

Dyddiad/Date: 12<sup>th</sup> October 2023

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

Dear Claire,

## SWANSEA BAY UNIVERSITY HEALTH BOARD MONITORING RETURNS 30<sup>th</sup> September 2023

I enclose with this commentary the completed proformas in respect of the Health Board's Monitoring Returns to 30<sup>th</sup> September 2023.

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

The Health Board (HB) submitted a revised plan at 31<sup>st</sup> May 2023 which reported a deficit of £86.6m, as summarised below:

	YEAR 2 2022-2025 IMTP	CURRENT ASSESSMENT
	£M	£M
Section 1: 2022/23 Impact into 2023/24 (Underlying Issues)	22.9	32.2
Section 2: 2023/24 New Cost Pressures	48.8	96.5
Section 3: Health Board Choices	27.1	75.8
Section 4: Savings	(16.3)	(22.2)
Section 5: Allocations/Income Assumptions	(77.4)	(95.8)
Total	(86.6)	86.6

Since submission of the plan and as outlined in previous submissions, the Health Board has seen significant operational pressures within the Service Groups which is impacting on the ability to deliver the plan. At this point the Health Board continues to aspire to deliver the plan and within Table A from line 27 down is an update on the assumptions to achieve this:

- *Operational Pressures linked to Service Groups (Table A ref 27)*— based on the year end forecasts provided by the Service Group, excluding the non-delivery of savings, a value has been reported in Table A to reflect the anticipated pressures for the remainder of the year and is also reported through the risks in Table A2. Post Month 6 to update the

Health Board assessment all service areas are required to submit an update on their forecast by 16<sup>th</sup> October 2023. This alongside other work being undertaken on savings and non-recurrent opportunities will form the draft assessment of forecast to 31<sup>st</sup> March 2024, to be presented to an In-Committee session of Performance & Finance Committee on 24<sup>th</sup> October 2023.

- *On Going Development of Savings Schemes & Pipeline Ideas Increase* (table A ref 28) – the financial plan had a requirement to deliver £22.2m of savings on the basis that all b/f savings were delivered in full. However there was a £10.6m gap in the recurrent b/f savings unachieved at the 31<sup>st</sup> March 2023 bringing the total for the year to £32.8m. Based on values in Table C/A, taken at the end of September 2023 there remains £11.2m, against the total target of £32.8m, to be achieved in the remaining 7 months of 2023/24. This has improved by £0.6m since the Month 5 submission and reflects the reduction in the risks in table A2. It is assumed for the purposes of Table A that the savings of £32.8m will be delivered in a stepped approach for the remainder of the year, based on the actions being taken by the Health Board and detailed in section 4.4 of this letter and the previous 5 letters from 2023/24.
- *N/R Opportunities and release investments (Table A Ref 29-30)* – these lines reflect three areas: -
  - Slippage on Investments within the IMTP (not Welsh Government (WG) funded Schemes) – the plan contained a number of investments agreed by the Board however delays in some of these projects means there is the potential for slippage and these will be finalised once there is a good level of confidence that they are not required and will be part of the discussions with the In-Committee session of Performance & Finance Committee on 24<sup>th</sup> October 2023.
  - Balance Sheet Accrual Annual Leave – at the end of 2022/23 there remained an accrual on £2m post COVID as the Health Board agreed that in certain circumstances 5 days of annual leave could be carried forward. In September 2023 the Health Board has made the decision to request all staff use their leave and that no carry forward leave will be recognised/approved at the end of the Financial Year and this was formally communicated to staff with the CEO Mid Week Message on 20<sup>th</sup> September 2023. This will then allow the Health Board to release the accrual of £2m. Action Point 5.2 - a paper has been drafted which will need to be taken through the appropriate governance within the Health Board, including Audit Committee, before it can be transacted via the Ledger. The aim is for this to be completed by the end of November.
  - Balance Sheet Accrual Medical Study Leave – this was an accrual that started during COVID and at the request of HEIW continued in 2022/23. Following the annual accounts process for 2022/23 the Finance Team have been assessing under the NHS Wales Manual of Accounts and the overall assessment of the Medical Staff Contracts whether this is a liability for the Health Board. Action Point 5.2 - as per Annual Leave a paper has been drafted which will need to be taken through the appropriate governance within the Health Board, including Audit Committee, before it can be transacted via the Ledger. The aim is for this to be completed by the end of November. This could potentially allow the release, up to a maximum of £14.9m non-recurrently and has been included in table A.
- *Run Rate Management Programme* (table A Ref 31) – part of the operational pressures will be mitigated by actions being undertaken within the Service Groups, and this line attempts to reflect some of these although this will be reviewed each

