Pwyllgor Cyllid a Pherfformiad/ Finance and Performance Committee

DYDDIAD Y CYFARFOD: **DATE OF MEETING:**	**27 OCTOBER 2026**
TEITL YR ADRODDIAD: **TITLE OF REPORT:**	Financial Performance Assurance Report – Month 6 2026/27
CYFARWYDDWR ARWEINIOL: **LEAD DIRECTOR:**	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: **REPORTING OFFICER:**	Andrew Spratt, Deputy Director of Finance Jennifer Thomas, Head of Corporate Reporting

Pwrpas yr Adroddiad (dewiswch fel yn addas) **Purpose of the Report** (select as appropriate)
Ar Gyfer Penderfyniad/ For Decision

ADRODDIAD SCAA
SBAR REPORT

Sefyllfa / Situation

The purpose of this report is to outline the Health Board's financial position to date, against the Financial Plan and assesses the key financial projections, risks and opportunities for the financial year, including the implications of in-year recurrent delivery for the forthcoming financial year.

Cefndir / Background

Following approval by the Finance and Performance Committee on 24 February 2026, budgets were delegated to Executive Directors and Clinical Care Group / Executive Function leads during March 2026.

At its meeting on 26 March 2026, the Board endorsed and approved submission of the 2026/27 Annual Plan to Welsh Government. The financial plan includes a planned deficit of £41.0m, after delivery of £42.8m savings, and does not meet the statutory duty to break even over a three-year period.

The Board recognised that approving a budget with a planned deficit constituted a novel and contentious action. In line with requirements, the Accountable Officer wrote to the Director General Health, Social Care and Early Years Group in Welsh Government to formally advise of this position.

Welsh Government has confirmed its expectation that the Health Board should plan to deliver, as a minimum, the 2025/26 outturn position of £22.1m. The submitted forecast therefore remains above the target control total, and Welsh Government has stated that the deteriorating finance and performance position is unacceptable and unsupportable.

Ongoing dialogue with Welsh Government continues, with the Health Board required to improve the forecast position beyond the revised Annual Plan deficit and demonstrate a

credible route to financial recovery through strengthened savings delivery, grip and control, and routine monitoring through established governance routes.

The reported deficit has improved by £3.5m, from the Annual Plan position of £41.0m to £37.5m. This movement is wholly attributable to the Health Board's share of the all-Wales reduction in the Welsh Risk Pool risk assessment and does not represent an underlying improvement in operational performance. The year-end forecast remains under review. Without a material improvement in performance and the delivery of robust mitigating actions, the forecast is likely to deteriorate in future reporting periods.

Asesiad / Assessment

Month 6 Summary

- **In-month deficit:** £3.6m including £1.8m reduction due to year-to-date impact of Welsh Risk Pool risk share adjustment (£0.2m worse than plan).
- **Savings gap:** £10.0m (£32.8m delivered against a £42.8m target).
- **Forecast deficit:** £37.5m, following a £3.5m reduction due to a national Welsh Risk Pool Risk share adjustment, but dependent on £20.2m of required mitigations actions.
- **Overall:** High risk to delivery of the forecast deficit.

The latest financial position is summarised as follows:

Key Driver (£'m)	Current month variance to breakeven	Year to Date variance to breakeven	End of Year forecast to breakeven
Planned Deficit	3.4	20.5	41.0
Unidentified / (Identified) savings gap / (improvement)	0.1	3.4	10.0
Under / (Over) delivery of savings schemes	0.0	0.0	0.0
Core operational variation	0.1	6.0	6.7
Gross Forecast	3.6	29.9	57.7
Future Mitigating Actions	0.0	0.0	(20.2)
Reported Position	**3.6**	**29.9**	**37.5**

Appendix 1 provides a detailed assessment of the current financial position, including the assumptions relating to future mitigating actions that are not yet fully identified but are required to deliver the reported financial forecast.

Alert (may require discussion)
There is a lack of confidence that any action in place is sufficient to address the issue satisfactorily and/or within the scope of the operational team or executive to resolve. Engagement, action or intervention required.

1. Mid-Year Financial Position Assessment and Accountable Officer Letter

The reported deficit has improved by £3.5m, from the Annual Plan position of £41.0m to £37.5m. This movement is wholly attributable to the Health Board's share of the all-Wales reduction in the Welsh Risk Pool risk assessment and does not represent an underlying improvement in operational performance. The year-end forecast remains under review. Without a material improvement in performance and the delivery of robust mitigating actions, the forecast is likely to deteriorate in future reporting periods.

An Accountable Officer letter was sent to Jacqueline Totterdell, Director General Health and Social Services Health and Social Services Group of Welsh Government, on 13 October 2026, **Appendix 2** refers, setting out the Health Board's latest financial position at Month 6 and actions for the next 6 weeks.

Key actions over the six-week period include establishing a Delivery Control Centre to track delivery; introducing a clinically led Workforce Cell to scrutinise variable-pay requests; strengthening Executive oversight, internal escalation and evidence-based grip-and-control assessments; and accelerating targeted action on workforce costs, productivity, commissioned care, prescribing, procurement and non-pay expenditure. Progress will be reviewed by the Board on 26 November 2026, with any resulting forecast implications reported to Welsh Government in early December.

Implication:
The latest Month 6 position remains subject to close review through the six-week action plan set out in the Accountable Officer letter. The plan will strengthen delivery oversight and grip and control, accelerate targeted action across key cost pressures, and test the deliverability of mitigating actions and recurrent improvements. Progress will inform the Board's review on 26 November 2026 and any subsequent revision to the forecast reported to Welsh Government in early December.

There is a risk that the organisation's cash position becomes unsustainable if the forecast deteriorates, or if further Welsh Government support is not confirmed. This may require implementation of a cash management strategy and continued escalation through established governance routes.

2. Savings Plan Credibility and Workforce Improvement Programmes

- £32.8m of savings have been identified against the £42.8m annual target, leaving a £10.0m under-identification gap.
- The Month 6 savings position represents an improvement from Month 5, although delivery remains below the annual target.
- The level of recurrent savings remains insufficient to provide a sustainable route to financial recovery, increasing reliance on non-recurrent measures.
- Further opportunities continue to be assessed through the six-week action plan, including targeted action on workforce costs, productivity, commissioned care, prescribing, procurement and non-pay expenditure.
- The Workforce Improvement Programmes continue to focus on reducing variable pay, agency and premium workforce costs through tighter scrutiny, improved rostering, sickness reviews and establishment control, supported by recruitment restrictions for administrative, clerical and management roles.
- An All-Wales comparison of savings delivery by income and expenditure category is included within **Appendix 1**.

Implication:
Although the savings position has improved since Month 5, the remaining £10.0m identification gap and insufficient recurrent delivery mean the forecast remains high risk. Without accelerated conversion of opportunities into sustainable recurrent savings, the Health Board will be unable to demonstrate a credible route to financial recovery or strengthen external confidence in the deliverability of its financial plan.

The Health Board continues to rely on converting underspends to savings, which do not improve the overall financial position, and there has not been a material conversation of these non-recurrent actions to recurrent, thus not improving the underlying deficit.

3. Underlying Deficit and FY28 Planning cycle
The underlying recurrent deficit is currently assessed at £62.1m, compared with the £40.8m assumption underpinning the Annual Plan. This is distinct from the reported 2026/27 forecast outturn of £41.0m, which includes the benefit of non-recurrent savings and further mitigating

actions. The underlying deficit reflects the low level of recurrent savings currently identified alongside continued core operational pressures. However, there is an improvement from the Month 5 position due to the Welsh Risk Pool change of £3.5m being recognised as a recurring benefit.

Work on the annual plan for 2027-30 has commenced, **Appendix 3** refers to the Planning principles, timelines and approach that has been set out for the coming year for Committee approval. A first draft of the plan will be presented to the Committee in December 2026

Implication:
The £62.1m underlying recurrent deficit represents a significant structural imbalance and remains materially above the £40.8m assumption underpinning the Annual Plan. This increases the scale of sustainable recurrent action required and will be a key consideration in developing the 2027–30 Annual Plan. The six-week action plan must, therefore, accelerate recurrent savings delivery and reduce reliance on non-recurrent measures to establish a credible route to financial recovery.

4. Operational Cost Pressures and Run-Rate Drivers
The key Month 6 pressures increasing the expenditure run rate are:

- Workforce and premium staffing pressures, including medical locums, agency, bank and additional hours required to cover vacancies, sickness and service fragility, particularly across Community and Integrated Medicine, Planned and Specialist Care, Mental Health and Learning Disabilities, and Pathology.
- Continuing Healthcare, commissioned care and out-of-area placement pressures, including increased package acuity, outsourced psychiatric intensive care capacity and wider commissioned activity above plan.
- Clinical capacity, outsourcing and dual-running costs across radiology, theatres and specialties, incurred to protect access, safety and continuity of care.
- Prescribing and medicines pressures, including drug-price and concessionary cost increases, alongside higher clinical supplies and emergency activity commissioned from neighbouring organisations.
- Estates maintenance, national energy prices and other operational non-pay pressures, partially offset by favourable movements in Primary Care contract expenditure, central income, vacancies and other corporate areas.

Implication:
These operational pressures continue to increase the expenditure run rate, constrain financial control and heighten reliance on non-recurrent mitigations. The six-week action plan will intensify targeted action across workforce costs, productivity, commissioned care, prescribing, procurement and non-pay expenditure, with strengthened oversight through the Delivery Control Centre. Unless these actions deliver evidenced and sustainable reductions, the £37.5m forecast deficit will remain high risk and may require revision following the Board's review on 26 November 2026.

5. Clawback of Dental Ringfence allocation funding
Welsh Government has confirmed that Health Boards are expected to fully utilise their ring-fenced dental allocation to support NHS dental services in 2026/27. There is an ongoing review of the dental financial position and delivery plans to maximise utilisation of the ring-fenced allocation and mitigate potential funding recovery. Current revised ringfenced underspend as at Quarter 2 is £5.1m

Implication:
The Health Board will need to fully deploy its ring-fenced dental allocation in support of NHS dental service delivery or risk in-year recovery of any forecast underspend. The cost of additional actions required to utilise the allocation is not currently included within the £37.5m forecast deficit and could therefore increase the reported deficit if expenditure is incurred in 2026/27.

While any 2026/27 recovery would not affect the 2027/28 baseline, sustained underspends may lead Welsh Government to consider recurrent adjustments to future baseline allocations.

6. Accountability, Escalation and Grip
Despite progress in Month 6 savings delivery, run rates have not materially improved in both Planned and Specialist Care and Community Integrated Medicine (CIM). Level 4 remains in place for the Chief Operating Officer (COO) for both Clinical Care Groups, with no material impact experienced to date. The COO remains at Level 4 escalation for both Clinical Care Groups for the fourth consecutive month, with limited progress against agreed mitigating actions and recovery plans.

- Executive Directors continue to hold ultimate accountability for their areas under the Ways of Working approach, supported by monthly Formal Executive Team reporting.
- The COO portfolio remains at Alert status, with two Level 4 areas, alongside one Level 3, one Level 2 and one Level 1 area.
- **Appendix 1** confirms the status for all other portfolios.
- Enhanced grip and control arrangements remain essential to ensure escalation translates into measurable improvement and delivery of recovery actions.

Implication:
Although the revised arrangements provide a clearer framework for accountability, there is increased concern that they are not operating effectively, as two areas have remained at Level 4 escalation for four consecutive months. This indicates that escalation has not yet translated into sufficient progress against mitigating actions and recovery plans, requiring continued targeted executive oversight and clear, time-bound recovery actions.

Advise (to monitor)
There are areas of concern where assurance has been taken on actions in place but requires close monitoring. An early warning of an emerging and potentially serious concern.

Ministerial Priorities and Enabling Actions
Requirements include:

- 30% reduction in on-contract agency spend and variable pay from the 2025/26 outturn.
- Elimination of off-contract agency.
- Elimination, by 30 September 2026, of all agency Healthcare Support Worker, Admin & Clerical, and Estates & Ancillary staff.
- Reduction in out-of-area placements.
- Delivery of productivity improvements.
- Strengthened workforce planning and sickness management.

Current position:

- On-contract agency and premium workforce pressures continue due to service fragility, vacancies and sickness cover, with an increase of 6.7% above previous year.
- Off-contract agency has been reduced to nil.
- Medical locum usage, nursing bank and overtime remain material drivers in some portfolios.
- Additional Clinical Services, Admin & Clerical and Estates & Ancillary agency is nil.

- Mental Health and Learning Disabilities continues to experience demand and cost pressures for outsourced out-of-area Psychiatric Intensive Care beds, with reduction plans requiring further development and delivery assurance.

Implication:
Delivery against ministerial priorities is mixed. The elimination of off-contract agency is positive, but the targeted reduction in on-contract agency, premium workforce usage and demand-led pressures present ongoing risks to financial credibility and delivery of the recovery trajectory.

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

1. Capital
The capital programme remains forecast to deliver within the Capital Resource Limit (CRL) at £38.6m, comprising £30.5m All Wales Capital Programme funding and £8.1m discretionary capital. Delivery is currently assessed as low risk, based on the CRL fixing update that is due to be submitted to Welsh Government by 31 October 2026. A number of individual capital schemes have medium risks flagged, but these are not expected at this stage to present a risk to overall delivery of the capital programme.

2. In-Year Investment Decisions
In-year investment decisions made outside the Annual Plan process require appropriate scrutiny and approval through Finance and Performance Committee and onward approval by Board where required. Any financial consequences that cannot be fully mitigated will create an in-year negative central budget reserve and a recurrent funding requirement for future planning. The current summary of in-year investment decisions creating negative reserves of £1.103m part year effect and £1.249m full-year effect is:

Item Description	Part Year Effect	Full Year Effect	Approval status
Band 2/3 Funding shortfall	812	812	Presented to June 2026 Finance and Performance Committee
Resident Doctors contract	291	437	Approved via Chair's Action on 4 June 2026. 8 months, FYE £437k
Nurse Staffing Levels	0	0	Presented to July Public Board, £18k PYE saving, £36k FYE saving
Grand Total	**1,103**	**1,249**	

Argymhelliad / Recommendation

The Finance and Performance Committee is asked to:

- **SCRUTINISE** and **CHALLENGE** the Month 6 financial position and £37.5m forecast deficit, recognising that the £3.5m improvement is wholly attributable to the all-Wales Welsh Risk Pool adjustment rather than underlying operational performance, and that delivery remains high risk and dependent on £20.2m of mitigating actions that are not yet fully confirmed;
- **SEEK ASSURANCE** that the six-week action plan provides a credible recovery trajectory by producing a robust, evidence-based assessment of the likely year-end outturn, closing the £10.0m savings identification gap, increasing recurrent savings, reducing operating expenditure, testing the deliverability of the £20.2m mitigating actions and addressing the £62.1m underlying recurrent deficit, with any required revision to the forecast identified promptly;
- **SEEK ASSURANCE** that clear, time-bound recovery actions are being implemented across all Alert and Advise portfolios – particularly Community and Integrated Medicine and

Planned and Specialist Care – with defined operational ownership and executive accountability, recognising the material risks to financial sustainability arising from reliance on non-recurrent measures, the £57.7m gross forecast position, the £20.2m mitigating-action requirement, the highest-rated corporate risk score and potential cash implications;

- **ACKNOWLEDGE** the further financial risk arising from potential recovery of unspent ring-fenced dental funding, and that the likely Quarter 3 position must be reflected in any revised forecast;
- **ENDORSE** the timelines, principles, approach and focus areas for the 2027–30 financial planning cycle; and
- **NOTE** that the capital programme remains forecast to deliver within the Capital Resource Limit as will be confirmed to Welsh Government by 31 October 2026, with there being limited scope to utilise further capital funds should Welsh Government make them available, due to the constrained internal capacity resulting from the Quarter 4 profile of the remaining schemes in this financial year.

Amcanion: (rhaid cwblhau) **Objectives: (must be completed)**	
Cyfeirnod Cylch Gorchwyl y Pwyllgor: Committee ToR Reference:	3.1.5 Receive assurance on the delivery of the financial plan. This will be achieved through scrutiny of the monthly finance report. This report shall ensure clarity in: 3.1.5.1 The reporting of monthly, year to date and forecast financial position alongside operational drivers; 3.1.5.2 Performance against the savings requirement. 3.1.5.3 Performance against other financial metrics, such as cash management, capital management and Public Sector Payment Policy.
Cyfeirnod Cofrestr Risg Datix, Teitl a Sgôr Risg Cyfredol: Datix Risk Register Reference and Score:	2326 (score 25) Risk to achieving 2026/27 Target Control Total due to underlying deficit, insufficient savings & reliance on non-recurrent funding.
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

Nodau Cynllunio 2026/27 Planning Goals 2026/27	All Planning Goals Apply
Hypergyswllt i Amcanion Llesiant HDdUHB 2026 Hyperlink to HDdUHB Well-being Objectives 2026	9. All HDdUHB Well-being Objectives apply
Model Cymdeithasol ar gyfer Iechyd a Llesiant: (wedi'i gwblhau ar gyfer newid strategol a/neu newidiadau sylweddol i wasanaethau) A Social Model for Health and Wellbeing: (*complete for strategic change and/or significant service changes)*	7. All Apply
Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Monitoring returns to Welsh Government based on HDdUHB's financial reporting system.
Rhestr Termau: Glossary of Terms:	BGH – Bronglais General Hospital CHC – Continuing Healthcare EOY – End of Year FNC – Funded Nursing Care FYE – Full Year Effect GGH – Glangwili General 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 General Hospital WRP – Welsh Risk Pool WTE – Whole Time Equivalent YTD – Year to date

Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y cyfarfod hwn: Parties / Committees consulted prior to this meeting:	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.
Tegwch Iechyd: **Health Equity:**	The report considers the financial implications of heath equity.
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



GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

2026/27 Financial Performance Report
Finance and Performance Committee

Month 06 Reporting – September 2026/27

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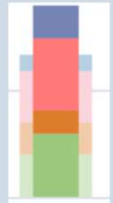
Key

Risk Assessment and key performance indicator RAG criteria:

Alert	◯	Lack of confidence in current actions to resolve issue; engagement, action or intervention required.
Advise	◯	Areas of concern with current actions; assurance taken but close monitoring needed as early warning of potential serious issue.
Assure	◯	Confidence that actions are robust and sufficient; routine monitoring only.

Savings BRAG and visual guide:

Current Month	Prior Month	Savings Blue, Red, Amber and Green Schemes (BRAG)
		A potential saving has been identified but is not yet scoped or developed. No detailed plan exists.
		Scheme is under consideration and initial scoping has started, but it is not yet fully developed or approved.
		Scheme has a clear plan, with actions and timelines defined, but delivery is not yet certain (medium risk).
		Implemented or near completion; savings delivery highly confident.



Revenue vs plan variance matrix report RAG indicator criteria:

Matrix Appendices RAG	In-Month Matrix	YTD Matrix	EOY Matrix
Large Positive Variance	>100,000	In-Month range x No. Months	In-Month range annualised
Moderate Positive Variance	50,000 – 99,999	In-Month range x No. Months	In-Month range annualised
Moderate Negative Variance	(99,999) – (50,000)	In-Month range x No. Months	In-Month range annualised
Large Negative Variance	<(100,000)	In-Month range x No. Months	In-Month range annualised

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Executive Summary

The following slides provide an overview of the organisation's current financial position and the actions required to strengthen delivery. They set out accountability and escalation arrangements; the timetable for the mid-year forecast assessment; the highest-priority decisions and savings actions; progress against any internal escalation improvement commitment; and the principal in-month, year-to-date and year-end drivers against plan. Together, they highlight the planned deficit, material savings gaps and the need for accelerated, accountable action.



Financial Accountability Status

Background and Context

The Ways of Working consciously sets out to evolve the culture of the organisation away from imposed controls and executive scrutiny, to one of owned delivery, enhanced value and a focus on productivity and efficiency.

Executive Directors assume ultimate accountability for their areas under this approach. The Formal Executive Team receives a monthly update on the status of financial accountability, to ensure the Accountable Officer (CEO) can discharge their duties and hold relevant individuals to account, aligned to the internal escalation framework.

Latest Update

Despite progress in Month 6 savings delivery, run rates continue to rise in both Planned and Specialist Care and Community Integrated Medicine (CIM). Level 4 remains in place for the COO for both Clinical Care Groups, with no material impact experienced to date.

Executive Director Portfolio	Status	Explanation (Number of portfolios and their escalation levels)
Chief Executive	Assure	Delivering breakeven and savings
Chief Operating Officer	Alert (4th Month)	Continuation of 2 x Level 4 in Community and Integrated Medicine and Planned & Specialist Care (Savings and Breakeven gap), 1 x Level 3, 1 x Level 2, 1 x Level 1
Executive Medical Director	Advise	1 x Level 2 (Savings gap), 1 x Level 1
Executive Director of Nursing, Quality and Patient Experience	Assure	Delivering breakeven and savings
Executive Director of Workforce and Organisational Development	Assure	Delivering breakeven and savings
Executive Director of Finance	Assure	Delivering breakeven and savings
Executive Director of Strategy and Planning	Advise	1 x Level 3 (Savings and Breakeven gap), 1 x Level 1
Executive Director of Public Health	Assure	Delivering breakeven and savings
Executive Director of Allied Health Professions and Health Sciences	Advise	1 x Level 3 (Savings and Breakeven gap)

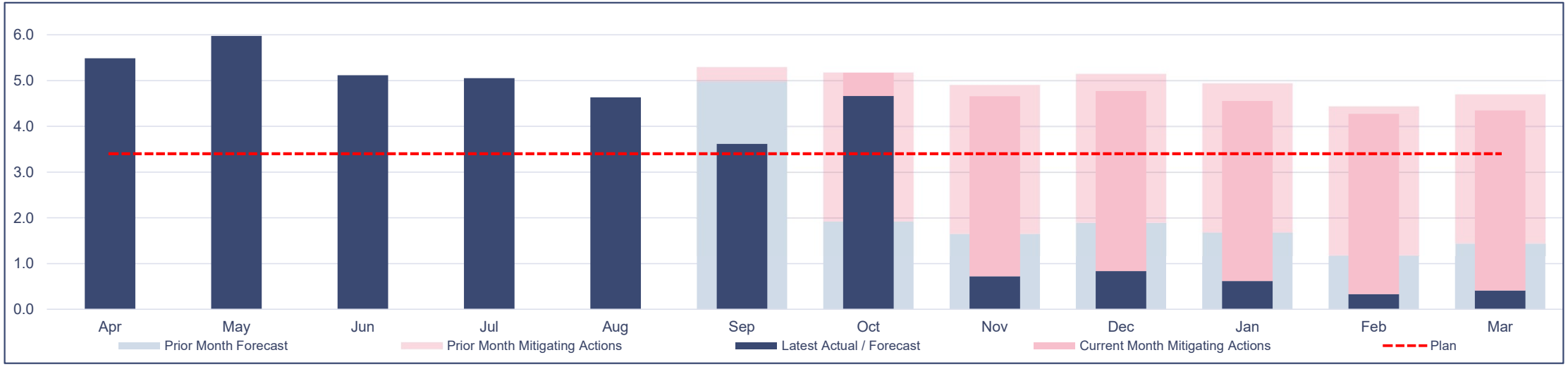
Mid-Year Financial Position Assessment

Key Update

The reported deficit has improved from the Annual Plan position of £41.0m to £37.5m. This improvement is wholly attributable to the Health Board's share of the revised Welsh Risk Pool assessment (£3.5m) and does not reflect an underlying improvement in operational performance. The Health Board will continue to review the likely year-end position, including the extent to which non-recurrent measures can be converted into sustainable recurrent improvements during Quarter 3. An update will be shared at the In-Committee Board on 13 October 2026 with a six-week action plan, with a conclusion by Month 8 submission deadline of the Monthly Monitoring Return (MMR) to Welsh Government.

The reported in-month deficit position has improved as a result of the year-to-date recognition of the Welsh Risk Pool, a significant improvement trajectory is required to achieve the reported £37.5m deficit. **The average monthly deficit of £5.0m reported in Months 1 to 6 would need to reduce to £1.3m across the remainder of the year.**

16 September	24 September	7 October	13 October	27 October	26 November	11 December
Formal Exec Team	**Board Meeting**	**Formal Exec Team**	**In-Committee Board**	**F&P Committee**	**Board Meeting**	**Month 8 MMR**
Month 5 update and likelihood of change	Recommendation to advise Board of changes	Month 6 update and final check-point before WG	Month 6 update before sending Accountable officer letter	Review of latest recovery actions and timelines	Recommendation to advise Board of changes	Submission to WG of latest financial forecast



Recurrent Conversion of Savings

Key Update

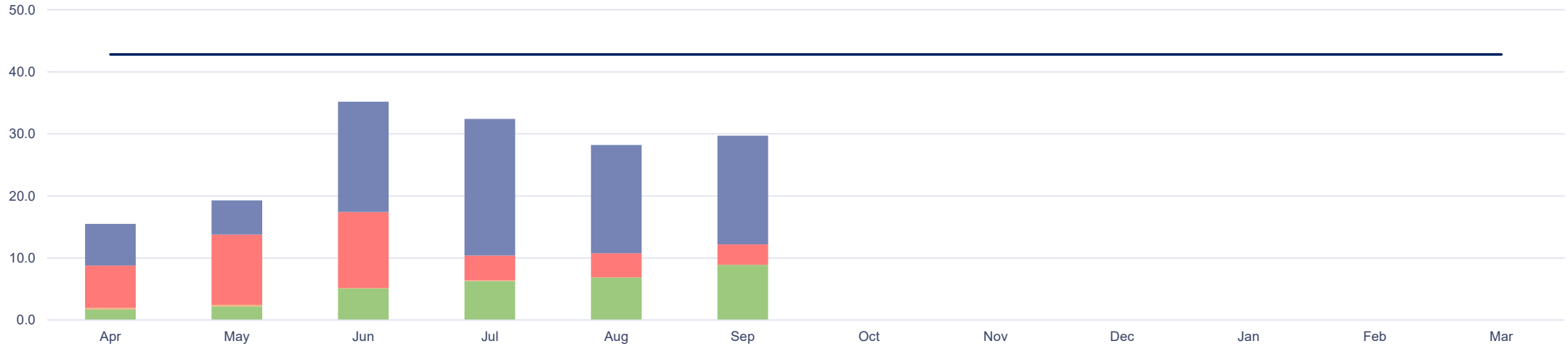
The targeted M6 deadline for converting non-recurrent savings to recurrent savings has not resulted in a material improvement in recurrent delivery to date.

Identified in-year savings total £32.8m against the £42.8m target, leaving a £10.0m identification gap. All identified savings are forecast to deliver, but only £7.8m are recurrent and £25.0m are non-recurrent.

Green-rated recurrent savings plans, measured on a full-year-effect basis, have increased from £1.7m in April 2026 to £8.9m. This strengthens delivery confidence but is not equivalent to realised recurrent savings. Most of the opportunity remains in Blue and Red categories, with a full-year recurrent savings gap of £33.9m.

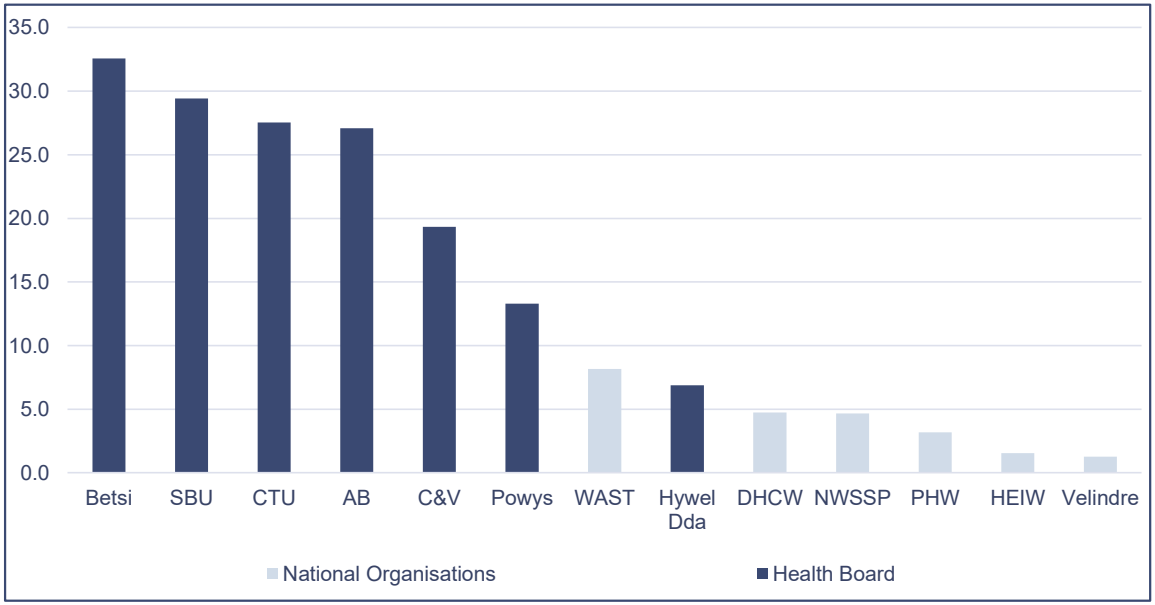
Executive Directors should confirm recovery actions for outstanding conversions, with named scheme owners, revised delivery dates and quantified recurrent benefits. Reporting should distinguish planned conversions from recurrent savings actually delivered to demonstrate progress in reducing the underlying deficit.

