



Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

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Dyddiad / Date: 28<sup>th</sup> August 2020

Dear Andrew

Thank you very much for the opportunity on Wednesday to discuss the significant changes the Health Board has managed so far this year, particularly the response to Covid-19, which includes but is not limited to; the impact of commissioning the temporary hospitals, PPE supply, implementing TTP and recovering essential services. The agenda also encompassed future plans being developed in conjunction with Welsh Government around Special Measures and a more strategic, longer-term approach to improving the healthcare provided to North Wales. It was a constructive and honest conversation, which gave us the opportunity to reflect on the key achievements to date and the significant progress we still need to make to focus on quality and patient outcomes.

As with all other healthcare organisations, the Health Board has faced unprecedented challenges in responding to the COVID-19 pandemic, which have had significant financial implications. We are grateful for the support and clarity Welsh Government has provided around funding, but this does still leave significant risk around areas of funding not yet confirmed and your confirmation of further funding in September is welcome news.

#### Financial Position

The specific actions highlighted above have incurred costs at a level above that of the Health Board's initial resource allocation and confirmed Covid-19 funding to date. I wrote to you on 18<sup>th</sup> May indicating that the expected level of expenditure associated with our pandemic response during 20/21 is £131.4m. This value has reduced slightly at Month 4, to £124.6m.

The Finance & Performance Committee met yesterday and discussed the current assumption that all additional costs (including non-delivery of savings and reduced income generation) would be subject to additional funding which has allowed us to report a balanced plan to date. The Committee approved the Acting Finance Director's recommendation to change the basis of the reporting so that only confirmed income from Welsh Government was reflected in the finance reports and monitoring return, which will therefore reduce the assumed income and increase the forecast deficit (by c£80m as at Month 4).



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This will have an exceptional impact on the Health Board's year to date and forecast deficit, but it is consistent with reporting by most of the other Welsh Health Boards and does not reflect a deterioration in financial performance.

The Health Board continues to respond to the impact of Covid-19 and the TTP programme while progressing with essential services. I trust the above information is helpful and provides clarity around the financial treatment of the exceptional costs incurred this year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Simon Dean', written in a cursive style.

**Simon Dean**  
**Prif Weithredwr Dros Dro**  
**Interim Chief Executive**