



GIG
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NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Gofynnwch am/Please ask for: Kelly Sursona
Rhif Ffôn /Telephone: 01267 239581
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Dyddiad/Date: 2 March 2026

Swyddfeydd Corfforaethol, Ail Lawr, Bloc C.
Adeiladau'r Llywodraeth, Heol Picton,
Caerfyrddin, Sir Gaerfyrddin, SA31 3BT

Corporate Offices, Second Floor, Block C,
Government Buildings, Picton Terrace,
Carmarthen, Carmarthenshire, SA31 3BT

Re: Delegation of budget manager responsibilities for the 2026/27 financial year

Dear colleague,

Following the approval of our financial plan by the Finance and Performance Committee, I am formally writing to you as the Health Board's Chief Executive and Accountable Officer to delegate budget manager responsibilities to you.

This process recognises the critical role you play in ensuring the effective delivery of our services. The delegation carries with it an important responsibility: to uphold the highest standards of governance, stewardship, quality and safety in all that we do. I want to thank you for your commitment to this shared responsibility.

It is both a privilege and a duty for us to serve those who are reliant on us, and I have full confidence in your ability to carry out this role with integrity, professionalism and care.

1. Accountable Officer

As Accountable Officer, I have responsibilities set out by Welsh Government in the following areas:

1. Regularity and probity: ensuring public money is spent in accordance with the law, the rules set out by Welsh Government, and ethical standards.
2. Value for money: ensuring that resources are used efficiently, effectively, and economically to deliver our objectives.
3. Governance: ensuring that we maintain robust financial controls, have appropriate risk management arrangements in place, and broader governance arrangements are in place to manage our business.
4. Reporting: ensuring we can meet the reporting requirements of our Board, Government and the Senedd.
5. Compliance with the principles set out in "Managing Welsh Public Money" on financial management in government.
6. Delegated Authority: ensuring internal arrangements are in place to delegate responsibilities within our organisation.

This letter is a key part of me discharging my responsibilities and should be read in conjunction with our Standing Orders, our Standing Financial Instructions and our Scheme of Delegation.

Swyddfeydd Corfforaethol, Adeilad Ystwyth,
Hafan Derwen, Parc Dewi Sant, Heol Ffynnon Job,
Caerfyrddin, Sir Gaerfyrddin, SA31 3BB

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Cadeirydd / Chair
Mr Neil Wooding
Prif Weithredwr / Chief Executive
Professor Phil Kloer

Bwrdd Iechyd Prifysgol Hywel Dda yw enw gweithredol Bwrdd Iechyd Lleol Prifysgol Hywel Dda
Hywel Dda University Health Board is the operational name of Hywel Dda University Local Health Board

Mae Bwrdd Iechyd Prifysgol Hywel Dda yn amgylchedd di-fwg Hywel Dda University Health Board operates a smoke free environment

2. Our internal process

There are seven domains by which we will measure the organisation this year, these are:

1. Quality and safety
2. Governance
3. Workforce
4. Finance
5. Strategy, planning and fragile services
6. Population health
7. Performance and outcomes

Within these domains, there are four escalation levels. These are:

1. Level 1, where you have provided reasonable assurance that your function can meet prescribed targets in a given domain within the year.
2. Level 2, where there is limited assurance that your function can meet prescribed targets in a given domain within the year.
3. Level 3, where there is no assurance that your function can meet prescribed targets in a given domain within the year, or there is insufficient engagement with Targeted Intervention objectives.
4. Level 4, where there is no assurance that your function can meet prescribed targets in a given domain within the year, and there are insufficient actions or engagement in place to secure recovery.

This delegation letter is issued on the expectation that you will put in place reasonable measures to remain at Level 1 escalation across the seven domains, and that any movement from this position will be actively managed and escalated.

3. Annexes and further details

The annexes to this letter provide further detail which are specific to your responsibilities:

- Annex A – Summary of the Opening Budget
- Annex B – Responsibilities as a Delegated Officer
- Annex C – Onward Delegation of Budget
- Annex D – Approval Pro Forma

4. Specific responsibilities

Across all domains below, assurance will be sought on the scale, significance, timeliness and quality of response, and on appropriate escalation where issues cannot be resolved locally.

4.1 Quality and safety

Our responsibilities are set out by Government, and include legislative requirements set out in UK-wide Health and Safety legislation; the NHS Wales Act (2006); Health and Social Care Wales Act (2020); NHS Wales Safe Staffing Levels Wales Act (2016). Alongside these, we have responsibilities set out in regulations such as the Duty of Quality; the Duty of Candour; Putting things Right; and Professional Regulations set out by our professional regulators.