Monthly Trend of Annual Recurrent Opportunity, Pipeline & Savings Plans (£'m)



National Savings Position as at Month 5

Recurrent Cash Releasing Savings by Health Board / National Organisation (£'m)



Key Update

At the end of Month 5 Hywel Dda had identified **£6.9m of recurrent cash-releasing savings, less than one-third of the £22.3m national Health Board average and the lowest of the seven Health Boards**.

The recurrent gap to the national average is £15.4m, with Hywel Dda **ranked sixth or seventh across almost every major savings category.**

Recurrent savings remain significantly below the national average across Workforce, CHC and Medicines Management, indicating that the challenge is spread across several savings areas.

This reinforces that the recurrent challenge is structural. Without a material step-change in sustainable savings, there is a significant risk of continued reliance on non-recurrent measures, increasing the underlying financial challenge into 2027/28.

A more detailed breakdown will be shared with the relevant CCGs and Executive functions.

Savings Category (£'m)	Workforce	Medicines Management	Procurement and Non-Pay	Continuing Healthcare	Variation and Reconfiguration	Other	Grand Total
All Wales Health Board Total	48.2	49.1	28.1	15.8	5.3	9.6	**156.2**
Hywel Dda	1.5	3.2	2.0	0.0	0.0	0.1	**6.9**
National Health Board Average	6.9	7.0	4.0	2.2	0.8	1.4	**22.3**
Gap to Average	5.4	3.8	2.0	2.2	0.8	1.3	**15.4**
Health Board Wales Ranking (1-7)	7th	6th	6th	7th	Joint 4th-7th	6th	**7th**

Actionable Insights – Top Priority Alerts

Action / Decision	£'m	Description	Owner	Status	Due Date
Mid Year Forecast Assessment	**TBC**	The reported deficit has improved by £3.5m, from the Annual Plan position of £41.0m to £37.5m. This movement is wholly attributable to the Health Board's share of the all-Wales reduction in the Welsh Risk Pool risk assessment and does not represent an underlying improvement in operational performance. The year-end forecast remains under review. Without a material improvement in performance and the delivery of robust mitigating actions, the forecast is likely to deteriorate in future reporting periods.	Andrew Spratt	In-progress	**13 October**
Dental Allocation Underspend Risk	**5.1**	Welsh Government have confirmed that forecast dental funding underspends will be recovered. On going review of the dental financial position and delivery plans to maximise utilisation of the ring-fenced allocation and mitigate potential funding recovery. Current revised ringfenced underspend as at Q2 £5.1m	Rhian Bond	On Going	**November**
Identification and delivery of robust **savings plans**	**10.0**	Whilst there has been a significant shift in the identification and conversion of underspends, there remains an identification gap to achieve the plan. There is an inequity across services with some over-delivering against target, and others under-delivering.	All Executive Directors, e*xc. Workforce, Finance and CEO*	Ongoing, urgent action to continue as part of de-risking the annual plan	**Overdue**
Recurrent Conversion of Savings (In Year Rec Gap)	**33.9**	The current savings position includes a significant element of non-recurrent benefit. Further work with is required to maximise recurrent savings opportunities and reduce the underlying financial deficit.	All Executive Directors	Ongoing, urgent action to reduce the underlying position following the initial Month 6 deadline.	**Overdue**
Medical pay and rostering Additional cover at premium costs	**7.2**	Continuing use of additional medical cover, including premium locum and agency in BGH, WGH, Planned Care and Mental Health.	Mark Henwood	Further Committee update to be presented in December.	**15 December** (Finance & Performance Committee)

Position Overview – Executive Summary

The Health Board's Planned Deficit is £41.0m with a Savings Target of £42.8m. Gross forecast position is £57.7m, with required mitigating actions of £20.2m to be finalised, to achieve the revised reported end of year forecast position of £37.5m following the £3.5m Welsh Risk Pool improvement. Total savings delivery are £32.8m, leaving a delivery gap of £10.0m against the savings target.

Financial Management

The in-month financial position is a deficit of £3.6m, which is an adverse variance against the £3.4m deficit plan. This is driven by a core operational overspend of £1.9m, offset by a £1.8m year-to-date recognition of the Welsh Risk Pool improvement, and a £0.1m under identification of savings, with £3.5m savings identified against the savings target of £3.6m.

Key Driver (£'m)	Prior month variance to breakeven	Current month variance to breakeven	Year to Date variance to breakeven	Prior Month End of Year forecast to breakeven	End of Year forecast to breakeven
Planned Deficit	**3.4**	**3.4**	**20.5**	**41.0**	**41.0**
Unidentified / (Identified) savings gap / (improvement)	0.6	0.1	3.4	12.3	10.0
Under / (Over) delivery of savings schemes	0.0	0.0	0.0	0.0	0.0
Core operational variation	0.6	0.1	6.0	7.6	6.7
Gross Forecast	**4.6**	**3.6**	**29.9**	**60.9**	**57.7**
Future Mitigating Actions	0.0	0.0	0.0	(19.9)	(20.2)
Reported Position	**4.6**	**3.6**	**29.9**	**41.0**	**37.5**

Key Measures

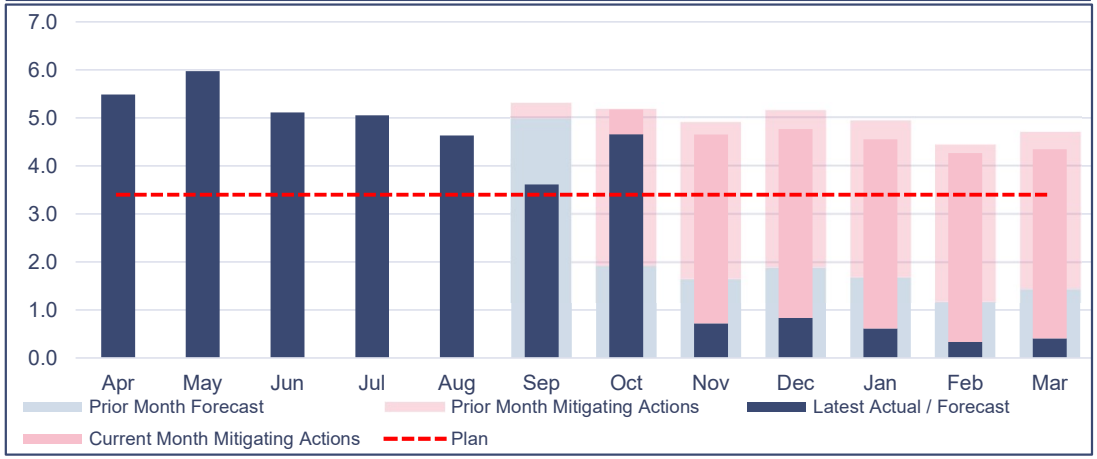
BRAG based on Plan £30.0m (Risk rating = Impact x Likelihood)

Core Operational Variation	**Risk #2326** 5 x 5 = 25	The in-month core operational overspend of £0.1m largely relates to Medical locum agency usage to cover sickness and vacancies £1.0m, drugs price and concessions increase £0.6m, Continuing Healthcare packages increase £0.6m, Theatres and Radiology outsourcing of activity and consumables expenditure £0.5m, offset by Welsh Risk Pool risk share year to date reduction £1.8m, Dental contracts hand-back £0.6m and General Medical Services supplementary services underspend £0.2m.
Cash		The Health Board will require strategic cash assistance in-year in line with the forecast deficit and working capital balances. Support will be required at the end of February or beginning of March 2027, and if it is not confirmed by December 2026, the cash management strategy would need to be implemented in the short term to support.
Savings		Of the annual savings target of £42.8m, £32.8m has been identified and forecast to fully deliver on an in-year basis resulting in a £10.0m under-identification gap. Of the schemes identified, £7.8m are recurrent savings and £25.0m are non-recurrent savings. There's a continued action to forecast savings into future periods as well as converting at pace the pipeline schemes into credible Green and Amber plans, alongside a commitment to convert non-recurrent savings to recurrent savings.
Capital	**N/A**	Delivery against the capital programme is currently assessed as minimal risk. A number of individual capital schemes have medium risks flagged against them; however, these are not expected currently to present a risk to the overall delivery of the capital programme. Fluid management of discretionary schemes continue.
Underlying Deficit	**Risk #1199** 5 x 5 = 25	The planned underlying deficit is £40.8m, with delivery of £42.8m recurrent savings. £8.9m recurrent savings have been identified, leaving a recurrent savings gap of £33.9m. After recognising £10.3m recurrent mitigating actions, cost pressures relating to the Healthcare Support Workers £0.8m and Resident Doctors contract £0.4m, and the adjustment for the WRP improvement of £3.5m, the underlying deficit is £62.1m. The organisation acknowledges the need to improve its financial trajectory to achieve breakeven by 2027/28, a requirement of the £26.0m conditionally recurrent funding, alongside a commitment to convert non-recurrent savings to recurrent savings.

Change from Prior Month Actual Position

Key Driver (£'m)	Prior Month Reported Position	Current Month Reported Position	Movement
Planned Deficit	**3.4**	**3.4**	**0.0**
Savings gap / (improvement)	0.6	0.1	(0.5)
Under / (Over) delivery of savings schemes	0.0	0.0	0.0
Core Operational Variation	0.6	0.1	(0.5)
Gross Forecast	**4.6**	**3.6**	**(1.0)**
Future Mitigating Actions	0.0	0.0	0.0
Reported Net Position	**4.6**	**3.6**	**(1.0)**

In-Month Revenue Deficit Trajectory (£'m)



Unidentified Savings Gap (£'m)	Change
English Provider Services accountancy gain	(0.3)
Clinical Streaming Hub delay in investments expenditure	(0.2)
Movement in Unidentified Savings Gap	**(0.5)**

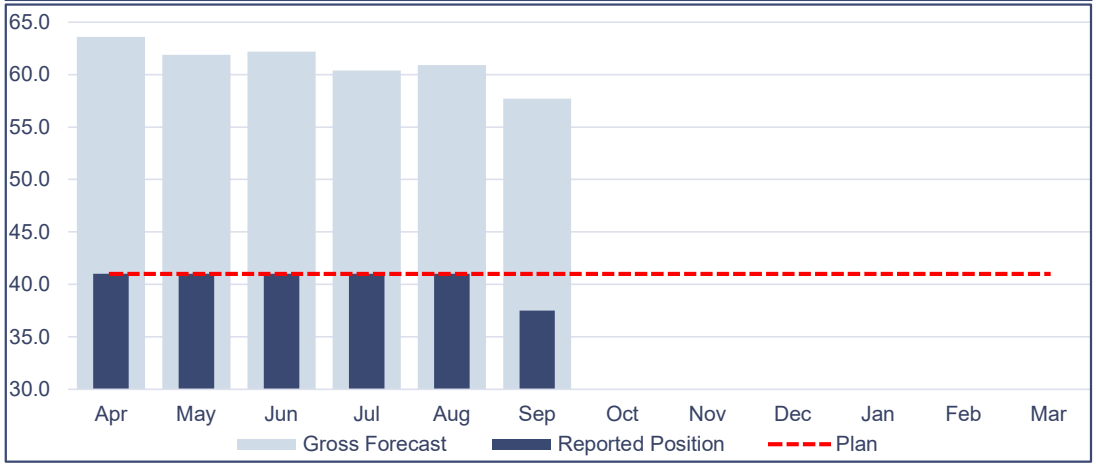
Under / (Over) Delivery of Savings Schemes (£'m)	Change
No change to report	0.0
Movement in Savings Delivery	**0.0**

Core Operational Variation (£'m)	Change
Primary Care reduction in General Medical Services contract in prior month	0.4
Community and Integrated Medicine Nursing enhanced rates and agency	0.4
Planned and Specialist Care Theatres loan kits and implants expenditure	0.3
Community & Integrated Medicine Medical sickness cover & retro payments	0.3
Planned Care Medical variable pay saving under delivery & retro payments	0.3
Estates YTD energy increase in expenditure in line with NWSSP schedule	0.2
Central Income Cost Recovery Unit over-achievement	(0.2)
Pharmacy drugs price and concessions year to date increase in prior month	(0.4)
Welsh Risk Pool risk share reduction – year to date impact in-month	(1.8)
Movement in Core Operational Variation	**(0.5)**

Change from Prior Gross Forecast

Key Driver (£'m)	Prior Month End of Year Forecast	End of Year Forecast	Movement
Planned Deficit	**41.0**	**41.0**	**0.0**
Savings gap / (improvement)	12.3	10.0	(2.3)
Under / (Over) delivery of savings schemes	0.0	0.0	0.0
Core Operational Variation	7.6	6.7	(0.9)
Gross Forecast	**60.9**	**57.7**	**(3.2)**
Future Mitigating Actions	(19.9)	(20.2)	(0.3)
Reported Net Position	**41.0**	**37.5**	**(3.5)**

End of Year Revenue Deficit Trajectory (£'m)



Unidentified Savings Gap (£'m)	Change
Planned Care Rheumatology, Ophthalmology and Critical Care drugs	(0.6)
Community & Integrated Medicine Nintedanib drug loss of exclusivity	(0.5)
Community & Integrated Medicine Medical and Nursing expenditure savings	(0.4)
English Provider Services accountancy gain	(0.3)
Clinical Streaming Hub delay in investments expenditure	(0.2)
Pay vacancy savings within Mental Health and Planned and Specialist Care	(0.2)
Cost Recovery over achievement of income	(0.1)
Movement in Unidentified Savings Gap	**(2.3)**

Core Operational Variation (£'m)	Change
Pharmacy drugs price and concessions increase in July PARS Report	0.6
Community & Integrated Medicine Continuing Healthcare packages	0.6
Estates energy increase in expenditure in line with NWSSP schedule	0.5
Community & Integrated Medicine Nursing agency and enhanced pay	0.5
Primary Care continuation of Dental Orthodontic contract until end of year	0.4
Planned Care Medical variable pay saving under delivery & additional hours	0.3
Community & Integrated Medicine IBD and immunology drugs increase	0.3
Planned Care Drugs underspend to savings, offset by Oncology reduction	0.3
Community & Integrated Medicine reduction in Medical variable pay agency	(0.9)
Welsh Risk Pool risk share reduction in line with NWSSP schedule	(3.5)
Movement in Core Operational Variation	**(0.9)**

Financial Summary – Key Drivers vs Plan

In-Month

Reported Position
£3.6m
Planned Deficit **£3.4m**
Prior Month Forecast **£5.0m**

Savings Identification Gap
£0.1m
Savings Target **£3.6m**
Total Identified **£3.5m**

Savings Delivery Gap
£0.0m
Savings Delivery **£3.5m**
Prior Month Delivery **£3.0m**

Core Operational Variation
£0.1m
Prior Month Variation **£0.6m**

Year to Date

Reported Position
£29.9m
Planned Deficit **£20.5m**

Savings Identification Gap
£3.4m
Savings Target **£21.4m**
Total Identified **£18.0m**

Savings Delivery Gap
£0.0m
Savings Delivery **£18.0m**
Prior Month Delivery **£14.5m**

Core Operational Variation
£6.0m
Prior Month Variation **£5.9m**

End of Year

Reported Position
£37.5m
Planned Deficit **£41.0m**
Prior Annual Forecast **£41.0m**

Savings Identification Gap
£10.0m
Savings Target **£42.8m**
Total Identified **£32.8m**

Savings Delivery Gap
£0.0m
Savings Delivery **£32.8m**
Prior Month Delivery **£30.5m**

Core Operational Variation
£6.7m
Prior Month Variation **£7.6m**

Gross Forecast
£57.7m
Prior Gross Forecast **£60.9m**
Mitigating Actions **£20.2m**

Net Risks / (Opportunities)
£8.7m
Prior Month **£9.0m**
Highly Probable Items

Capital Position
£38.6m
Annual Plan **£38.6m**
Prior Annual Forecast **£38.0m**

Underlying Deficit
£62.1m
Annual Plan **£40.8m**
Prior Month **£67.6m**

Financial Summary

In-Month Actual
£117.8m
Variance to Plan **£0.2m**

YTD Actual
£697.6m
Variance to Plan **£9.4m**

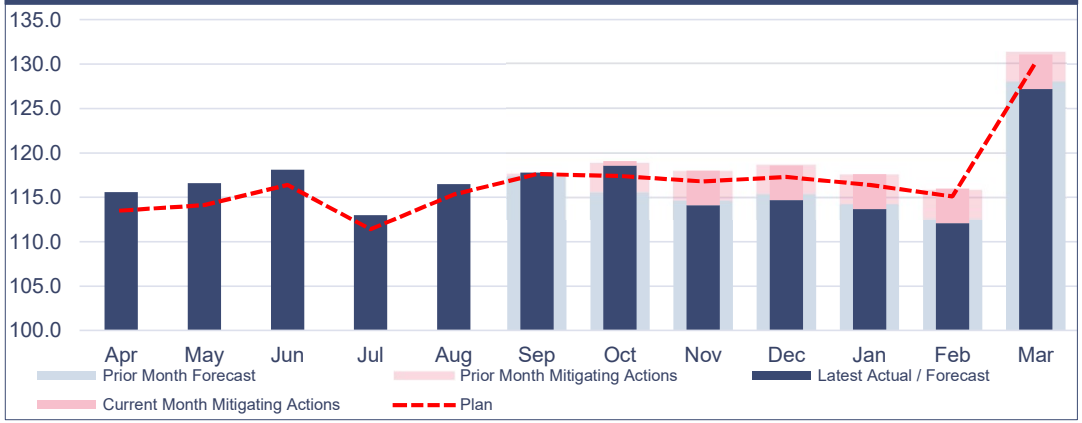
EOY Forecast
£1,418.0m
Variance to Plan **£16.7m**

3-Year Growth
8.0%
2023-24 Outturn **£1,313m***

In-Year Growth
(0.3)%
2025-26 Outturn **£1,422m***

YTD Extrapolation
£1,395.2m
Risk / (Opp) **£(22.8)m**

Net Income and Expenditure (Before Allocations) (£'m)



Expenditure Trajectory Analysis (£'m)	P04-27	P05-27	P06-27	YTD	YTD Extrap.	EoY Forecast	EoY Var	Risk / (Opp)
Pay	**59.5**	**59.9**	**60.6**	**359.8**	**719.7**	**720.8**		**(1.1)**
Administration and Estates	12.2	12.3	12.5	73.9	147.8	147.6		0.1
Allied Health, Scientists and Other	7.5	7.5	7.4	44.5	89.1	89.3		(0.2)
Medical and Dental	13.9	14.2	14.3	84.1	168.1	167.1		1.0
Nursing, Midwifery and Clinical Support	25.8	26.0	26.4	157.4	314.7	316.7		(2.0)
Non Pay	**61.3**	**63.9**	**64.3**	**380.7**	**761.4**	**782.1**		**(20.7)**
Clinical Services and Supplies	4.6	4.1	4.4	26.1	52.1	52.1		0.1
Commissioned Healthcare Services	37.0	36.6	36.4	221.8	443.7	447.7		(4.0)
Drugs and Prescribing	14.2	13.8	13.9	80.7	161.5	160.9		0.5
Other Non-Pay	5.5	9.4	9.6	52.1	104.1	121.4		(17.2)
Income	**(7.8)**	**(7.3)**	**(7.2)**	**(43.0)**	**(85.9)**	**(84.9)**		**(1.0)**
Net Income and Expenditure	**113.0**	**116.5**	**117.8**	**697.6**	**1,395.2**	**1,418.0**		**(22.8)**
Allocations	**108.0**	**111.9**	**114.2**	**667.7**	**1,335.4**	**1,360.4**		
Gross Position	**5.1**	**4.6**	**3.6**	**29.9**	**59.8**	**57.7**		
Reported Position *	**5.1**	**4.6**	**3.6**	**29.9**	**59.8**	**37.5**		

Key Information

Month 4, July, reduction in expenditure relating to a decrease in Capital Charges due to reduced impairments adjustment £4.0m, with a corresponding reduction in Revenue Resource Limit.

Month 8, November, onwards includes a reduction in expenditure due to mitigating actions of £20.2m anticipated within Pay £10.0m and Non Pay £10.2m, resulting in a corresponding risk for Pay and Non Pay due to the future months forecast being lower than year to date expenditure levels.

Month 12, March, includes Depreciation and Amortisation Impairments increase in expenditure of £14.3m, with a corresponding increase in Revenue Resource Limit, resulting in an opportunity within Non Pay due to future months forecast expenditure being higher than year to date expenditure levels.

Note an opportunity within Commissioned Healthcare Services due to Primary Care delay in General Medical Services and Cluster project plans expenditure anticipated in future months.

***Reported Position for end of year includes £20.2m of assumed mitigating actions to deliver the £37.5m Reported Position.**
***Outturn adjusted for Notional Pension costs 2025-26 c£42.8m, 2024-25 c£40.3m**

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Income and Expenditure Insight

The following slides provide a detailed review of income and expenditure across pay and non-pay categories. They compare monthly trends and the latest forecast with plan, explain key movements and highlight the assumptions, risks and opportunities affecting the year-end outlook. This analysis supports executive scrutiny of financial performance and the actions required to deliver the forecast position.



1. Thriving teams



2. Healthier communities



3. Great care



4. Positive futures

Total Pay Insights

In-Month Actual
£60.6m
Variance to Plan **£0.8m**

YTD Actual
£359.8m
Variance to Plan **£3.5m**

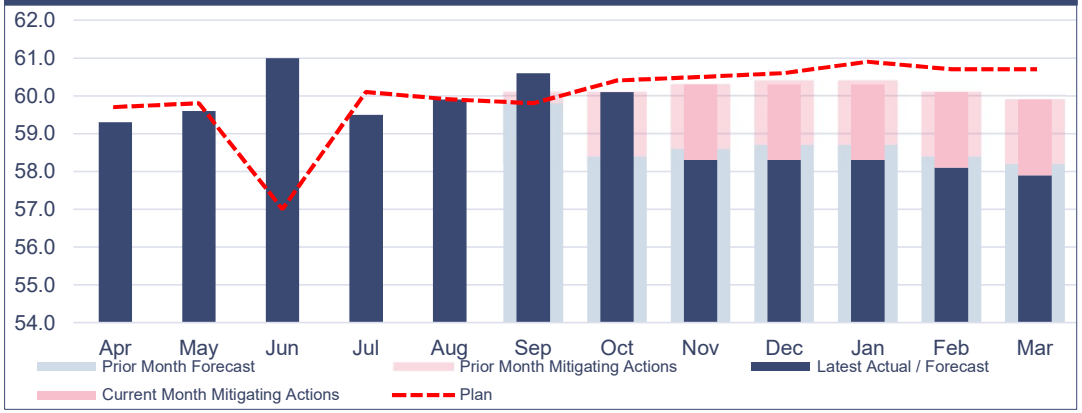
EOY Forecast
£720.8m
Variance to Plan **£0.6m**

3-Year Growth
20.0%
2023-24 Outturn **£600.9m***

In-Year Growth
8.7%
2025-26 Outturn **£662.9m***

YTD Extrapolation
£719.7m
Risk / (Opp) **£(1.1)m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)	P04-27	P05-27	P06-27	YTD	YTD Extrap.	EoY Forecast	EoY Var	Risk / (Opp)
Substantive	**54.5**	**54.6**	**55.3**	**329.2**	**658.3**	**664.0**		**(5.7)**
Administration and Estates	11.9	11.9	12.1	71.8	143.7	143.8		(0.2)
Allied Health, Scientists and Other	7.2	7.2	7.1	43.1	86.3	86.5		(0.3)
Medical and Dental	11.5	11.5	11.7	69.2	138.3	139.6		(1.3)
Nursing, Midwifery and Clinical Support	23.8	24.0	24.4	145.0	290.1	294.1		(4.0)
Variable	**4.0**	**4.2**	**4.3**	**24.8**	**49.6**	**46.5**		**3.1**
Administration and Estates	0.3	0.3	0.4	2.0	4.1	3.8		0.3
Allied Health, Scientists and Other	0.2	0.2	0.1	1.0	2.1	2.0		0.1
Medical and Dental	1.8	2.0	2.1	11.4	22.7	21.4		1.3
Nursing, Midwifery and Clinical Support	1.6	1.7	1.7	10.3	20.7	19.3		1.4
Agency (Premium)	**1.0**	**1.1**	**1.0**	**5.9**	**11.8**	**10.3**		**1.5**
Administration and Estates	-	-	-	-	-	-		-
Allied Health, Scientists and Other	0.1	0.1	0.1	0.4	0.7	0.8		(0.0)
Medical and Dental	0.6	0.7	0.6	3.5	7.1	6.1		1.0
Nursing, Midwifery and Clinical Support	0.3	0.3	0.3	2.0	4.0	3.4		0.6
Total Expenditure	**59.5**	**59.9**	**60.6**	**359.8**	**719.7**	**720.8**		**(1.1)**
Plan	**60.1**	**59.9**	**59.8**	**356.3**	**712.6**	**720.1**		
Gross Variance to Plan	**(0.6)**	**0.0**	**0.8**	**3.5**	**7.0**	**0.6**		
Reported Variance to Plan *	**(0.6)**	**0.0**	**0.8**	**3.5**	**7.0**	**(9.3)**		

Key Information

Month 3, June, increase in expenditure due to year to date payment of the FY26-27 Medical and Dental 3.5% pay award £1.4m, offset by a reduction in the plan relating to the exercise to convert year to date core operational underspends to savings, with £4.8m savings being identified for pay vacancies.

Month 5, August, increase from prior month expenditure largely relating to Community and Integrated Medicine and Planned and Specialist Care increase in Medical fill rate cover.

Month 6, September, deviation from prior month forecast largely relating to increase in Medical variable pay expenditure within Cancer and Scheduled Care and Community and Integrated Medicine within Carmarthenshire partly relating to retrospective additional duty hours claims.

Month 8, November, onwards includes a reduction in expenditure due to mitigating actions of £10.0m anticipated within Substantive to deliver from Month 8 to 12. Mitigating actions result in a risk for Pay due to the future months forecast being lower than year to date levels.

