# Pwyllgor Cyllid a Pherfformiad/ Finance and Performance Committee

| | |
|---|---|
| **DYDDIAD Y CYFARFOD:**<br>**DATE OF MEETING:** | 27 August 2026 |
| **TEITL YR ADRODDIAD:**<br>**TITLE OF REPORT:** | Finance Deep Dive – Nursing and Midwifery Variable Pay |
| **CYFARWYDDWR ARWEINIOL:**<br>**LEAD DIRECTOR:** | Sharon Daniel, Executive Director Nursing, Quality and Patient Experience |
| **SWYDDOG ADRODD:**<br>**REPORTING OFFICER:** | Janice Cole Williams, Assistant Director of Nursing, Professional Standards |

| **Pwrpas yr Adroddiad** (dewiswch fel yn addas)<br>**Purpose of the Report** (select as appropriate) |
|---|
| Er Sicrwydd/ For Assurance |

**ADRODDIAD SCAA**
**SBAR REPORT**

**Sefyllfa / Situation**

The Nursing/Midwifery Variable Pay Reduction Programme has been established with the ambition of delivering a **£3.4** million reduction during 2026/27 (£1.8m minimum delivery commitment) through targeted interventions addressing the primary drivers of expenditure, including sickness absence, vacancies, agency utilisation, roster efficiency and workforce deployment.

For 2025/26, the Nursing/Midwifery and Health Care/Nursing Support Worker variable pay spend was **£24.2 million** (**£14.4 million** on Nursing and Midwifery and **£9.8 million** Health Care/Nursing Support Worker).

For 2026/27:

- Based on current forecasting (at the end of Month 4 (July), Nursing and Midwifery variable pay expenditure is anticipated to be **£12.7** million, with Health Care Support Worker/Nursing Support Worker expenditure forecast at **£9.7** million, resulting in a total variable pay spend of **£22.4** million. Based on this forecast, this represents a reduction of £**1.8 million (7%)** compared to 2025/26 (minimum delivery commitment) and is linked to the recruitment of the Sept 2026 newly registered nurses/midwives.
- The Nursing/Midwifery Variable Pay Reduction Programme aims to reduce Registered Nursing and Midwifery variable pay expenditure further from the forecasted £**12.7 million** to £**11.961** million and Health Care Support Worker/Nursing Support Worker variable pay expenditure from the forecasted £**9.7** million to £**8.830** million by March 2027.

**Chart 1: Year to Date Variable Pay Spend in Health Care Support Workers by Clinical Services Group (up to Month 4 2026/27)**

