

**PWYLLGOR CYLLID A PHERFFORMIAD
FINANCE AND PERFORMANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	26 August 2025
TEITL YR ADRODDIAD: TITLE OF REPORT:	Investment and Benefits Realisation Report
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Sian Jenkins, Deputy Director of Finance

Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)
Er Sicrwydd/For Assurance

ADRODDIAD SCAA SBAR REPORT
<u>Sefyllfa / Situation</u>
<p>The purpose of this report is to provide an update on the status of investment cases. At this stage the investment cases are only recently approved therefore the benefits realisation has not been assessed.</p>
<u>Cefndir / Background</u>
<p>Hywel Dda University Health Board (HDdUHB) approved an Annual Plan on 27 March 2025 which represented a planned deficit of £31.5m. This includes provision for investments totalling £11.9m, expected recurrent savings of £19.0m, plus a non-recurrent benefit of underspends and non-recurrent savings of £25.4m. Therefore, total savings delivery for the year of £44.4m.</p> <p>Recognising that appropriate scrutiny of investment plans is required ahead of final approval being granted, the Annual Plan earmarked funding to support a number of priority proposals which had been highlighted through the planning cycle, total value £11.9m. These cases have been routed through an investment scrutiny process lead by representatives of the Finance, Operations, Planning, Workforce functions, with recommendations reported through to Executive Team for decision.</p>
<u>Asesiad / Assessment</u>
Investments
<p>Within the Annual Plan, £11.9m was supported to afford priority investment cases, these plans are being scrutinised ahead of formal approval and award of funding. To date £8.0m has been approved on a recurrent basis, with a level of slippage identified in respect of in year spend for 2025/26 as a result of recruitment timescales and lead in times.</p>

- **Process** – the cases included in the annual plan were split into 3 batches and a process of desktop review, feedback, follow up meetings and recommendations to Formal Executive Team. The intention had been to conclude the review process by early June, however, to ensure robust cases are presented to Executive Team it has been necessary to allow more time for further work to be done on some cases. A handful of additional cases were also referred into the scrutiny process by Executive Directors.
- **Status** – all submitted cases have been through the initial review process. Latest plans to be approved include nursing workforce for Mental Health and Learning Disabilities and the stabilisation of the Legal Service. Included in **Appendix 1** is a status update across all of the investment cases.
 - One area earmarked for investment has had funding confirmed by Welsh Government, this will support medical recruitment and has released £0.2m recurrently as a saving scheme.
 - Recognising the financial challenge within the organisation, in reviewing options to improve the financial plan, some of the original provision for investment has been reviewed, £0.6m has been released recurrently as saving schemes.
 - Two further additional cases have directed into the process in respect of Emergency Department nursing at Glangwili Hospital (GGH) and Bronglais Hospital (BGH). Further work is being undertaken to ensure a complete financial assessment is reflected within the plans, plus consideration of the Urgent and Emergency Care (UEC) programme and associated impact on appropriate capacity and nursing workforce implications.
- **Next steps** – the focus of the scrutiny process remains to complete the review of the original cases for 2025/26. This process has provided positive learning which the panel are keen to apply in framing the process for the 2026/27 planning cycle. This includes development of a standardised template for proposals, to include delivery milestones and benefits realisation, also the timeline for investments to be considered, to ensure there is scrutiny of plans ahead of proposals being prioritised within the Annual Plan.

Recognising that of the 2025/26 investments, cases are only recently being granted approval, therefore further updates on delivery and benefits realised will be provided subsequently.

Whilst outcomes remain to be confirmed for some cases, the associated funding is being reviewed on a monthly basis and factored into the financial position as appropriate.

Assure (to note)

There is confidence that actions are robust and will be sufficient to address the issue or generally operating effectively. Routine monitoring.

Argymhelliad / Recommendation

The Finance and Performance Committee is asked to:

- **RECEIVE ASSURANCE** that investment cases for 2025/26 are being progressed through a review and scrutiny process to inform a final approval decision at Formal Executive Team. Also that this process has incorporated the consideration of essential proposals to enable key quality and safety priorities for the Health Board in respect of fire enforcement notices and review of nursing workforce in particular areas; and
- **NOTE** that the process for investment cases is being reviewed to inform the 2026/27 annual planning cycle in a bid to standardise the approach both in respect of business cases and benefits realisation.

