

Dyddiad/Date: 13th March 2025

Ms Andrea Hughes
Deputy Head of NHS Financial Management
Welsh Government
King Edward VII Ave
Cardiff
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Dear Andrea,

SWANSEA BAY UNIVERSITY HEALTH BOARD MONITORING RETURN 28th FEBRUARY 2025

I enclose with this commentary with the completed proformas in respect of the Health Board's Monitoring Returns to 28th February 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 a number of 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. Details on the outputs from this work were summarised in the Month 10 letter with a focus on providing an assessment of the Gap to achieve the £43.7m.

Post Month 10 further work was undertaken on a bottom-up assessment of the variances by Service Group (using the R&S information), Corporate Directorates (using run rate trends) and central cost centre analysis for specific areas of the ledger. This provided a detailed analysis of spend for Month 11 and Month 12. The Month 11 reported position was £2.1m less than that reported in Month 10 MMR due to some fortuitous benefits within the Service Groups, but also due to change in the phasing of N/R benefits from Month 12 to Month 11, as detailed below.

	Mth 11 Assessment vs Mth 11 Actual	Comments
Assessed Mth 11 Position Deficit / (Surplus)	1.4	
Morrison		
- N/R Maint Additional Opportunities	(0.2)	Reduce YE Assessment
- N/R Income Additional	(0.2)	Reduce YE Assessment
- N/R Other Non Pay	(0.2)	Preprofiling Mth 12 to Mth 11
NPTS		
- N/R Prescribing	(0.5)	Preprofiling Mth 12 to Mth 11 and from £25m
PCT		
- N/R LAC Benefit Invoice v Accrual	(0.1)	Reduce YE Assessment
- N/R Medical Staffing Reduction	(0.1)	Reduce YE Assessment
- N/R Various Other Items	(0.1)	Reduce YE Assessment
Corporate		
N/R Slippage Funding	(0.4)	Preprofiling Mth 12 to Mth 11
N/R LTAs Provider Performance	(0.2)	Preprofiling Mth 12 to Mth 11
N/R Various Other Items	(0.1)	Preprofiling Mth 12 to Mth 11
Actual Month 11 Deficit / (Surplus)	(0.7)	

An assessment immediately following the Month 11 closedown was undertaken and this was presented to Independent Members on working day 7 (4th March 2025). There will be a further Recovery & Sustainability meeting to assessment the individual positions before the end of March 2025, but timing of this will be outside the completion of the MMR. However, the position post Month 11 closedown is provided below:

	YTD £M	Mth 11 £M	Mth 12 £M	Assessed Outturn £M
Opening Plan	36.4	3.6	3.6	43.7
Service Groups				
- Mental Health & LD (Profile base FBP)	2.6	0.1	(0.3)	2.4
-Morrison (Profile base FBP)	21.2	1.4	1.3	23.9
-NPT & Singleton (inc PC Prescribing)	9.4	(0.0)	(0.5)	8.9
-PC & Community	1.8	(0.9)	(0.3)	0.7
Corporate Directorates				
-COO	2.0	0.2	0.3	2.6
-Estates	(0.5)	0.2	0.2	(0.1)
-Corp Directorate (Other)	(5.1)	(1.2)	(0.5)	(6.8)
Central Cost Centres				
-PFI	(1.2)	(0.1)	(0.1)	(1.5)
-Provider Income	(0.7)	(0.1)	(0.1)	(0.9)
-VAT	(0.6)	(0.3)	(0.2)	(1.2)
-N/R Benefits BS	(0.3)	0.0	0.0	(0.3)
-Bad Debt	0.5	0.0	0.0	0.5
-Central Z Codes	(0.3)	0.4	0.2	0.3
-N/R Opportunities (Further Opp inc £11m)	(17.6)	(3.8)	(3.8)	(25.2)
Assessment Exc. Further Opportunities	47.7	(0.4)	(0.2)	47.1
Further N/R Opportunities/Pressures (Amber)				
- NICE Reserves	0.0	0.0	0.0	0.0
- Prescribing Assessment	0.0	0.0	0.0	0.0
- Perm Injury Assessment	0.0	0.0	0.6	0.6
- SIFT Slippage	0.0	0.0	(1.0)	(1.0)
- Health Protection Slippage	0.0	0.0	(0.4)	(0.4)
- Various Reserves (Main)	0.0	0.0	(0.2)	(0.2)
- NWWSP Rebate (to be finalised)	0.0	0.0	(0.2)	(0.2)
- Blood Products Stock adjustment	0.0	0.0	0.0	0.0
- RIF Health Board Slippage 24/25	0.0	0.0	(0.5)	(0.5)
- Further Balance Sheet Opportunities (RIF)	0.0	0.0	(0.8)	(0.8)
- Deployment Funding to Match 50 Day Work	0.0	0.0	(1.2)	(1.2)
- Planned Care Recovery Uncommitted £15.2m	0.0	0.0	(0.5)	(0.5)
- JCC WG Funding Offset Mth 10 Costs	0.0	(0.3)	0.0	(0.3)
- WRP Adjustment	0.0	0.0	0.6	0.6
- WLI Arrears (Jan-March 24 / April-Dec 24)	0.0	0.0	0.4	0.4
Total Further Opportunities	0.0	(0.3)	(3.2)	(3.5)
	0	(0.7)	(3.4)	43.6