month, and again is based on the actions being taken by the Health Board as detailed in section 4.4 of this letter and the previous 5 letters from 2023/24.

- **Prescribing Pressures (Table A Ref 32)** – within the £35.3m risk in Table A2 (Ref 12) is an additional £3m forecast overspend above the value in the YTD position linked to Prescribing. This has been identified as a separate item in Table A. There remains significant risk around prescribing following the June and July PARs as the numbers have been volatile. Further details are provided in Section 3 under Risks.
- **WRP (Table A Ref 33)** – on 21<sup>st</sup> September NWSSP provided an update on the WRP requirements for 2023/24. Against value in the Health Board Plan, the change in percentage represents a £0.9m benefit against the current WRP forecast.

In summary the In-Committee meeting of Performance & Finance Committee on 24<sup>th</sup> October 2023 will review both the actual pressures materialising, the forecast for the remaining months, the opportunities to mitigate current and future pressures and any risks, alongside the deliverability of all actions to achieve the £86.6m plan. This meeting has been extended to include all Independent Members of the Board along with the Health Board Chair.

## **2. Underlying Position (Table A1)**

The underlying b/f position reflects the £32.2m, reported both in the Month 12 MMR submission and the MDS submitted on the 31<sup>st</sup> March 2023 and relates to Section 1 of the table reported above. However as per the plan submitted on 31<sup>st</sup> May 2023 the recurrent underlying position c/f would be £86.6m, but as the recurrent savings requirement in the plan of £22.2m has yet to be met this is impacting on the position reported in Table A1. This will be updated through the year as the recurrent element of the savings are developed.

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

Whilst there has been improvement in the assessment of the delivery of the savings, the ongoing assessment of the Morriston Service Group, which continues to significantly overspend, has resulted in a revised assessment of the Morriston Service Group risk in Month 6. As noted in Month 5 this does not reflect the Health Board's acceptance of the position but is a balanced assessment of the risk of delivering the £86.6m. The Health Board Corporate Risk Register continues to report a 20 score and as noted above there will be an In-Committee session of the Performance and Finance Committee in October 2023 to discuss in detail all options for the management and delivery of the £86.6m Plan.

At the end of Quarter 2 the year to date position reflected in the ledger on Prescribing is £3m overspent. Within Table A Month 7-12 (line 32) an additional £3m is included for prescribing growth above the YTD. This also included as a risk in £46.2m value in the table below. The June PAR reflected a significant increase linked to the volume of items, which was pushing the forecast to £6.7. However latest PAR (July), saw the costs reduce, which is similar to the position across Wales. So at this point the forecast has been reduced to £6m pending further work between Finance and the Medicines management Team and receipt of further PAR reports.

For Month 6 an additional risk linked to Energy has been included and the reader is referred to section 4.5 for further details on the assessment of this risk.

