

Dyddiad/Date: 11th July 2024

Ms Claire Bowden
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Welsh Government
King Edward VII Ave
Cardiff
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Dear Claire,

SWANSEA BAY UNIVERSITY HEALTH BOARD MONITORING RETURN 30th JUNE 2024

I enclose with this commentary the completed proformas in respect of the Health Board's Monitoring Returns to 30th June 2024.

The Annual Plan submitted on 28th March 2024 reported a deficit of £50.1m after the delivery of £26.1m of savings. The expectation was that the in-month position would reflect a 12th of the £50.1m deficit. For Month 2 the Health Board (HB) has reported a deficit of £7.5m (Month 2, £8.9m) against a 12th of the deficit plan of £4.2m. Clearly this position is unacceptable and immediate actions continue to be taken.

As detailed in the Month 1 submission, the Chief Executive Officer (CEO) set out a number of actions to address the run rate pressures and then during May 2024 the CEO also established clear actions for each Executive Team member, which were in addition to the Thematic Programmes referenced in Opportunities under Section 3. Furthermore, a series of immediate next steps were agreed with Independent Members on 11th June 2024. Since the Month 2 submission the Service Groups have submitted an update on their replies to the Accountability Letters, which provides further options for the Board to consider. In addition on 8th July 2024 the Director for Recovery and Sustainability commenced a 24-month programme. Further details on these are provided in Section 4.4 on this letter.

The key drivers of the in-month position were as follows:

Table 1: Key Drivers

Month 3 - In Month	HB Wide £'m	MH/LD £'m	PCT £'m	NPTS £'m	Morr £'m	Corp £'m
Plan 1: Plan						
12th Deficit Plan	4.2	-	-	-	-	-
Part 2: Savings Delivery						
Non Delivery £26.1m Savings	0.9	-	-	0.2	0.6	0.1
Part 3: Operational Pressures						
Income						
Joint Commissioning Comm (JCC) Performance	0.4	-	-	-	0.4	-
Dental PCR Income	0.1	-	0.1	-	-	-
Pay						
- Medical	1.4	-	-	0.5	0.9	-
- Nursing (inc UQ)	1.0	0.4	-	-	0.6	-
- COO Overtime	0.3	-	-	-	-	0.3
Surge Beds						
- Gorseinon	0.1	-	0.1	-	-	-
- SUSD	-	-	-	-	-	-
- Singleton	0.1	-	-	0.1	-	-
Non-Pay						
Secondary Care Drugs	0.4	-	-	0.3	0.1	-
Non Pay General	0.1	-	-	-	0.1	-
Estates	(0.3)	-	-	-	-	(0.3)
CHC	0.3	0.1	0.2	-	-	-
Sub Total Part 3	3.9	0.5	0.4	0.9	2.1	-
Part 4: Offsets						
Balance Corporate Directorates & Z Codes	(1.5)					(1.5)
Sub Total Part 4	(1.5)	0.0	0.0	0.0	0.0	(1.5)
Total	7.5	0.5	0.4	1.1	2.7	(1.4)

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

The Health Board (HB) submitted an Annual Plan on 28th March 2024 which reported a deficit of £50.1m. This has not been approved by Welsh Government (WG) who have requested as a minimum the HB reduces its deficit to £17m; work and discussions are underway. In order to meet the £50.1m deficit plan operational savings totalling £26.1m need to be achieved and all Service areas are required to breakeven to their delegated budgets. This will require the need for a significant reduction to the HB's current run rate of expenditure.

As part of the Financial Planning process the Health Board identified a number of areas of focus to reduce the £50.1m plan to £24.5m, under the banner of Thematic Programmes with dedicated Executive SRO Leads. Updates on progress were reported via the agreed internal governance route of Management Board 15th May 2024, Performance & Finance

Committee 21st May 2024 and then Board 23rd May 2024. However, given the YTD financial performance, the Board has insufficient assurance to reduce the Planned Deficit and the resubmitted financial plan value for 2024/25 reported on the 31st May 2024 remains at £50.1m, with significant risks to delivery.