One of the key differences between the Month 10 version and the table above is the removal of the requirement to deliver £1.9m of variable pay reductions. But whilst this is not explicit within the table, the message to the Board and the organisation is that a reduction in spend remains critical for two reasons:

- Some of the N/R Opportunities are an assessment and if you applied a RAG rating most would be Amber as opposed to Green as the value is not confirmed and there are risks in the delivery, which are detailed within Risk section and Table A2.
- Run rate reductions in 2024/25 will flow into 2025/26, when the N/R Opportunities from this financial year will not be available.

This table aligns to Table A for the variances for Month 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 but with no value to reflect the above table. Whilst this is the case for the purpose of the table above and Table A, the organisation must continue to focus on Variable Pay for Month 12 to mitigate any risks associated with the N/R Opportunities, as there remains a risk that these will not deliver to the full levels required. For clarity line 34 is the JCC anticipated funding agreed post Month 10, Line 35 is not an additional benefit but would have been incorporated within the Run Rate in Line 28 but this is aligned to action point 9.14, and finally line 36 reflects the non-recurrent benefits which were additions in Month 11.

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 detailed in table A2, which were detailed in the Special Board paper from 19th December 2025 and in the previous MMR submissions. 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 11.

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 2024 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 2025 and outlined an opening position in excess of the £17m.

Whilst the reply letter to the Month 10 MMR has requested Table A/A1 is updated, and we were reminded that the data in the MMR is used for Ministerial Briefings and WG Committees, given that the Month 11 MMR will be submitted before the SB/WG Scrutiny Meeting on 14th March 2025 and the final assessment of the full Financial Plan by the

PFC on 25th March Table A/A1 has not yet been updated to reflect the fully assessed ULD but indicative value was reported in the Touchpoint meeting on 6th February.

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

Risks:

For Month 11 the risks are categorised into 3 areas:

- **Delivery of the Service Group / Corporate Directorates Positions** – the latest assessments completed immediately after the Month 11 closedown totals £47.1m (refer to the second table in the opening section of this letter). This will require MH/LD to reduce their current level of expenditure and for all of the prescribing benefits (which were previously assessed as £1.4m within the 19th December assessment) to deliver via the NPTS position. In addition, all other areas holding their forecast and the Corporate Directorates continuing to deliver an underspend benefit.
- **Allocation of M&D Pay Award** – following a full reconciliation of the email issued by WG on 11th February setting out the 2024/25 Pay Award, there remains a gap of £1.391m for the January arrears linked to further changes to the M&D Pay Award. Details on this were provided to the NHS Executive on 27th February 2025, which highlighted two specific issues and how these had been reflected in the Month 10 MMR submission. But the £1.391m is assumed as anticipated within the Month 11 position
- **Non Delivery of N/R Opportunities** – there remains £3.2m in the latter half of the table in the opening section of this letter. Much of this will not be directly influenced by Budget Holder choices but by fortuitous gains, with £3.2m being based on the latest information available. There is a risk that all of this will not land as required in Month 12 and therefore is a risk to the delivery of the £43.7m. For the purposes of Table A2 is it assumed that 50% is at risk.