The updated table presented in previous submissions is below:

Risk	Opening Plan 31/03/22	Opening Plan Post Ledger Upload#1	Opening Plan	Updates Since 01/04/23	Review Plan 31/05/23	Review Plan 30/06/23	Review Plan 31/07/23	Review Plan 31/08/23	Review Plan 30/09/23	Revised Risk
	£M	£M	£M	£M	£M	£M	£M	£M		£M
Run Rate Service Groups	27.9	-	27.9	2.5	4.0	7.8	0.1	17.7	8.1	39.3
Run rate Corporate Directorates	-	-	-	-	-	-	-	-	4.0	4.0
COVID Transition	13.4	-	13.4	2.2	-	11.2	-	-	-	-
Energy #1	-	-	-	-	-	-	-	-	1.0	1.0
Savings c/f	-	10.6	10.6	1.2	-	9.4	-	-	-	0.0
Savings	22.2	-	22.2	10.6	6.3	7.3	1.1	1.0	0.6	9.9
<b>Total Assessment of Risk</b>	<b>63.5</b>	<b>10.6</b>	<b>74.1</b>	<b>16.5</b>	<b>10.3</b>	<b>21.1</b>	<b>1.2</b>	<b>16.7</b>	<b>4.5</b>	<b>46.2</b>

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

##### 4.1 Overview Variance & Plan:

The £86.6m plan was set on a tapered profile reflecting the expectation that some of the run rate work would take two quarters to fully embed and deliver. The table below details the profiling of the plan and actual performance against the plan.

	Trajectory 2023/24 Based on Plan £M	Actual Performance £M	Variance From Plan £M
Mth 1	7.9	10.9	3.0
Mth 2	9.4	13.7	4.2
Mth 3	8.4	11.4	3.0
Mth 4	7.4	10.4	3.0
Mth 5	7.4	10.2	2.8
Mth 6	6.8	8.7	1.9
Mth 7	6.7		
Mth 8	6.7		
Mth 9	6.4		
Mth 10	6.4		
Mth 11	6.4		
Mth 12	6.4		
<b>Total</b>	<b>86.6</b>	<b>65.2</b>	<b>17.8</b>

The plan for Month 6 was to be £6.827m overspent. The actual variance at Month 6 was £8.677m putting the Health Board £1.850m over plan. However this marked a £0.9m improvement against the performance against plan in Month 5.

Further details on the reasons for this are provided in section 4.2 below.

##### 4.2 Movements In Month / YTD Variance

The key areas of variance across the Health Board are summarised in the commentary below:

- Income**

The WHSCC Income as a provider continues to impact on the performance against plan, with YTD underachievement of £1.3m. However this has stabilised in the last 2 months with the variance breaking even in month. However performance has not recovered the reduced activity on WHSCC services seen in Quarter 1 of 2023/24.

As reported for the previous 5 months of 2023/24 the pressure as a result in the loss of Dental Contract Income continues, with the YTD shortfall increasing to £0.870m.

- **Pay**

The Month 6 pay was overspent by £0.9m (a reduction from Month 4 of £0.4m) taking the YTD overspend to £9.6m. On Variable Pay overall spend reduced by £0.6m again, with a reduction in Agency and Bank. Across Pay categorises this reduction was reflected in the Additional Clinical Supplies (includes HCSW) and Medical & Dental.

- **Clinical Consumables**

This area continues to be a significant pressure with a YTD variance of £4.4m. However the in month position improved with the overspend reducing from £0.7m in Month 5 to £0.3m in Month 6. There are 80+ subjective lines within this category including secondary care drugs but areas seeing most pressures YTD continue to be blood products, general consumables (M&SE), laboratory products.

- **Non Delivery Savings**

The Health Board has set a 3.5% savings target for 2023/24, after two years of achieving 4%. In additional there is a further £10.6m of unmet recurrent savings b/f from 2022/23. However there remains a gap in the delivery of savings to meet the target sets which has resulted in a £0.6m variance in Month 6, a slight improvement in the Month 5 variance but is at £5.2m YTD.

- **Prescribing**

Please refer to comments made under Section 3 above.