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

- Line 26 and Lines 31-34 reflects the adverse Operational Variance to Plan forecast; this aligns to the summary provided above on the In Month position and assumes the actions outlined in section 4.4 deliver from the start of Q2. This will continue to be refined.
- Line 27 recognises the repurposing of the £2.16m discretionary COVID-19 funding (as shown on Line 22) as part of the Annual Planning cycle.
- Line 28 shows the impact of converting Red/Pipeline opportunities into delivery of Green/Amber schemes in the achievement of the Planned savings target (see associated risk in Section A2).
- Line 30 reflects the operational actions that will be required in addition to the delivery of the savings target in order to address the forecast 1 Operational Variation to Plan; this remains indicative as the work described in section 4.4 is established.

2. Underlying Position (Table A1)

The underlying b/f position reflects the £54.9m, reported both in the Month 12 MMR submission and the MDS submitted on the 29th March 2024. The Annual Planning cycle has resulted in an improvement of £4.8m, adjusting the underlying position to £50.1m. This is predicated on the recurrent delivery of £34.5m of savings schemes (£26.1m operational and £8.4m of disinvestment decisions made in the planning cycle) and of all Service Areas achieving a breakeven position against their delegated budgets.

3. Risk Management (Table A2)

Risks:

The risks reported at Month 3 are focused a two key areas:

- **Operational recovery** of the YTD and forecast financial position, which is discussed further in the opening paragraphs of this paper and under section 4.4. The risk reflects the potential non delivery in full of mitigating actions required to address the YTD and forecast Q1 overspend as detailed on line 30 of Table A.
- **Savings delivery** and the conversion of Red/Pipeline opportunities into deliverable Green/Amber savings schemes. As it is early in the financial year, the

risk regarding conversion to savings schemes has been limited to 60% of the current gap.

Opportunities:

As reported previously the Health Board established Thematic Programmes to support the improvement in the reported Planned Deficit of £50.1m. Listing of the programmes, the SRO and opportunities identified as part of the planning process is provided in the table below:

Thematic Programme	£'m	SRO
UEC Improvement	(3.6)	Chief Operating Officer
Planned Care	(9.6)	Chief Operating Officer
Workforce	(2.7)	Interim Director of Workforce & OD
CHC	(3.4)	Interim Director of Strategy
Medicine	(3.5)	Interim Medical Director
Technical	(2.6)	Director of Finance & Performance
Transformational Change	(0.3)	Director of Finance & Performance
TOTAL	(25.6)	

As noted in section 1 at the end of May 2024 the Board did not feel there was significant assurance on the delivery of these, alongside the operational pressures presented in Month 1 and so further work is underway detailed in section 4.4. As this work progresses then Table A2 will be updated to reflect further opportunities.

4. Monthly Positions (Table B)

4.1 Overview Variance & Plan:

The profile of income and expenditure in Table B is indicative at this stage given the number of actions underway. The profile will also be refined as further analysis is completed on the Quarter 1 operational drivers and mitigating actions.

Further details regarding the reasons for the variance to plan reported in Table B are provided in section 4.2 below.

4.2 Movements In-Month / YTD Variance and Forecast Profile

The key areas of variance across the Health Board are summarised in the commentary below. The items below are those that drive the operational run rate pressures currently reported on Ref Line 26 and Lines 31-34 of Table A and relate to the summary provided in Table 1 above:

- Income**
 The Joint Commissioning Committee (JCC) Income as a provider deteriorated in-month, with an in-month underachievement of £0.5m, largely due to activity levels in Burns & Plastics, Bariatric and TAVI/Cardiology procedures. The YTD underachievement is £0.8m.

Dental Contract Income underachieved by £0.1m in-month, with an YTD underachievement of £0.4m.