Health Inspectorate Wales provide independent scrutiny over design and effectiveness of our quality and safety arrangements.

It is important that you ensure the services you provide are safe, effective, patient-centred, timely, efficient and equitable. Our escalation arrangements will seek assurance that you are managing the following appropriately, in terms of the scale, significance, timeliness and quality of response:

- Incidents
- Complaints
- Duty of Candour
- HIW/CIW
- Deteriorating patients
- Patient experience

Any concerns you have which cannot be resolved through local mitigating actions should be promptly escalated.

4.2 Governance

Our responsibilities are laid out in the NHS Wales Act (2006), supplemented by Managing Welsh Public Money. Our Standing Orders, Standing Financial Instructions and Scheme of Delegation provide further internal guidance.

Audit Wales provide independent scrutiny over the design and effectiveness of our governance arrangements.

Our escalation arrangements will seek assurance that you are managing the following appropriately, in terms of the scale, significance, timeliness and quality of response:

- Risks
- Audits/inspections
- WHCs/Ministerial Directions
- Governance arrangements

4.3 Workforce

Our workforce is central to delivering high quality, safe and sustainable services. Our responsibilities include those laid out in legislation, such as the Equality Act (2010) and NHS Staffing Levels Wales Act (2016). “A Healthier Wales” requires us to ensure that we are planning for the longer term.

Colleagues will have professional regulatory requirements as set out by their professional bodies (e.g. GMC, NMC, HCPC).

Our escalation arrangements will seek assurance that you are managing the following appropriately, in terms of the scale, significance, timeliness and quality of response:

- Employee relations cases
- Sickness
- PADRs
- Turnover
- Mandatory training
- Overdue pay progressions
- Rosters and job plans (includes the use of agency)

4.4 Finance

4.4.1 Background

We have a statutory duty under the NHS Wales Act (2006) to achieve breakeven over a three-year period. During 2025/26, we made good progress in improving our financial position, to a position which is aligned to our Target Control Total as advised by Government (£22.1m deficit).

As part of achieving the Target Control Total, Government provided £26.0m of conditionally recurrent funding. This was conditional on a number of requirements, one of which was to achieve financial balance by 2027/28, year two of the coming three-year planning cycle. The funding settlement for year one of this cycle (2026/27) represents a 1.11% uplift to the Health Board, excluding Pay Awards which will be provided by way of an additional allocation.

While this funding uplift is welcome, especially given the difficult choices taken at Government level to direct additional funding into the NHS, the funding uplift does not keep pace with cost growth. Historic budget issues have been addressed, and the settlement for 2026/27 is full and final. There will be no further allocations in-year unless additional funding is provided by Government.

Consequently, our plan next year is predicated on delivering the cumulative impact of any residual brought forward undelivered historic recurrent savings targets plus an additional 2.0% for 2026/27. Until assurance can be provided to the Board that this is achievable equitably across services, difficult choices may remain in place to maintain underspend and non-recurrent savings delivered in 2025/26, but now on a recurrent basis, alongside maintaining the discipline of the financial controls oversight.

4.4.2 Financial governance

As a minimum, it is expected that you hold monthly business performance meetings which embed financial management principles into your governance, and ensure that you focus on:

- **Financial management:** Delivery of financial balance within your current resources, including the delivery of required savings.
 - Underpinned by clear and transparent reporting, linking financial and non-financial measures.
 - Ensuring that you are focused on mitigating actions where adverse variances and unbudgeted pressures are noted.
 - Ensuring that you are tracking costs over the longer term, including actions to make savings, to provide assurance that there is a focus on run rate reductions.
 - Ensuring that you regularly scrutinise forecast expenditure to provide assurance over delivery for the year.
 - Budget profiles will only be changed annually, and you should ensure your involvement in the process to allocate appropriate budget profiles. Any expected deviation in-year need to be adequately understood and explained.
- **Non-recurrent:** measures are not an acceptable substitute for failure to deliver recurrent plans, except where explicitly agreed as part of a mitigating recovery trajectory.
- **Savings reporting:**
 - Only robust assured plans with certainty around actions, trajectories and financial implications should be included as Green or Amber, depending on clarity pertaining to implementation dates for all actions. Once reported to Welsh Government, there can be no changes to planned benefits or timelines, and there is a maximum period of three months to convert an Amber saving plan to Green status.
 - Schemes are to be reported gross of any non-linked cost pressures to ensure that appropriate management action is undertaken to mitigate cost pressures and not under-declare genuine savings. Transparency surrounding cost pressures is critical for their effective understanding, management and decision-making.
- **Opportunities:** Identification of opportunities for improvement and savings and tracking of savings over time to ensure that they are progressing with pace.

