE**

Emma Woollett, Interim Chairman  
NHS Financial Management



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**TRACY MYHILL**  
**CHIEF EXECUTIVE**

Assistant Directors of Finance  
Mr Jason Blewitt, Wales Audit Office