***Reported Variance to Plan for end of year includes £10.0m of assumed mitigating actions to deliver the £37.5m Reported Position.**
***Outturn adjusted for Notional Pension costs 2025-26 c£42.8m, 2024-25 c£40.3m**

Substantive Insights

In-Month Actual
£55.3m
Variance to Plan **£(3.1)m**

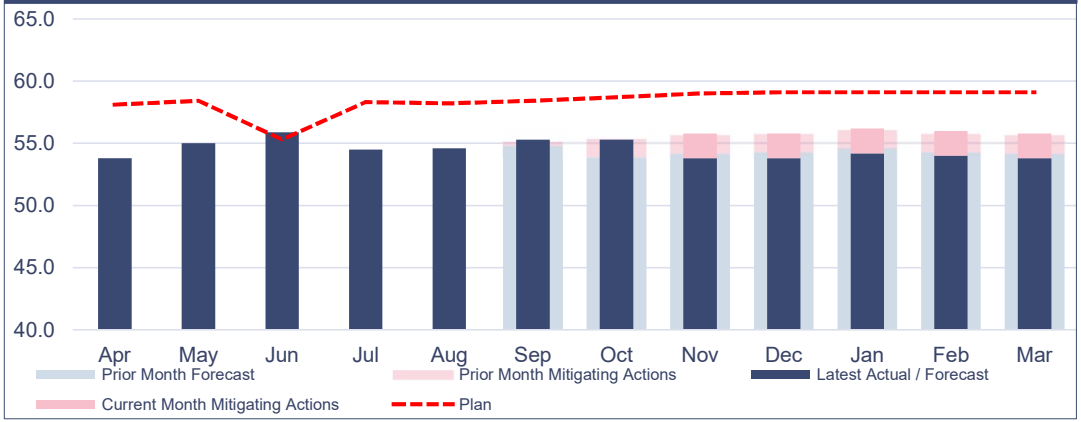
YTD Actual
£329.2m
Variance to Plan **£(17.5)m**

EOY Forecast
£664.0m
Variance to Plan **£(36.6)m**

In-Year Growth
8.5%
2025-26 Outturn **£611.7m**

YTD Extrapolation
£658.3m
Risk / (Opp) **£(5.7)m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)	P04-27	P05-27	P06-27	YTD	YTD Extrap.	EoY Forecast	EoY Var	Risk / (Opp)
Pay Groups	**54.5**	**54.6**	**55.3**	**329.2**	**658.3**	**664.0**		**(5.7)**
Administration and Estates	11.9	11.9	12.1	71.8	143.7	143.8		(0.2)
Allied Health, Scientists and Other	7.2	7.2	7.1	43.1	86.3	86.5		(0.3)
Medical and Dental	11.5	11.5	11.7	69.2	138.3	139.6		(1.3)
Nursing, Midwifery and Clinical Support	23.8	24.0	24.4	145.0	290.1	294.1		(4.0)
Functions	**54.5**	**54.6**	**55.3**	**329.2**	**658.3**	**664.0**		**(5.7)**
Chief Operating Officer Management	0.7	0.7	0.7	4.9	9.8	9.5		0.4
Community and Integrated Medicine	16.8	16.7	17.1	101.3	202.7	207.3		(4.6)
Mental Health and Learning Disabilities	6.1	6.1	6.1	36.8	73.5	73.6		(0.1)
Operational Allied Health and Health Sciences	5.8	5.8	5.7	34.7	69.5	69.2		0.2
Planned and Specialist Care	13.9	13.9	14.1	83.6	167.2	167.9		(0.6)
Primary Care	1.4	1.3	1.4	8.0	16.1	16.0		0.0
Executive Functions	9.7	10.0	10.1	59.8	119.5	120.5		(1.0)
Total Expenditure	**54.5**	**54.6**	**55.3**	**329.2**	**658.3**	**664.0**		**(5.7)**
Plan	**58.3**	**58.2**	**58.4**	**346.7**	**693.4**	**700.6**		
Gross Variance to Plan	**(3.9)**	**(3.6)**	**(3.1)**	**(17.5)**	**(35.1)**	**(36.6)**		
Reported Variance to Plan *	**(3.9)**	**(3.6)**	**(3.1)**	**(17.5)**	**(35.1)**	**(46.6)**		

Key Information

Month 3, June, increase in expenditure due to year to date payment of the FY26-27 Medical and Dental 3.5% pay award £1.4m, with a corresponding increase in Revenue Resource Limit. Note a reduction in the plan relating to the conversion of year to date core operational underspends to savings, with £4.8m savings identified for pay vacancies.

Month 8, November, onwards includes a reduction in expenditure due to mitigating actions of £10.0m to deliver from Month 8 to 12. Mitigating actions result in a risk for Pay due to the future months forecast being lower than year to date expenditure levels.

Note an opportunity within Community and Integrated Medicine due recruitment plans in relation to Urgent and Emergency Care and Clinical Streaming Hubs investments and Newly Registered Nurses intake anticipated later in the year, with future months forecast expenditure therefore being higher than year to date levels.

***Reported Variance to Plan for end of year includes £10.0m of assumed mitigating actions to deliver the £37.5m Reported Position.**

Variable Insights

In-Month Actual
£4.3m
Variance to Plan **£3.1m**

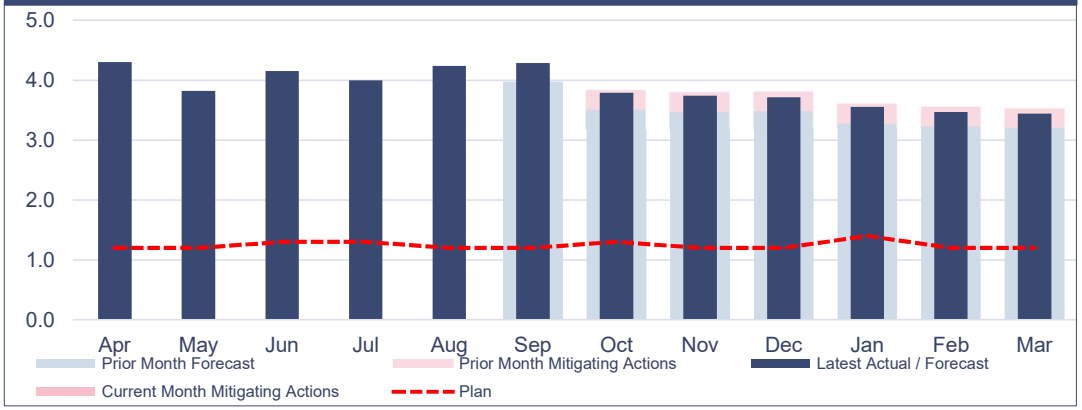
YTD Actual
£24.8m
Variance to Plan **£17.3m**

EOY Forecast
£46.5m
Variance to Plan **£31.6m**

In-Year Growth
(12.6)%
2025-26 Outturn **£53.2m**

YTD Extrapolation
£49.6m
Risk / (Opp) **£3.1m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)	P04-27	P05-27	P06-27	YTD	YTD Extrap.	EoY Forecast	EoY Var	Risk / (Opp)
Pay Groups	**4.0**	**4.2**	**4.3**	**24.8**	**49.6**	**46.5**		**3.1**
Administration and Estates	0.3	0.3	0.4	2.0	4.1	3.8		0.3
Allied Health, Scientists and Other	0.2	0.2	0.1	1.0	2.1	2.0		0.1
Medical and Dental	1.8	2.0	2.1	11.4	22.7	21.4		1.3
Nursing, Midwifery and Clinical Support	1.6	1.7	1.7	10.3	20.7	19.3		1.4
Functions	**4.0**	**4.2**	**4.3**	**24.8**	**49.6**	**46.5**		**3.1**
Chief Operating Officer Management	-	-	-	0.1	0.1	0.1		(0.0)
Community and Integrated Medicine	1.5	1.9	1.8	10.1	20.1	19.1		1.0
Mental Health and Learning Disabilities	0.2	0.2	0.3	1.3	2.7	2.7		(0.0)
Operational Allied Health and Health Sciences	0.3	0.2	0.2	1.4	2.9	3.0		(0.2)
Planned and Specialist Care	1.2	1.3	1.3	7.6	15.3	13.3		1.9
Primary Care	0.4	0.3	0.4	2.3	4.6	4.7		(0.1)
Executive Functions	0.5	0.3	0.3	2.0	4.0	3.5		0.5
Total Expenditure	**4.0**	**4.2**	**4.3**	**24.8**	**49.6**	**46.5**		**3.1**
Plan	**1.3**	**1.2**	**1.2**	**7.5**	**15.0**	**15.0**		
Gross Variance to Plan	**2.7**	**3.0**	**3.1**	**17.3**	**34.6**	**31.6**		

Key Information

Month 2, May, reduction in bank expenditure due to inability to fill shifts within Community and Integrated Medicine and Primary Care, and reduction in patient acuity within Mental Health, alongside reduction in Waiting List Initiative activity within Planned and Specialist Care Nursing.

Month 6, September, deviation from prior month forecast largely relating to increase in Medical variable pay expenditure within Cancer and Scheduled Care and Community and Integrated Medicine within Carmarthenshire partly relating to retrospective additional duty hours claims.

Month 7, October, onwards includes a reduction in Medical variable expenditure within Cancer and Scheduled Care and Community and Integrated Medicine, resulting in corresponding risks due to future expenditure anticipated being lower than year to date levels. Reduction in variable pay is anticipated within Carmarthenshire due to increased substantive and fixed term onboarding anticipated. The substantive recruitment of Newly Registered Nurses within Community and Integrated Medicine also results in lower reliance anticipated on Medical variable pay.

Note a further risk within Planned and Specialist Care Nursing due to future months forecast expenditure being lower than year to date expenditure levels.

Note that the previously assumed Variable mitigating actions have been removed as Variable pay reductions within Planned and Specialist Care are no longer anticipated to materialise.

Agency Insights

In-Month Actual
£1.0m
Variance to Plan **£0.7m**

YTD Actual
£5.9m
Variance to Plan **£3.7m**

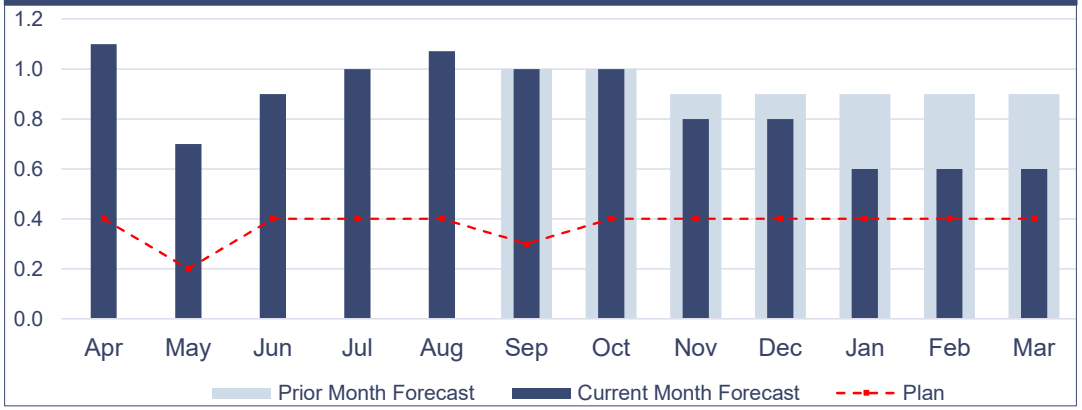
EOY Forecast
£10.2m
Variance to Plan **£5.7m**

3-Year Growth
(69.2)%
2023-24 Outturn **£33.1m**

In-Year Growth
(1.9)%
2025-26 Outturn **£10.4m**

YTD Extrapolation
£11.8m
Risk / (Opp) **£1.5m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)	P04-27	P05-27	P06-27	YTD	YTD Extrap.	EoY Forecast	EoY Var	Risk / (Opp)
Pay Groups	**1.0**	**1.1**	**1.0**	**5.9**	**11.8**	**10.3**		**1.5**
Administration and Estates	-	-	-	-	-	-		-
Allied Health, Scientists and Other	0.1	0.1	0.1	0.4	0.7	0.8		(0.0)
Medical and Dental	0.6	0.7	0.6	3.5	7.1	6.1		1.0
Nursing, Midwifery and Clinical Support	0.3	0.3	0.3	2.0	4.0	3.4		0.6
Functions	**1.0**	**1.0**	**1.0**	**5.9**	**11.8**	**10.2**		**1.5**
Chief Operating Officer Management	-	-	-	-	-	-		-
Community and Integrated Medicine	0.6	0.7	0.5	3.8	7.7	5.8		1.9
Mental Health and Learning Disabilities	0.1	0.1	0.1	0.4	0.8	0.7		0.0
Operational Allied Health and Health Sciences	0.2	0.2	0.2	1.1	2.1	2.1		0.0
Planned and Specialist Care	0.1	0.1	0.2	0.8	1.7	1.8		(0.2)
Primary Care	-	-	-	-	-	-		-
Executive Functions	-	-	-	(0.2)	(0.5)	(0.2)		(0.2)
Total Expenditure	**1.0**	**1.0**	**1.0**	**5.9**	**11.8**	**10.3**		**1.5**
Plan	**0.4**	**0.4**	**0.3**	**2.1**	**4.3**	**4.6**		
Gross Variance to Plan	**0.6**	**0.6**	**0.7**	**3.7**	**7.5**	**5.7**		

Key Information

Month 2, May, reduction in Agency expenditure from prior month within Medical and Nursing across various areas, with a reduction in plan following recognition of saving, alongside a further reduction in expenditure within Operational Allied Health.

Month 5, August, increase in Medical Agency expenditure from prior month within Community and Integrated Medicine Pembrokeshire system.

Month 8, November, onwards reduction in Medical agency expenditure from prior month forecast within Pembrokeshire and Carmarthenshire, due to increased substantive and fixed term onboarding anticipated in Quarter 4. The substantive recruitment of Newly Registered Nurses within Community and Integrated Medicine also results in lower reliance anticipated for Medical dual running and cover of vacancies and sickness. This results in a risk within Community and Integrated Medicine due to future expenditure anticipated being lower than year to date levels.

A further risk is seen within Community and Integrated Medicine Nursing due to the year to date agency expenditure not anticipated to continue to the same level in future months due to the recruitment of Newly Registered Nurses and therefore a reduced reliance on agency.

Clinical Services and Supplies Insights

In-Month Actual
£4.4m
Variance to Plan **£0.5m**

YTD Actual
£26.1m
Variance to Plan **£3.0m**

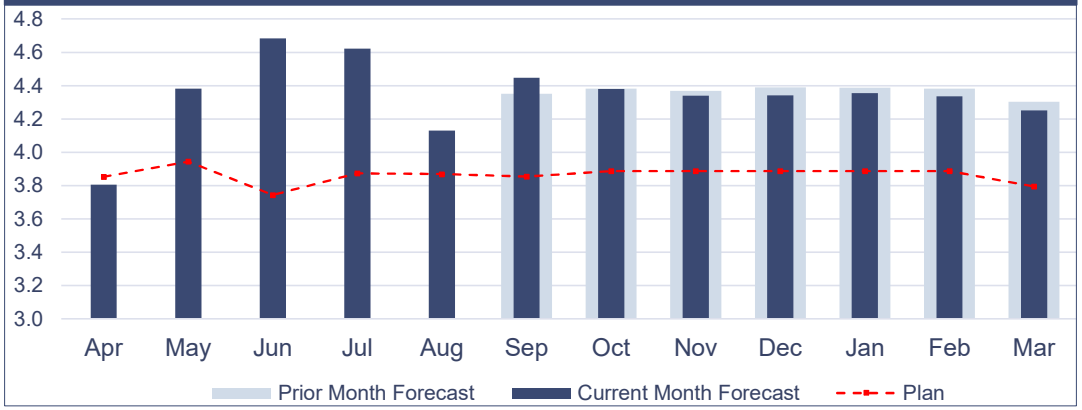
EOY Forecast
£52.1m
Variance to Plan **£5.7m**

3-Year Growth
15.7%
2023-24 Outturn **£45.0m**

In-Year Growth
0.7%
2025-26 Outturn **£51.7m**

YTD Extrapolation
£52.1m
Risk / (Opp) **£0.1m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)	P04-27	P05-27	P06-27	YTD	YTD Extrap.	EoY Forecast	EoY Var	Risk / (Opp)
Functions	**4.6**	**4.1**	**4.4**	**26.1**	**52.1**	**52.1**		**0.1**
Chief Operating Officer Management	-	-	-	0.1	0.3	0.4		(0.1)
Community and Integrated Medicine	1.2	1.2	1.2	7.1	14.3	14.3		-
Mental Health and Learning Disabilities	-	-	-	0.1	0.2	0.2		-
Operational Allied Health and Health Sciences	1.1	1.1	1.1	6.8	13.5	13.8		(0.2)
Planned and Specialist Care	2.3	1.8	2.0	11.7	23.5	23.1		0.4
Primary Care	-	-	0.1	0.2	0.4	0.4		-
Executive Functions	(0.1)	-	-	-	(0.1)	-		(0.1)
Total Expenditure	**4.6**	**4.1**	**4.4**	**26.1**	**52.1**	**52.1**		**0.1**
Plan	**3.9**	**3.9**	**3.9**	**23.1**	**46.3**	**46.4**		
Gross Variance to Plan	**0.7**	**0.2**	**0.5**	**3.0**	**5.9**	**5.7**		

Key Information

Month 2, May, and Month 3, June, reflects an increase driven by Planned and Specialist Care Theatres and Dermatology outsourcing and insourcing of activity and consumables purchases including loan kits and implants alongside an increase within Operational Allied Health relating to Radiology outsourcing of services and activity.

Month 5, August, reduction in expenditure within Theatre consumables reflects lower elective activity due to Anaesthetist shortages and the prioritisation of cancer pathway patients.

Month 6, September, increase in expenditure compared to prior month forecast relating to increase in loan kits purchases within Planned and Specialist Care.

Note a risk within Planned and Specialist Care due to the increase in outsourcing of Theatres activity and consumable purchases not anticipated to continue to the same level in future months.
Note an opportunity within Operational Allied Health due to the increase in Radiology outsourcing from Month 3 onwards anticipated to continue at this increased level in future months.

Forecast overspend relating to Theatres, Dermatology, Anaesthetics, Urology and Ophthalmology outsourcing in Planned and Specialist Care £2.4m, offset by Ophthalmology drugs underspend and Radiology outsourcing and dual running of services £2.2m offset by vacancies and Community and Integrated Medicine insulin pumps, sleeping machines and other consumables spend £1.3m.

Commissioned Healthcare Services Insights

In-Month Actual
£36.4m
Variance to Plan **£(0.4)m**

YTD Actual
£221.8m
Variance to Plan **£(1.7)m**

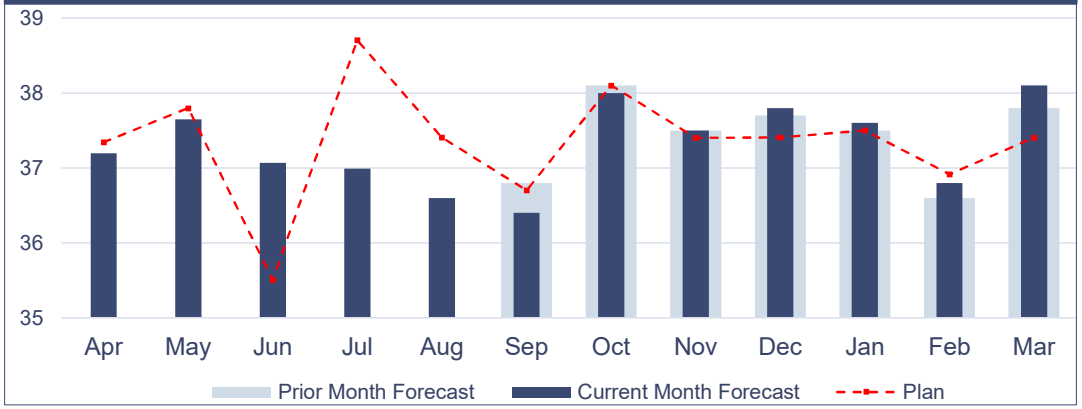
EOY Forecast
£447.7m
Variance to Plan **£(0.5)m**

3-Year Growth
16.0%
2023-24 Outturn **£385.9m**

In-Year Growth
3.%
2025-26 Outturn **£434.2m**

YTD Extrapolation
£443.7m
Risk / (Opp) **£(4.0)m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)	P04-27	P05-27	P06-27	YTD	YTD Extrap.	EoY Forecast	EoY Var	Risk / (Opp)
Functions	**37.0**	**36.6**	**36.4**	**221.8**	**443.7**	**447.7**		**(4.0)**
Chief Operating Officer Management	-	-	-	-	0.1	0.1		-
Community and Integrated Medicine	2.9	3.0	3.0	17.6	35.2	35.6		(0.4)
Mental Health and Learning Disabilities	4.1	3.9	3.9	23.5	47.0	47.1		(0.1)
Operational Allied Health and Health Sciences	0.4	0.5	0.4	2.8	5.5	5.5		0.1
Planned and Specialist Care	0.4	0.5	0.4	3.3	6.6	6.3		0.3
Primary Care	10.5	9.7	10.2	61.6	123.3	127.6		(4.3)
Executive Functions	18.6	19.0	18.4	113.1	226.1	225.7		0.4
Total Expenditure	**37.0**	**36.6**	**36.4**	**221.8**	**443.7**	**447.7**		**(4.0)**
Plan	**38.7**	**37.4**	**36.7**	**223.5**	**447.0**	**448.2**		
Gross Variance to Plan	**(1.7)**	**(0.8)**	**(0.4)**	**(1.7)**	**(3.3)**	**(0.5)**		

Key Information

Month 2, May, increase from prior month due to year to date recognition of Pharmaceuticals Company expenditure in line with pass through Joint Commissioning Committee funding.

Month 3, June, reduction in plan due to year to date Primary Care Dental underspends recognised as savings, offset by an increase in plan in Month 4, July, due to reversal of the saving to core underspends.

Month 5, August, reduction in expenditure from prior month relating to Primary Care General Medical Services Global Sum reduction in year to date expenditure due to delay in project plans.

Month 6, September, reduction in expenditure from prior month forecast due to English Provider Services accountancy gain £(0.3)m.

Month 7, October, increase in expenditure relating to commencement of Primary Care vaccination programmes.

Month 11, February, and Month 12, March, increase in expenditure from prior month forecast due to continuation of Dental Orthodontic contract to the end of the year.

Monthly fluctuations in expenditure largely relating to number of days in the month and the corresponding expenditure of Continuing Healthcare packages, with significant reduction in Month 11, February.

Note an opportunity within Primary Care due to the delay in General Medical Services and Cluster project plans expenditure anticipated in future months.

Drugs and Prescribing Insights

In-Month Actual
£14.0m
Variance to Plan **£0.2m**

YTD Actual
£80.7m
Variance to Plan **£0.2m**

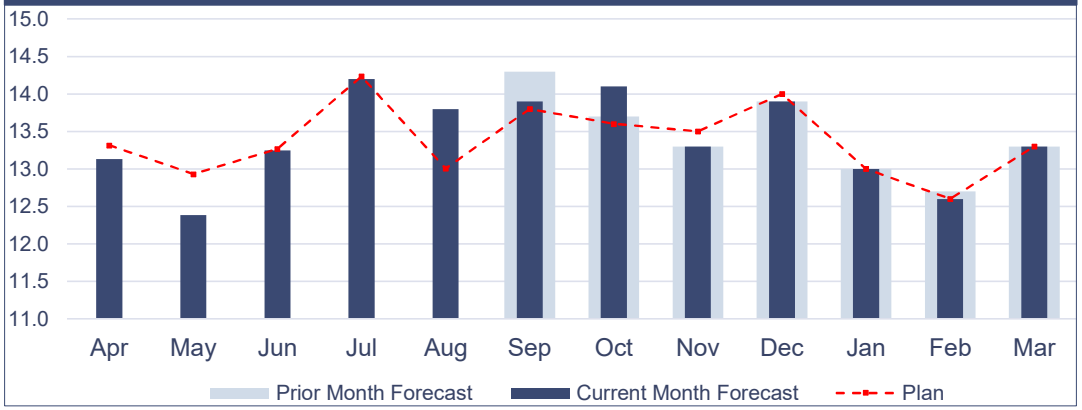
EOY Forecast
£160.9m
Variance to Plan **£0.3m**

3-Year Growth
8.2%
2023-24 Outturn **£148.7m**

In-Year Growth
8.1%
2025-26 Outturn **£148.8m**

YTD Extrapolation
£161.5m
Risk / (Opp) **£0.5m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)	P04-27	P05-27	P06-27	YTD	YTD Extrap.	EoY Forecast	EoY Var	Risk / (Opp)
Functions	**14.2**	**13.8**	**14.0**	**80.7**	**161.5**	**160.9**		**0.5**
Chief Operating Officer Management	-	-	-	-	-	-		-
Community and Integrated Medicine	1.8	1.6	1.4	9.7	19.3	19.0		0.3
Mental Health and Learning Disabilities	0.1	0.1	0.1	0.6	1.2	1.4		(0.1)
Operational Allied Health and Health Sciences	0.5	0.4	0.5	2.8	5.6	5.7		-
Planned and Specialist Care	3.4	3.2	3.1	19.3	38.6	38.0		0.6
Primary Care	-	-	-	0.1	0.1	0.1		-
Executive Functions	8.4	8.5	8.8	48.3	96.6	96.8		(0.2)
Total Expenditure	**14.2**	**13.8**	**14.0**	**80.7**	**161.5**	**160.9**		**0.5**
Plan	**14.2**	**13.0**	**13.8**	**80.5**	**161.0**	**160.6**		
Gross Variance to Plan	**(0.0)**	**0.8**	**0.2**	**0.2**	**0.4**	**0.3**		

Key Information

Monthly fluctuations in expenditure largely relating to the number of prescribing days in the month and therefore the corresponding expenditure on drugs based on activity.

Month 4, July, increase in drugs volume, concessions and price from £8.45 to £8.67 per item in line with Prescribing Audit Report.

Month 6, September, reduction in expenditure from prior month forecast largely relating to Planned and Specialist Care reduction in Homecare drugs including Oncology, Dermatology and Rheumatology drugs and Nintedanib reduction in drugs expenditure within Community and Integrated Medicine.

Month 7, October, increase in expenditure from prior month forecast largely relating to Pharmacy drugs price and concessions increase from £8.74 to £8.82 in line with July Prescribing Audit Report.

Note a risk within Planned and Specialist Care due to Ophthalmology and Rheumatology expenditure anticipated to reduce in future months.

Other Non-Pay Insights

In-Month Actual
£9.6m
Variance to Plan **£(0.9)m**

YTD Actual
£52.1m
Variance to Plan **£5.0m**

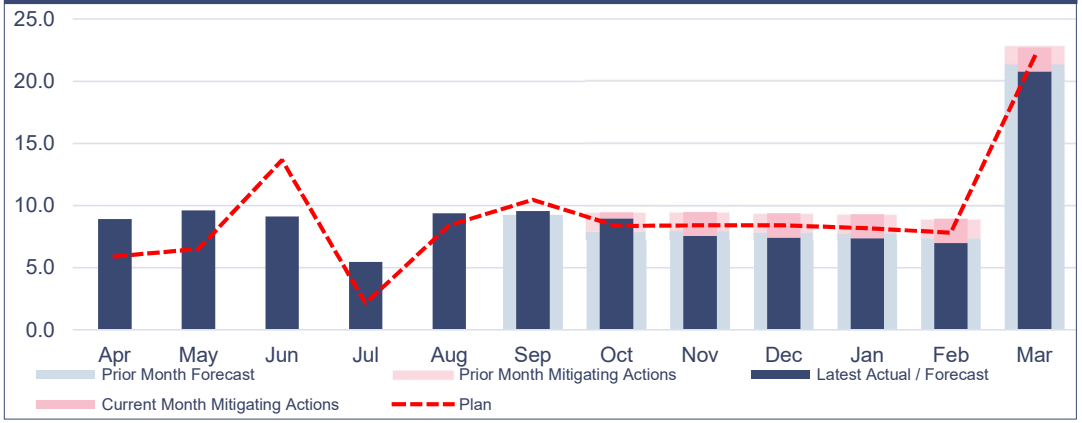
EOY Forecast
£121.4m
Variance to Plan **£11.2m**

3-Year Growth
11.6%
2023-24 Outturn **£108.8m**

In-Year Growth
22.5%
2025-26 Outturn **£99.1m**

YTD Extrapolation
£104.1m
Risk / (Opp) **£(17.3)m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)	P04-27	P05-27	P06-27	YTD	YTD Extrap.	EoY Forecast	EoY Var	Risk / (Opp)
Functions	**5.5**	**9.4**	**9.6**	**52.1**	**104.1**	**121.4**		**(17.3)**
Chief Operating Officer Management	0.2	0.1	0.2	1.0	2.0	1.9		0.1
Community and Integrated Medicine	0.9	0.9	0.9	5.1	10.2	10.1		0.1
Mental Health and Learning Disabilities	0.2	0.2	0.2	1.3	2.6	2.6		-
Operational Allied Health and Health Sciences	0.2	0.2	0.2	1.2	2.3	2.4		(0.1)
Planned and Specialist Care	0.3	0.3	0.3	1.9	3.8	3.9		(0.1)
Primary Care	0.1	0.1	0.2	0.9	1.7	1.5		0.2
Executive Functions	3.6	7.5	7.6	40.7	81.5	99.0		(17.5)
Total Expenditure	**5.5**	**9.4**	**9.6**	**52.1**	**104.1**	**121.4**		**(17.3)**
Plan	**2.1**	**8.4**	**10.5**	**47.0**	**94.1**	**110.1**		
Gross Variance to Plan	**3.3**	**1.0**	**(0.9)**	**5.0**	**10.0**	**11.2**		
Reported Variance to Plan *	**3.3**	**1.0**	**(0.9)**	**5.0**	**10.0**	**1.0**		

Key Information

Month 3, June, increase in plan following the conversion of year to date pay and drugs core operational underspends to savings, offset by the savings target assumed within non-pay.

Month 4, July, reduction in expenditure largely due to a decrease in Capital Charges £4.0m, with a corresponding reduction in Revenue Resource Limit.

Month 7, October, onwards includes a reduction in expenditure due to mitigating actions requirement of £10.2m anticipated within Non-Pay to deliver from Month 7 to Month 12. Mitigating actions result in a risk for Non Pay due to the future months forecast being lower than year to date expenditure levels.

Month 12, March, includes Depreciation and Amortisation Impairments increase in expenditure of £14.3m, with a corresponding increase in Revenue Resource Limit. Note an opportunity within Executive Functions as forecast capital expenditure in future periods, particularly Month 12, is higher than year-to-date expenditure levels.