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Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1.3 Receive assurance on the development and realisation of opportunities. This will be achieved through scrutiny of the bi-monthly savings and opportunities report to the Committee. 3.1.13 Review any investment/disinvestment strategy, including Procurement and Contracting Strategy, maintaining oversight of the investments and disinvestments, ensuring compliance with policies by: <ul style="list-style-type: none"> 3.1.13.1 Establishing the overall methodology, processes and controls which govern investments and disinvestments, including the prioritisation of decisions; 3.1.13.2 Ensuring that robust processes are followed; and 3.1.13.3 Evaluating, scrutinising and monitoring subsequent investments/ disinvestments.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	2086 (score 20) Risk of the Health Board not being able to meet the statutory requirement of breaking even in 2025/26 due to significant deficit position.
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol: Further Information:
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Ar sail tystiolaeth: Evidence Base:	Monitoring returns to Welsh Government based on HDdUHB's financial reporting system.
Rhestr Termiau: Glossary of Terms:	BGH – Bronglais Hospital CHC – Continuing Healthcare EOY – End of Year FNC – Funded Nursing Care FYE – Full Year Effect GGH – Glangwili Hospital GMS – General Medical Services HSCEY – Health, Social Care and Early Years MHLD – Mental Health & Learning Disabilities NICE – National Institute for Health and Care Excellence OCP – Organisational Change Policy/Process OOH – Out of Hours PPH – Prince Philip Hospital PSPP – Public Sector Payment Policy RTT – Referral to Treatment Time T&O – Trauma & Orthopaedics TCT – Target Control Total WG – Welsh Government WGH – Withybush Hospital WRP – Welsh Risk Pool WTE – Whole Time Equivalent YTD – Year to date
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Finance Team Management Team Executive Team

Effaith: (rhaid cwblhau)	
Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Financial implications are inherent within the report.
Ansawdd / Gofal Claf: Quality / Patient Care:	The impact on patient care is assessed within the savings schemes.
Gweithlu: Workforce:	The report considers the financial implications of our workforce.

Risg: Risk:	Financial risks are detailed in the report.
Cyfreithiol: Legal:	HDdUHB has a legal duty to deliver a breakeven financial position over a rolling three-year basis and an administrative requirement to operate within its budget within any given financial year.
Enw Da: Reputational:	Adverse variance against HDdUHB's financial plan will affect its reputation with Welsh Government, Audit Wales, and with external stakeholders.
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable.



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Hywel Dda
University Health Board



Appendix 1: Investment Cases Update Finance and Performance Committee

26 August 2025

2025/26 Investment Cases Update (1 of 3)

Key Commentary

Priority cases within the 2025/26 Annual Plan for which investment funding was supported, have been progressing through an internal review and scrutiny process during Q1.

- All cases have been through the initial review process
- To date 13 cases have been approved through Formal Executive Team
- 1 case has been updated and resubmitted for the scrutiny process to continue
- Updated proposals for 4 cases are awaited.

The status update of each proposal in respect of the investment scrutiny process is outlined below and across the following 2 slides.

Annual Plan Category	CCG / Directorate	Description	Annual Plan Provision £	Approved 25/26 £	Approved Recurrent £	Status	Formal Executive Team consideration
Local Future Investments	Planned and Specialist Care	Acute Oncology Service (AOS) provision improvement	398,013	174,407	398,013	Approved	16/04/2025
Local Future Investments	Planned and Specialist Care	Ophthalmology IVT recovery plan - clinic staffing capacity	350,000	350,000	350,000	Approved	16/04/2025
Local Future Investments	Planned and Specialist Care	Ophthalmology IVT recovery plan - drug consumption	1,300,000	1,300,000	1,300,000	Approved	16/04/2025
Local Future Investments	Planned and Specialist Care	Endoscopy	700,000	439,796	475,719	Approved	16/04/2025
Local Future Investments	Allied Health and Health Scientists	Radiology diagnostic improvement	1,500,000	1,500,000	1,500,000	Recommendation made to Execs. Subsequent follow up to finalise approval. Approved	16/04/2025
Local Future Investments	Digital	Modular Electronic Health Record	1,800,000	1,540,000	1,800,000	Recommendation made to Execs. Subsequent follow up to finalise approval. Approved	16/04/2025
Local Pre-Commitment	Estates and Facilities	Additional fire wardens required at WGH	178,000	153,922	178,000	Approved	21/05/2025
Local Pre-Commitment	Director of Nursing	Legal Service	324,945	269,842	324,945	Approved	21/05/2025