- **Pay:** You should have arrangements in place to provide assurance over the pay cycle. This includes:
 - A recruitment panel in place to provide assurance over your recruitment into new or replacement roles, ensuring they are afforded within delegated budgets.
 - Adherence to approved authorisation procedures for the control of vacancies.
 - Adherence to payroll procedures, especially with Trac and ESR processes.
 - Adherence to systems and processes in place to reduce the reliance on variable pay and agency.
 - Adherence to procedures for the management of leave and other staff absences.
- **Non-pay:** You should have arrangements in place to provide assurance over the non-pay cycle. This includes:
 - Adherence to the Health Board’s “No Purchase Order, No Pay” procedure.
 - Appropriate and prompt receipting of goods and services.
 - Prompt authorisation of invoices.
 - Proactive management of contracts, ensuring that suppliers are providing services in line with procurement documents, and including the timely tendering for contracts which are approaching expiry.
 - A hierarchical Oracle approval structure has been implemented to allow greater transparency for Purchase Requisition approvals across each level, meaning that all approvers in the chain before the financial limit will need to check and approve items.
- **Business cases:** Testing any business case proposals locally before any proactive investment choices are provided through internal governance arrangements up to and including the Executive Team. Any business case needs to demonstrate clear returns on investment and be tracked to ensure those returns are delivered.
- **Financial control checklist:** Self-assessing against our financial control checklist, where you are expected to ensure that your internal control environment facilitates good financial governance.
- **Risk management:** Appropriate risk management arrangements to allow local innovations to drive improvements, while assuring that potential adverse impacts are managed. You must ensure that risk registers reflect the risk environment you are managing, alongside appropriate controls, mitigations and assurances. You must ensure that risks are escalated where these cannot be managed within tolerable levels within your delegated level.
- **Delivery of “Enabling Actions – Annex 2” requirements:** As part of the NHS Planning Framework, the Cabinet Secretary has written to Chairs to highlight expectations for the new financial year. Within the letter several enabling actions are mandated on the basis of “adopt or justify”. Plans should be in place to adopt the actions, including milestone timelines, performance trajectories and financial impacts.

4.4.3 Mid-year budget changes

To ensure our efforts are directed at value-added activity, we will implement further budgetary controls to limit budget changes made during the financial year. While budgets will be updated for any new allocations or agreed changes to management structures, the re-profiling of budgets and ‘cleansing’ exercises mid-year will no longer be routine and will only occur by exception as part of agreed corporate processes.

Consequently, it is important that you maintain a focus on forecasting accuracy of income and expenditure to ensure that appropriate actions are directed at delivering opportunities and mitigating pressures.

You will have a period to review your budgets following this communication and provide any final amendments to your finance representative by no later than **noon on 13 March 2026**.

4.4.4 Opportunities framework

A revised framework was implemented from November 2023. As part of this, a continuously updated list of variation, is available through the Finance Value and Business Intelligence and Strategic Business Partnering functions. Enquire, Discover, Design and Deliver are the four stages of an opportunity's journey to savings delivery.

This process requires active engagement with all parts of the organisation, and you are required to support the development of this framework. While it is expected that opportunities are delivered with pace, I recognise that they will not all be deliverable within one year as they may require transformational service change. You will be expected to lead the development of opportunities into deliverable plans within your area or support those opportunities which require strategic decisions at Board level through the Clinical Services Plan.

Your proportion of the in-year savings expectation will be transacted from budgets as they are identified as robust plans (defined as Amber or Green). You will also be expected to ensure arrangements are in place to move savings ideas and broad plans (defined as Blue and Red) into robust and deliverable local plans. Your savings requirement will be issued alongside your budget.

4.4.5 Delegation

The delegated budget must be committed in accordance with the Health Board's Plan, and in line with our Standing Orders, Standing Financial Instructions and Financial Procedures. This includes the Budgetary and Allocation Control Policy.

A summary of the budgets allocated to you is appended alongside this letter. From time to time during the year these figures are likely to change to take account of additional allocations, transfers and savings plans, but this letter will remain in force as the covering delegations for any revisions.

Any funding not agreed within your appended budget cannot be assumed, and you therefore cannot commit expenditure against assumed funding except when specifically agreed with the Executive Director of Finance.

Any new funding bids to Government or other organisations require a business case through your governance arrangements and to the Formal Executive Team.

Should the Board make in-year commitments then you will be notified accordingly of such commitments and an appropriate budget adjustment will be made. You should not incur or sanction expenditure against a budget you are not responsible for.