Opportunities:

For Month 11 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, and there may be some further slippage on Planned Care Recovery, NICE prescribing costs and further slippage in the Service Groups and Corporate areas. These opportunities could offset the risks highlighted above and/or below the deficit to below the £43.7m plan.
- 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 11 position is therefore an improvement of £2.1m compared to Month 10, 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	(3.5)	(0.9)	(1.3)	(0.7)	(0.5)	(0.0)	0.0
Part 3: Operational Pressures							
Income							
- JCC Performance	0.0	-	-	-	0.0	-	-
- Dental PCR Income	0.0	-	-	-	-	-	-
- Other	0.0	-	-	-	-	-	-
Pay							
- Medical	0.7	0.0	-	0.4	0.3	-	-
- Nursing (inc UQ)	0.7	0.5	-	-	0.2	-	-
- A&C	-	-	-	-	-	-	-
- COO Overtime	0.0	-	-	-	-	-	-
Surge Beds							
- Gorseinon	0.1	-	0.1	-	-	-	-
- SUSD	-	-	-	-	-	-	-
- Singleton	0.2	-	-	0.2	-	-	-
- OPAU Morr / Surge Critical Care	0.2	-	-	-	0.2	-	-
Non-Pay							
- Secondary Care Drugs	0.3	0.1	-	0.1	0.1	-	-
- Non Pay General (inc.Clinical Supplies/Reserves)	1.1	-	-	-	1.1	-	-
- Estates (Building Materials / Energy)	0.0	-	-	-	-	-	-
- COO (Provisions)	-	-	-	-	-	-	-
- CHC (inc LAC)	0.7	0.4	0.3	-	-	-	-
- JCC Presures Benefit	(0.3)	-	-	-	-	(0.3)	-
Sub Total Part 3	3.7	1.0	0.4	0.7	1.9	(0.3)	-
Part 4: Further Opportunities							
- Balance Corporate Directorates	(0.8)	-	-	-	-	(0.8)	-
- Central Z Codes	(3.8)	-	-	-	-	-	(3.8)
Sub Total Part 4	(4.5)	-	-	-	-	(0.8)	(3.8)
Total	(0.7)	0.1	(0.9)	(0.0)	1.4	(1.1)	(0.1)

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 underperformed in-month with increased activity in Cardiology services offset by decreased activity in Burns services; the in-month underachievement was £0.1m. The YTD underachievement is £0.3m.

Dental Contract Income underperformed in-month by £0.1m, with an YTD underachievement of £1.1m.

- **Pay**

The Month 11 pay overspend was £2.1m (Month 10, £0.8m), 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 £1.8m (Month 10, £1.1m). 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 £0.7m underspend in-month following receipt of the latest datasets and there is a YTD underspend of £1.4m. We have at this point received 9 months of PAR data. The YTD data is below the anticipated levels at this point in the year and therefore a larger element of this anticipated benefit has been 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 final month of the year.