#### **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 = reflects the reduction in the funding to be returned to WG for WRP (see section 1 above) of £0.877m and additional allocations received in year not previous on the anticipated schedule.
- **Income Welsh LHB**
  - PMFYF = this will reflect any ongoing changes linked to income from other Health Boards/Trusts above the LTAs provided by the Health Board.
- **Income WHSSC**
  - PMF/PMFYF = assumptions regarding actual WHSSC income will vary month on month depending on the actual performance being undertaken on the Morriston site linked to the various specialist services provided by the Health Board.
- **Income Other**
  - PMFYF = this includes include for the R&D and Local Authority, has also increase in Month. There is no one specific area but a number of items each month for the next 6 months. Further work will be done to review between Month 6 and 7.
- **Provider Pay**

- PMF = whilst actual costs have increased this is aligned to the revised position or Month 6 and more aligned to the Month 5 position which is the first month against which to establish trends for 2023/24..
- PMFYF = No costs have been included in future months for the 5% Medical & Dental pay award which WG have instructed is to be paid. This will be included once the first transactions has been reflected in the ledger in Month 7.
- PMFYF = As part of the work looking at Forecast for 2023/24 work has been started on looking at the split of projects between Pay and Non Pay, with some changes processed in table B for Month 6. This will continue to be refined throughout the year.
- Secondary Care Drugs
  - PMF = whilst the actual cost in month 6 have reduced the forecast to the 31<sup>st</sup> March has not changed. NICE drug costs reduced slightly in month but the £60m budget is expected to breakeven at this point and the profiling of the spend will likely be higher in future months to compensate.
- Provider Non Pay
  - PMFYF – as noted previously this line catches all for those items which do not align to the specific headings in Table B. In Month 6 there were no significant items driving the change aside from the work looking at the pay/non pay split mentioned in Pay section directly above.
- Other Private & Voluntary Sector
  - PMF/PMFYF – this is influenced by Outsourcing linked to COVID Recovery and spend within months may vary but overall costs will remain within the funding envelope provided, but corresponding change will be in pay/non pay lines.
- Joint Financing
  - PMF – lower than anticipated spend in Month 6 but overall no change in forecast spend.
- Health Care Services Provided by Other Health Bodies
  - PMF/PMFYF – this reflects the changes to the LTA payment made to WHSSC including PET/Cross Border/Genomics.
- Losses
  - PMF – lower than anticipated spend in Month 6 but overall no change in forecast spend.

#### **4.4 Actions in Plan to Manage Risks and YTD Variance**

Under this section in previous MMR Letters the Health Board has provided details on the actions being driven by the Health Board to mitigate the planned deficit, the variance from plan and the risks detailed under section 3, which have been in place from the start of the financial year. Only updates or additional actions above those reported in previous months are captured below:

- **Enhanced Monitoring** – for assurance whilst there has been a change in CEO within the Health Board the level of scrutiny remains with both the CEO and DOF jointly attending the meetings for Neath Port Talbot Singleton (NPTS) Service Group and the Morriston Service Group.
- **Feedback on Opportunities Grant Thornton** – earlier in the year we outlined one of the actions was to commission an external company to assess the longer term opportunities from the move of acute medicine from Singleton to Morriston. A preliminary report has been provided with formal feedback scheduled for week

commencing 9<sup>th</sup> October 2023, with initial indications suggesting there are opportunities for reduction in spend linked to the existing services remaining on the site post the change in acute medicine delivery.

#### 4.5 Other Areas of Comment:

- **Energy Forecast (F)**

The most recent update on the forecast via British Gas/CCS ranges from £14.2m to £13.2m based on the email from NWSSP dated 2<sup>nd</sup> October 2023. It is important to note that this forecast is not based on actual or predicted volume usage but industry averages. This becomes important given the Moriston site acquires a significant amount of its power from the Solar Farm, which if using industry averages would not be built into the forecast

Therefore alongside this the Health Board has under an assessment of its predicted usage costed at the CCS rate. In addition the estimated costs for 2022/23 provided by British Gas and used to support the Year End accruals have resulted in a non-recurrent benefit.