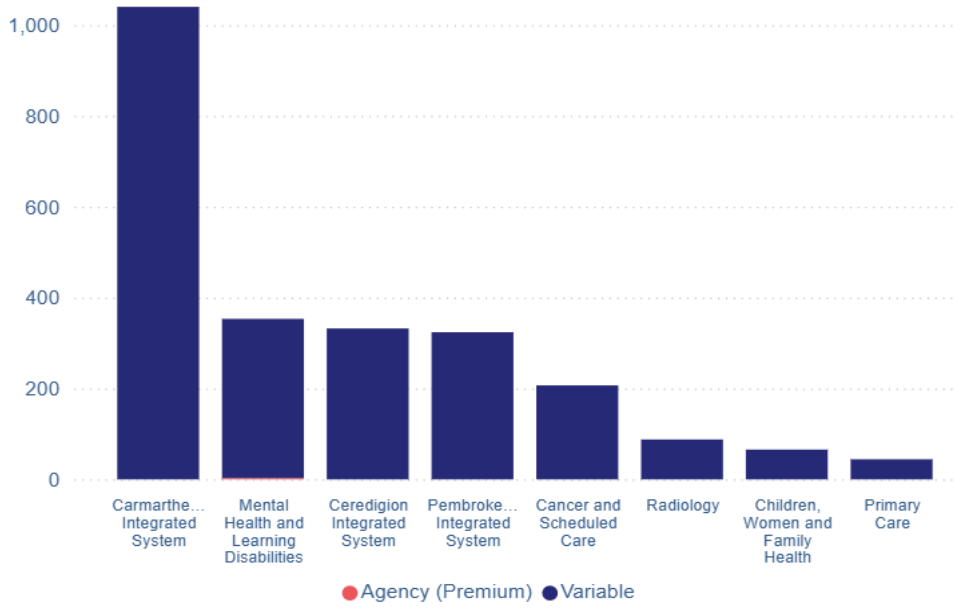
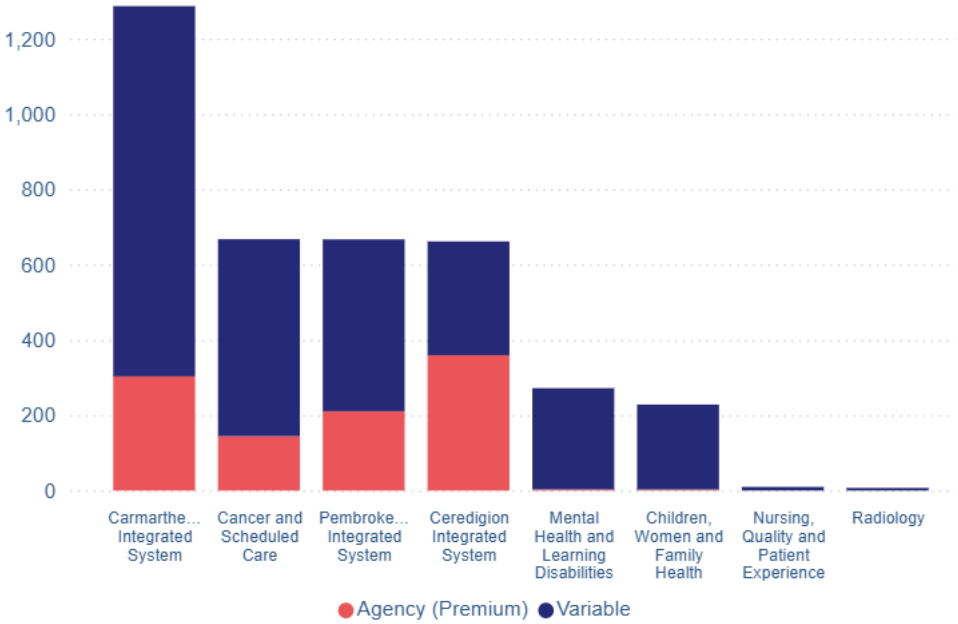



**Chart 2: Year to Date Variable Pay Spend in Registered Nursing and Midwifery by Clinical Services Group (up to Month 4 2026/27)**




Delivery will be dependent upon successful recruitment, reduction in sickness absence, elimination of support worker agency utilisation, significant reduction in nursing agency utilisation and improvements in roster efficiency and workforce deployment.

Whilst the reduction targets are considered achievable, a level of variable pay expenditure will remain necessary to manage unavoidable workforce pressures associated with statutory nurse staffing requirements, maternity leave, sickness absence, patient acuity, service

demand, and delivery. Progress against delivery trajectories will be monitored monthly through the Variable Pay Reduction Programme governance arrangements.

## Cefndir / Background

The Health Board has invested considerable effort since 2023 in reducing reliance on temporary staffing through nursing workforce stabilisation, international recruitment, vacancy reduction, strengthened rostering controls and enhanced governance arrangements.

Since 2023, agency utilisation has reduced by 79%, overtime by 73%, bank utilisation by 38%, Band 5 vacancies by 76.2%, and nursing/midwifery turnover by 49%. These improvements provide assurance that actions implemented to date are delivering measurable and sustainable benefits.

For wards where S25B of the Nurse Staffing Levels (Wales) Act applies there is a statutory duty to ensure that 'all reasonable steps' are taken to maintain nurse staffing levels. The operational steps include:

- "Use of temporary staff from a nursing/midwifery bank appropriate to the skill mix set out in the planned roster
- Use of temporary staff from a nursing agency appropriate to the skill mix set out in the planned roster
- Temporary use of staff from other areas within the organisation
- The temporary closure of beds
- Consideration of patient pathway changes".

The Nursing/Midwifery Variable Pay Reduction Programme embeds:

- the rostering principles issued by Welsh Government in 2026
- incorporates opportunities for shared learning of the SBUHB Nursing and Midwifery Workforce Improvement which has a four-step approach focussing on governance and control, operational management tools, benchmarking and diagnostics, and transformation and model of care.
- aligns workforce supply with patient demand, improves financial discipline, and ensures safe, sustainable staffing.

## Asesiad / Assessment

### Deep Dive:

Whilst nursing and midwifery and support workers variable pay expenditure remains significant, analysis confirms that current expenditure is predominantly associated with unavoidable workforce pressures, including sickness absence, vacancies, maternity leave, patient acuity, and service demand. The review provides a detailed understanding of these drivers and has informed a targeted improvement programme focused on areas of greatest opportunity and risk.