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

- RRL: each month, the gross income and expenditure position is finalised on an actuals basis (as reported in the MMR Table B); these actuals compared to the budget in the ledger create a variance. The variance needs to be reported as the 'bottom line' financial position for the Health Board (as reported in the 'Net surplus/(deficit)' total in the MMR Table B). Effectively the RRL is the budget allocated to Service Groups or Directorates based on the profiling for that month.
- 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.
- Secondary Care Drugs profiles will be driven by prescribing cycles and activity levels.
- 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 Month 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 £7.2m in relation to contractual uplifts for Primary Care Contractors linked to the Pay Awards, an additional £0.4m for GP IT Refresh (which has been issued at a higher level than anticipated), Quarter 3 Vertex funding of £1.5m and AME Impairment funding of £2.4m.
- Welsh NHS LHBs & Trust Income
 - PMF/PMFYF: The increase largely relates to the YTD recognition of additional LTA income in relation to several Health Boards in Month 11.
- Other Income
 - PMF/PMFYF: The increase largely relates to the receipt of 9 months of ophthalmic income in-month, however there are a number of smaller increases across multiple streams in addition to this.
- Primary Care Contractor
 - PMF/PMFYF: The increase primarily relates to the recognition of the contractual uplifts for Primary Care Contractors linked to the Pay Awards. Note that the payment for GP IT Refresh to contractors was previously profiled in Month 12 but this was recognised in-month; the funding issued for pass through was also £0.4m higher than anticipated).
- Provided Services – Pay
 - PMFYF: Month 11 was higher than forecast as the expected reductions in variable pay did not materialise in-month; 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 a continuation of the broad levels of activity see in previous months.
- Secondary Care Drugs
 - PMF/PMFYF: The in-month position was higher than forecast primarily due to the increase in the cost of Blood Products.
- Healthcare Services Provided by Other NHS Bodies
 - PMF/PMFYF: The forecast has been increased to reflect the pass-through cost of Vertex to JCC funding confirmed in Month 11.
- Other Private & Voluntary Sector
 - PMF: the forecast for Month 11 was phased based on the Outsourcing Plans which did not fully materialise however this is anticipated to be a timing difference and therefore the forecast remains materially unchanged.
- 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 11 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.

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

The Health Board Agency expenditure for Month 11 is £1.4m (Month 10, £1.5m), which is 2.0% (Month 10, 2.0%) of the overall pay expenditure.

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

- Vacancy Cover – 69%
- Temporary Absence Cover – 12%

- Additional Support to delivery and performance – 19%
- 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	2,198
Overtime	703
WLI	299
Irregular Sessions	711
Total	3,910

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

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

Table A:

- Medical & Dental: the in-month costs were significantly lower than anticipated, which primarily manifested within Surgical specialities in Morriston and NPTS.
- Nursing & Midwifery: the forecast anticipated a reduction in Nursing costs, partly linked to a reduction in variable pay, however this has not materialised in-month. There have also been a number of new appointments which are expected to reduce reliance on variable pay in the future once on-boarding is complete.

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	2,924
Vaccination Programme	4,400	3,080	3,310
Long COVID	954	954	954
Total	9,348	7,188	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 11 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	9,011	8,040	(5,726)	10,102	8,436	(5,330)
NPTS	7,965	9,619	17,584	15,304	16,245	(1,339)	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	8,804	(3,098)	6,740	6,827	(5,075)
Service Group Sub Total	21,464	32,841	54,305	41,025	45,561	(8,744)	33,210	32,894	(21,411)
Corporate	4,654	291	4,945	5,316	4,958	13	4,851	4,856	(89)
Total	26,118	33,132	59,250	46,341	50,519	(8,731)	38,060	37,750	(21,500)

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 March 2025, is provided in the table below:

Savings Table 2: All Schemes

Month 11 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	8,519	(5,247)	15,035	10,336	(3,430)
NPTS	7,965	9,619	17,584	16,433	16,255	(1,329)	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	8,804	(3,098)	6,740	6,827	(5,075)
Service Group Sub Total	21,464	32,841	54,305	47,232	46,050	(8,255)	40,654	34,809	(19,496)
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	51,115	(8,135)	46,536	40,697	(18,553)

[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 11 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.

For Month 11 under AME Impairment, we have included an estimated value for the Onerous Contract as result of the provision required in the Accounts as a per the Non Cash submission and covering email from November 2024. This provision relates to the national RISP work and ongoing issues linked to the new Phillips provider and the extension of the original Fuji contract. This approach was adopted by a number of Health Boards in 2023/24 and will be required for the Swansea Bay 2024/25 Annual Accounts. The final assessment of the AME requirement will be completed in the next 2 weeks.