The forecast at this point is based on:

Area	£M
HB Assessment	12.60
N/R opportunities	(1.6)
Forecast Expenditure to 31/03/24	11.0
Total Funding	(10.6)
<b>Potential Pressure</b>	<b>0.4</b>

As the £12.6m is between £0.6m-£1.6m below the CCS forecast, £1m has been included as a risk in Table A2. However we will monitor the HB assessment position and review the forecast monthly as the actual costs/invoices are processed.

- **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. How these committed reserves flow into the relevant lines in Table B are being reviewed, along with the profiling over the remaining months of the Financial Year.

There will be an ongoing review of these funding streams with any slippage utilised as non-recurrent opportunities and declared in future months, to support the entry in Table A.

- **Accountancy Gains (E)**

There are some gains recorded on the savings trackers and all areas are required to review and where appropriate unused accruals from 2022/23 by the end of Month 6. These benefits are being reported through the savings tracker as accountancy gains. The two items referenced in Section one (Annual Leave and Medical Study Leave) linked to the N/R Opportunities and release investments are not currently reported in the MMR as an accountancy gain but are just noted at this point in table A. Once the discussions within the Health Board as detailed above have been concluded these will be added to the savings tracker as an accountancy gain.

## 5. Pay & Agency Expenditure (Table B2)

The Health Board Agency expenditure for Month 6 is £2.472m, which is 4.1% of the overall pay expenditure and is £0.732m lower than the value reported in Month 5. There were overspends in WLI but this has been fully offset by decreases in Agency (Non-Medical), Agency (Medical) and Bank, which has contributed to the reduction in pay variance reported in section 4.2.

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

- Vacancy Cover – 62%
- Temporary Absence Cover – 16%
- Additional Support to delivery and performance – 20%
- COVID-19 – 2%

## 6. COVID-19 (Table B3)

Total forecast spend on Table B3 for 2023/24 is currently reported as £11.9M. The breakdown of this by area of COVID is provided below:

	TOTAL
	£'000
Health Promotion	3,500
Vaccination Programme	5,500
Long COVID	953
Nonsocial	508
PPE	1,492
TOTAL	11,953

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

At 2<sup>nd</sup> October 2023 the weekly internal reporting mechanism within the Health Board reported savings identified in 2023/24 of £23.02m. The tables within the MMR were based on the data at the end of September 2023 and since the data was run, the value of savings identified and reported may have changed compared to the overall value within the Month 6 MMR. The position reported on 2<sup>nd</sup> October 2023 by each areas is provided in the table below:

Service Area	2022/23 SAVINGS TARGET B/F £M	2023/24 SAVINGS TARGET £M	TOTAL SAVINGS TARGET £M	ACTUAL IDENTIFIED IN 2023/24 £M	SHORTFALL £M
Corporate	1.47	2.66	4.12	5.44	- 1.32
NPTS Service Group	-	4.16	4.16	4.08	0.08
Morrison Service Group	6.51	7.81	14.32	3.37	10.95
MH & LD Service Group	0.87	2.57	3.44	3.31	0.14
Primary Care & Community Service Group	0.96	2.73	3.69	3.73	- 0.04
Medicines Management	-	2.28	2.28	2.28	0.00
HB	0.82	-	0.82	0.82	- 0.00
Total	10.63	22.20	32.83	23.02	9.81

This clearly shows that the one area of non-delivery remains Morrison, who are in Enhanced Monitoring and for which additional support has been commissioned to work with



this Service Group, as reported in previous letters. This table links to our risk assessment table above.

As part of the MMR work we are also monitoring the target of schemes moving from Green to Amber. The table below provides a summary of those breaching along with brief overview of the reason.