**Key Drivers:** The current variable pay expenditure reflects genuine workforce pressures. Analysis identified a substantive nursing and midwifery workforce gap arising from:

- Sickness absence
- Vacancies
- Maternity leave
- Other forms of workforce unavailability
- Surge capacity
- Clinical areas where the service models are not aligned with the current budget / funded posts

Analysis of temporary staffing requests identified that 40% of Registered Nursing/Midwifery demand relates to sickness absence, 32% to vacancies, 11% to patient acuity, 10% to surge capacity, and 4% to maternity leave. Similar analysis within the Nursing Support Worker workforce identified vacancies and sickness absence as the principal drivers of expenditure. Request reasons are taken from the Allocate roster system. It is acknowledged that these reasons may not be consistently accurately recorded within and across areas. It is therefore stressed that reason breakdowns should be considered with some caution. Focussed work to accurately record reasons for shortfalls is ongoing.

**Workforce Gap Analysis**

The deep dive identified an overall nursing and midwifery workforce gap of 525.21 whole-time equivalent (WTE) (all bands and includes vacancies, maternity leave, and sickness). Temporary staffing currently provides cover equivalent to 210.97 WTE, leaving a residual gap of 314.25 WTE across the workforce.

This analysis demonstrates that variable pay expenditure is largely being incurred to mitigate genuine workforce deficits rather than inefficiencies in workforce management. It also highlights the continuing dependency on temporary staffing to support safe staffing levels across clinical services.

**Workforce Stability**

As previously noted, sustained improvements have been achieved in workforce stability since 2023. Key improvements include:

- 76.2% reduction in Band 5 vacancies since May 2023
- Recruitment of 296 internationally educated nurses
- 79% reduction in agency utilisation
- 73% reduction in overtime utilisation
- 38% reduction in bank utilisation
- 49% reduction in nursing turnover

These improvements demonstrate that interventions implemented through the Nursing Workforce Stabilisation Programme are delivering measurable benefits and reducing reliance on higher-cost temporary staffing solutions.

**Assurance on Governance and Control:** The governance arrangements for nursing/midwifery variable pay have strengthened significantly over the last two years.

Key controls now in place include:

- Monthly roster audit programme
- Routine review of roster quality and efficiency
- Internal audit review and subsequent re-audit.
- Strengthened temporary staffing Standard Operating Procedures
- Escalation and authorisation processes for roster sign-off
- Automated agency request forms with full audit trails
- Development of workforce dashboards and performance monitoring tools

These arrangements provide increased transparency, accountability and scrutiny of decisions relating to temporary staffing utilisation and variable pay expenditure.

**Assurance on Risks**

The deep dive identified several risks that continue to drive reliance on variable pay. These include:

- Sustained sickness absence levels above funded establishment assumptions
- Increasing maternity leave requirements
- Ongoing patient acuity and enhanced observation needs
- Persistent surge activity within emergency and inpatient services
- Unfunded establishment gaps in a small number of clinical areas
- Workforce supply challenges affecting Band 3 Nursing Support Worker recruitment.

The risks are understood, quantified and subject to mitigation plans. Targeted workforce plans, recruitment initiatives, apprenticeship development, and establishment reviews are being progressed to address the underlying causes of expenditure. The complete elimination of variable pay expenditure would create unacceptable risks to patient safety, service delivery, and compliance with statutory staffing duties. A proportion of variable pay will therefore remain necessary while these workforce pressures persist.

**FINANCE DELIVERY PLAN**

The deep dive has identified further opportunities to reduce expenditure through a structured variable pay reduction programme which includes executive oversight, monthly review, risk management, workforce planning, and operational accountability. Expected outcomes include reduced variable pay, improved staffing stability, improved patient experience and strengthened financial control.