2025/26 Investment Cases Update (2 of 3)

Annual Plan Category	CCG / Directorate	Description	Annual Plan Provision £	Approved 25/26 £	Approved Recurrent £	Status	Formal Executive Team consideration
Local Pre-Commitment	Medical Director	VBHC - Heart Failure	624,000	0	0	Exec recommendation made. Exec ask to service that savings assessment re-visited, reassess and determine future, VBHC funding extended to June 30th, potential cessation of scheme 30/09/25. Value & Sustainability Group received update report July and concluded cessation of the service and VBHC funding 30/09/25. Options in respect of service mitigation plans to come back to Value & Sustainability Group in August. Financial reserve converted to a non-recurrent saving scheme.	21/05/2025
Local Pre-Commitment	Estates and Facilities	RAAC revenue pressure	150,000	150,000	150,000	Approved	04/06/2025
Not included in the financial plan	Estates and Facilities	Additional fire wardens required at GGH	0	153,922	205,000	Approved	04/06/2025
Not included in the financial plan	Estates and Facilities	Additional fire wardens required at WGH	0	0	205,000	Approved (costs start Sept '26)	04/06/2025
Not included in the financial plan	Director of Public Health	Health Coaches - pursuing VBHC funding initially	0			Linked to VBHC funding to pilot. Progressed through batch 2, further work required, updated proposal submitted - scrutiny process to recommence. Exec decision to pause potential investment until latter stages of 25/26, non-recurrent saving to be transacted month on month in the interim.	TBC
Not included in the financial plan	Community and Integrated Medicine	GGH ED Nursing	0			Deferred, pending paper	TBC
Not included in the financial plan	Community and Integrated Medicine	BGH EUCC Nursing	0			Deferred, pending paper. Paper submitted and queries raised for clarity, in particular link to UEC programme.	TBC

2025/26 Investment Cases Update (3 of 3)

Annual Plan Category	CCG / Directorate	Description	Annual Plan Provision £	Approved 25/26 £	Approved Recurrent £	Status	Formal Executive Team consideration
Local Pre-Commitment	Director of Workforce	International Recruitment (Medical)	200,000	0	0	Deferred, awaiting paper. Subsequent confirmation of WG funding to support recruitment. No investment required, funding reserve released as a recurrent saving scheme.	N/A
Local Pre-Commitment	Estates and Facilities	Maintenance Volume	400,000	0	0	Deferred, awaiting paper. Exec decision to release funding reserve, recognising new leadership arrangements for CCG and need for wider review of function to inform an investment plan. Any subsequent proposal will feed in through planning cycle. Funding reserve released as a recurrent saving scheme.	N/A
Local Future Investments	Director of Public Health	Child Obesity PH	300,000	80,000		Progressed through batch 2, require greater clarity ahead of making recommendation, awaiting paper. Exec decision to pause potential investment until latter stages of 25/26, non-recurrent saving to be transacted month on month in the interim. Non-recurrent funding allocated to support dietician capacity for selective eating disorders.	TBC
Local Future Investments	Central Reserves	Nurse Staffing 25b Provisional Autumn 2024 Review	380,030	164,551	164,551	Progressed directly through Executive Team, Spring Review 25b. Approved	N/A
Local Future Investments	Central Reserves	Band 2/3 HCSW Pay Dispute	2,261,379			National/HR/corporate nursing process will determine appropriate costs, not an investment case per se. Provision scaled back from £2.3m to £2.0m.	N/A
Local Future Investments	Central Reserves	Nurse Staffing 25a Provisional MH&LD	988,657	988,657	988,657	Progressed directly through Executive Team. Approved	N/A
Total			11,855,024				
Approved Total				7,265,097	8,039,885		