Forecast overspend of £11.2m largely relates to the £10.0m savings identification gap against target assumed within Non-Pay, Estates maintenance and energy increase £1.7m, Community and Integrated Medicine maintenance, security and transportation costs £1.2m, offset by Welsh Risk Pool risk share reduction £(3.5)m.

***Reported Variance to Plan for end of year includes £10.2m of assumed mitigating actions to deliver the £37.5m Reported Position.**

Income Insights

In-Month Actual
£7.1m
Variance to Plan **£0.0m**

YTD Actual
£43.0m
Variance to Plan **£(0.7)m**

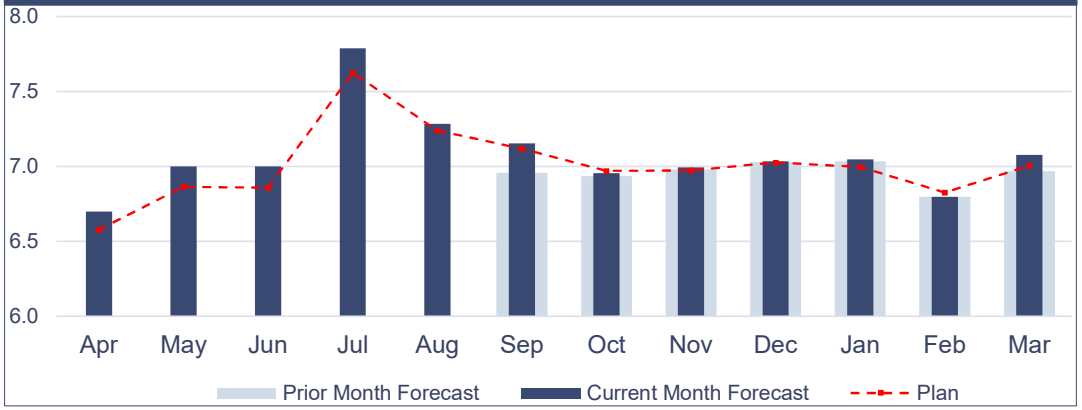
EOY Forecast
£84.9m
Variance to Plan **£(0.8)m**

3-Year Growth
15.1%
2023-24 Outturn **£73.7m**

In-Year Growth
2.4%
2025-26 Outturn **£82.9m**

YTD Extrapolation
£85.9m
(Risk) / Opp **£1.0m**

Income Monthly Trend (£'m)



Income Trajectory Analysis (£'m)	P04-27	P05-27	P06-27	YTD	YTD Extrap.	EoY Forecast	EoY Var	Risk / (Opp)
Functions	**7.7**	**7.3**	**7.1**	**43.0**	**85.9**	**84.9**		**1.0**
Chief Operating Officer Management	-	-	-	0.2	0.4	0.4		-
Community and Integrated Medicine	0.3	0.4	0.3	2.1	4.1	4.0		0.1
Mental Health and Learning Disabilities	0.3	0.3	0.2	1.6	3.1	2.7		0.4
Operational Allied Health and Health Sciences	0.3	0.3	0.3	1.7	3.4	3.4		0.1
Planned and Specialist Care	0.5	0.5	0.4	3.0	6.1	5.9		0.2
Primary Care	0.2	0.2	0.2	1.2	2.4	2.3		0.1
Executive Functions	6.1	5.6	5.6	33.2	66.3	66.1		0.2
Total Income	**7.7**	**7.3**	**7.1**	**43.0**	**85.9**	**84.9**		**1.0**
Plan	**7.6**	**7.2**	**7.1**	**42.3**	**84.6**	**84.1**		
Gross Variance to Plan	**0.1**	**0.0**	**0.0**	**0.7**	**1.3**	**0.8**		

Key Information

Month 2, May, increase in income from prior month due to additional Health Education and Improvement Wales, Non-Contracted activity and Drugs rebate income.

Month 4, July, increase in income from prior month largely relating to year to date recognition of Digital Health and Care Wales income for Digital initiative programmes expenditure £0.5m.

Month 6, September, increase in income from prior month forecast largely relating to Central Income and Workforce Higher Awards income.

Income overachievement of £(0.8)m largely relates to Central Income Non-Contracted Activity income £(1.0)m, Operational Allied Health training and secondment income £(0.5)m and Planned and Specialist Care Bowel Screening income £(0.4)m, offset by underachievement of Dental Income due to reduced activity and termination of Dental practices contracts £1.8m.

GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Detailed Summary

Detailed view of financial performance across the in-month, year-to-date and end-of-year positions. For each period, they explain the core operational and savings performance, quantify key deviations from plan and show performance by Clinical Care Group and Executive Function. They highlight any further mitigating actions required to achieve the reported deficit.



1. Thriving teams



2. Healthier communities

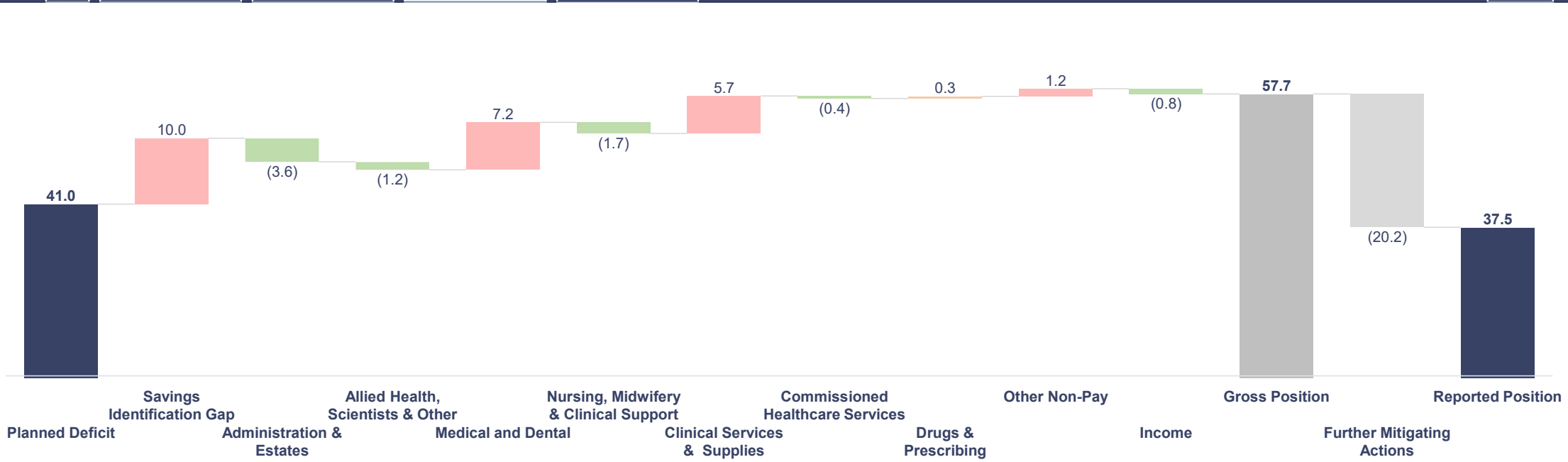


3. Great care



4. Positive futures

End of Year – Key Drivers vs Plan



Key Information

Savings Identification Gap – Savings identification of £32.8m against savings target of £42.8m, leaving a savings identification gap of £10.0m.

Administration & Estates – Pay vacancies mainly within Workforce £(0.8)m, Primary Care £(0.7)m and Public Health £(0.6)m alongside Workforce Health Board wide Improvement Programme relating to Administration and Clerical recruitment restrictions £(0.8)m.

Medical and Dental – Community and Integrated Medicine high locum and agency usage to cover rota gaps, sickness and vacancies mainly within Pembrokeshire £2.3m and Carmarthenshire £0.6m. Planned and Specialist Care continuation of dual running of Medical staff within Bronglais Obstetrics, Gynaecology and Paediatrics £1.9m, alongside Pathology £1.4m and Mental Health £1.1m locum usage to cover sickness and vacancies.

Clinical Services and Supplies – Theatres, Dermatology, Anaesthetics and Urology outsourcing within Planned and Specialist Care £2.4m, Radiology outsourcing and dual running of services offset by vacancies £2.2m, and Community and Integrated Medicine purchases of Continuous Positive Airway Pressure, insulin pumps, incontinence products and hoist equipment £1.3m.

End of Year – Key Deviations to Plan

Key Deviation		£'m	Key Information
Planned Deficit		**41.0**	**As per plan submitted to Welsh Government**
Savings Delivery Gap		10.0	Green and Amber savings plans delivering of £32.8m against savings target of £42.8m
Overspends	Medical Stabilisation improvements not delivered	7.2	C&IM agency usage and dual running to cover vacancies and sickness cover (£3.4m), BGH W&C absence and restricted duties (£1.9m), Pathology agency usage (£1.4m) and MH&LD 4 premium agency (£1.1m) to cover sickness and vacancies.
	Continuing Healthcare	5.9	Demand increases on Continuing Healthcare packages (£4.5m) and Out of Area Mental Health placements (£1.4m)
	Theatre activity and increased outsourcing	3.6	Planned and Specialist Care outsourcing of various streams of activity above planned levels
	Radiology outsourced services	2.8	Double running of Radiology contracts and insourcing of ultrasound services, offset by Radiology vacancies
	Primary Care Drugs Price and Concessions	2.6	Pharmacy increase in drugs price in line with July Prescribing Audit Report from £8.45 to £8.82 per item.
	Estates and Facilities Non Pay	1.7	Estates and Facilities building maintenance and repair contracts alongside increase in energy NWSSP forecast
	Community & Integrated Medicine Non Pay supplies	1.3	Continuous Positive Airway Pressure, insulin pumps, incontinence products, equipment including hoists, alongside building maintenance, security and transportation costs
	Long Term Agreements	1.0	Non-elective short stay episodes attracting a disproportionate flat rate tariff within Swansea Bay
	Band 2/3 banding assumption changes	0.9	Increase in national framework assumptions and additional establishment conversion
Underspends	Primary Care	(7.6)	Dental contract handback £(5.1)m and General Medical Supplementary Services £(2.6)m.
	Administrative vacancies	(3.7)	Workforce Health Board Improvement programme £(0.8)m. Pay vacancies across the majority of services.
	Welsh Risk Pool	(3.5)	Welsh Risk Pool risk share reduction in line with latest NWSSP forecast
	Clinical fill rates (non-medical)	(2.9)	Vacancies and reduced fill rates within Nursing and Allied Health roles
	Income	(2.6)	Central Income £(1.0)m, Operational Allied Health £(0.5)m and Planned and Specialist Care £(0.4)m
Gross Position		**57.7**	**Report £37.5m to Welsh Government, with full mitigating actions assumed**
Further Mitigating Actions		(20.2)	Robust plans are yet to be confirmed, but opportunities exceeding the value are being reviewed
Reported Position		**37.5**	**Revised to £37.5m following Welsh Risk Pool risk share reduction of £3.5m**

End of Year – Key Performance vs Plan

Clinical Care Groups and Executive Functions (£'m)	Savings Gap to Target	Savings Delivery vs Plan Benefits	Core Operational Variation	Total	Key Information
Planned Deficit				**41.0**	**As per plan submitted to Welsh Government**
Chief Operating Officer Management	0.4	0.0	0.8	**1.2**	Savings non delivery plus Voluntary Early Retirement Scheme payments and Physiotherapy First Contact Point pay expenditure.
Community and Integrated Medicine	3.4	0.0	11.5	**14.9**	Savings non delivery plus Medical locum agency £3.4m and Nursing bank usage £1.0m to cover sickness and vacancies. Continuing Healthcare packages increase £3.6m and consumables, security, maintenance and transportation costs £2.5m.
Mental Health and Learning Disabilities	3.3	0.0	1.8	**5.1**	Savings non delivery plus purchase of outsourced Psychiatric Intensive Care beds £1.4m, Continuing Healthcare packages increase £1.0m, Medical locum agency usage £1.1m offset by Allied Health and Nursing vacancies £(1.6)m.
Operational Allied Health & Health Sciences	3.2	0.0	1.2	**4.4**	Savings non delivery plus Radiology services outsourcing and dual running £2.8m offset by Radiology Allied Health vacancies £(2.8)m. Medical agency locum usage within Pathology £1.4m.
Planned and Specialist Care	3.1	0.0	4.0	**7.1**	Savings non delivery plus outsourcing of activity in Theatres, Dermatology, Anaesthetics and Urology £3.6m, Children and Women Medical dual running within Bronglais £1.9m and Nursing vacancies due to delay in investment plans £(2.0)m.
Primary Care	(0.1)	0.0	(8.5)	**(8.6)**	Dental contracts handback offset by income under achievement £(5.1)m, General Medicine Services Supplementary Services underspends £(2.6)m
Executive Functions	(3.3)	0.0	(4.1)	**(7.4)**	Savings over delivery relating to Workforce pay, VAT recovery and drugs process improvement. Welsh Risk Pool reduction in risk share £(3.5)m, Central Income overachievement £(1.0)m and Workforce Improvement Programme Administration and Clerical recruitment restrictions £(0.8)m.
Sub Total	**10.0**	**0.0**	**6.7**	**16.7**	
Gross Position				**57.7**	
Further Mitigating Actions				(20.2)	Conversion of opportunities to robust plans required as not yet confirmed
Reported Position				**37.5**	**Revised following improvement to Welsh Risk Pool risk share £3.5m**

End of Year – Key Performance vs Plan Executive

Executive Function (£'m)	Savings Gap to Target	Savings Delivery vs Plan Benefits	Core Operational Variation	Total	Key Information
Chief Executive	(0.2)	0.0	(0.2)	**(0.4)**	Over-achievement of savings, administrative pay vacancies.
Digital	0.1	0.0	0.0	**0.1**	Under-achievement of savings.
Estates and Facilities	2.0	0.0	1.4	**3.4**	Under-achievement of savings, building and maintenance expenditure and increase in energy expenditure in line with NWSSP forecast.
Executive Allied Health	0.0	0.0	(0.1)	**(0.1)**	Allied Health pay vacancies.
Finance	(0.5)	0.0	(0.2)	**(0.7)**	Over-achievement of savings, administrative pay vacancies.
Health Board Wide	(3.8)	0.0	(5.6)	**(9.4)**	Over-achievement of VAT recovery and drugs process improvement savings. Welsh Risk Pool risk share reduction £(3.5)m, overachievement of income £(1.0)m
LTA's	1.3	0.0	1.0	**2.3**	Under-achievement of savings, Swansea Bay emergency activity increase.
Medical	(0.1)	0.0	0.0	**(0.1)**	Over-achievement of savings.
Nursing	(0.1)	0.0	0.2	**0.1**	Over-achievement of savings, offset by increase in legal fees.
Pharmacy and Medicines Management	2.6	0.0	2.4	**5.0**	Under-achievement of savings, increase in drugs price, volume and concessions in line with July Prescribing Audit Report from £8.45 to £8.82 per item.
Public Health	(0.7)	0.0	(1.1)	**(1.8)**	Over-achievement of savings, Administration and Nursing pay vacancies alongside reduction in vaccination programmes uptake.
Strategy and Planning	(0.4)	0.0	(0.2)	**(0.6)**	Over-achievement of savings, Capital redesign income.
Workforce	(3.5)	0.0	(1.7)	**(5.2)**	Over-achievement of savings, Administration pay vacancies and Workforce Improvement Programme Administration and Clerical recruitment restrictions
Sub Total	**(3.3)**	**0.0**	**(4.1)**	**(7.4)**	

End of Year – Key Performance vs Prior Month

Clinical Care Groups and Executive Functions (£'m)	Savings Gap to Target Movement	Savings Delivery vs Plan Movement	Core Operational Variation Movement	Total Movement	Key Information
Planned Deficit				**0.0**	**No change to Annual Plan Deficit of £41.0m**
Chief Operating Officer Management	0.0	0.0	0.1	**0.1**	Increased management administration costs.
Community and Integrated Medicine	(1.1)	0.0	0.8	**(0.3)**	Identified savings relating to Nintedanib drugs, Medical and Nursing. Increase in Continuing Healthcare packages, Nursing agency and enhanced pay, IBD and immunology drugs offset by reduction in Medical variable pay agency.
Mental Health and Learning Disabilities	(0.1)	0.0	0.2	**0.1**	Conversion of pay underspends relating to vacancies to savings, alongside a slight increase in Medical expenditure.
Operational Allied Health & Health Sciences	0.0	0.0	(0.3)	**(0.3)**	Improvement from prior month due to transfer of Children and Young People Weight Management service from Public Health to Operational Allied Health including pay vacancies.
Planned and Specialist Care	(0.7)	0.0	0.9	**0.2**	Conversion of Rheumatology, Ophthalmology and Critical Care drugs savings, previously presented as core underspends. Increases within Medical variable pay, offset by reduction in Oncology drugs expenditure.
Primary Care	0.0	0.0	0.5	**0.5**	Dental Orthodontic contract anticipated to continue to the end of the year and General Medical Services increase for Local Supplementary Services.
Executive Functions	(0.4)	0.0	(3.1)	**(3.5)**	Welsh Risk Pool reduction in risk share £(3.5)m alongside English Provider Services accountancy gain £(0.3)m, offset by Pharmacy drugs price and concessions increase £0.6m and Estates energy forecast increase £0.5m.
Sub Total	**(2.3)**	**0.0**	**(0.9)**	**(3.2)**	
Gross Position				**(3.2)**	
Further Mitigating Actions				(0.3)	
Reported Position				**(3.5)**	**Revised to £37.5m following Welsh Risk Pool improvement of £3.5m**

Trend – Total Key Performance vs Plan

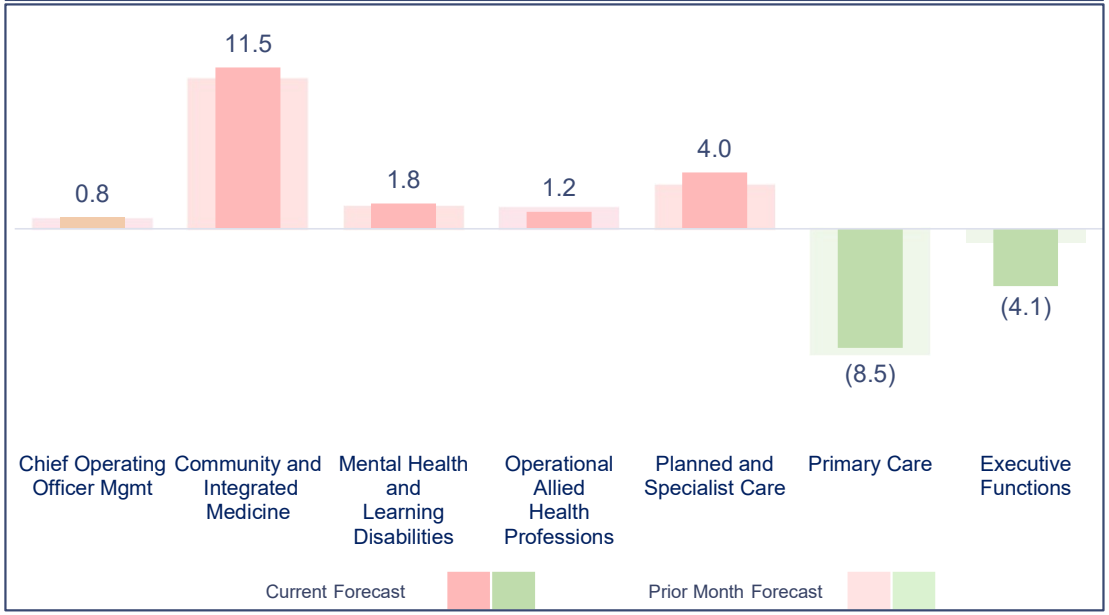
Clinical Care Groups and Executive Functions (£'m)	Apr EOY	May EOY	Jun EOY	Jul EOY	Aug EOY	Sep EOY	Key Information
Annual Plan	**41.0**	**41.0**	**41.0**	**41.0**	**41.0**	**41.0**	**As per plan submitted to Welsh Government**
Chief Operating Officer Management	0.8	1.6	1.2	1.1	1.1	**1.2**	Static, savings under delivery plus Voluntary Early Retirement Scheme payments and Physiotherapy First Contact Point pay.
Community and Integrated Medicine	12.8	13.9	15.1	14.1	15.2	**14.9**	Slight improvement, savings under delivery plus Medical locum agency and Nursing bank usage to cover sickness and vacancies. Continuing Healthcare packages and consumables expenditure.
Mental Health and Learning Disabilities	6.0	5.4	5.5	5.3	5.0	**5.1**	Slight worsening, savings under delivery plus Medical locum usage, Continuing Healthcare packages increase and purchase of outsourced Psychiatric Intensive Care Unit beds
Operational Allied Health & Health Sciences	5.1	5.0	5.5	5.3	4.7	**4.4**	Slight Improvement, Children and Young People Weight Management vacancies transfer from Public Health. Continued savings under delivery and Pathology Medical Locum usage.
Planned and Specialist Care	7.2	7.7	9.5	6.7	6.9	**7.1**	Slight worsening, savings non delivery plus outsourcing of Theatres activity and consumables and Medical dual running.
Primary Care	(12.4)	(12.4)	(10.7)	(9.0)	(9.1)	**(8.6)**	Worsening, General Medical Services and Dental increase in programme expenditure. Underspends relating to Dental contract handback £(5.1)m and GMS Supplementary Services £(2.6)m.
Executive Functions	3.1	(0.3)	(4.9)	(4.1)	(3.9)	**(7.4)**	Improving, Welsh Risk Pool risk share reduction £(3.5)m recognised in September. Other favourable themes include VAT recovery, drugs process improvement, Central Income overachievement and pay vacancies.
Adverse / (Favourable) Variance to Plan	**22.6**	**20.9**	**21.2**	**19.4**	**19.9**	**16.7**	
Gross Position	**63.6**	**61.9**	**62.2**	**60.4**	**60.9**	**57.7**	

Trend – Total Key Performance vs Plan Executive

Executive Functions (£'m)	Apr EOY	May EOY	Jun EOY	Jul EOY	Aug EOY	Sep EOY	Key Information
Chief Executive	(0.3)	(0.3)	(0.4)	(0.3)	(0.3)	**(0.4)**	No material change
Digital	0.4	0.4	0.1	0.1	0.0	**0.1**	No material change
Estates and Facilities	3.2	3.0	3.0	2.9	2.9	**3.4**	Worsening, savings under delivery, maintenance costs and increase in energy expenditure in line with NWSSP schedule
Executive Allied Health	0.0	0.0	0.0	0.0	0.0	**(0.1)**	No material change
Finance	(0.3)	(0.6)	(0.4)	(0.5)	(0.6)	**(0.7)**	No material change, administrative pay vacancies
Health Board Wide	0.9	(1.0)	(4.6)	(5.2)	(5.1)	**(9.4)**	Improving, Welsh Risk Pool risk share reduction £(3.5)m recognised in September. Other themes include VAT recovery, drugs process improvement, Central Income overachievement.
LTA's	4.4	4.1	3.0	2.2	2.4	**2.3**	Improving, Swansea Bay Emergency Activity, offset by Joint Commissioning Committee risk share improvement
Medical	(1.1)	(1.1)	(0.4)	(0.2)	(0.2)	**(0.1)**	Deterioration, Value Based Healthcare plans confirmed
Nursing	(0.1)	0.0	0.0	0.1	0.1	**0.1**	No material change
Pharmacy and Medicines Management	2.0	1.9	1.9	3.6	4.8	**5.0**	Deterioration, savings under delivery and July Prescribing Audit Report increase in drugs price to £8.82 and concessions
Public Health	(2.4)	(2.2)	(2.2)	(1.8)	(2.1)	**(1.8)**	Static, pay vacancies and lower vaccination programme uptake
Strategy and Planning	(0.4)	(0.6)	(0.5)	(0.5)	(0.6)	**(0.6)**	Static, relating to Capital redesign income.
Workforce	(3.2)	(3.9)	(4.4)	(4.5)	(5.2)	**(5.2)**	Improving, Workforce Improvement Programme Administration and Clerical recruitment restrictions £(0.8)m and pay vacancies
Adverse / (Favourable) Variance to Plan	**3.1**	**(0.3)**	**(4.9)**	**(4.1)**	**(3.9)**	**(7.4)**	

End of Year – Core Operational Variation

Core Operational Variation (£'m)



Core Operational Variation (£'m)

Portfolio	Pay	Non-Pay	Income	Total
Chief Operating Officer Management	0.8	0.0	0.0	**0.8**
Community and Integrated Medicine	4.8	6.9	(0.2)	**11.5**
Mental Health and Learning Disabilities	(0.7)	2.4	0.1	**1.8**
Operational Allied Health and Health Sciences	(1.0)	2.7	(0.5)	**1.2**
Planned and Specialist Care	0.8	3.6	(0.4)	**4.0**
Primary Care	(0.5)	(9.8)	1.8	**(8.5)**
Executive Functions	(3.5)	1.0	(1.6)	**(4.1)**
Total	**0.7**	**6.8**	**(0.8)**	**6.7**

Key Information

Community and Integrated Medicine Medical locum agency £3.4m and Nursing bank usage £1.0m to cover sickness and vacancies, Continuing Healthcare packages increase in monthly average of commissioned care days £3.6m, increase in consumables relating to Continuous Positive Airway Pressure, insulin pumps and equipment including hoists £1.3m and security and building maintenance expenditure.

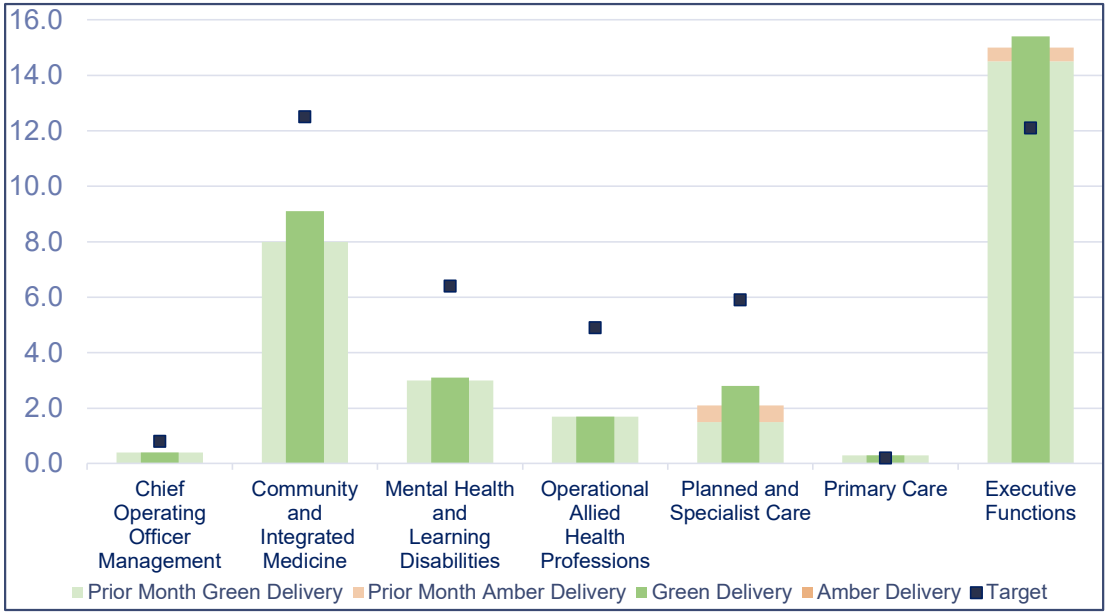
Planned & Specialist Care Theatres, Dermatology, Anaesthetics and Urology activity outsourced £3.6m, Medical dual running within Bronglais £1.9m, Nursing vacancies due to delay in investment plans £(2.0)m.

Primary Care Dental contracts handback offset by Dental income underachievement £(5.1)m and General Medical Services Supplementary Services underspends £(2.6)m.

Executive Functions Welsh Risk Pool reduction in risk share £(3.5)m, Workforce and Public Health vacancies £(2.8)m, Central Income overachievement £(1.0)m, Workforce Improvement Programme Administration and Clerical recruitment restrictions £(0.8)m, offset by Pharmacy increase in drugs price, volume and concessions in line with July Prescribing Audit Report £2.4m, Estates maintenance and increase in energy expenditure £1.4m and Swansea Bay Long Term Agreement Emergency activity increase £1.0m.