The workstreams include:

| Workstream | Aims |
|---|---|
| **Workforce Stability** | • Reduce Registered Nurse (RN) sickness from 6.97% (July 2026) to 5.9% by March 2027and to 5% June 2027 (biggest opportunity but with the highest risk)<br>• Reduce Support worker sickness from 10.26% (July 2026) to 9.26% by March 2027 and to 8.5% by June 2027 (the biggest opportunity but with the highest risk) |

| | |
|---|---|
| | • weekly absence clinics;<br>• return to work audits;<br>• long term sickness reviews;<br>• annual leave planning<br>• wellbeing interventions. |
| **Governance and Operational Grip** | • Implement workforce hubs,<br>• monthly roster scrutiny,<br>• bank before agency controls, audit trails,<br>• financial trajectories and<br>• executive oversight.<br>• Introduction of a 'temporary workforce calculator' based on the shared learning from Swansea Bay University Health Board (currently being tested in two clinical areas with a view to rolling it out across the Health Board in the autumn) |
| **Vacancy Reduction** | • Deploy newly registered nurses,<br>• Fill Band 3 vacancies,<br>• implement apprenticeship routes<br>• Accelerate recruitment processes. |
| **Roster Quality** | • Six-week publication standard,<br>• two-stage approval (and escalation process),<br>• compliance monitoring,<br>• reduction of post-publication changes<br>• better use of contracted hours. |
| **Redesign** | • Demand-led rosters,<br>• acuity-led deployment,<br>• skill mix reviews,<br>• Safe Care utilisation<br>• review of unfunded establishments.<br>• Consider workforce models that provide greater flexibility e.g. annualised hours, different deployment methods |
| **HCSW Agency Elimination** | • Cease Healthcare Support Worker (HCSW) agency use by September 2026 and replace with substantive, bank and apprentice workforce supply. |
| **Flow and Capacity** | • Reduce surge demand through discharge improvement, flow coordination, and length of stay reduction plans. |

Phase 1 will be targeted at the top 10 variable pay users and phase 2 will target all other areas.

The detailed action plan is available as **Appendix 1**

**Programme Metrics**

- Registered Nurse/midwife variable pay expenditure (£ and WTE)
- Health Care/Nursing Support Worker variable pay expenditure (£ and WTE)
- Fill/unfilled percentage
- Agency expenditure by staff group
- Bank utilisation by staff group/band
- Overtime utilisation by staff group/band
- Enhanced patient support expenditure

- Vacancy-related temporary staffing expenditure
- Sickness-related temporary staffing expenditure
- HC/NSW agency utilisation
- Registered Nurse agency utilisation
- Time balance report
- Roster publication compliance
- Vacancy trajectory
- Apprenticeship pipeline progress
- Roster audit compliance

**Argymhelliad / Recommendation**

The Finance and Performance Committee is asked to:

- **NOTE** the analysis and assurance provided regarding the key drivers of Nursing and Support Worker variable pay expenditure;
- **ENDORSE** the Nursing/Midwifery and Support Worker Variable Pay Reduction Programme for 2026/27;
- **SUPPORT** the strengthened governance and performance framework for monitoring delivery.

| **Amcanion: (rhaid cwblhau)**<br>**Objectives: (must be completed)** | |
|---|---|
| Cyfeirnod Cylch Gorchwyl y Pwyllgor:<br><br>Committee ToR Reference: | 3.1.1 Receive assurances on the financial governance and control environment in operation across the Health Board. This will be achieved a programme of deep dive reviews into the following themes, which mirror the national Value and Sustainability Board:<br>3.1.1.1 Workforce<br>3.1.1.2 Non-pay and procurement<br>3.1.1.3 Medicines value and sustainability<br>3.1.1.4 Commissioned care<br>3.1.1.5 Clinical variation and service configuration |
| Cyfeirnod Cofrestr Risg Datix, Teitl a Sgôr Risg Cyfredol:<br>Datix Risk Register Reference and Score: | 1978 'Risk of insufficiently skilled workforce to deliver services due to limited labour market', which includes medical workforce.<br><br>2326 'Risk to achieving 26/27 Target Control Total due to underlying deficit, insufficient savings & reliance on non recurrent funding' |
| Parthau Ansawdd:<br>Domains of Quality<br>Quality and Engagement Act (sharepoint.com) | 1. Safe<br>2. Timely<br>6. Person-Centred |

| | |
|---|---|
| | |
| Galluogwyr Ansawdd:<br>Enablers of Quality:<br>Quality and Engagement Act (sharepoint.com) | 5. Whole systems persepctive<br>2. Culture and valuing people |
| Amcanion Strategol y BIP:<br>UHB Strategic Objectives: | 1. Striving teams |
| Nodau Cynllunio 2026/27<br>Planning Goals 2026/27 | 6. Safe, Timely, High Quality Care |
| Hypergyswllt i Amcanion Llesiant HDdUHB 2026<br><br>Hyperlink to HDdUHB Well-being Objectives 2026 | 3. Create people-centred employment and development opportunities that support workforce transformation, reflect the changing needs of |
| Model Cymdeithasol ar gyfer Iechyd a Llesiant: (wedi'i gwblhau ar gyfer newid strategol a/neu newidiadau sylweddol i wasanaethau)<br><br>A Social Model for Health and Wellbeing: (*complete for strategic change and/or significant service changes)* | Not Applicable |
| **Gwybodaeth Ychwanegol:<br>Further Information:** | |
| Ar sail tystiolaeth:<br>Evidence Base: | Not Applicable |
| Rhestr Termau:<br>Glossary of Terms: | RN – Registered Nurse<br>HCSW – Health Care Support Worker<br>NSW – Nursing Support Worker |
| Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y cyfarfod hwn:<br>Parties / Committees consulted prior to this meeting: | Not Applicable |