- **Pay**
The Month 3 pay overspend was £2.8m (Month 2, £2.3m), largely driven by Medical & Dental and Nursing across the acute sites and MH&LD in addition to Hotel Services within COO. The pay pressures are driven by a number of factors including the continuation of staffing surge bed capacity, pressures on services across the organisation and high levels acuity, coupled with high levels of sickness.
- **Clinical Consumables**
This area continues to be a significant pressure with an in-month position of £1.2m (Month 2, £1.4m). There are 80+ subjective lines within this category including secondary care drugs but areas seeing most pressures YTD continue to be general consumables (M&SE), laboratory products and implants (which in part will be driven by activity).
- **Non-Delivery Savings**
The Health Board has set a 2.5% savings target for 2024/25 which has been issued to Service Areas. There is currently a gap in the identification, and therefore delivery, of savings to meet the target sets has resulted in a £0.9m variance in Month 3 (Month 2, £0.7m).

As per **action point 2.1** an analysis of items with a forecast greater than £0.5m when compared to an equal twelfth of the end of year total forecast was completed.

- Primary Care Contractor has an additional assumed £1.0m in Month 12 in relation to the GP Refresh anticipated allocation – confirmation of this pass-through cost is not typically received until Month 12.
- Primary Care Drugs is phased based on prescribing days in any given month and anticipated timings of Category M drug prices.
- Pay will naturally fluctuate with the timing of starters and leavers, as well as the level of reliance on variable pay linked to sickness, number of open beds, additional activity etc.
- Non-Pay is profiled in line with when services are received or goods are delivered.
- Continuing Care will be driven by the number and price of packages of care at any given time, and the number of calendar days each month.

4.3 Movements In-Month / Forecast Actuals (Table B1)

The keys issues of note from Table B1 against the core heading of (1) PMA = Prior Month Actuals, (2) PMF = Prior Month Forecast and (3) PMFYF = Prior Month Full Year Forecast are provided in the section below:

- Revenue Resource Limit (RRL)
 - PMFYF: The main driver of the decrease relates to the impact of the Capital Donation/Government Grant Income (see below).

- Capital Donation/Government Grant Income:
 - PMFYF: the increase relates to the recognition of the City Deal grant income, which has been offset by a reduction to the RRL.
- Welsh NHS Local Health Boards & Trusts Income
 - PMFYF: The increase is based on the assumed continuation of YTD LTA performance.
- Other Income:
 - PMFYF: this includes income for the R&D and Local Authority but there is no one specific area but a number of items each month impacting on the movement.
- Primary Care Contractor
 - PMFYF: The increase in the EoY forecast relates to a revised Dental forecast.
- Primary Care – Drugs & Appliances
 - PMF/PMFYF: The decrease in-month relates to timing differences in anticipated price increases.
- Provided Services – Pay
 - PMF/PMFYF: In Month 2 overall pay expenditure was forecast to decrease in Month 3 by £2.0m, however actual in-month performance is an increase of £0.2m. This is driven by the reasons provided in section 4.2 above.
- Provided Services – Non-Pay
 - PMF/PMFYF: The decrease relates to one-off Energy rebates and higher than anticipated VAT recovery in addition to £1.8m of new non-pay savings schemes.
- Secondary Care Drugs
 - PMF/PYF: the in-month decrease is due to reduced activity in-month and the mix of NICE drugs; the in-month position is the driver of the EoY change.
- Healthcare Services Provided by Other NHS Bodies
 - PMF: The increase is driven by the latest JCC (previously WHSSC) performance.
- Continuing Care and Funded Nursing Care:
 - PMFYE: the increase is based on the latest database modelling, driven by case numbers and package prices.
- DEL Depreciation and AME Donated Depreciation
 - Please note that there is no change to the position reported in the Month 3 MMR as we have not yet reflected the necessary changes from the latest Non-Cash Submission due to team capacity issues. This will be reflected in the Month 4 MMR.

4.4 Actions in Plan to Manage Risks and YTD Variance

As detailed in the Month 1 submission, the Chief Executive Office (CEO) set out a number of actions to address the run rate pressures and during May 2024 the CEO also established clear actions for each Executive Team member, which are in addition to the Thematic Programmes.