End of Year – Savings Performance Breakdown

Savings Performance Breakdown (£'m)



Savings Performance Breakdown (£'m)

Portfolio	Target	Plan	Delivery	Gap
Chief Operating Officer Management	0.8	0.4	0.4	0.4
Community and Integrated Medicine	12.5	9.1	9.1	3.4
Mental Health and Learning Disabilities	6.4	3.1	3.1	3.3
Operational Allied Health and Health Sciences	4.9	1.7	1.7	3.2
Planned and Specialist Care	5.9	2.8	2.8	3.1
Primary Care	0.2	0.3	0.3	(0.1)
Executive Functions	12.1	15.4	15.4	(3.3)
Grand Total	**42.8**	**32.8**	**32.8**	**10.0**

Key Information

Savings identification is £32.8m, with all savings forecast to fully deliver, leaving a savings under-identification gap of £10.0m against the £42.8m target.

The £10.0m under-identification is primarily attributable to Community and Integrated Medicine £3.4m, Mental Health and Learning Disabilities £3.3m, Operational Allied Health £3.2m, Planned and Specialist Care £3.1m. This is partially offset by £(3.3)m over-identification within Executive Functions, largely relating to Health Board Wide £(3.7)m and Workforce £(3.5)m and However, significant savings under-identfication remain within Executive Functions, notably Pharmacy and Medicines Management £2.7m, Estates and Facilities £2.1m and Long-Term Agreements £1.3m.

Of the schemes identified, £7.8m are recurrent savings with £25.0m being non-recurrent savings.

End of Year – Saving Delivery Performance

Savings

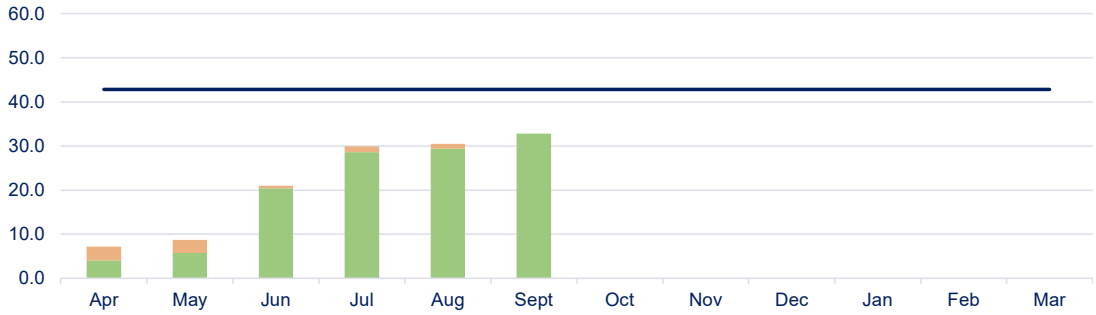
Savings Target
£42.8m
Recurrent = £42.8m
Non-Recurrent = £0.0m

In-Year Recurrent Gap
£35.0m
Target = £42.8m
Delivery = £7.8m

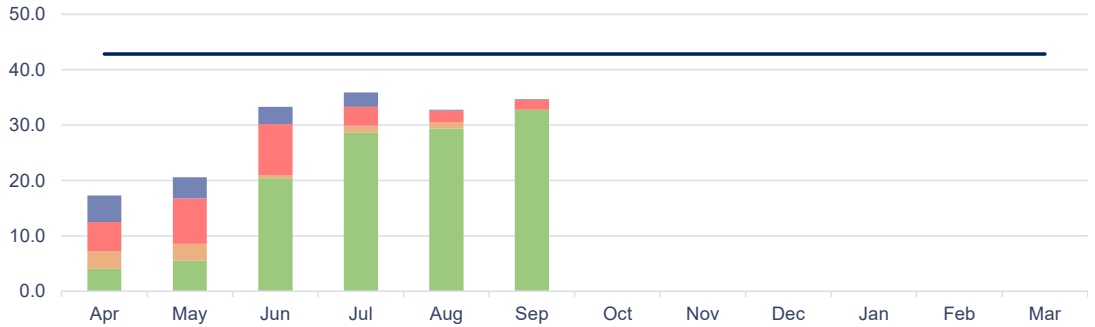
In-Year Non-Recurrent Gap
£(25.0)m
Target = £0.0m
Delivery = £25.0m

Full Year Recurrent Gap
£33.9m
Target = £42.8m
Delivery = £8.9m

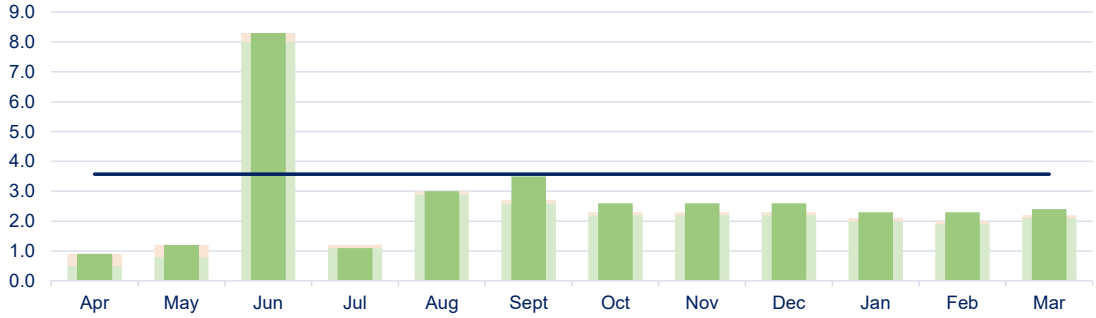
Monthly Trend of Annual In-Year Risk-Assessed Savings Delivery (£'m)



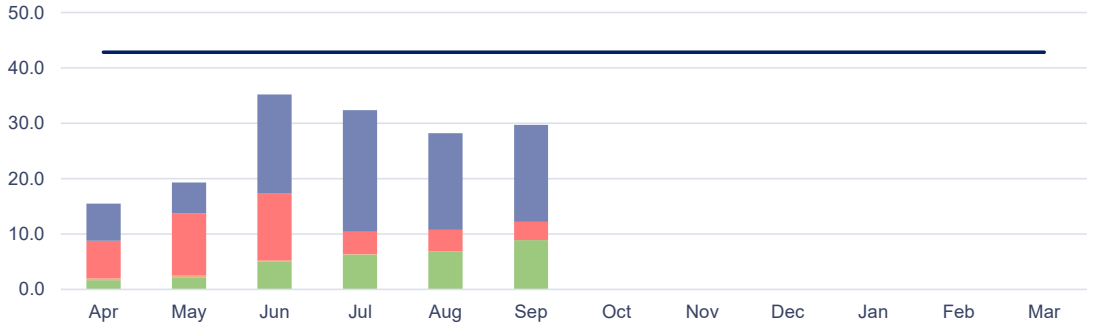
Monthly Trend of Annual In-Year Opportunity, Pipeline & Savings Plans (£'m)



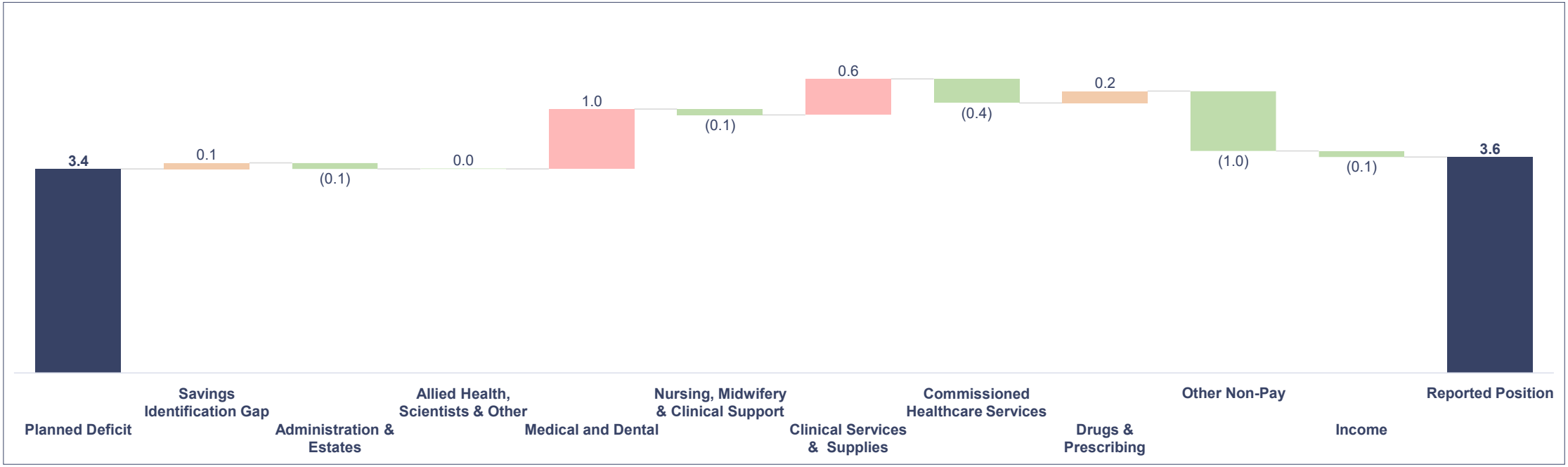
Monthly Profiled Risk-Assessed Savings Delivery (£'m)



Monthly Trend of Annual Recurrent Opportunity, Pipeline & Savings Plans (£'m)



In-Month – Key Drivers vs Plan



Key Information

Savings Identification Gap – Savings identification of £3.5m against savings target of £3.6m, leaving a savings under identification gap of £0.1m.

Medical and Dental – Planned and Specialist Care continued locum usage to cover sickness and vacancies, retrospective additional duty claims, dual running of staff in Bronglais £0.5m and Community and Integrated Medicine continued locum usage to cover sickness and vacancies, alongside retrospective payments £0.4m mainly within Carmarthenshire and Pembrokeshire.

Clinical Services &Supplies – Theatre loan kits and implants purchases in Planned and Specialist Care £0.3m, and Radiology outsourcing of services within Operational Allied Health £0.2m.

Commissioned Healthcare Services – Primary Care Dental contracts handback £(0.6)m and General Medical Services supplementary services underspend £(0.2)m, offset by Continuing Healthcare packages within Community and Integrated Medicine and Mental Health £0.4m alongside purchase of outsourced Mental Health Psychiatric Intensive Care unit beds £0.2m.

Other Non-Pay – Recognition of year to date reduction in Welsh Risk Pool risk share £(1.8)m, offset by increase in year to date energy expenditure within Estates and Facilities in line with latest NWSSP forecast £0.2m, alongside maintenance expenditure within Community and Integrated Medicine £0.1m, and Workforce Higher Awards contract expenditure £0.1m.

In-Month – Key Deviations to Plan

Key Deviation		£'m	Key Information
Planned Deficit		**3.4**	**As per plan submitted to Welsh Government**
Savings Delivery Gap		0.2	Green and Amber savings plans delivering of £3.4m against savings target of £3.6m
Overspends	Medical Stabilisation improvements not delivered	1.0	Agency usage to cover vacancies and sickness within Community and Integrated Medicine £0.4m, Cancer and Scheduled Care £0.3m and Children and Women £0.2m, alongside retrospective payments
	Primacy Care Drugs Price and Concessions	0.6	Pharmacy and Medicines Management increase in drugs price, concessions and volume in line with latest Prescribing Audit Report. Increase in price from £8.45 per item to £8.74 per item.
	Continuing Healthcare and outsourced beds	0.6	Demand increases on Continuing Healthcare packages within Community and Integrated Medicine and Mental Health, and purchase of outsourced Mental Health Psychiatric Intensive Care Unit beds
	Clinical Services and Supplies	0.5	Planned Care theatre loan kits and implants purchases alongside outsourcing of activity £0.3m, Radiology outsourced services £0.2m, insulin pumps, cardiac and diabetic consumable purchases £0.1m
	Estates and Facilities Non Pay	0.2	Estates and Facilities maintenance expenditure and repairs alongside year to date increase in energy expenditure in line with latest NWSSP forecast.
Underspends	Welsh Risk Pool risk share year to date reduction	(1.8)	Recognition of year to date Welsh Risk Pool risk share reduction in risk share percentages and forecast in line with latest NWSSP schedule.
	Primary Care	(1.1)	Dental contracts handback £(0.6)m, General Medical Services supplementary services underspend £(0.2)m and delay in Primary Care cluster project plans £(0.2)m
Reported Position		**3.6**	

In-Month – Key Performance vs Plan

Clinical Care Groups and Executive Functions (£'m)	Savings Gap to Target	Savings Delivery vs Plan Benefits	Core Operational Variation	Total	Key Information
Annual Plan				**3.4**	**As per plan submitted to Welsh Government**
Chief Operating Officer Management	0.1	0.0	0.0	**0.1**	Savings non delivery.
Community and Integrated Medicine	0.1	0.0	1.3	**1.4**	Medical locum agency usage to cover sickness and vacancies, alongside retrospective payments £0.4m, increase in Continuing Healthcare packages £0.4m and Nursing enhanced rates and agency £0.3m.
Mental Health and Learning Disabilities	0.1	0.0	0.2	**0.3**	Savings non delivery plus increase in Continuing Health Care packages and purchase of outsourced Psychiatric Intensive Care Unit beds.
Operational Allied Health & Health Sciences	0.2	0.0	0.1	**0.3**	Savings non delivery plus outsourcing of Radiology services £0.1m.
Planned and Specialist Care	0.2	0.0	0.6	**0.8**	Savings non delivery plus Medical locum agency usage including dual running of staff and retrospective payments £0.5m, Theatre loan kits and implants £0.3m offset by Theatres Nursing investment vacancies £(0.4)m.
Primary Care	0.0	0.0	(1.0)	**(1.0)**	Dental contracts handback £(0.6)m, General Medical Services supplementary services £(0.2)m, delay in cluster projects £(0.2)m
Executive Functions	(0.6)	0.0	(1.1)	**(1.7)**	Savings over-delivery relating to VAT recovery, English Provider Services accountancy gain, Injury Cost Recovery income, and Workforce pay savings. Recognition of year to date Welsh Risk Pool risk share reduction £(1.8)m, offset by increase in drugs volume, concessions and price £0.6m.
Sub Total	**0.1**	**0.0**	**0.1**	**0.2**	
Gross Position				**3.6**	

In-Month – Key Performance vs Plan Executive

Executive Function (£'m)	Savings Gap to Target	Savings Delivery vs Plan Benefits	Core Operational Variation	Total	Key Information
Chief Executive	0.0	0.0	0.0	**0.0**	No material deviation to plan
Digital	0.0	0.0	0.1	**0.1**	No material deviation to plan
Estates and Facilities	0.2	0.0	0.2	**0.4**	Under-achieved savings, building and maintenance expenditure alongside increase in year to date energy expenditure in line with NWSSP schedule
Executive Allied Health	0.0	0.0	0.0	**0.0**	No material deviation to plan
Finance	(0.1)	0.0	0.0	**(0.1)**	Over-achieved savings
Health Board Wide	(0.7)	0.0	(1.9)	**(2.6)**	Over-achieved savings relating to VAT recovery, English Provider Services accountancy gain and Injury Cost Recovery income. Recognition of year to date Welsh Risk Pool risk share reduction £(1.8)m
LTA's	0.1	0.0	0.1	**0.2**	Under-achieved savings, Swansea Bay emergency activity increase
Medical	0.0	0.0	0.1	**0.1**	No material deviation to plan
Nursing	0.0	0.0	0.0	**0.0**	No material deviation to plan
Pharmacy and Medicines Management	0.2	0.0	0.5	**0.7**	Under-achieved savings, increase in drugs volume, concessions and price from £8.45 to £8.74 per item in line with June Prescribing Audit Report.
Public Health	0.0	0.0	(0.1)	**(0.1)**	Pay vacancies across the service within Admin and Nursing
Strategy and Planning	0.0	0.0	0.0	**0.0**	No material deviation to plan
Workforce	(0.3)	0.0	(0.1)	**(0.4)**	Over-achieved savings, alongside Admin pay vacancies
Sub Total	**(0.6)**	**0.0**	**(1.1)**	**(1.7)**	

In-Month – Key Performance vs Prior Month

Clinical Care Groups and Executive Functions (£'m)	Savings Gap to Target Movement	Savings Delivery vs Plan Benefits Movement	Core Operational Variation Movement	Total Movement	Key Information
Planned Deficit				**0.0**	**No change to Annual Plan Deficit**
Chief Operating Officer Management	0.1	0.0	0.1	**0.2**	Less savings identified and increase in non-pay costs relating to Hospital Sterilisation and Decontamination Unit and Transport.
Community and Integrated Medicine	(0.4)	0.0	0.4	**0.0**	Additional savings identified relating to delay in Clinical Streaming Hub investment and respiratory drugs loss of exclusivity, offset by increase in Nursing enhanced rates and agency.
Mental Health and Learning Disabilities	(0.1)	0.0	0.1	**0.0**	Additional pay savings identified previously classified as core operational underspends. Increase in Continuing Healthcare packages.
Operational Allied Health & Health Sciences	0.0	0.0	0.0	**0.0**	No material deviation to prior month
Planned and Specialist Care	(0.1)	0.0	0.4	**0.3**	Additional savings identified in-month, increase in Medical variable pay expenditure and retrospective payments and increase in Theatres loan kits and implants expenditure.
Primary Care	0.0	0.0	0.6	**0.6**	Primary Care year to date reduction in General Medical Services contract expenditure in prior month, with increased expenditure in-month.
Executive Functions	0.0	0.0	(2.1)	**(2.1)**	Recognition of year to date Welsh Risk Pool risk share reduction £(1.8)m, Pharmacy drugs price and concessions year to date increase in prior month £(0.4)m, offset by increase in year to date energy £0.2m.
Sub Total	**(0.5)**	**0.0**	**(0.5)**	**(1.0)**	
Gross Position				**(1.0)**	

Trend – Total Key Performance vs Plan

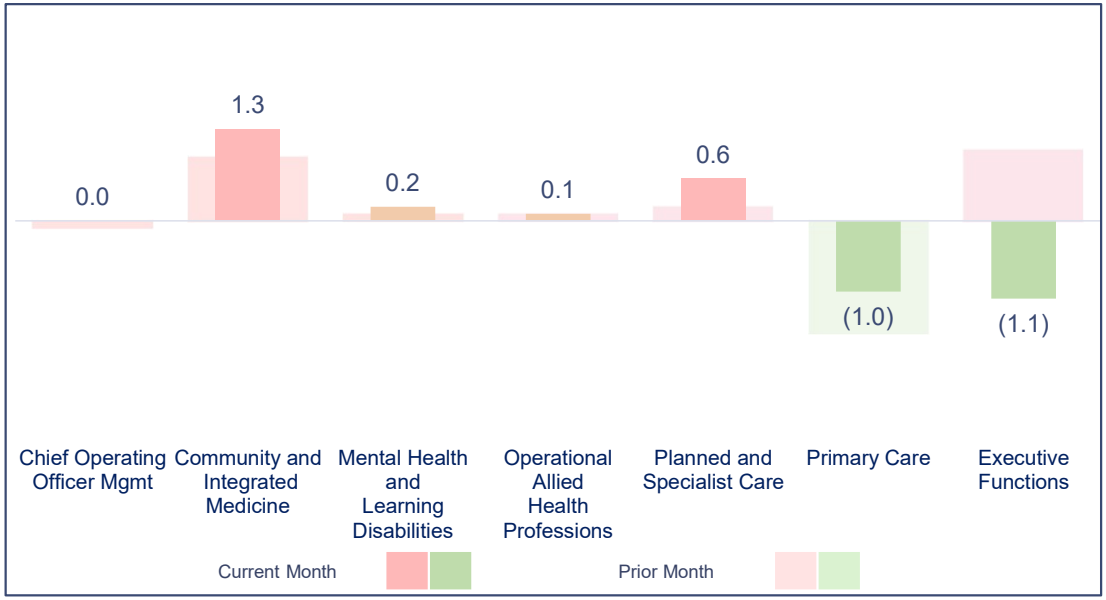
Clinical Care Groups and Executive Functions (£'m)	Apr	May	Jun	Jul	Aug	Sep	Year to Date	Key Information
Annual Plan	**3.4**	**3.4**	**3.4**	**3.4**	**3.4**	**3.4**	**20.5**	**As per plan submitted to Welsh Government**
Chief Operating Officer Management	0.1	0.5	0.1	0.0	(0.1)	0.1	**0.8**	Static, one-off Voluntary Early Retirement Scheme payments in May
Community and Integrated Medicine	1.0	1.2	1.6	1.3	1.4	1.4	**7.9**	Static, Medical and Nursing variable and agency to cover sickness and Continuing Healthcare packages
Mental Health and Learning Disabilities	0.4	0.5	0.3	0.5	0.3	0.3	**2.5**	Static, demand for outsourced Psychiatric Intensive Care Unit and Continuing Healthcare packages
Operational Allied Health & Health Sciences	0.3	0.4	0.5	0.4	0.3	0.3	**2.1**	Static, savings non delivery plus Medical agency usage within Pathology to cover vacancies and Radiology outsourcing
Planned and Specialist Care	0.6	0.8	1.3	0.8	0.5	0.8	**4.6**	Worsening, savings non delivery plus Medical retrospective payments and sickness cover and Theatre loan kits and implants
Primary Care	(0.5)	(0.9)	(0.9)	(0.7)	(1.6)	(1.0)	**(5.7)**	Delay in General Medical Services Global Sum expenditure in prior month. Dental contracts handback
Executive Functions	0.2	0.1	(1.2)	(0.6)	0.4	(1.7)	**(2.8)**	Improving due to recognition of year to date Welsh Risk Pool risk share reduction in-month £(1.8)m and Pharmacy recognition of increase drugs price and concessions in prior month £(0.4)m
Adverse / (Favourable) Variance to Plan	**2.1**	**2.6**	**1.7**	**1.7**	**1.2**	**0.2**	**9.4**	
Gross Position	**5.5**	**6.0**	**5.1**	**5.1**	**4.6**	**3.6**	**29.9**	

Trend – Total Key Performance vs Plan Executive

Executive Functions (£'m)	Apr	May	Jun	Jul	Aug	Sep	Year to Date	Key Information
Chief Executive	(0.1)	0.0	0.0	0.0	0.0	0.0	**(0.3)**	Static
Digital	0.0	0.1	0.0	0.2	0.2	0.1	**0.6**	Static, Digital initiatives programmes expenditure
Estates and Facilities	0.3	0.3	0.4	0.1	0.1	0.4	**1.8**	Worsening, recognition of year to date increase in energy due to global factors in line with latest NWSSP forecast
Executive Allied Health	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	Static
Finance	0.0	0.0	(0.1)	0.0	(0.1)	(0.1)	**(0.3)**	Static
Health Board Wide	0.2	(0.1)	(1.1)	(0.8)	(0.7)	(2.6)	**(5.2)**	Improving, recognition of year to date Welsh Risk Pool risk share reduction in-month £(1.8)m. VAT recovery year to date saving in June, alongside Controlled Drugs Stock Review.
LTA's	0.3	0.4	0.5	0.1	0.1	0.2	**1.6**	Static, Swansea Bay emergency activity offset by reduction in Joint Commissioning Committee risk share
Medical	(0.1)	0.0	0.0	0.0	0.0	0.1	**(0.1)**	Static
Nursing	0.0	0.0	0.0	0.0	0.0	0.0	**0.0**	Static
Pharmacy and Medicines Management	0.1	0.1	(0.1)	0.4	1.3	0.7	**2.6**	Improving, prior month year to date increase in drugs price and concessions in line with Prescribing Audit Report
Public Health	(0.1)	(0.3)	(0.2)	(0.1)	(0.1)	(0.1)	**(0.8)**	Static
Strategy and Planning	(0.1)	(0.1)	(0.1)	0.0	(0.1)	0.0	**(0.5)**	Static
Workforce	(0.3)	(0.3)	(0.5)	(0.5)	(0.3)	(0.4)	**(2.2)**	Static, additional Admin pay vacancies
Adverse / (Favourable) Variance to Plan	**0.2**	**0.1**	**(1.2)**	**(0.6)**	**0.4**	**(1.7)**	**(2.8)**	

In-Month – Core Operational Variation

Core Operational Variation (£'m)



Core Operational Variation (£'m)

Clinical Care Group	Pay	Non-Pay	Income	Total
Chief Operating Officer Management	0.0	0.0	0.0	**0.0**
Community and Integrated Medicine	0.8	0.5	0.0	**1.3**
Mental Health and Learning Disabilities	0.0	0.2	0.0	**0.2**
Operational Allied Health and Health Sciences	(0.2)	0.3	0.0	**0.1**
Planned and Specialist Care	0.3	0.2	0.1	**0.6**
Primary Care	0.0	(1.1)	0.1	**(1.0)**
Executive Functions	(0.2)	(0.7)	(0.2)	**(1.1)**
Total	**0.7**	**(0.6)**	**0.0**	**0.1**

Key Information

Community and Integrated Medicine – Medical Agency locum usage to cover vacancies and sickness £0.4m, Nursing enhanced payment rates and agency usage £0.3m, and Continuing Healthcare packages volume increase £0.4m.

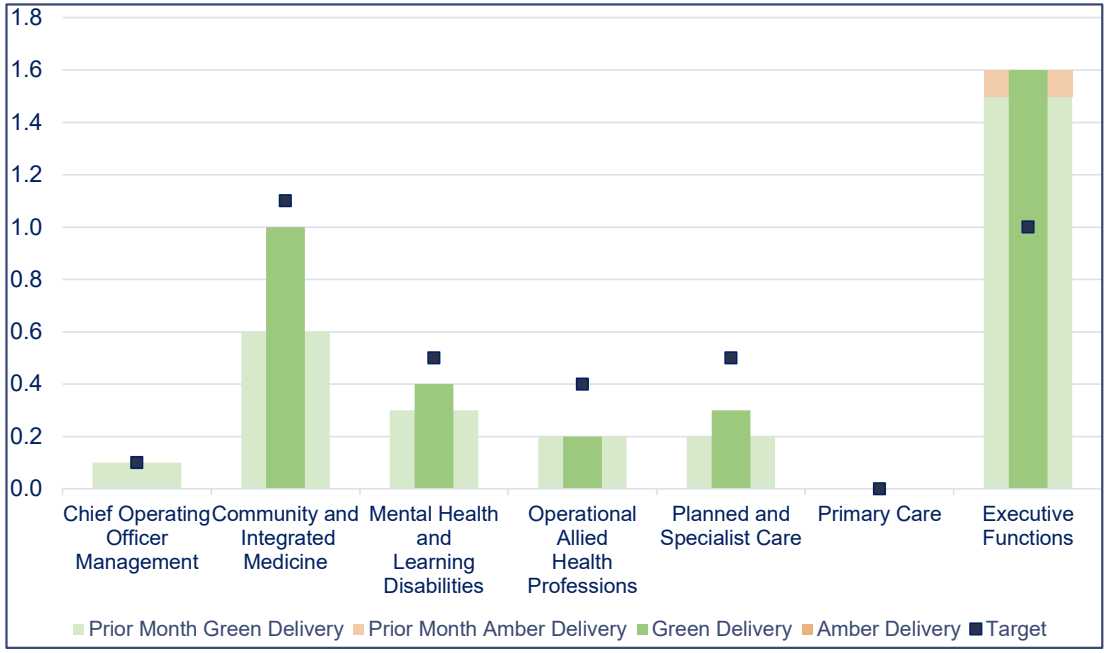
Planned and Specialist Care – Medical locum agency usage including dual running of staff and retrospective payments £0.5m, Theatre loan kits and implants £0.3m offset by Theatres Nursing investment vacancies £(0.4)m.

Primary Care – Dental contracts handback £(0.6)m, General Medical Services supplementary services underspend £(0.2)m and delay in Primary Care cluster project plans £(0.2)m

Executive Functions – Recognition of year to date Welsh Risk Pool risk share reduction in-month £(1.8)m, offset by Pharmacy and Medicines Management increase in drugs volume, concessions and price from £8.45 to £8.74 per item in line with June Prescribing Audit Report £0.6m, Estates and Facilities increase in energy expenditure in line with NWSSP schedule £0.2m.