| **Effaith: (rhaid cwblhau)** |
|---|

| Impact: (must be completed) | |
|---|---|
| **Ariannol / Gwerth am Arian:**<br>**Financial / Service:** | A reduction in variable pay |
| **Ansawdd / Gofal Claf:**<br>**Quality / Patient Care:** | The plan set out in the report aims to deliver a reduction in variable pay whilst maintaining patient safety and quality of care |
| **Gweithlu:**<br>**Workforce:** | Opportunities for substantive recruitment |
| **Tegwch Iechyd:**<br>**Health Equity:** | Not Applicable |
| **Risg:**<br>**Risk:** | • Sustained sickness absence levels above funded establishment assumptions.<br>• Increasing maternity leave requirements.<br>• Ongoing patient acuity and enhanced observation needs.<br>• Persistent surge activity within emergency and inpatient services.<br>• Unfunded establishment gaps in a small number of clinical areas.<br>• Workforce supply challenges affecting Band 3 Nursing Support Worker recruitment. |
| **Cyfreithiol:**<br>**Legal:** | The plan set out in the report aims to deliver a reduction in variable pay whilst meeting our statutory responsibilities under the Nurse Staffing Levels (Wales) Act |
| **Enw Da:**<br>**Reputational:** | Not Applicable |
| **Gyfrinachedd:**<br>**Privacy:** | Not Applicable |
| **Cydraddoldeb:**<br>**Equality:** | Not Applicable |

Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

**TÎM CYFARWYDDWYR**
**EXECUTIVE TEAM**

| | |
|---|---|
| **DYDDIAD Y CYFARFOD:**<br>**DATE OF MEETING:** | 24 June 2026 |
| **TEITL YR ADRODDIAD:**<br>**TITLE OF REPORT:** | Nursing Variable Pay Reduction Programme 2026/27 |
| **CYFARWYDDWR ARWEINIOL:**<br>**LEAD DIRECTOR:** | Sharon Daniel, Executive Director Nursing, Quality and Patient Experience |
| **SWYDDOG ADRODD:**<br>**REPORTING OFFICER:** | Janice Cole-Williams, Assistant Director of Nursing |

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

## EXECUTIVE SUMMARY

This programme sets out a comprehensive approach to reducing variable pay through strengthened governance, roster quality, workforce redesign, and operational control. The programme aligns workforce supply with patient demand, improves financial discipline, and ensures safe, sustainable staffing. It embeds professional accountability, ensuring that all staffing decisions are clinically justified and evidence based.

### 1. PROGRAMME GOVERNANCE

**Senior Responsible Officer:** Executive Director of Nursing (EDoN)
**Programme Board:** Monthly
**Reporting:** To Be Agreed
**Oversight:** Clinical Care Groups and operational delivery forums

**Strategic Aim**

Reduce variable pay safely by improving workforce design, governance, patient flow, and real-time operational control and strengthen clinical decision-making at all levels

### 2. KEY PRINCIPLES

- Safety first
- Redeploy before temporary staffing
- Demand-led workforce models
- Real-time decision-making
- Data-driven and clinically justified staffing

### 3. PROGRAMME KPI FRAMEWORK

- Variable pay as % of total pay
- Roster publication compliance (%)
- Fill rate (substantive vs temporary)
- Sickness absence rate
- % shifts meeting acuity requirement
- Agency utilisation rate
- Bank fill rate
- Net hours balance
- Acuity compliance (where applicable)
- Skill mix compliance
- Escalation justification
- Vacancy WTE

## 4. **KEY RISK STATEMENT**

Failure to deliver improvements in roster quality, patient flow, and workforce stability will result in continued reliance on variable pay to compensate for system inefficiencies.