The additional actions above the Thematic Programmes, and associated Lead Executive, focus on:

- Medical Staffing Variable Pay – Acting Medical Director
- Nursing (Registered and Unregisters) Variable Pay – Director of Nursing
- Review Bank – Acting Director of Workforce
- Review Non Pay Outsourcing – COO
- Maximising Value & Sustainability opportunities – Director of Finance & Performance

As part of an Independent Members Financial Briefing post the Month 2 position, held on 11th June 2024 a series of further and immediate next steps were discussed and with actions underway. The full list was included in Mth 2 submission but going forward only specific updates on the actions will be noted below and other actions not reported in previous reports:

- **Compliance review on variable pay commitment following CEO instructions** – UPDATE @ Month 3 Further clarity provided by CEO in Management Board on 19th June
- **Corporate positions to not commit further spend beyond Business As Usual (BAU)** – UPDATE @ Month 3 All Corporate Directorates continue to maintain underspending positions to support operational pressures in the Service Groups
- **Urgent review of all cost pressures and inflation assumptions** funded in this year's plan in addition to 'choices' part of the Recovery & Sustainability Portfolio– UPDATE @ Month 3 this review will be completed part of the Recovery & Sustainability Portfolio
- **Assess and then roll out options to engage and support budget holders** - UPDATE @ Month 3 New training video commenced
- **Establishment of the internal run rate reduction team** – UPDATE @ Month 3 Director of Recovery & Sustainability appointed and in post on 8th July. Further work underway on the External Advisor support and the establishment of a wider Support Team for next 24 months.
- **Review of individual Service Area financial strategies** and identification of options for the Board to consider. UPDATE @ Month 3 detailed in paragraph below.
- **Implementation of weekly reporting to monitor drivers** of financial expenditure during the month and taking corrective action earlier in the month. UPDATE @ Month 3 is that the data (with one exception) is now provided on regular basis and the resources to produce the report identified, with go live proposed for end July.
- **Briefing Independent Members (IM)** - to ensure all member are briefed as early as possible the DOF will attend the next available weekly IM briefing post Day 5 close on a monthly basis.

The presentation to at the Scrutiny Meeting on the SBU Annual Plan submission (3rd July 2024) provided details on the update with regard to the Service Area financial strategies. In summary, the ongoing work linked to the requirements of the

Accountability Letters required the four service areas to provide the Health Board will options to support the reduction of the run rate and the delivery of the financial plan. Submissions were received on 28th June 2024. The initial assessment of all options, regardless of risk on deliverability or service impact totalled £55m. The next step in the process is for each of Service Groups to attend a 'Star Chamber' event chaired by the CEO to identify those options that can be actions without the need for Board approval. These meeting will commence on 11th July 2024. Following these meetings any remaining options, will be presented for discussion with Independent Members at the end of July 2024.

As of 8th July 2024 a Director of Recovery and Sustainability has been put in to place. This is a result of internal reconfiguration of roles. The Director will work directly to the Director of Finance and Performance and SRO. A three programme approach has been adopted and a team is being formed to support the delivery of this programme. The current thinking on this was shared at the recent plan scrutiny meeting held with Welsh Government colleagues on 3rd July 2024 and further details will be shared in future monitoring return letters to share approach and impact.

4.5 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.
- **Uncommitted Reserves (G)**
The Health Board is not holding uncommitted reserves, any reserves it holds are linked to projects (e.g. Recovery Programme) or NICE and are issued on an actual basis.
- **Accountancy Gains (E)**
There are no Accountancy Gains anticipated at this stage; this will remain under review during the year.

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

The Health Board Agency expenditure for Month 3 is £1.8m (Month 2, £2.1m), which is 2.8% (Month 2, 3.2%) of the overall pay expenditure.

