



Ein cyf/Our ref MA-P/VG/2555/19

Suzy Davies AM  
National Assembly for Wales  
Cardiff Bay  
Cardiff  
CF99 1NA

5 July 2019

Dear Suzy,

I am responding to the point you raised with the Minister for Finance and Trefnydd in plenary on 26 June 2019 regarding financial accounting and audit issues at Swansea Bay University Health Board (SBUHB).

Abertawe Bro Morgannwg University Health Board (ABMUHB) was responsible for the healthcare of Bridgend residents, as well as those of Swansea and Neath Port Talbot, up to 31 March 2019. The most recent set of financial accounts for ABMUHB, covering the financial year to 31 March 2019, reported a deficit of £9.9 million for the year. This was a significant improvement in the ABMUHB outturn for the previous financial year, 2017-18, when they had reported deficit of £32.4 million. The improved outturn for ABMUHB occurred during the period they had responsibility for the healthcare of Bridgend residents.

As you are aware, under the terms of the NHS Finance (Wales) Act 2014, Health Boards are required to break-even over a three year period. As ABMUHB had reported a deficit of £39.3 million for the 2016-17 financial year, with the reported deficits for 2017-18 and 2018-19, the ABMUHB cumulative outturn measured over the three year period to 31 March 2019 was a total deficit of £81.6 million. Whilst ABMUHB had reported an improving outturn over this three year period, it still breached its break-even duty, and therefore the Board's 2018-19 accounts were qualified by the Auditor General for Wales.

To ensure that ABMUHB were able to meet its normal financial commitments during this period, including staff salaries and paying suppliers, Welsh Government provided the health board with repayable strategic cash support, totalling £63.3 million. The requirement to repay this support in future years remains with SBUHB, but Welsh Government will not require repayment until the health board is in a sustainable financial position going forward.

To reflect the transfer of responsibility for the healthcare of Bridgend residents, Welsh Government has transferred revenue funding from ABMUHB to the Cwm Taf Morgannwg University Health Board (CTMUHB) for the 2019-20 financial year. An initial allocation transfer of £289.3 million has been actioned, but discussions are ongoing with SBUHB and CTMUHB regarding outstanding financial issues, and further transfers may be required in 2019-20.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

I have already approved a financially balanced Integrated Medium Term Plan for CTMUHB for 2019-20. SBUHB is working to an annual operating plan, and I expect them to also achieve a balanced outturn for the financial year.

Yours sincerely,

A handwritten signature in black ink that reads "Vaughan Gething". The signature is written in a cursive, slightly slanted style.

**Vaughan Gething AC/AM**

Y Gweinidog Iechyd a Gwasanaethau Cymdeithasol  
Minister for Health and Social Services