In-Month – Savings Performance Breakdown

Savings Delivery vs Target (£'m)



Savings Performance Breakdown (£'m)

Clinical Care Group	Target	Plan	Delivery	Gap
Chief Operating Officer Management	0.1	0.0	0.0	0.1
Community and Integrated Medicine	1.1	1.0	1.0	0.1
Mental Health and Learning Disabilities	0.5	0.4	0.4	0.1
Operational Allied Health and Health Sciences	0.4	0.2	0.2	0.2
Planned and Specialist Care	0.5	0.3	0.3	0.2
Primary Care	0.0	0.0	0.0	0.0
Executive Functions	1.0	1.6	1.6	(0.6)
Grand Total	**3.6**	**3.5**	**3.5**	**0.1**

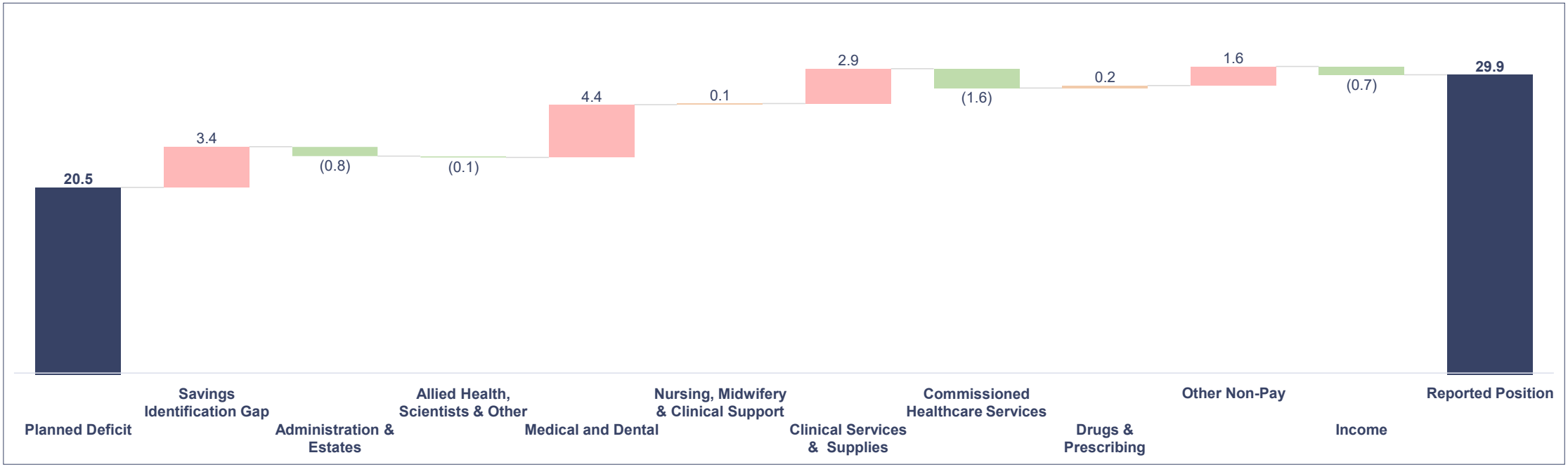
Key Information

Overall, savings identification and delivery of £3.5m has been achieved in Month 6, resulting in a £0.1m under-delivery against the £3.6m target, with variations across Clinical Care Groups.

£0.1m under-identification of savings largely relates to Operational Allied Health £0.2m, Planned and Specialist Care £0.2m, offset by over-identification within Executive Functions £(0.6)m. Executive Functions includes over-identification within Health Board Wide £(0.7)m and Workforce £(0.3)m, offset by under-identification within Pharmacy and Medicines Management £0.2m and Estates and Facilities £0.2m.

Increase in savings identification from prior month largely relates to English Provider Services accountancy gain £0.3m and Clinical Streaming Hub delay in investments expenditure within Community and Integrated Medicine £0.2m.

Year to Date – Key Drivers vs Plan



Key Information

Savings Identification gap – Savings delivery of £18.0m achieved against a target of £21.4m leaving a savings delivery gap of £3.4m.

Medical and Dental – Community and Integrated Medicine continued locum usage to cover sickness and vacancies £1.9m, Planned and Specialist Care continued locum usage to cover sickness and vacancies alongside dual running and rate card usage £1.8m, and Mental Health Medical agency usage £0.5m.

Clinical Services & Supplies – Theatre activity insourcing and consumable purchases including loan kits and implants, alongside Dermatology and Urology outsourcing within Planned and Specialist Care £1.4m, outsourcing of Radiology services within Operational Allied Health £1.1m and purchase of Cardiac and Diabetic consumables within Community and Integrated Medicine £0.6m.

Commissioned Healthcare Services – Primary Care Dental contract handbacks £(3.6)m and General Medical Services underspend £(1.8)m, offset by increase in Continuing Healthcare packages within Mental Health and Community and Integrated Medicine £2.3m, Swansea Bay emergency activity increase £0.9m and Planned and Specialist Care outsourcing of Ophthalmology activity £0.8m.

Other Non-Pay – Digital initiative programmes contract expenditure £0.9m, increase in Estates maintenance and energy contract expenditure in line with NWSSP schedule £0.8m, alongside building maintenance and repairs, patient security and transportation expenditure within Community and Integrated Medicine £0.6m, offset by Welsh Risk Pool risk share year to date reduction £(1.8)m.

Year to Date – Key Deviations to Plan

Key Deviation		£'m	Key Information
Planned Deficit		**20.5**	**As per plan submitted to Welsh Government**
Savings Delivery Gap		3.4	Green and Amber savings plans delivering of £18.0m against savings target of £21.4m
Overspends	Medical Stabilisation improvements not delivered	4.4	C&IM agency usage to cover vacancies and sickness (£1.9m), BGH W&C absence and restricted duties (£1.0m), Anaesthetist rate card extended (£0.8m), and MH&LD 4 premium agency (£0.5m).
	Continuing Healthcare and outsourced beds	3.1	Demand increases on CHC packages (£2.3m), Out of Area Mental Health placements (£0.8m)
	Clinical Services and Supplies	2.0	Radiology outsourced services £1.1m, insulin pumps, cardiac and diabetic consumable purchases £0.6m
	Theatre activity and increased outsourcing	1.7	Planned and Specialist Care activity and consumables increase, alongside outsourcing of services
	Pharmacy Drugs Price and Concessions	1.5	Pharmacy and Medicines Management increase in drugs price, concessions and volume in line with June Prescribing Audit Report. Increase in price from £8.45 per item to £8.74 per item.
	Digital Non Pay contracts	0.9	Digital initiative programmes contract expenditure
	Swansea Bay Long Term Agreement	0.9	Non-elective short stay episodes attracting a disproportionate flat rate tariff
	Estates and Facilities Non Pay	0.8	Building maintenance and repairs, alongside energy expenditure increase in line with NWSSP schedule
Underspends	Primary Care	(5.3)	Dental contracts handback £(3.6)m, General Medical Services supplementary services underspend £(1.8)m and delay in cluster project plans £(0.8)m, offset by Dental income underachievement £0.9m
	Welsh Risk Pool risk share reduction	(1.8)	Recognition of year to date Welsh Risk Pool risk share reduction in risk share percentages and forecast in line with NWSSP schedule in September.
	Income	(1.5)	Central Income £(0.4)m, Capital Design recharge income £(0.2)m, Velindre drugs rebates £(0.2)m, alongside various income streams within Planned and Specialist Care and Operational Allied Health.
	Administrative vacancies	(0.7)	Across many services, mainly within Primary Care £(0.3)m, Digital £(0.2)m, Workforce £(0.2)m and Public Health £(0.2)m. Continued commitment to convert underspends to savings.
Reported Position		**29.9**	

Year to Date – Key Performance vs Plan

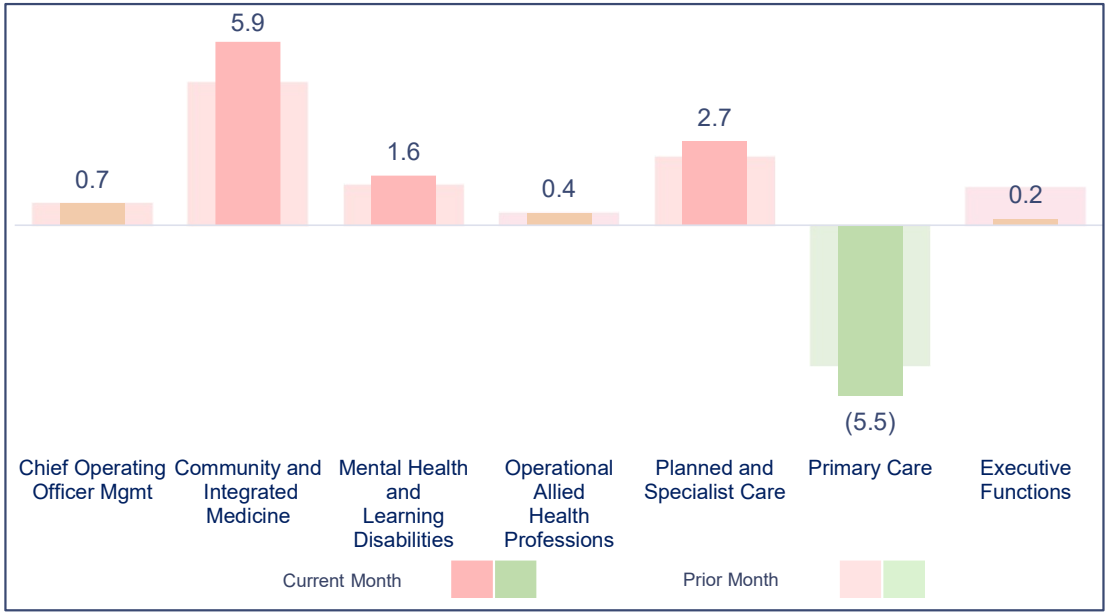
Clinical Care Groups and Executive Functions (£'m)	Savings Gap to Target	Savings Delivery vs Plan Benefits	Core Operational Variation	Total	Key Information
Planned Deficit				**20.5**	**As per plan submitted to Welsh Government**
Chief Operating Officer Management	0.1	0.0	0.7	**0.8**	Voluntary Early Retirement Scheme payments.
Community and Integrated Medicine	2.0	0.0	5.9	**7.9**	Savings non delivery plus Medical agency locum to cover sickness and vacancies £1.9m, Continuing Healthcare packages volume increase £1.6m, Nursing agency £0.7m, Cardiac and Diabetic consumables £0.6m.
Mental Health and Learning Disabilities	0.9	0.0	1.6	**2.5**	Savings non delivery plus purchase of outsourced Psychiatric Intensive Care Unit beds £0.8m, Continuing Healthcare packages volume increase £0.7m and Medical agency usage £0.5m.
Operational Allied Health & Health Sciences	1.7	0.0	0.4	**2.1**	Savings non delivery plus Medical agency usage within Pathology to cover vacancies £0.7m, Radiology outsourcing of services £1.1m, offset by Radiology vacancies due to delayed recruitment £(1.1)m.
Planned and Specialist Care	1.9	0.0	2.7	**4.6**	Savings non delivery plus Medical agency locum, dual running and rate card usage £1.8m, outsourcing of activity within Ophthalmology, Theatres, Dermatology and Urology £1.7m, offset by Nursing vacancies £(0.8)m.
Primary Care	(0.2)	0.0	(5.5)	**(5.7)**	Dental contracts handback £(3.6)m, General Medical Services supplementary services £(1.8)m, cluster project plans delay £(0.8)m
Executive Functions	(3.0)	0.0	0.2	**(2.8)**	Savings over-delivery plus Pharmacy drugs price and concessions £1.5m, Digital initiative programmes £0.9m, Swansea Bay emergency activity £0.9m, Estates maintenance and energy £0.8m, offset by Welsh Risk Pool reduction £(1.8)m, pay vacancies and income overachievement £(1.8)m.
Sub Total	**3.4**	**0.0**	**6.0**	**9.4**	
Gross Position				**29.9**	

Year to Date – Key Performance vs Plan Executive

Executive Function (£'m)	Savings Gap to Target	Savings Delivery vs Plan Benefits	Core Operational Variation	Total	Key Information
Chief Executive	(0.2)	0.0	(0.1)	**(0.3)**	Savings over-delivery
Digital	0.1	0.0	0.5	**0.6**	Increase in Digital initiative programmes contract expenditure
Estates and Facilities	1.0	0.0	0.8	**1.8**	Savings non delivery plus maintenance, repairs and energy expenditure
Executive Allied Health	0.0	0.0	0.0	**0.0**	No material deviation to plan
Finance	(0.2)	0.0	(0.1)	**(0.3)**	Savings over-delivery
Health Board Wide	(2.5)	0.0	(2.7)	**(5.2)**	VAT recovery and drugs review saving, Welsh Risk Pool risk share year to date reduction £(1.8)m and Central Income over achievement £(0.4)m
LTA's	0.7	0.0	0.9	**1.6**	Savings non delivery plus Swansea Bay Emergency Activity increase
Medical	(0.1)	0.0	0.0	**(0.1)**	Savings over-delivery
Nursing	(0.1)	0.0	0.1	**0.0**	Savings over-delivery
Pharmacy and Medicines Management	1.0	0.0	1.6	**2.6**	Under delivery of savings, drugs price, volume and concessions increases
Public Health	(0.5)	0.0	(0.3)	**(0.8)**	Pay underspends recognised as savings and lower vaccination uptake
Strategy and Planning	(0.2)	0.0	(0.3)	**(0.5)**	Savings over-delivery, plus Capital Design recharge income overachieved
Workforce	(2.0)	0.0	(0.2)	**(2.2)**	Savings over-delivery relating to pay vacancies
Sub Total	**(3.0)**	**0.0**	**0.2**	**(2.8)**	

Year to Date – Core Operational Variation

Core Operational Variation (£'m)



Core Operational Variation (£'m)

Clinical Care Group	Pay	Non-Pay	Income	Total
Chief Operating Officer Management	0.7	0.0	0.0	**0.7**
Community and Integrated Medicine	2.9	3.1	(0.1)	**5.9**
Mental Health and Learning Disabilities	0.0	1.5	0.1	**1.6**
Operational Allied Health and Health Sciences	(0.4)	1.1	(0.3)	**0.4**
Planned and Specialist Care	1.3	1.6	(0.2)	**2.7**
Primary Care	(0.2)	(6.2)	0.9	**(5.5)**
Executive Functions	(0.8)	2.0	(1.0)	**0.2**
Total	**3.5**	**3.1**	**(0.6)**	**6.0**

Key Information

Community and Integrated Medicine Medical agency locum to cover sickness and vacancies £1.9m, Continuing Healthcare packages volume increase £1.6m, Nursing bank and agency usage £0.7m and Cardiac and Diabetic consumable purchases £0.6m.

Mental Health Purchase of outsourced Psychiatric Intensive Care Unit beds £0.8m and Continuing Healthcare packages volume increase £0.7m.

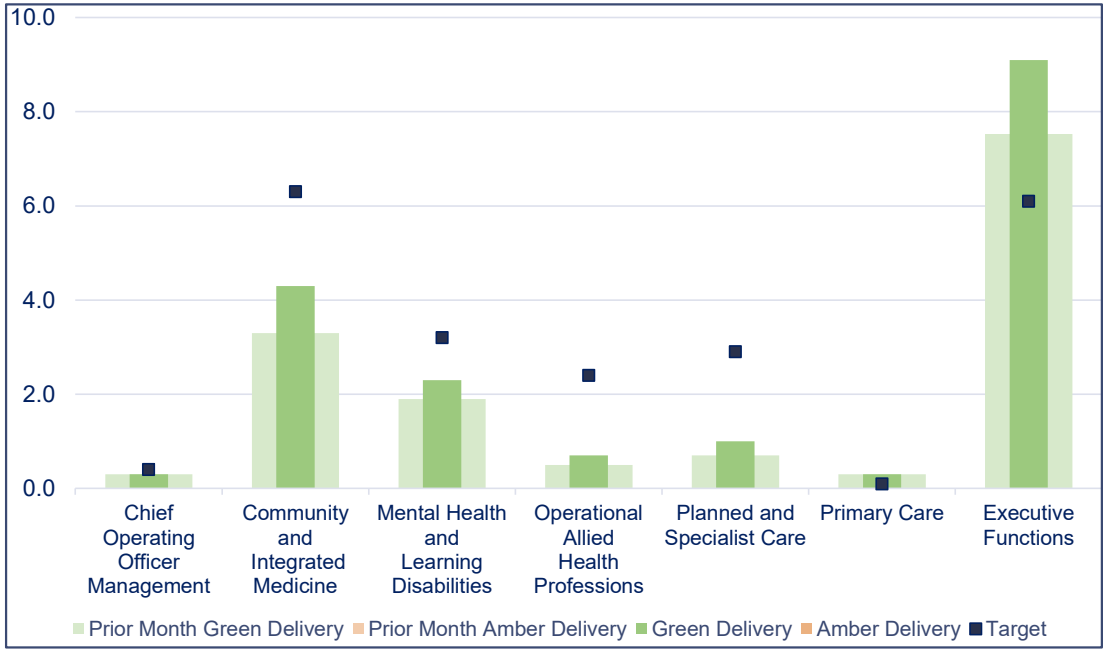
Planned and Specialist Care Medical locum and agency usage including dual running and rate card usage £1.8m, outsourcing of activity within Ophthalmology, Theatres, Dermatology and Urology £1.7m, offset by Nursing vacancies due to delayed recruitment for Theatres investment £(0.8)m.

Primary Care Dental contracts handback £(3.6)m, General Medical supplementary services £(1.8)m, cluster project plans delay £(0.8)m, offset by underachieved Dental income £0.9m.

Executive Functions Pharmacy drugs price, volume and concessions £1.5m, Digital initiative programmes £0.9m, Swansea Bay emergency activity £0.9m, Estates maintenance and energy contracts £0.8m, offset by pay vacancies and income overachievement across various service areas £(1.8)m and Welsh Risk Pool risk share year to date reduction £(1.8)m.

Year to Date – Savings Performance Breakdown

Savings Delivery vs Target (£'m)



Savings Performance Breakdown (£'m)

Clinical Care Group	Target	Plan	Delivery	Gap
Chief Operating Officer Management	0.4	0.3	0.3	0.1
Community and Integrated Medicine	6.3	4.3	4.3	2.0
Mental Health and Learning Disabilities	3.2	2.3	2.3	0.9
Operational Allied Health and Health Sciences	2.4	0.7	0.7	1.7
Planned and Specialist Care	2.9	1.0	1.0	1.9
Primary Care	0.1	0.3	0.3	(0.2)
Executive Functions	6.1	9.1	9.1	(3.0)
Grand Total	**21.4**	**18.0**	**18.0**	**3.4**

Key Information

Overall savings identification and delivery of £18.0m, resulting in a £3.4m savings under-identification gap against £21.4m target, with variations across Clinical Care Groups.

Under-identification within Community and Integrated Medicine £2.0m, Planned and Specialist Care £1.9m, Operational Allied Health £1.7m, Mental Health £0.9m, offset by over-identification within Executive Functions £(3.0)m. Executive Functions includes over-identification within Health Board Wide £(2.4)m, Workforce £(2.0)m and Public Health £(0.5)m, offset by under-identification within Estates and Facilities £1.0m, Pharmacy and Medicines Management £1.0m and Long Term Agreements £0.7m.

The identified savings are mainly non-recurrent £14.9m, with only £3.1m being identified as recurrent savings. Increase in savings identification from prior month largely relates to English Provider Services accountancy gain £0.3m and Clinical Streaming Hub delay in investments expenditure within Community and Integrated Medicine £0.2m.

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Appendices

The following appendices provide the detailed analysis supporting the main summary report. They include workforce trends and establishment information, revenue performance against plan, and the latest year-end savings position, providing additional context for the key findings, risks and proposed actions presented in the preceding slides.



1. Thriving teams



2. Healthier communities



3. Great care



4. Positive futures

Capital Performance

Capital

Total Capital Performance

£38.6m

Annual Plan **£38.6m**

All Wales Capital

£30.5m

Annual Plan **£30.5m**

Discretionary Capital

£8.1m

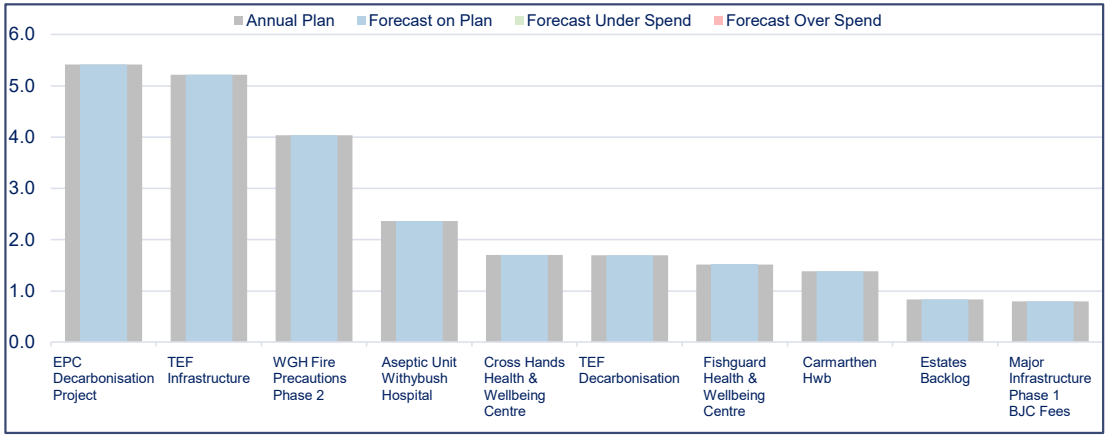
Annual Plan **£8.1m**

IFRS 16

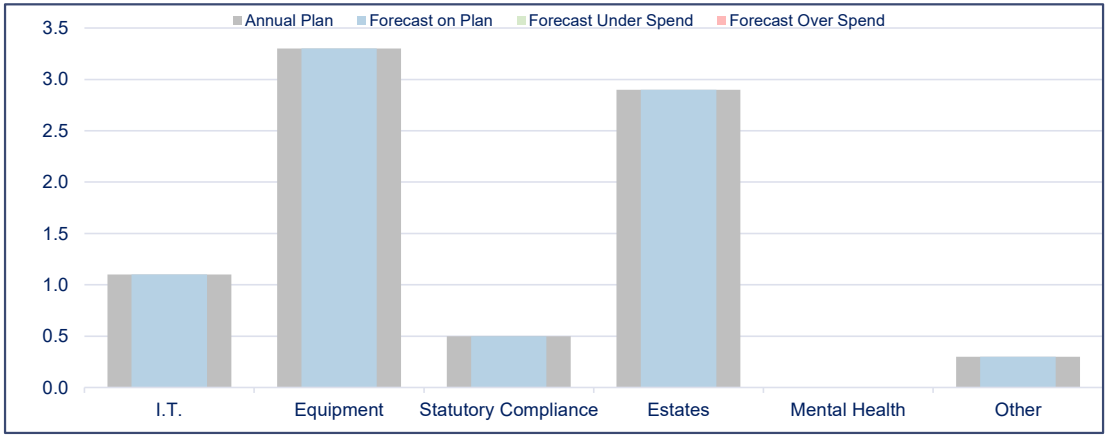
£0.0m

Capital Resource Limit **£0.0m**

All Wales Capital Programme Top 10 Schemes (£'m)



Discretionary Capital Programme Category Summary (£'m)



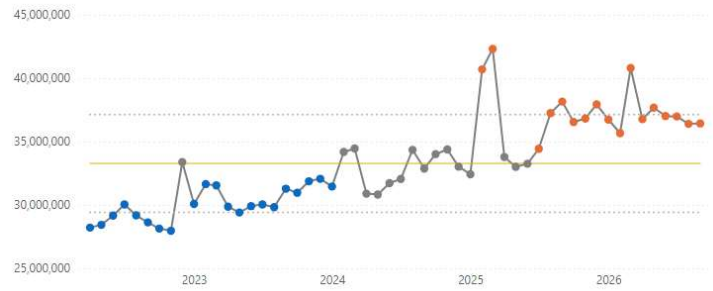
Key Information

Delivery against the capital programme is currently assessed as minimal risk. A number of individual capital schemes have medium risks flagged against them; however, these are not expected currently to present a risk to overall delivery of the capital programme.

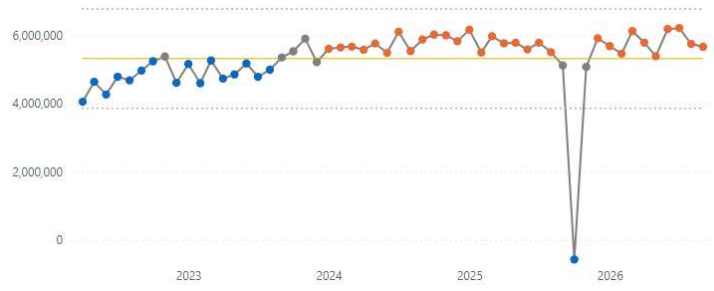
The Capital Programme is comprised of £30.5m All Wales Capital Programme funding and £8.1m discretionary funds. The discretionary value represents the net after adjustments to the gross allocation of £11.2m for contributions to Targeted Estates Fund, the ongoing payback for Picton Terrace, and adjustments relating to prior year outturn.

Trend Analysis – Non-Pay and Income

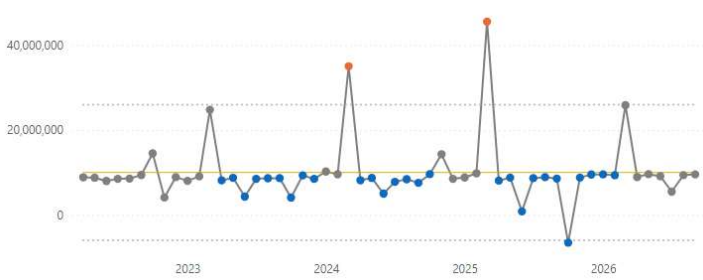
Commissioned Healthcare Services (£)



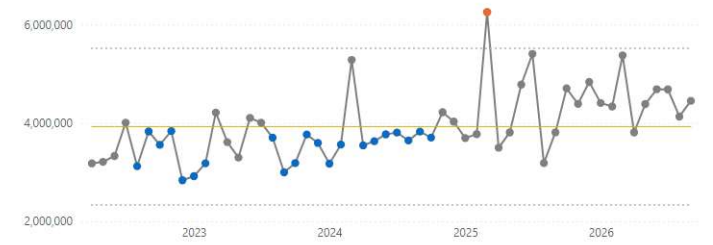
Secondary Care Drugs (£)



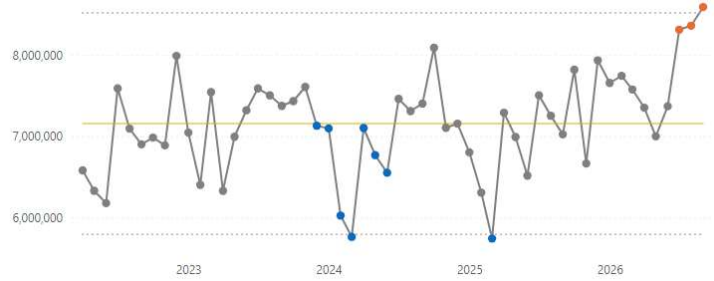
Other Non-Pay (£)



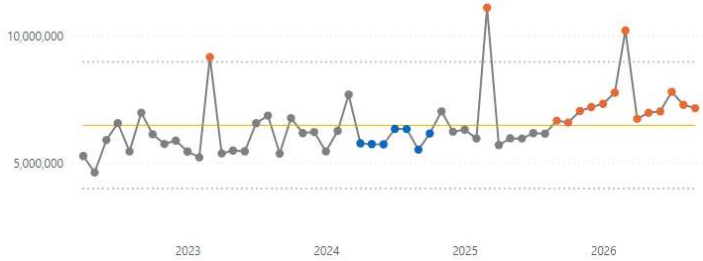
Clinical Services and Supplies (£)



Primary Care Prescribing (£)



Income (£)



Key Information

Secondary Care Drugs – Reduction in drugs expenditure from prior month within Community and Integrated Medicine Prince Philip General Medicine.

Other Non Pay – Increase in expenditure from prior month due to increase in year to date energy expenditure in line with NWSSP schedule £0.2m.

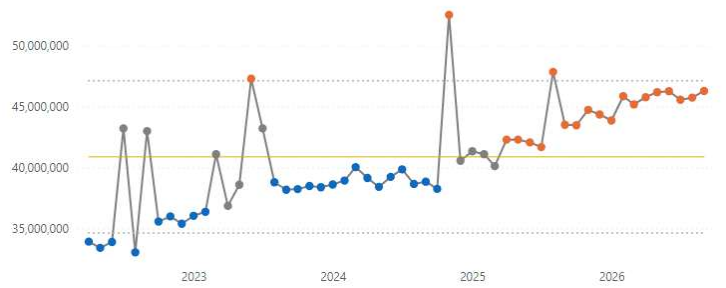
Clinical Services and Supplies – Increase in theatre loan kits and implants purchases within Planned and Specialist Care £0.3m.

Primary Care Prescribing – Increase in drugs price concessions from Month 3 in line with Prescribing Audit Report. Increase of 7p per item from prior month, alongside increase in prescribing days.