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

- Vacancy Cover – 62%
- Temporary Absence Cover – 10%
- Additional Support to delivery and performance – 28%
- COVID-19 – 0%

Other Variable Pay (excluding Agency) is classified by the Health Board into the following categories: Bank, Overtime, Waiting List Initiatives (WLI) and Irregular Sessions and all

of these have been included within the Table. A summary split by category is provided below:

Category	In-month expenditure £'000
Bank	1,718
Overtime	707
WLI	298
Irregular Sessions	801
Total	3,524

Both Agency/Premium Locum and Other variable pay remain key areas of focus for opportunities to reduce the current run rate of expenditure.

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

Table A:

- Admin & Clerical: the increase in the EoY forecast is reflective of assuming the average of Quarter 1 would broadly continue for the remainder of the year as there is limited variable pay and therefore the drivers of fluctuation are starters/leavers.
- Medical & Dental: the increase reflects the actual results from Quarter 1, the reductions anticipated in the Month 2 forecast did not materialise in Month 3 (£0.6m). Some improvement is still expected based on the actions taken in response to the financial position targeting M&D pay.
- Nursing & Midwifery: the increase reflects the actual results from Quarter 1, the reductions anticipated in the Month 2 forecast did not materialise in Month 3 (£0.5m). Some improvement is still expected based on the actions taken in response to the financial position targeting Nursing pay.

Table B and D:

- Nursing Agency & Other Variable Pay: the decrease is reflective of the actual results from Quarter 1, where Month 3 achieved a reduced level of expenditure. The expected improvement in reliance on variable pay has been factored into the Month 3 forecast, however this is not based on specific savings schemes so remains indicative.

6. COVID-19 (Table B3)

The total forecast expenditure shown on Table B3 for 2024/25 is currently £7.188m following a capping of expenditure versus the funding provided as part of the Annual Planning cycle. This action has been taken to drive efficiency within this element of the Health Board. The breakdown of this by area of COVID is provided below:

£'000	Funding	Plan / Forecast
Health Protection (including PPE)	3,994	3,154
Vaccination Programme	4,400	3,080
Long COVID	954	954
Total	9,348	7,188

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

The position reported in the MMR by each area is provided in the table below, which will only reflect Green and Amber schemes:

Service Area	2024/25 Savings Target £'m	Identified Schemes £'m	In-Year Shortfall £'m	Recurrent Schemes £'m	Recurrent Shortfall £'m
Corporate	4.7	2.7	1.9	2.7	1.9
NPTS Service Group	8.0	3.5	4.5	3.0	5.0
Morrison Service Group	7.8	1.3	6.5	0.7	7.1
MH&LD Service Group	2.6	6.3	(3.7)	5.1	(2.5)
PCT Service Group	3.1	4.4	(1.3)	3.4	(0.3)
Total	26.1	18.2	7.9	15.0	11.2

Overall, there have been progress in the identifications 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 in excess of the £26.1m planned target. A summary of the total opportunities at 5th July 2024, is provided in the table below:

	2024/25 Savings Target £'m	In Year Opportunities Identified Trackers 2024/25 £'m	Less Opportunities to manage In Year Pressures £'m	In Year Opportunities to Deliver Savings £'m	In Year Shortfall on Savings Target £'m	Recurrent Opportunities to Deliver Savings £'m	Recurrent Shortfall on Savings Target £'m
Morrison	7.8	3.2	-	3.2	4.7	2.6	3.1
NPTS	8.0	5.5	-	5.5	2.5	5.0	2.5
MHLD	2.6	6.3	3.7	2.6	-	5.1	0.6
PCC	3.1	6.6	3.5	3.1	-	4.1	-
Corporate	4.7	2.7	-	2.7	1.9	2.7	2.1
	26.1	24.3	7.2	17.1	9.1	19.4	8.3

The total level of identified opportunities pending the full assessment of the service areas financial strategy submissions outlined in section 4.4 is £24.3m. The first call on savings identified by service areas is to address the £26.1m target. Once a service area has identified their target all other opportunities will be deployed to manage run rate pressures. So in the table above whilst £24.3m has been identified £7.2m is to support

run rate pressures, leaving a net value of £17.1m to meet the £26.1m target. However unlike Table C this will include red/pipeline ideas.