You may further delegate to your teams some or all of the budgets which I have delegated to you, although you will still retain ultimately accountability in full for these budgets, just as I am ultimately responsible for the Health Board budget as a whole. You are responsible for deciding on the exact arrangements, but your delegations should be clear, unambiguous and conferred and accepted in writing.

The individuals to which you sub-delegate your budget should have the appropriate training and understanding to fulfil their responsibilities as a budget manager to carry your confidence that they can discharge their duties to the same standard that you will be held.

You will need to complete **Annex C** to sub-delegate part or all of your budget. The Finance Function will formally delegate budgets from my instruction to Executive Directors and the immediate Clinical Care Group or Executive Function leads. It will be the responsibility of those Clinical Care Group or Executive Function leads to further delegate to other levels of budget manager responsibility in your team. I acknowledge not all leads will be wholly responsible for the

budget in their function due to the differing structures across Executive Director functions, but I expect the onward delegation from yourselves to be clear in setting this out.

Nothing in this delegation alters collective executive accountability or the Board's ultimate responsibility for the organisation.

4.4.6 Escalation arrangements

Our escalation arrangements will seek assurance that you are:

1. Operating within budget or delivering a recovery plan which will return to no more than budget in-year; and
2. Identifying and delivering recurrent savings to the level required.

4.5 Strategy, planning and fragile services

You are responsible for ensuring that there are adequate arrangements in place to stabilise, sustain or transform services as may be required dependent on the issues, challenges, and opportunities of which you become aware. This may be within your direct service, or in conjunction with colleagues across our broader organisation.

Our escalation arrangements will seek assurance that you are managing the risk of service failure occurring within a rolling six-month period through developing robust mitigating plans. We will also seek assurance that you have a triangulated plan across all domains to operate services effectively for the year.

4.6 Population health

Our Standing Orders are clear around our duty to plan and deliver healthcare services to meet the needs of our population, and to improve the health of our population. You are responsible for ensuring that your services support better population health through prevention and early intervention, addressing health inequalities, collaborative working with partners within and outside the Health Board, supporting an environment conducive to making healthier choices, and using data to drive evidence-based decision making.

The Wellbeing of Future Generations Act (2015) places a legal duty on public bodies to improve population health by focusing on sustainable, long-term wellbeing. Alongside this, "A Healthier Wales" creates the strategic framework for Health Boards.

Our measures in this area remain in development, but you have a responsibility to ensure that you create an environment which encourages our colleagues and patients to make healthier choices.

4.7 Performance and outcomes

You will have submitted trajectories for improvements in our performance measures as part of our Annual Plan. You are responsible for ensuring that you have arrangements in place to work within the trajectories which the Board has approved.

5. Confirmation

Your core budget and savings expectation are confirmed within **Annex A**.

Please acknowledge your understanding and acceptance of these delegations by signing and completing **Annex C** and **Annex D**, and returning all sections of this letter to me, the Executive

Director of Finance, and those who were copied into my original letter to you, by **no later than 31 March 2026**.

I am very grateful to you for your support to me as Accountable Officer and I am committed to do everything I can to support you in your own roles.

Yours sincerely

Professor Phil Kloer
Chief Executive

C.c. Huw Thomas, Director of Finance

Summary of the Opening Budget for 2026/27

This letter authorises the budget manager stated in **Annex D** to exercise control of the named function budget in accordance with the Health Board's approved scheme of delegation.

The table below provides a summary of the opening budget by function within the delegated accountability:

Function(s) (£)	Recurrent Budget	Non-Recurrent Budget	Total Budget	Recurrent Savings Target
Grand Total				

Please note the following items, in respect of the 2026/27 financial year, are confirmed as included within the base budget unless explicitly stated otherwise:

- Roll forward recurrent and non-recurrent budgets from 2025/26;
- Full year impact of recurrently identified 2025/26 Green and Amber savings plans;
- Specific investment decisions approved in the Health Board's Plan, including macro-economic inflationary and growth modelling increases/decreases for the 2025/26 and 2026/27 financial year;
- Premium agency pay budgets have been issued recurrently on the same basis as the prior financial year, increased for any additional costs identified in the Financial Plan and ratified by Board;
- Non-recurrent savings repeatably delivered have been deducted from the budget, as agreed by Executive Directors as a new principle to ensure time is afforded for those services that have under-delivered to implement savings plans, and to ensure an inflated financial plan is not put forward to Board or Welsh Government.