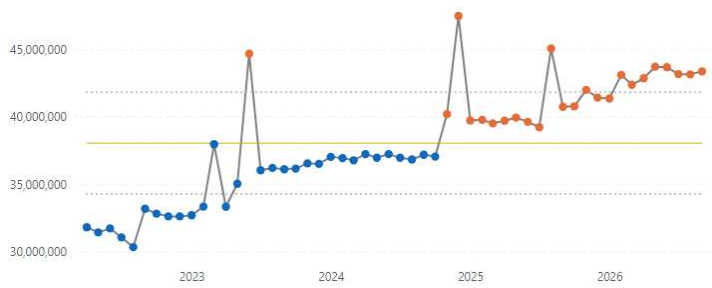
Income – Reduction in Digital income due to year to date recognition in prior months, alongside reduction in Capital Design recharge income.

Trend Analysis – Pay Agenda for Change

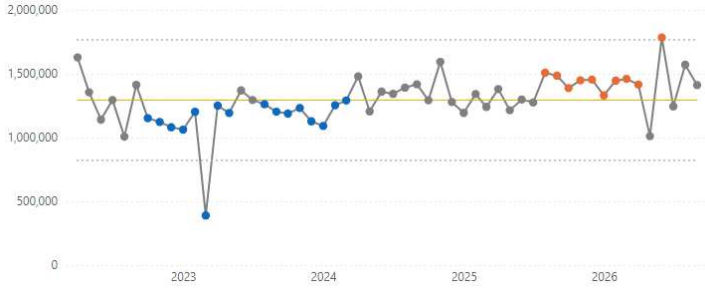
Total (£)



Substantive (£)



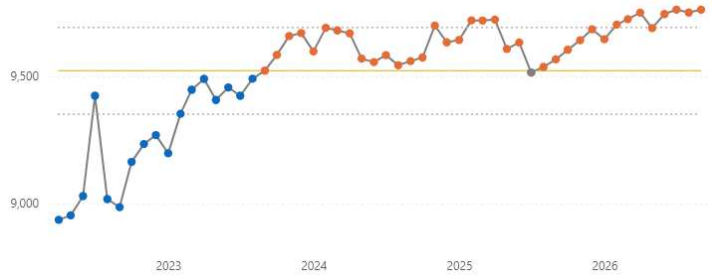
Bank (£)



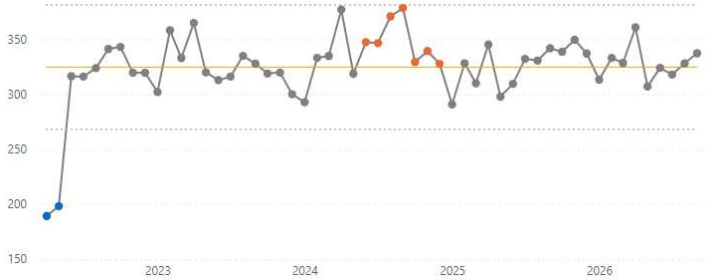
Total (WTE)



Substantive (WTE)



Bank (WTE)



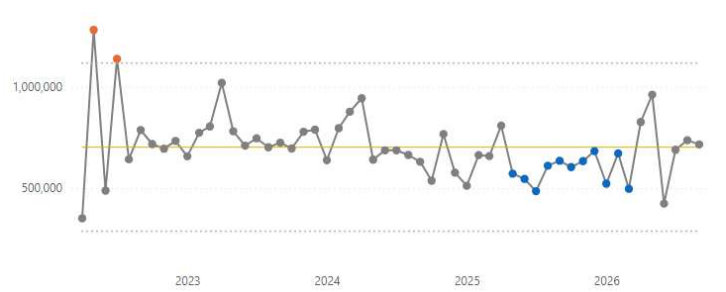
Key Information

Bank WTE and £ – Bank WTE deviated by 12 WTE from the mean usage, largely relating to Nursing and Healthcare Support Workers within Community and Integrated Medicine and Planned and Specialist Care.

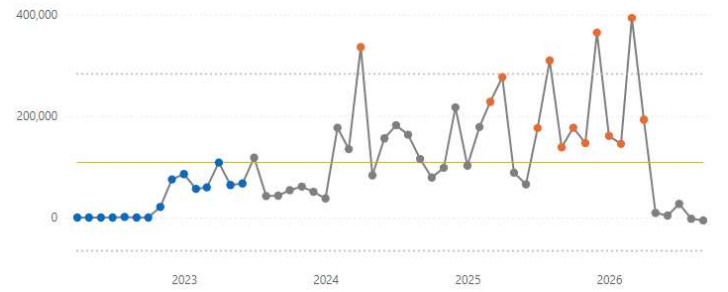
Substantive WTE – Workforce levels are 196 WTE higher than the same period last year, with the increase largely relating to Nursing and Midwifery. Despite this growth, staffing pressures remain due to ongoing vacancies and sickness absence.

Trend Analysis – Pay Agenda for Change

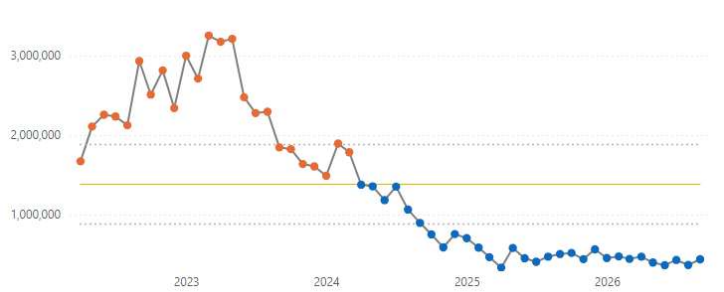
Overtime (£)



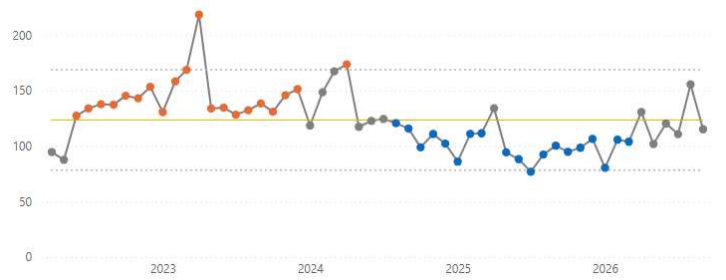
WLI (£)



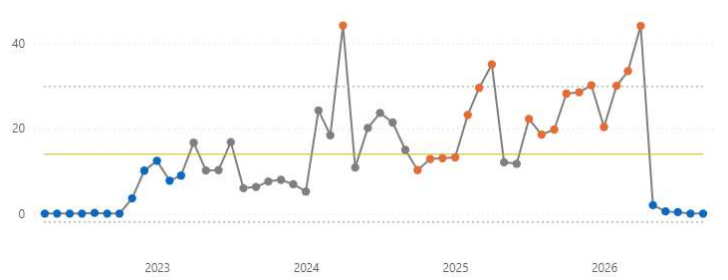
Agency (£)



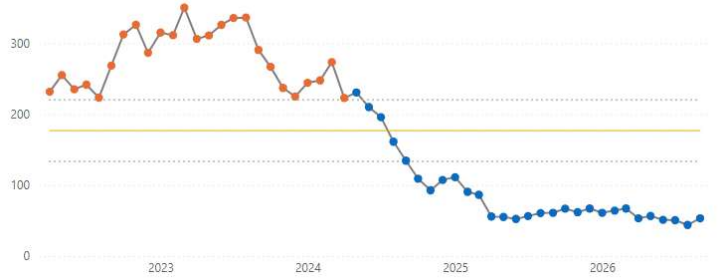
Overtime (WTE)



WLI (WTE)



Agency (WTE)



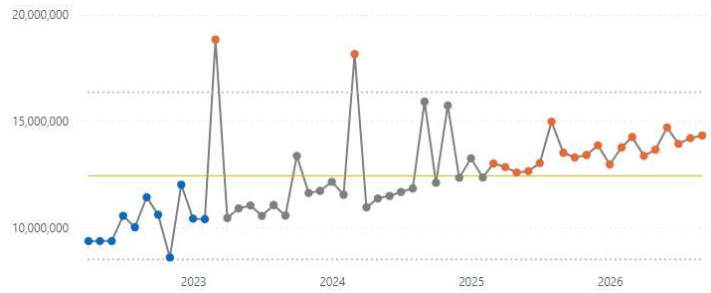
Key Information

Overtime £ and WTE – Overtime expenditure has increased compared with last year, mainly within Community and Integrated Medicine and Planned and Specialist Care, driven by vacancies and high sickness levels. Although overtime usage in 2026/27 is higher than in 2025/26, it remains close to the mean, with no concerns flagged by the SPC charts. The WTE trend also reflects the continued use of overtime to cover sickness related staffing gaps.

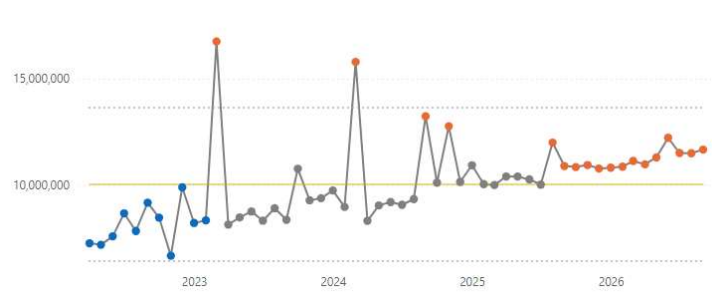
Waiting List Initiative £ and WTE – Reduction from prior year due to significantly less Waiting List Initiative activity being undertaken within Planned and Specialist Care this year.

Trend Analysis – Pay Medical and Dental

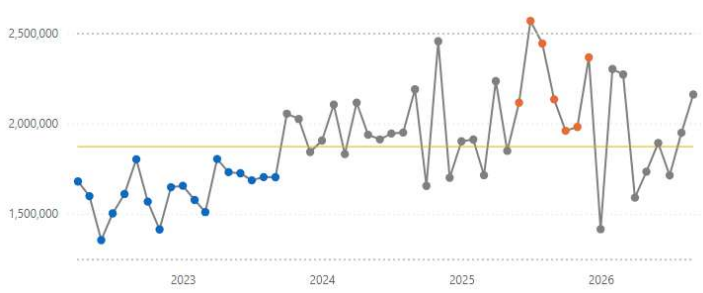
Total (£)



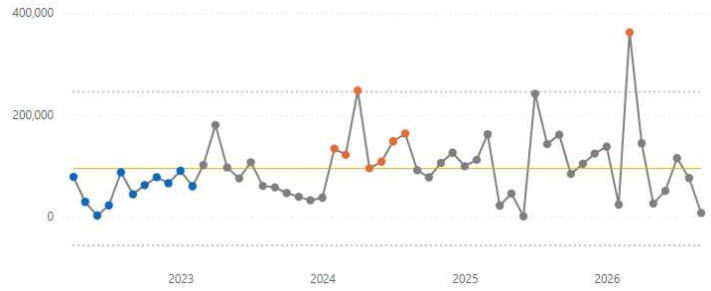
Substantive (£)



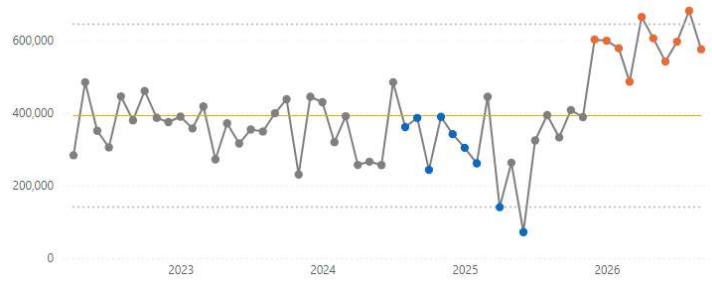
Additional Hours (£)



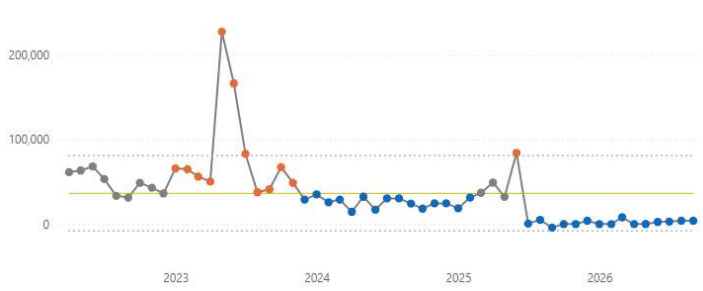
WLI (£)



On Contract Agency Premium (£)



Off Contract Agency Premium (£)



Key Information

Total £ – Increase in Medical expenditure within Planned and Specialist Care relating to retrospective additional duty hours claims £0.2m and Carmarthenshire Integrated System increased locum usage to cover sickness and vacancies, alongside retrospective payments £0.1m.

Additional Hours £ – Increase in Medical additional duty hours expenditure within Planned and Specialist Care due to retrospective claims within Anaesthetics and Orthopaedics £0.2m.

Waiting List Initiative £ – Reduction in Waiting List Initiative payments from prior month within Planned and Specialist Care, due to lower activity within Elective Recovery £(0.1)m.

On Contract Agency Premium £ – Reduction in agency expenditure from prior month largely within Pembrokeshire and Ceredigion General Medicine £(0.1)m.

Staffing Establishment Reports

Ward Staffing Level (WTE) for Nursing and Health Care Support Workers (HCSW)	Total Fill Rate	Total WTE	Substantive WTE	Substantive WTE Vacancy	Variable WTE	Agency (Premium) WTE	Total Over/(Under) Staffed
Chief Operating Officer	**102.2%**	**2,662**	**2,334**	**(271)**	**276**	**50**	**53**
Community and Integrated Medicine	**103.2%**	**1,915**	**1,668**	**(199)**	**201**	**45**	**46**
Carmarthenshire Integrated System	103.5%	1,152	1,017	(92)	123	12	42
Ceredigion Integrated System	107.5%	327	266	(57)	44	17	4
Pembrokeshire Integrated System	99.4%	436	385	(50)	34	16	-
Mental Health and Learning Disabilities	**104.7%**	**287**	**236**	**(38)**	**50**	**1**	**13**
Planned and Specialist Care	**96.6%**	**460**	**430**	**(34)**	**25**	**4**	**(6)**
Cancer and Scheduled Care	94.6%	169	153	(9)	11	4	5
Children, Women and Family Health	97.6%	291	277	(25)	14	-	(11)
Grand Total	**102.2%**	**2,662**	**2,334**	**(271)**	**276**	**50**	**53**

All Other Staffing Levels (WTE) Excluding Medical and Ward Nursing & HCSWs	Total Fill Rate	Total WTE	Substantive WTE	Substantive WTE Vacancy	Variable WTE	Agency (Premium) WTE	Total Over/(Under) Staffed
Chief Executive	**90.6%**	**90**	**90**	**(5)**	**-**	**-**	**(5)**
Chief Operating Officer	**93.7%**	**5,260**	**5,140**	**(509)**	**115**	**2**	**(388)**
Chief Operating Officer Management	81.6%	132	123	(5)	8	-	3
Community and Integrated Medicine	97.0%	1,409	1,370	(169)	36	2	(130)
Mental Health and Learning Disabilities	90.3%	915	904	(104)	11	-	(92)
Operational Allied Health and Health Sciences	97.2%	1,119	1,093	(85)	26	-	(59)
Planned and Specialist Care	95.0%	1,483	1,455	(110)	27	-	(82)
Primary Care	87.2%	202	195	(36)	7	-	(28)
Executive Director of Allied Health Professions and Health Sciences	**95.2%**	**901**	**837**	**(83)**	**64**	**-**	**(19)**
Executive Director of Finance	**89.9%**	**439**	**432**	**(37)**	**6**	**-**	**(31)**
Executive Director of Nursing, Quality and Patient Experience	**90.9%**	**177**	**177**	**(14)**	**-**	**-**	**(13)**
Executive Director of Public Health	**87.6%**	**142**	**142**	**(32)**	**-**	**-**	**(31)**
Executive Director of Strategy and Planning	**93.9%**	**49**	**49**	**(1)**	**-**	**-**	**(1)**
Executive Director of Workforce and Organisational Development	**74.6%**	**222**	**221**	**(74)**	**1**	**-**	**(72)**
Executive Medical Director	**87.0%**	**320**	**318**	**(39)**	**2**	**-**	**(37)**
Grand Total	**92.7%**	**7,600**	**7,406**	**(794)**	**188**	**2**	**(597)**

In-Month – Revenue vs Plan Variance (£'k)

Clinical Care Group and Executive Functions (£'k)	Pay				Non-Pay				Income	Grand Total
	Administration and Estates	Allied Health, Scientists and Other	Medical and Dental	Nursing, Midwifery and Clinical Support	Clinical Services and Supplies	Commissioned Healthcare Services	Drugs and Prescribing	Other Non-Pay	Income	
Chief Executive	**(17)**					**0**		**(23)**	**0**	**(40)**
Chief Operating Officer	**121**	**(24)**	**971**	**(127)**	**610**	**(432)**	**(346)**	**293**	**185**	**1,250**
Chief Operating Officer Management	(5)	13	(18)	10	23	9		15	(3)	**44**
Community and Integrated Medicine	91	44	368	261	109	358	(53)	97	43	**1,318**
Mental Health and Learning Disabilities	2	(52)	106	(30)	(9)	235	(18)	5	30	**270**
Operational Allied Health and Health Sciences	(3)	(137)	(42)	49	163	(26)	25	91	(30)	**90**
Planned and Specialist Care	103	80	526	(388)	328	136	(292)	19	40	**551**
Primary Care	(66)	28	30	(30)	(4)	(1,144)	(8)	66	105	**(1,023)**
Executive Director of Allied Health Professions and Health Sciences	**45**	**(27)**		**(3)**	**0**	**1**	**0**	**255**	**(21)**	**249**
Estates and Facilities	32			(3)	0		0	255	(21)	**263**
Executive Allied Health Professions and Health Sciences	13	(27)				1				**(14)**
Executive Director of Finance	**(9)**	**(3)**	**11**	**4**	**2**	**14**		**4**	**40**	**61**
Digital	(4)	(3)	11	4	2	17		19	40	**85**
Finance	(5)					(3)		(16)	0	**(24)**
Executive Director of Nursing, Quality and Patient Experience	**(20)**	**(11)**		**10**	**(0)**	**7**		**19**	**6**	**10**
Executive Director of Public Health	**(63)**	**11**	**(9)**	**(42)**	**4**	**2**	**(10)**	**4**	**2**	**(100)**
Executive Director of Strategy and Planning	**(16)**	**(0)**	**9**			**89**	**0**	**(26)**	**15**	**71**
LTAs with other NHS Providers	2					89	0	(0)		**91**
Strategy and Planning	(18)	(0)	9			(0)		(25)	15	**(20)**
Executive Director of Workforce and Organisational Development	**(100)**	**(3)**		**(8)**	**0**	**10**	**(3)**	**149**	**(127)**	**(82)**
Executive Medical Director	**(33)**	**38**	**63**	**16**	**(5)**	**(36)**	**572**	**37**	**(34)**	**618**
Medical	(28)	10	63	19	7			(19)	17	**69**
Pharmacy and Medicines Management	(5)	28		(3)	(12)	(36)	572	56	(51)	**549**
Health Board Wide	**2**	**(5)**	**(27)**	**5**	**(17)**	**(17)**	**(51)**	**(1,665)**	**(102)**	**(1,876)**
Planned Deficit								**3,417**		**3,417**
Savings Identification								**36**		**36**
Grand Total	**(89)**	**(25)**	**1,018**	**(145)**	**593**	**(362)**	**163**	**2,498**	**(36)**	**3,615**

Year to Date – Revenue vs Plan Variance (£'k)

Clinical Care Group and Executive Functions (£'k)	Pay				Non-Pay				Income	Grand Total
	Administration and Estates	Allied Health, Scientists and Other	Medical and Dental	Nursing, Midwifery and Clinical Support	Clinical Services and Supplies	Commissioned Healthcare Services	Drugs and Prescribing	Other Non-Pay	Income	
Chief Executive	**(32)**					**0**		**(66)**	**(0)**	**(99)**
Chief Operating Officer	**(1)**	**(289)**	**4,469**	**39**	**2,963**	**(2,375)**	**(913)**	**1,503**	**326**	**5,722**
Chief Operating Officer Management	135	219	(49)	372	67	11	0	(71)	(8)	**675**
Community and Integrated Medicine	35	204	1,891	696	646	1,598	281	640	(57)	**5,933**
Mental Health and Learning Disabilities	(3)	(129)	478	(325)	(4)	1,476	(53)	65	48	**1,554**
Operational Allied Health and Health Sciences	(9)	(919)	229	224	960	(78)	(241)	478	(289)	**355**
Planned and Specialist Care	139	196	1,757	(754)	1,426	830	(952)	300	(215)	**2,727**
Primary Care	(297)	139	163	(175)	(132)	(6,211)	52	90	848	**(5,522)**
Executive Director of Allied Health Professions and Health Sciences	**54**	**(62)**		**(9)**	**24**	**4**	**4**	**813**	**(9)**	**820**
Estates and Facilities	(21)			(9)	24		4	812	(9)	**801**
Executive Allied Health Professions and Health Sciences	76	(62)				4		0		**18**
Executive Director of Finance	**(273)**	**(5)**	**13**	**66**	**2**	**(185)**	**0**	**893**	**7**	**517**
Digital	(258)	(5)	13	66	2	(167)		911	6	**568**
Finance	(16)					(18)	0	(18)	1	**(51)**
Executive Director of Nursing, Quality and Patient Experience	**(95)**	**(12)**		**0**	**(1)**	**63**		**82**	**17**	**55**
Executive Director of Public Health	**(202)**	**90**	**3**	**(107)**	**29**	**(35)**	**(223)**	**162**	**7**	**(277)**
Executive Director of Strategy and Planning	**(9)**	**(0)**	**54**			**891**	**0**	**(173)**	**(198)**	**565**
LTAs with other NHS Providers	15					893	0	(3)		**905**
Strategy and Planning	(23)	(0)	54			(2)		(170)	(198)	**(341)**
Executive Director of Workforce and Organisational Development	**(164)**	**(11)**		**(7)**	**8**	**63**	**(17)**	**56**	**(133)**	**(205)**
Executive Medical Director	**(78)**	**169**	**99**	**107**	**(67)**	**(4)**	**1,532**	**12**	**(223)**	**1,549**
Medical	(66)	15	97	106	25		0	(201)	(6)	**(30)**
Pharmacy and Medicines Management	(12)	155	2	2	(92)	(4)	1,532	213	(216)	**1,579**
Health Board Wide	**(2)**	**(9)**	**(285)**	**11**	**(20)**	**(67)**	**(166)**	**(1,627)**	**(465)**	**(2,629)**
Planned Deficit								**20,500**		**20,500**
Savings Identification								**3,360**		**3,360**
Grand Total	**(802)**	**(128)**	**4,353**	**99**	**2,938**	**(1,645)**	**217**	**25,517**	**(671)**	**29,878**

End of Year – Revenue vs Plan Variance (£'k)

Clinical Care Group and Executive Functions (£'k)	Pay				Non-Pay				Income	Grand Total
	Administration and Estates	Allied Health, Scientists and Other	Medical and Dental	Nursing, Midwifery and Clinical Support	Clinical Services and Supplies	Commissioned Healthcare Services	Drugs and Prescribing	Other Non-Pay	Income	
Chief Executive	**(150)**					**0**		**(10)**	**1**	**(159)**
Chief Operating Officer	**(536)**	**(881)**	**7,253**	**(1,680)**	**5,786**	**(1,565)**	**(1,125)**	**2,665**	**823**	**10,740**
Chief Operating Officer Management	122	401	(156)	417	231	21	0	(230)	(6)	**801**
Community and Integrated Medicine	(34)	405	3,404	1,029	1,269	3,585	880	1,153	(167)	**11,524**
Mental Health and Learning Disabilities	(120)	(638)	1,079	(1,069)	(4)	2,365	(76)	110	112	**1,759**
Operational Allied Health and Health Sciences	(32)	(1,645)	405	320	2,199	(231)	(343)	1,012	(498)	**1,187**
Planned and Specialist Care	234	285	2,229	(1,963)	2,379	2,063	(1,487)	672	(385)	**4,027**
Primary Care	(706)	311	292	(414)	(288)	(9,367)	(99)	(53)	1,768	**(8,557)**
Executive Director of Allied Health Professions and Health Sciences	**(158)**	**(226)**		**(19)**	**10**	**8**	**5**	**1,681**	**3**	**1,303**
Estates and Facilities	(312)			(19)	10		5	1,680	3	**1,366**
Executive Allied Health Professions and Health Sciences	154	(226)				8		1		**(63)**
Executive Director of Finance	**(226)**	**(7)**	**8**	**166**	**7**	**(37)**	**0**	**(60)**	**(32)**	**(180)**
Digital	(148)	(7)	8	166	7	0		(6)	(33)	**(12)**
Finance	(78)					(37)	0	(55)	1	**(168)**
Executive Director of Nursing, Quality and Patient Experience	**(61)**	**(77)**		**21**	**(2)**	**120**		**165**	**33**	**200**
Executive Director of Public Health	**(593)**	**155**	**(28)**	**(357)**	**59**	**(22)**	**(549)**	**205**	**16**	**(1,117)**
Executive Director of Strategy and Planning	**(103)**	**(0)**	**116**			**949**	**0**	**11**	**(225)**	**748**
LTAs with other NHS Providers	28					954	0	(6)		**976**
Strategy and Planning	(131)	(0)	116			(5)		17	(225)	**(228)**
Executive Director of Workforce and Organisational Development	**(1,598)**	**(30)**	**0**	**6**	**12**	**126**	**(33)**	**(116)**	**(47)**	**(1,682)**
Executive Medical Director	**(232)**	**(119)**	**275**	**180**	**(136)**	**(45)**	**2,583**	**225**	**(327)**	**2,405**
Medical	(189)	70	274	217	46		0	(355)	(93)	**(31)**
Pharmacy and Medicines Management	(43)	(188)	2	(37)	(182)	(45)	2,583	580	(234)	**2,436**
Health Board Wide	**6**	**(17)**	**(449)**	**11**	**(19)**	**0**	**(560)**	**(3,535)**	**(1,029)**	**(5,593)**
Planned Deficit								**41,000**		**41,000**
Savings Identification								**10,003**		**10,003**
Grand Total	**(3,652)**	**(1,202)**	**7,175**	**(1,672)**	**5,717**	**(466)**	**321**	**52,232**	**(785)**	**57,668**

End of Year – Savings Detail (£'k)

Clinical Care Group and Executive Functions (£'k)	Annual Savings Target	In-Year Identified Plans	In-Year Recurrent Delivery	In-Year Non Recurrent Delivery	In-Year Total Forecast Delivery	In-Year Forecast Shortfall	In-Year % Saving vs Budget	Recurrent Forecast Delivery	Recurrent Forecast Shortfall	Recurrent % Saving vs Budget
Chief Executive	**(25)**	**166**	**0**	**166**	**166**	**(191)**	**4.9%**	**0**	**(25)**	**0.0%**
Chief Operating Officer	**30,675**	**17,414**	**2,486**	**14,929**	**17,414**	**13,261**	**2.6%**	**3,473**	**27,202**	**0.5%**
Chief Operating Officer Management	749	436	0	436	436	313	3.4%	0	749	0.0%
Community and Integrated Medicine	12,524	9,093	1,427	7,665	9,093	3,431	3.7%	1,737	10,787	0.7%
Mental Health and Learning Disabilities	6,441	3,146	52	3,093	3,146	3,295	3.0%	52	6,389	0.1%
Operational Allied Health and Health Sciences	4,848	1,680	22	1,658	1,680	3,169	2.1%	29	4,820	0.0%
Planned and Specialist Care	5,890	2,804	985	1,820	2,804	3,086	1.3%	1,655	4,235	0.8%
Primary Care	223	256	0	256	256	(33)	2.3%	0	223	0.0%
Executive Director Of Allied Health Professions and Health Sciences	**2,715**	**692**	**509**	**184**	**692**	**2,023**	**1.4%**	**535**	**2,180**	**1.1%**
Estates and Facilities	2,705	648	509	140	648	2,057	1.3%	535	2,170	1.1%
Executive Allied Health Professions and Health Sciences	10	44	0	44	44	(34)	19.2%	0	10	0.0%
Executive Director Of Finance	**238**	**672**	**414**	**257**	**672**	**(433)**	**2.9%**	**467**	**(229)**	**2.0%**
Digital	373	315	295	20	315	58	1.8%	348	24	2.0%
Finance	(134)	357	119	238	357	(491)	6.0%	119	(253)	2.0%
Executive Director Of Nursing, Quality and Patient Experience	**0**	**130**	**0**	**130**	**130**	**(130)**	**1.4%**	**0**	**0**	**0.0%**
Executive Director Of Public Health	**131**	**834**	**0**	**834**	**834**	**(703)**	**12.7%**	**0**	**131**	**0.0%**
Executive Director Of Strategy and Planning	**2,035**	**1,114**	**74**	**1,040**	**1,114**	**921**	**1.8%**	**74**	**1,961**	**0.1%**
LTAs With Other NHS Providers	1,961	655	0	655	655	1,306	1.2%	0	1,961	0.0%
Strategy and Planning	74	459	74	385	459	(385)	12.3%	74	0	2.0%
Executive Director Of Workforce and Organisational Development	**(481)**	**3,039**	**302**	**2,737**	**3,039**	**(3,520)**	**20.0%**	**302**	**(783)**	**2.0%**
Executive Medical Director	**5,952**	**3,429**	**2,520**	**909**	**3,429**	**2,523**	**3.4%**	**2,520**	**3,432**	**2.5%**
Medical	72	202	75	127	202	(130)	4.5%	75	(3)	1.7%
Pharmacy and Medicines Management	5,880	3,228	2,445	783	3,228	2,652	3.4%	2,445	3,435	2.6%
Health Board Wide	**1,560**	**5,307**	**1,529**	**3,778**	**5,307**	**(3,747)**	**14.6%**	**1,546**	**14**	**4.3%**
Grand Total	**42,800**	**32,797**	**7,833**	**24,964**	**32,797**	**10,003**	**3.4%**	**8,918**	**33,882**	**0.9%**

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Hywel Dda
University Health Board

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

Ein cyf/Our ref: CEO.21879

Gofynnwch am/Please ask for: Kelly Sursona

Dyddiad/Date: 13 October 2026

Ms Jacqueline Totterdell
Director General Health and Social Services
Health and Social Services Group
Cathays Park
Cardiff
CF10 3NQ

By e-mail to: dsdghsceynhswce@gov.wales

Dear Jacqueline,

2026/27 Financial Position – Month 6 Reporting and actions for the next 6 weeks

Following our Accountability Meeting on 16 September, I agreed that I would write to you with an update on our progress on finance by 13 October.