Savings Scheme No.	Scheme / Opportunity Title	Current Year Annual Plan £'000	Plan FYE (R Schemes) £'000	Overview
NPTS17	Income Slippage	100	-	Expect scheme to turn green in M7
	<b>Total</b>	<b>100</b>	<b>-</b>	

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

Table D reflects a mix of the Agreement of Balances position as at Month 12 2022/23 and in year changes to the LTAs.

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

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

For COVID the breakdown of the funding is summarised in section 6 above.

#### **Real Living Wage:**

As reported in Month 5 submission the requirement for RLW was anticipated to be lower than the value included in the opening plan / anticipated allocations. Whilst Table E continues to show the original value an assessment of the revised requirements for RLW are detailed in the table below. Table E will be updated in Month 7 to reflect these last position.

	£M
2022/23 Recurrent Funding of £9.50 to £9.90	3.0
2023/24 Funding from £9.90 to £10.90	4.6
<b>Total Anticipated Funding</b>	<b>7.6</b>

#### 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 slightly from £11.297m at the end of August 2023 to £11.293m at the end of September 2023.
- There has been a decrease in trade receivables from £198.778m at the end of August 2023 to £188.819m at the end of September 2023, of £9.959m, which relates mainly to a reduction in NHS Debtors.
- The closing June 2023 cash balance of £5.965m is within the best practice cash target for the Health Board of £6m.

- The trade and other payables figure saw a reduction from £155,262m at the end of August 2023 to £138.967m at the end of September 2023, a reduction of £16.295m. This comprised a reduction in capital and revenue payables.
- Provisions decreased by £2.212m from £187.720m at the end of August 2023 to £185.508m at the end of August 2023, which relates to a reduction in the Clinical Negligence provision.

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

As at the end of September 2023, the Health Board had a cash balance of £5.965m which is within the best practice cash target for the Health Board of £6m.

The cash deficit position of £120.904m is detailed in the table below:

	£'000
Forecast I&E Deficit	- 86,595
Reimbursement to Capital from Revenue	6,944
Movement in Working Capital Balances	- 44,112
Opening Cash Balance	2,859
<b>Forecast Cash Deficit</b>	<b>- 120,904</b>

The difference between the £120.904m forecast cash deficit and the Forecast I&E deficit, reflects the £6.477m of capital cash to reimburse revenue CRL, and the movement in the working capital balances. As a result of the cash deficit position, the Health Board is expecting to request strategic cash support.

The current cash forecast in Table G is predicated on the forecast year end deficit position of £86m and the current assessment of the impact of any movement in working capital balances on the cash position. However, this position assumes all allocations (£86m) detailed in Table E, including COVID funding (outlined in Section 6) are received and any variance from this assumption would impact on the cash forecast. The timing of receiving this funding 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 M5 MMR submission projected an increase of the forecast deficit cash year end position of c£20m. This was based upon a significant increase in the payment runs during August 2023, and we carried that projection forward to March 2024. We are currently undertaking a review to understand what is driving the increase in payment runs. This, in conjunction, with an updated assessment of the Revenue I&E position (post 16<sup>th</sup> October), which allow the Health Board to provide more accurate cash figures as to the level of strategic cash required for 2023/24. As noted in section 1 of this letter the assessment of the Revenue I&E position will be discussed in an In-Committee meeting of the Performance and Finance Committee on 24<sup>th</sup> October.

The cash flow is updated daily and any changes to the forecast cash position at year end will be reported through these returns.

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

The Health Board achieved the 95% PSPP target for quarter 2 with compliance being 96.6% for the quarter.

NHS payment compliance was, however, below 95% with the quarterly performance being 89.8%. The health board remains focussed on improving PSPP compliance for NHS invoices and ensuring that performance remains above 95% for Non NHS invoices:

Further updates will be reported at the end of Quarter 3.