Please note that there are 2 validation errors on Table C3 due to schemes remaining Amber status; delivery is on plan in-month and it is expected that these should gain Green status ahead of the Month 4 submission.

8. Welsh NHS Assumptions (Table D)

Table D reflects the latest Month 3 position.

Please note that in column D, G and H, a hidden row (row 24) seems to have figures in it, which are contributing to the overall total being incorrect – shown in red below.

Table D should be showing the following totals:

	LHB/Trust	Contracted Income	Non Contracted Income	Total Income	Contracted Expenditure	Non Contracted Expenditure	Total Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000
1	Swansea Bay University	-	-	-	-	-	-
2	Aneurin Bevan University	1,269	2,493	3,762	201	953	1,154
3	Betsi Cadwaladr University	-	257	257	-	534	534
4	Cardiff & Vale University	2,371	4,133	6,504	3,878	4,705	8,583
5	Cwm Taf Morgannwg Univ	35,503	5,835	41,338	29,837	2,444	27,393
6	Hywel Dda University	37,404	4,010	41,414	4,943	1,095	6,038
7	Powys	8,756	2,235	10,991	1,036	474	1,510
8	Public Health Wales	2,132	1,856	3,988	-	5,111	5,111
9	Velindre	-	7,135	7,135	515	55,085	55,600
10	NWSSP	-	-	-	-	-	-
11	DHCW	758	213	971	4,910	1,574	6,484
12	Wales Ambulance Service	-	200	200	720	312	1,032
13	JCC (WHSSC/EASC)	147,851	2,792	150,643	136,685	513	137,198
14	HEIW	-	18,404	18,404	-	8	8
15	NHS Executive	-	-	-	-	-	-
17	Total	236,044	49,563	285,607	182,725	67,920	250,645
				285,607			250,645
	Table D is showing:		67,467		210,980	67,937	

9. Resource Limits (Table E)

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

10. Statement of Financial Position (Table F)

The key issues in respect of the statement of financial position movements are as follows:

The inventory value has decreased from £12.264m at the end of March 2024 to £11.378m at the end of June 2024, an decrease of £0.886m. The increase mainly relates to drugs stocks across all hospital sites.

There has been a decrease in trade receivables from £242.977m at the end of March 2024 to £218.628m at the end of June 2024, a decrease of £24.349m. The reduction relates to WRP (Welsh Risk Pool) debtors of £16.28m, with the majority of the other movements relating to a reduction in NHS Debtors.

The closing June 2024 cash balance of £16.733m is well above the Health Board target of a cash balance of £1-£1.5m at month end and the best practice cash target for the Health Board of £6m. As outlined in section 11, the high cash balance is due to:

- An internal oversight in the timing of an expected Pharmacy payment (£8m); and
- An unforeseen reduction in Revenue payment runs of £5m due to staffing issues.

The trade and other payables figure saw a reduction from £279.628m at the end of March 2024 to £233.2646m at the end of June 2024, a reduction of £46.364m. This comprised a reduction in capital and revenue payables. The reduction in revenue payables mainly relates to reductions in goods received not invoiced, accruals, NHS and WGA (Whole Government Account), and other creditors.

Provisions decreased by £3.039m from £200.389m at the end of March 2024 to £197.350m at the end of June 2024. The quantum received are now being reflected in the financial ledger on a monthly basis, rather than quarterly. This will create a more regular movement for both the Trade Receivables (WRP Debtors) and the Provision figures.

11. Cash Flow Forecast (Table G)

As at the end of June 2024, the Health Board had a cash balance of £16.733m, which is significantly higher than the best practice cash target for the Health Board of £6m.

The high cash balance is due to:

- An internal oversight in the timing of an expected Pharmacy payment (£8m); and
- An unforeseen reduction in Revenue payment runs of £5m due to staffing issues.