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 £11.426m at the end of January 2025, to £10.891m at the end of February 2025, a decrease of £0.535m.

There has been a decrease in trade receivables from £303.246m at the end of January 2025 to £288.793m at the end of February 2025 a decrease of £14.453m. This is due to a decrease within WRP (Welsh Risk Pool) Debtors of £3m, a decrease in NHS Debtors and income accruals of £11.334m.

The closing February 2025 cash balance of £9.834m is greater than the range of the Health Board target of a cash balance of £2.5m at month end and greater than the best practice cash target for Health Board of £6m. Due to the early reduced cash position expected in March, this was a deliberate action to hold more cash as a closing balance for February 2025.

The trade and other payables figure saw a decrease from £247.019m at the end of January 2025 to £239.906m at the end of February 2025, a decrease of £7.113m. This relates to decreases in NHS and non NHS accruals of expenditure.

Provisions decreased by £2.756m from £221.131m at the end of January 2025 to £218.375m at the end of February 2025. This movement relates to 24 legal cases, with a range of impact on the provisions totalling £2.756m. These movements are directed by the monthly quantum, and the changes in probability.

11. Cash Flow Forecast (Table G)

As at the end of February 2025, the Health Board had a cash balance of £9.834m, which is greater than the Health Board target of a cash balance of £2.5m at month end and greater than the best practice cash target for the Health Board of £6m. Due to the early reduced cash position expected in March, this was a deliberate action to hold more cash as a closing balance for February 2025.

The original 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

Following daily detailed reviews of cashflow, Table E now shows a revised working capital cash requirement of £19m, reduced from £33.712m.

With the expected strategic cash support of £43.7m, we would anticipate a closing cash position of £4.650m 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	19,000
Movement in Working Capital balances	- 26,516
Opening Cash Balance	2,859
Forecast Cash Surplus	4,650

The difference between the £4.650m 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.

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 a balanced position.

The following allocations are classed as risks.

Scheme	£m / Risk Level	Narrative
EFAB	0.396 / High	Scheme slippage to be managed by the Health Board
Year-End Funding – October 2024	0.230 / 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. Such variances and management thereof are regularly communicated to Capital colleagues at Welsh Government via the bi-monthly CRM and other communication channels.

14. Capital Disposals (Table K)

There is one further planned property disposal this year for Phillips Parade with expected sale proceeds of £0.275m.

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 February. The value of NHS debts outstanding for between 11 and 17 weeks amounted to £147k at the end of February 2025 (January 2025 - £157k) with the number of invoices increasing in this category to 22 invoices compared to 25 invoices as at the end of February 2025.

There is 1 invoice (£26k) which is over 17 weeks, relating to Cwm Taf. Cwm Taf have confirmed payment will be made w/e 14 March.

Of the outstanding invoices between 11 and 17 weeks old, 15 invoices (£89k) have been paid since the end of February 2025.

All 10 outstanding invoices are actively being chased:

- CTM – 3 invoices, £44k – Escalated - 15-week Arbitration Letter sent

- Hywel Dda – 5 invoices, £51k – Lynne Jones confirmed issues with AP
- Powys – 1 invoice, <£1k – No reason for non-payment provided

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

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

For Table P all funding is now committed.

17. IFRS 16 (Table Q)

Approved schemes: There was a marginal movement in the 2024/25 forecast in Month 11 compared to Month 10. This movement is mainly driven by updated lease information affecting the interest, timing of payments and the amount of depreciation charged during the year (the required amendments to approved leases have been submitted for approval as part of the March IFRS 16 submission).

Unapproved schemes: The movement in the 2024/25 forecast in Month 11 compared to Month 10 was mainly as a result of several lease workings being reviewed and updated, and leases being postponed to the next financial 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 March 2025.

Yours sincerely,



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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