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

The forecast outturn shows an overspend position of £2.783m. Allocations are anticipated on the following schemes, which will provide a balanced position:

<b>Scheme</b>	<b>£m / Risk Level</b>	<b>Narrative</b>
Business Case Fees	0.877 / Medium	Funding anticipated from WG.
City Deal – Morriston Access Route Design	0.974 / Medium	Funding anticipated from Swansea Bay City Deal/Swansea University. Secondary funding agreements with the Health Board for review.
Refurbishment of Burns ITU Phase 1	0.506 / Low	Funding approved (Business Case approval letter dated 26/09/23), awaiting CRL uplift.
Re:Fit Phase 4 – Solar Farm Extension	0.285 / Medium	Funding increase requested from WG Energy Services (24/07/23).
HCF Minor Projects	0.141 / Low	Funding approved by West Glamorgan Partnership Board. CRL transfer required.

In response to the email of 3<sup>rd</sup> October 2023 from Victoria Walker, if the properly incurred Business Case Fees anticipated from WG for approved business case resource schedules and business case submissions are not supplied in 2023/24, the Health Board would need to delay spend from other approved schemes within the discretionary capital programme to offset the risk.

The following allocations are classed as medium risk.

<b>Scheme</b>	<b>£m / Risk Level</b>	<b>Narrative</b>
Morriston Infrastructure Modernisation Phase 2	0.253 / Medium	Increased programme timescales and reduced spend profile this year.
Re:Fit Phase 4 – Solar Farm Extension	0.285 / Medium	Funding increase requested from WG Energy Services (24/07/23).
Regional Pathology	TBC / Medium	Project currently being re-scoped due to increasing capital costs. At this stage we're unable to estimate the value of additional fees and will provide an update along with our submission to fix the CRL position at end of October.
PET-CT	TBC / Medium	Project currently being re-scoped due to increasing capital costs. At this stage we're unable to estimate the value of additional fees and will provide an update along with our submission to fix the CRL position at end of October.

Scheme	£m / Risk Level	Narrative
Dan-y-Deri	TBC / Medium	Project currently being re-scoped due to increasing capital costs. At this stage we're unable to estimate the value of additional fees and will provide an update along with our submission to fix the CRL position at end of October.

All other schemes are low risk and any variances are linked to planned contributions from discretionary.

*Table J – there is a minor error on Table J (row 17), which will be corrected in Month 7.*

#### 14. Capital Disposals (Table K)

There is a planned property disposal of Garngoch with expected sale proceeds of £0.200m.

#### 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 September. The value of NHS debts outstanding for between 11 and 17 weeks amounted to £151k at the end of September 2023 (August 2023 - £10k) with the number of invoices in this category increasing from 9 at the end of September 2023 to 4 at the end of September 2023.

Of the outstanding invoices between 11 and 17 weeks old, 1 invoice (£33k) have been paid since the end of September 2023.

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

Table N & O have been completed for Quarter 2 as required. GMS and Dental are currently forecast to overspend by £0.211m and £0.204m respectively.

On Table P whilst there are uncommitted values against Recovery (£120m), RIF and MHSIF it is anticipated that all ring-fenced allocations will be committed by 31<sup>st</sup> March 2024. With regard to the VBHC £1.471m, there will remain £0.387m of uncommitted funding which is aligned to the submission made on 15<sup>th</sup> September. Further updates will be provided in Month 7.

The financial information reported in these Monitoring Returns reflect those reported to the Health Board. These Monitoring Returns incorporate the financials of the following hosted bodies: -

- EMRTS.

In the absence of the Chief Executive, the monthly monitoring return submission will be approved by Darren Griffiths (Deputy Chief Executive) and for the Director of Finance by Samantha Moss (Deputy Director of Finance).

These Monitoring Returns will be circulated to the membership of the Health Board's Performance and Finance Committee on 24<sup>th</sup> October 2023.

Yours sincerely,



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



.....  
**DARREN GRIFFITHS**  
**DIRECTOR OF FINANCE &**  
**ACTING DEPUTY CEO**

Emma Woollett, Chair  
NHS Financial Management  
Mr Jason Blewitt, Wales Audit Office