As you will be aware, the Health Board is addressing an extraordinary number of pressures against our financial position, alongside a challenging context of our performance within urgent and emergency care. Our response is therefore one which has sought to balance our budget responsibilities with the need to maintain the delivery of care to our population.

The principal drivers to our financial position are:

- **Savings delivery and maturity:** A material gap of £10m remains against the £42.8m annual savings requirement. The identified schemes are weighted heavily towards non-recurrent benefits, which support the current year but do not correct the underlying cost base.

- **Workforce and premium staffing:** Continued reliance on medical locums, agency, bank and additional hours to cover vacancies, sickness and service fragility remains a major contributor. These pressures are most pronounced in Community and Integrated Medicine, Planned and Specialist Care, Mental Health and Learning Disabilities, and Pathology.

- **Commissioned and externally provided care:** Increased acuity and cost in Continuing Healthcare and out-of-area placements, alongside outsourced psychiatric intensive care capacity and wider commissioned activity, continue to create expenditure above plan.

- **Clinical capacity, outsourcing and dual running:** Radiology, theatre and specialty outsourcing, and medical dual-running arrangements have added cost while the Health Board protects access, safety and continuity of care.

- **Prescribing, medicines and other operational pressures:** Drug price and concessionary cost increases, estates maintenance, national energy prices, clinical supplies and emergency activity commissioned from neighbouring organisations have added further pressure.

These pressures are partially offset by favourable movements in Primary Care contract expenditure, central income, vacancies and other corporate areas. Those improvements are recognised in the revised forecast, but they are not sufficient to offset the wider savings, workforce and operational pressures.

I am grateful to the work which has been facilitated through Welsh Government and colleagues in NHS Wales Shared Services Partnership through the Welsh Risk Pool. We have recognised the improvement in their forecast position in our year to date and forecast position. That has resulted in an improvement to our planned position for the year from £41m in Month 5 to £37.5m in Month 6. As a Board, we recognise this as being our revised plan for the remainder of the financial year.

Our gross forecast before required mitigating actions in Month 5 was £60.9m. On a like-for-like basis, this would therefore translate into a position of £57.4m following the recognition of the Welsh Risk Pool position. Regrettably, the gross forecast has slightly deteriorated to £57.7m in our reported Month 6 position.

While further savings were identified during Month 6, at £2.3m, this was offset by a deterioration in our expenditure profile for the remainder of the year of £2.6m. We recognise this is unacceptable, and are acting to improve upon this position with urgency.

Actions

I am grateful for the support which has been provided by Jeremy Griffiths into the organisation since our Accountability Meeting, recognising that we are in the process of recruiting into a Chief Delivery Officer to support me with improving our position for the remainder of the year.

We are putting in place a Delivery Control Centre in order to support a more focused response to tracking the delivery of our actions, alongside a Workforce Cell led by our Clinical Executives and supported by Workforce and Finance colleagues to both scrutinise and approve all variable pay requests, and review the impact of applying tighter processes.

The Executive Team has strengthened the organisation’s recovery response, with a clear focus on improving the in-year position where it is safe, deliverable and sustainable to do so, while reducing the recurrent deficit carried into 2027/28. A clear distinction is being maintained between identified opportunity, approved action and

evidenced delivery, so that reported improvements are supported by appropriate assurance.

Programme	Purpose and assurance
Workforce Improvement Programme	A coordinated set of workstreams covering recruitment restrictions, establishment control, sickness absence, rostering and job planning, variable pay and medical workforce stabilisation. Reconciled workforce and financial baselines, named leads and delivery trajectories are being used to strengthen accountability.
Enhanced grip and control assessments	Clinical Care Groups and Executive Functions are completing evidence-based self-assessments across financial, workforce and procurement controls. Gaps must be converted into named actions, timescales and monitoring arrangements, with escalation where local resolution is not sufficient.
Executive oversight and internal escalation	The Executive Team is increasing scrutiny of expenditure, savings maturity, run-rate and corrective actions. Material pressures are being tracked through internal escalation, with clearer ownership and rapid intervention when trajectories are missed.
Targeted operational action	The recovery programme is focusing on controllable and variable areas of spend, including premium staffing, commissioned care and packages, prescribing, procurement, non-pay commitments and the conversion of savings opportunities into robust plans.

There remains a route to delivering our planned position, though I recognise that the delivery window is diminishing. The next six weeks will be critical. At our public Board meeting on 26 November, the Board will scrutinise the impact and outcomes of our actions. If the impact is insufficient, I recognise that I will need to write to you in early December with our assessment of the implications on our forecast.

The actions we are targeting are as follows:

Gross forecast at Month 6	**57.7**	**Lead**
Operational improvements recorded since Month 6 reporting: Planned and specialist care	0.5	Andrew Carruthers
Productivity: Planned and specialist care	1.0	Andrew Carruthers
Commissioning: Swansea Bay	2.0	Lee Davies
Commissioning: Anticipated improvement in the JCC position after forecasts are confirmed	0.6	Lee Davies
Prescribing: Accelerating delivery	1.0	Mark Henwood
Procurement: Choices and options	0.5	Huw Thomas
Central finance: DHCW VAT rebate benefit	0.4	Huw Thomas
Workforce cell		
Medical: Advance scrutiny of all variable pay and robust adherence to rules and controls	1.9	Mark Henwood

Nursing: Newly registered onboarding and reduced variable pay	1.8	Sharon Daniel
Nursing: Improved roster management	1.6	Sharon Daniel
Nursing: Fill rate impact	1.2	Sharon Daniel
Admin and clerical: Recruitment freeze and Financial Control Group controls	1.0	Lisa Gostling
Estates and ancillary: Control measures	0.4	James Severs
Further mitigations required – target further variable pay, particularly medical workforce, maximise productivity gains and optimise bed utilisation in collaboration with partners	6.3	
Required plan position	**37.5**	

This plan would result in a minimum 44% reduction in our anticipated spend for the second half of the financial year in Nursing and Healthcare Support Worker variable pay expenditure and a 15% reduction in our anticipated spend for Medical and Dental variable pay.

The delivery of these savings would result in a significant change for the organisation. It would represent an expenditure run rate which would take us below our historic deficit position, and consequently require significant service changes across the organisation in a short period of time.

Risks

There is a risk that the delivery of robust controls, particularly within Medical and Dental, will result in the Health Board being unable to fill on-call rotas, resulting in urgent service change requirements over the coming six weeks. I will remain in regular dialogue with NHS Performance and Improvement and Welsh Government when these issues arise.

The most significant risk the Health Board is managing remains our urgent and emergency care performance. This represents a significant clinical, operational and financial risk. Maintaining flow and safe care through our system remains a priority.

Financially, the delivery of the improvements needed to deliver our plan represents an unprecedented challenge to the organisation. We are committed to this work, but I remain in a position without sufficient assurance that this is deliverable. Within this context, there are two areas in particular for which I would be grateful for further discussions:

1. Planned care recovery funding. While our planned care recovery funding has been committed to the schemes we need to deliver in order to achieve our RTT position, there remains some opportunity to pause expenditure should Welsh Government require cash cover for the risks in any shortfall arising from delivery against our plan. This would clearly have implications for Welsh Government's commitment to RTT recovery, but remains a material area of expenditure for

which options remain in order to secure the cash needed for any shortfall in our local delivery of financial improvements.

2. Dental ringfence underspend. We have consistently sought to maximise the benefit arising from the dental ringfence. However, robust performance management of our primary care dental practitioners alongside limited capacity within the market has often let to an underspend against our position. We remain in that position this year. Following a reassessment of our position over Month 6, we anticipate that we will underspend £5.1m against our ringfence. While we understand the policy imperative to withdraw this funding, that would result in a deterioration in our forecast. We have paused further commitments against the dental allocation pending a discussion with Welsh Government officials given the material impact of this for the Health Board this year.

Conclusion

I recognise the seriousness of the emerging position and its potential implications for the Health Board's statutory financial duties and escalation arrangements. I welcome the continued constructive engagement with Welsh Government and NHS Wales Performance and Improvement as we implement and assure the recovery programme.

We will provide a further formal update following completion of the next forecast review and the relevant Board governance, including confirmation of any revised forecast, delivery against agreed actions, and any support or decisions required.

Yours sincerely,



Prof Phil Kloer
Prif Weithredwr / Chief Executive

Cc:
Neil Wooding (Chair)
HDUHB Executive Team

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University Health Board

Financial Plan 2027/30

Approach, Principles and Assumptions

Finance and Performance Committee Update

October 2026


1. Thriving teams


2. Healthier communities


3. Great care


4. Positive futures

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A Background and Context

B Approach, components and assumptions

C Key Milestones

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A. Background and Context

Sets the financial baseline, Welsh Government expectations and the trajectory required to return to breakeven.



1. Thriving teams



2. Healthier communities



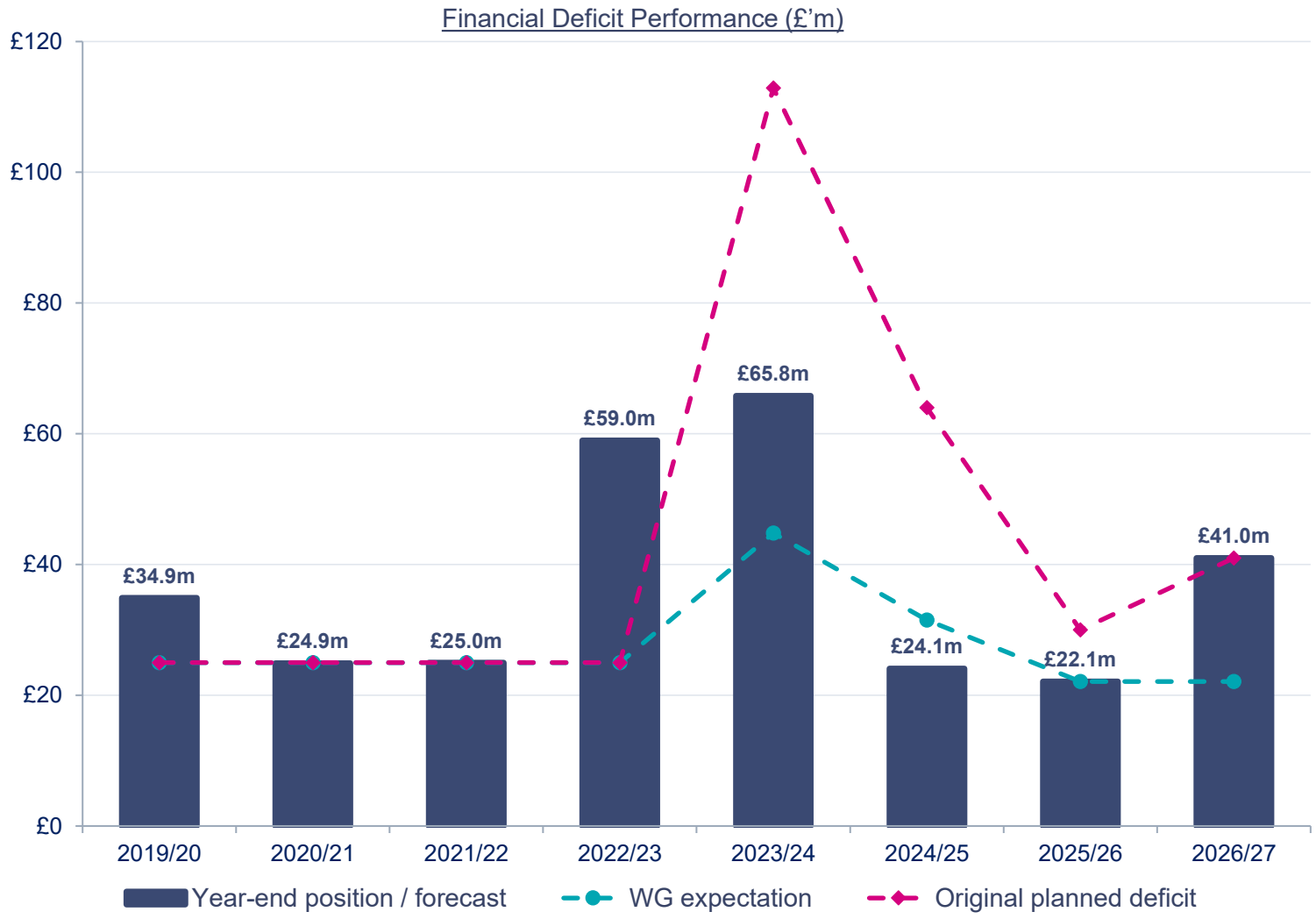
3. Great care



4. Positive futures

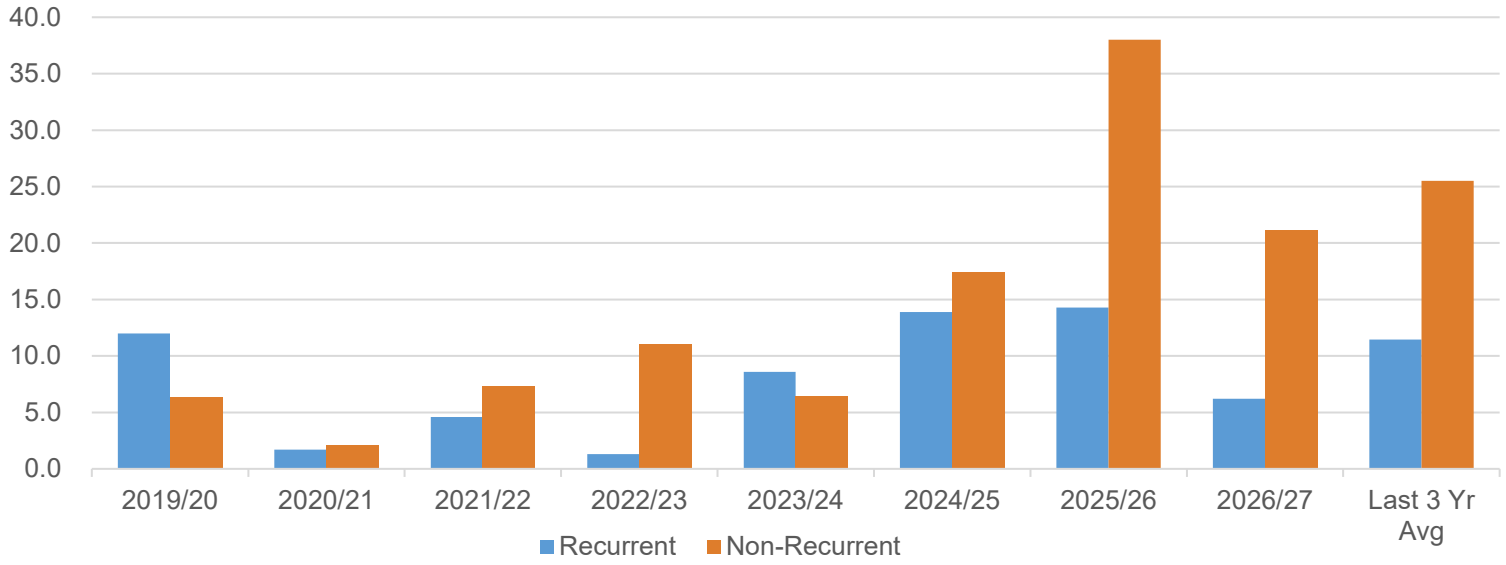
Financial deficit performance

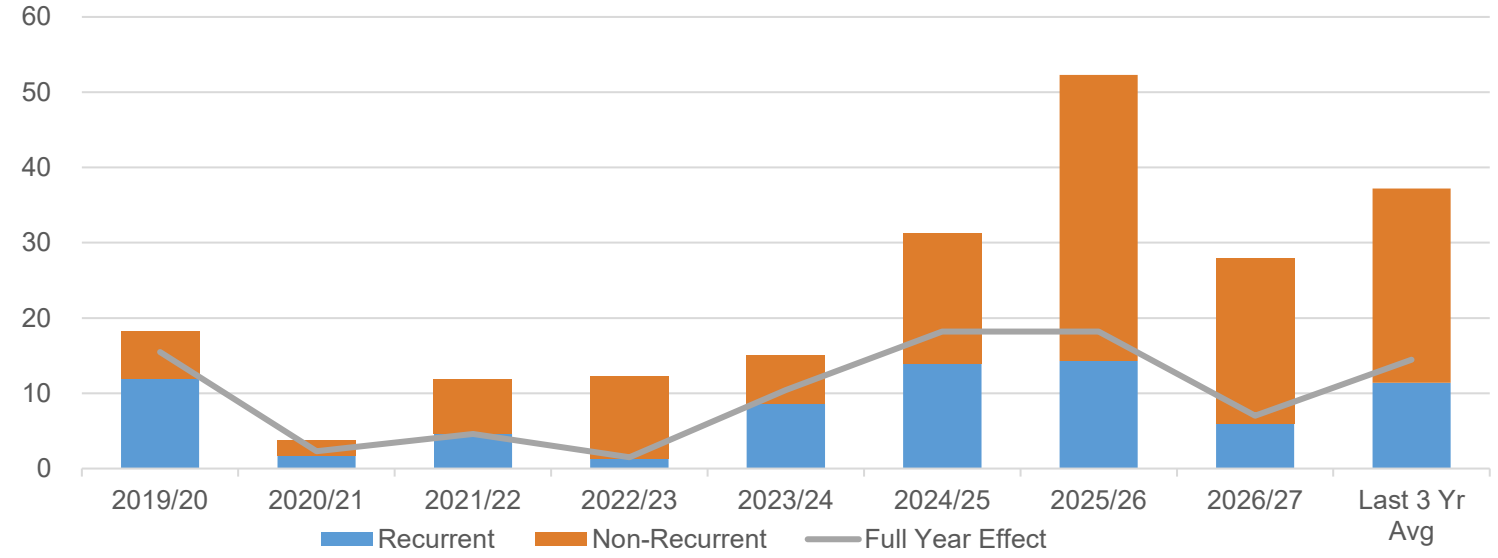
- The Health Board has an **annual plan deficit of £41.0m for 2026/27**. However, **Welsh Governments expectations are for a deficit of £22.1m, being target control total;**
- Given the scale of the challenge to bridge to a break-even position, the Health Board submitted an Annual Plan for 2026/27 and not an IMTP, but set within a three-year context;
- The Health Board is in Targeted Intervention for Finance, with a **criteria** to deliver **breakeven by 2027/28**. Significant change is required to meet this expectation, clearly set out by Welsh Government, and links to **£26.0m conditionally recurrent funding**;
- With challenges delivering savings in the post-pandemic era, 2024/25 and 2025/26 have reversed this trend with a reframed approach to internal escalation and accountability;
- The Health Board is proposing to submit a Three-Year Financial Plan for 2027-30.



Note: The 2026/27 position stated as at Month 5 Monthly Monitoring Return submission to Welsh Government. A mid-year assessment is being undertaken for review within the September 2026 Board meeting.

Savings Deliverability Assessment (£'m)





- **Note:** 2026/27 savings reflect the Month 5 reporting position. The three-year average covers 2024/25 to 2026/27.
- There remains a historic and continuing **over-reliance on non-recurrent savings.** In no year has the full-year effect of recurrent schemes matched total savings delivery.
- In 2026/27, **non-recurrent** savings represent **73% of total delivery**.
- The 2026/27 target was to carry forward any residual savings from the ambitious two-year savings target of 2024/25 and 2025/26, and increase by 2.0% of non-ring fenced budgets
- Savings performance improved in 2024/25 and 2025/26 but **plateaued in 2026/27**, resulting in the £42.8m target not being met. Delivery continues to rely partly on underspends, with **limited progress in securing additional recurrent** savings.

Financial Roadmap Assessment 2026-27 (Year 0)

The underlying assessment is identified at the start of a new financial year together with an assessment of the inflation, demographics, allocation funding and savings. The 2026/27 financial plan is summarised as follows, and when factoring in extraordinary items, demonstrates a marginal improvement compared to the 2025/26 outturn:

2026/27 Financial Plan Assessment	Recurrent £'m	Non-Rec £'m	Total £'m
Underlying deficit carried forward	53.7	-	**53.7**
Macro-economic inflation price modelling	10.8	-	**10.8**
Contractual or unavoidable (incl. Welsh Risk Pool)	19.7	-	**19.7**
Demographic prevalence modelling	12.2	0.2	**12.4**
Welsh Government allocation funding	(12.8)		**(12.8)**
Gross expenditure plan	**83.6**	**0.2**	**83.8**
Savings target	(42.8)		**(42.8)**
Planned financial deficit	**40.8**	**0.2**	**41.0**
Welsh Risk Pool additional element	(12.6)	-	**(12.6)**
Accountancy gains that are one-off in nature	(7.1)	-	**(7.1)**
Adjusted planned financial deficit excluding extraordinary items	**21.1**	**0.2**	**21.3**
2025/26 outturn position	**22.1**	**-**	**22.1**

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B. Approach, components and assumptions

Defines the planning components, appraisal approach and governance required to support key decisions and savings. Establishes the budget-setting principles and assumptions for workforce, inflation, growth, funding and cost pressures.



1. Thriving teams



2. Healthier communities



3. Great care



4. Positive futures

Principle Components and Approach

As a framework approach to identifying components that would require a financial appraisal with the planning cycle, the following key elements are defined, and an assessment will be undertaken to provide clarity for decision-making through the Planning Steering Group, Executive Team and Board. Timelines and organisation communication will be aligned to that coordinated by the Planning function.



Macro-Economic Price Inflation	National Investments	Pre-Committed Investments	Volume and Mix Growth Modelling	In-Year Assessment	FYE Assessment	Investment Decisions	Savings Plans
Macro-Inflationary items modelled based on latest economic / market conditions; highly likely to manifest and largely unavoidable. These items are pre-defined. A prior year review of funding assumptions verses actual costs will also be undertaken to adjust budgets up/ down as appropriate.	New National All-Wales investments approved through national governance processes. Would be difficult to avoid investment as contradictory to approvals already given and Once for Wales ethos. Specific approval and business case will need to be evidenced.	Local investments approved through in-year governance processes. Local choice to endorse or unwind decision.	Assessments to be undertaken against specific cost areas that are susceptible to social and health volume and mix growth demographics. A prior year review of funding assumptions verses actual costs will also be undertaken to highlight areas for action.	Assessment of the key in-year operational driver changes to the deficit. Check and challenge reviews will be undertaken to ensure consistency and appropriateness. Local choice to endorse or take mitigating action to change current practice.	Assessment of the full year effect of the key operational drivers. Check and challenge reviews will be undertaken to ensure consistency, appropriateness and realism of delivery of further steps up or down. Local choice linked to decision regarding appropriateness of in-year assessment.	Local investments approved through the current planning cycle. Local choice to endorse or unwind decision. Collated through the planning cycle led by the Planning function and in addition to existing expenditure.	Opportunities for service changes (house-keeping and transformational) to mitigate the existing, and any additional, increases in expenditure, and to erode the pre-existing deficit. Savings schemes to follow the BRAG definitions for assessing deliverability.

Proposed priority order of approval of income or expenditure – all need Executive Team and Board ratification

Approval of opportunities and savings requirements to offset any impacts of Income or Expenditure changes

Key Principles

- **Budgets will be delegated** from the Accountable Officer (CEO) **to Delegated Officers** (Executive Directors) and their immediate **Deputies** (Executive Function Leads and Clinical Care Group Directors);
- **Consolidation of budgets** will be **undertaken for key areas** to align holistic oversight with appropriate Delegated Officers;
- The **Workforce** plan to be **within existing budgets** only, or specifically included within investment decisions;
- Resourcing requirements for **25A and 25B wards** are to be conducted by **Corporate Nursing Team only**;
- **Only assured** (Green and Amber) **savings plans will be included** within the final planning submission, any residual gap to the total savings requirement will be highlighted as a remaining total of pipeline schemes;
- The **Opportunities Framework and Service insight** is to be used to generate sufficient savings opportunities to achieve the targets set for each Clinical Care Group/Executive Function;
- **Saving target** will be set as the value required to achieve an in-year break-even position for 2029/30 (Year 3);
- **Clinical Care Group/Executive Function savings targets** will be the minimum of the national efficiency target expectation, **plus** any residual recurrent savings gap from the savings requirement set in 2026/27.

Key Focus Areas for Budget Setting

- **In-year cost pressures and underlying assessment of positions** – a decision is required whether the material in-year cost pressures will be recognised in budget setting, these are including and not exclusively linked to the finance risks identified on a separate slide, such as medical pay, continuing healthcare and prior elective care savings not being maintained in non-pay. To obtain clarity on the existing realistic run rates, an informed review of underlying positions are required;
- **Establishment control review** – workforce improvement programme to update cost centre and band discrepancies within existing budgets (actual vs budget misalignments), cleansing of under and over established areas and accommodating accurate mix changes to be made through the annual spine point rightsizing exercise, and removing any budgets that have historically not be achieved thus reducing the recurrent deficit and removing the continued underspend non-recurrent savings;
- **Workforce mix across substantive and temporary** – a revised approach is required to better align workforce planning assessments with budgets, to ensure a comparison at budget level to actuals can be undertaken for the quantity of workforce required within Variable Pay and Premium Agency generated by Substantive Pay vacancies. This will allow actuals and budgets to be aligned to allow improved in-year comparison, insight and control;
- **Profiling of budgets** – ensuring budgets are appropriately phased to align with spend profile and seasonality.

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C. Key Milestones

Sets out the deadlines and responsibilities for developing, approving and submitting the financial plan



1. Thriving teams



2. Healthier communities



3. Great care



4. Positive futures

Key Milestone Deadlines

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Item	Deadline	Delivery Owner
Executive Team sign-off of financial approach and assumptions	21/10/2026	Formal Executive Team
F&PC sign-off of financial approach and assumptions	27/10/2026	Huw Thomas and Andrew Spratt
Macro-economic, growth modelling and cost driver assessment first draft	17/11/2026	Finance Team and Budget Holders
First Draft – Executive Team review of Financial Plan before F&PC	09/12/2026	Huw Thomas and Executive Leads
First Draft – Finance Plan presented to F&PC for assurance review	15/12/2026	Huw Thomas and Executive Leads
Welsh Government (WG) core funding uplift confirmed	Dec 2026	Welsh Government
Financial Recovery meetings, focusing on Plans and Savings	Jan/Feb 2027	Lead Exec, Service Lead, Finance, Exec Reps
Second Draft – Executive Team review of Financial Plan before F&PC	03/02/2027	Huw Thomas and Executive Leads
Accountable Officer Letter to be submitted to WG	12/02/2027	Chief Executive – Accountable Officer
Second Draft – Financial Plan presented to F&PC for assurance review	23/02/2027	Huw Thomas and Executive Leads
Internal accountability letters issued to delegated officers	02/03/2027	Phil Kloer and Finance Team. 31/03/27 deadline to sign
Profiling or mix changes of budgets confirmed by delegated officers (must comply with budgeting principles rules)	12/03/2027	Delegated officers
Final Draft Annual Plan presented to Board for approval	25/03/2027	Executive Team
Annual Plan and supporting templates submitted to WG	31/03/2027	Lee Davies