Budgets for the following funding elements are being held in central reserves and will be issued during the year based on evidenced assessments made:

- Agenda for Change and Medical and Dental pay budgets do not yet reflect the pay award for 2026/27, which is pending confirmation by Welsh Government, funding for which will be made available once known;
- Investments included within the Financial Plan, which are not yet approved by a scrutiny forum – for each month where the investment has not been approved, that month's element of the investment will be released to the financial position centrally;
- Regional Integration Fund (RIF) and other targeted project budgets where plans are yet to be finalised;

- Welsh Government allocations will be issued out as an adjustment to budgets no later than one month after the month in which they are received;
- Savings targets will only be transacted out of budgets once robust plans (Green or Amber status) are signed-off through your finance representative.

You are again reminded of the requirement to deliver both a breakeven position and the required savings target, in full. Please contact your finance representative who will be happy to answer any questions you may have and provide you with a detailed breakdown of the amounts included within your budget.

Responsibilities as a Delegated Officer

1. I confirm that I have read, understood, and will make my best endeavours to comply with the requirements laid out in the Standing Financial Instructions. I understand that my performance as a budget manager may be scrutinised at any time by the Board, Internal Audit or Audit Wales.
2. I confirm that I accept the budget which has been allocated to me.
3. I confirm that I understand what it is expected of me and that I will make my best endeavours to deliver the Health Board's safety, quality and performance requirements within the budget allocated to me.
4. I confirm that I will:
 - Remain accountable for my budget, even where I have delegated responsibility to others;
 - Review my budget on a regular, at least monthly, basis with the assistance and advice of finance colleagues;
 - Seek advice promptly from my finance lead as the need arises;
 - Ensure a proactive and robust approach is undertaken to identify and deliver my savings requirement, at least on a recurrent full year effect basis by the end of this financial year, making up any in-year recurrent shortfall with non-recurrent savings as required.
5. I confirm that in relation to expenditure against my budget, I will:
 - Not knowingly incur expenditure where I do not hold sufficient budget;
 - Not knowingly attempt to charge expenditure to a budget which I am not directly responsible for;
 - Not knowingly commit recurrent expenditure against a non-recurrent budget;
 - Not knowingly recruit over my funded establishment;
 - Not knowingly incur temporary staffing costs over my total available budget without agreeing this in advance via an escalation process and / or Executive Director. Where temporary staffing costs need to be incurred urgently or out of hours, these will be confirmed retrospectively with the same;
 - Ensure that staffing data held on the ESR and rostering systems is accurate and up to date to the best of my knowledge and belief and that staff overpayments are minimised by informing Employment Services in a timely manner of any relevant changes;
 - Ensure as far as I am able that all non-pay expenditure complies with the requirements of the Standing Financial Instructions including the requirement for an official purchase order to be raised in advance of incurring the expenditure.
6. Where I identify a potential or actual overspend during the financial year, I confirm that I will:
 - Develop an action plan designed to bring the position back into line within the financial year;
 - Involve my finance lead and other expert sources of advice, e.g. Management Team, Workforce and Organisational Development lead, in developing the action plan;
 - Make my best endeavours to deliver the requirements of the action plan to ensure a full-year balanced position.
7. I confirm that I have identified and managed (and escalated if appropriate) any risks to achieving the financial objectives I am responsible for.
8. I confirm that I will support the Health Board to ensure that the needs of the Health Board's catchment population, as a whole, are met.
9. I am able to provide reasonable assurance of compliance with legal and regulatory frameworks relevant to my areas of responsibility. These will be achieved through adhering to the Health Board's policies.
10. All staff within my area of responsibility have been appraised of their duty to raise concerns and to deal promptly and efficiently with any concerns raised with them in line with the relevant health board policy.

11. I am able to confirm that all staff within my area of responsibility will be expected to receive an annual appraisal over the financial year and will be expected to complete their mandatory training as required.
12. I confirm that I am aware of my duties and responsibilities under the NHS Code of Conduct.
13. I confirm that should I become aware of any suspected fraud, bribery, or corruption, I will advise the Local Counter Fraud Service promptly and support any investigation.
14. I confirm that I will keep my finance lead and line manager aware of any significant changes to risks over the year.

Approval Pro Forma

Name of Budget Manager:	Enter name of executive director, clinical care group lead or executive function lead
Function:	Enter executive director function, clinical care group or executive function

I, as named above, acknowledge receipt of your letter appointing me as the Delegated Officer for the function stated, and confirm I have read and completed the annexes enclosed with your letter and accept the responsibilities placed upon me as a Delegated Officer.

Delegated Officer to complete the following table:

Signed:	
Job Title:	
Date:	