The cash deficit position of £103.455m is detailed in the table below:

	£'000	
Forecast I&E Deficit	-	50,100
Reimbursement from Capital to Revenue		9,307
Movement in Working Capital Balances	-	65,521
Opening Cash Balance		2,859
Forecast Cash Deficit	-	103,455

The difference between the £103.455m forecast cash deficit and the Forecast I&E deficit Cash figure, reflects the £9.307m of capital cash to reimburse revenue CRL, and the movement in the working capital balances.

The cash flow is updated daily and a full review of the cash forecast is currently being undertaken several times a week, to ensure that any changes to our cash requirements, can be communicated in a timely manner to WG.

12. Public Sector Payment Compliance (Table H)

The Health Board achieved the 95% PSPP target the % of Non NHS Invoices Paid within 30 in Quarter 1 with compliance being 95.4% for the quarter.

NHS payment compliance for invoices paid within 30 days was, however, below 95% with the quarterly performance being 83.2%. The Health Board remains focussed on improving PSPP compliance for NHS invoices and ensuring that performance remains above 95% for Non NHS invoices.

Further updates will be reported at the end of Quarter 2.

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

The forecast outturn shows a balanced position. The balanced position mitigates any non-receipt of the £1.228m business case fees shown as anticipated allocations below.

Scheme	£m	Narrative
Business Case Fees - Modular Theatres, Singleton	0.477	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees - Adult Acute Mental Health	0.172	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees - Tonna Older Adults Mental Health	0.043	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees – Thoracic, Morriston	0.069	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees - Urology Morriston to NPT	0.276	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees - PET CT, Singleton	0.117	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.
Business Case Fees - 2nd CT Sim, Singleton	0.074	Business case fees incurred for schemes included in the Health Board 10 year capital programme/national prioritisation.

As discussed at the CRM on 9th July, the £974k approved income from the City Deal has been included as a Capital Grant.

The following allocations are classed as risks.

Scheme	£m / Risk Level	Narrative
Singleton Cladding - Main works and Patient Waiting Area, Morriston Hospital	0.205 / High	A CRL transfer from Singleton Cladding - Main Works to Patient Waiting Area, Morriston Hospital of £0.205m is required as agreed with Ian Gunney.

As discussed at the CRM on 9th July, a request for CRL adjustments between the scheme and discretionary will be made on the Catheter Lab A and Burns schemes.

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.

Note there is a validation error on Table J – It is correct to show as is at M3, this will be resolved in M4.

14. Capital Disposals (Table K)

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

15. Aged Welsh NHS Debtors (Table M)

Table M lists all Welsh NHS invoices outstanding for more than 11 weeks as at the end of June. The value of NHS debts outstanding for between 11 and 17 weeks amounted to £287k at the end of June 2024 (May 2024 - £48k) with the number of invoices increasing in this category to 8 invoices compared to 6 invoices as at the end of May 2024.

Of the outstanding invoices between 11 and 17 weeks old, 2 invoices (£1k) has been paid since the end of June 2024.

All of the other 6 outstanding invoices (£285k) shown in Table M, were agreed as part of the M12 2023/24 Agreement of balances process.

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

Tables N (GMS) and O (Dental) are not required until Quarter 2.

Whilst there are currently uncommitted values in Planned and Unscheduled Care Sustainability, Mental Health, and Value Based Health Care, this is due to plans being developed and prioritised. The expectation at this stage is that all funds will be utilised.

17. **IFRS 16 (Table Q)**

This Table has been completed for the first time in Month 3.

18. **Governance Arrangements**

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

- EMRTS.

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

These Monitoring Returns will be circulated to the membership of the Health Board's Performance and Finance Committee on 23rd July 2024.

Yours sincerely,



.....
DARREN GRIFFITHS
DIRECTOR OF FINANCE



.....
DR RICHARD EVANS
INTERIM CHIEF EXECUTIVE

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