## 5. **DELIVERY PHASES**

0–3 months: Governance, controls, rostering standards
3–6 months: Workforce redesign and flow improvements
6–12 months: Optimisation and sustainability

**APPENDIX 1**

**GOVERNANCE & CONTROL – ESTABLISH STRONG GOVERNANCE AND CONTROL**

| Objectives | Key Actions | Expected Impact |
|---|---|---|
| Create system-wide accountability for variable pay decisions<br><br>Standardise decision-making and escalation | Implement clear governance architecture:<br>• Clinical Care Groups (Director oversight)<br>• Operational delivery forums (to include Head of Nursing/Midwifery, Senior Nurse & Line Manager)<br>• Review, revise & implement decision frameworks for:<br>  ○ Recruitment<br>  ○ Temporary staffing approval<br>  ○ Leave approval, including annual, study & special leave<br>  ○ Outline approval process for requests outside of agreed parameters<br>• Introduce financial modelling and recovery trajectories<br>• Formal bank before agency compliance monitoring<br>• Agency request audit trail<br>• Overtime usage audit trail<br>• All staffing escalation required documented clinical justification<br>• Senior Nurse sign off required for deviations | Reduces unwarranted agency use<br><br>Ensures consistent, disciplined decision-making across Clinical Care Groups |

| Action | Owner | RAG | Next Step |
|---|---|---|---|
| **Governance structure** | EDoN | Red | Agree governance structure and implement across all Clinical Care Groups |
| **Approval framework** | ADNs Professional Standards & Clinical Care Groups | Amber | Review of the SOP<br><br>Monitor compliance with SOP<br><br>Enforce bank-before-agency policy |
| **Financial plans** | Head of Business Control, Finance | Red | Develop trajectories |
| **Audit and assurance of all temporary staffing decisions** | HoNs, Corporate Nursing & CCGs | Amber | Roster audits being undertaken but improvement work required on action planning<br><br>Strengthen the audit processes around temporary staffing to include review of staffing decisions and escalation appropriateness<br><br>Monitor compliance with agency request escalation process via MS Forms |

**OPERATIONAL GRIP**

| Objectives | Key Actions | Expected Impact |
|---|---|---|

<table>
<tr>
<td>Shift from reactive to proactive management of staffing gaps</td>
<td>
<ul>
<li>Implement a 3-tier control system:
<table>
<tr><th>Level</th><th>Forum</th><th>Purpose</th></tr>
<tr><td>Operational</td><td>Workforce Hubs (daily)</td><td>Real-time redeployment, gap management & escalation decisions</td></tr>
<tr><td>Operational</td><td>Unavailability Clinics (weekly)</td><td>Scrutinise absence & bank usage</td></tr>
<tr><td>Strategic</td><td>Roster Review Clinics (monthly)</td><td>Forward planning & assurance</td></tr>
</table>
</li>
<li>Enforce “redeploy first” rule</li>
<li>Require justification against headroom before approval</li>
<li>Use exception proforma for any above-threshold requests</li>
<li>6-week roster publication standard (target 12 weeks)</li>
<li>Two-stage approval process (manager + senior sign-off)</li>
<li>Monitoring of finalisation compliance</li>
<li>Documentation of escalation outcomes</li>
</ul>
</td>
<td>
<ul>
<li>Immediate reduction in avoidable bank/agency shifts</li>
<li>Improved visibility of demand drivers</li>
</ul>
</td>
</tr>
</table>

| Action | Owner | RAG | Next Step |
|---|---|---|---|
| **Workforce hubs** | HoNs | Amber | Agree ToR and implement |

| | | | |
|---|---|---|---|
| **Unavailability clinics** | HoNs – CCGs | Amber | Agree ToR and implement |
| **Roster review scrutiny clinics (to include retrospective and prospective roster review)** | ADNs - CCGs | Red | Agree ToR and implement |
| **Monthly multidisciplinary roster scrutiny** | HoN/operational workforce/rostering team/Finance business partner/ corporate nursing | Amber | Strengthen existing processes |
| **Formal bank-before-agency compliance monitoring** | Workforce – Head of resourcing & utilisation | Amber | Develop reports to aid compliance monitoring |
| **Agency request audit trail (automated forms)** | HoN Professional Standards and Regulation | Amber | Roll out automated agency form to all areas |
| **Develop a temporary workforce calculator tool** | HoN Professional Standards and Regulation | Red | Finalise the calculator and test |
| **Cease the use of HCSW agency** | ADN MHLD | Amber | Cease the use of HCSW agency as of Sept 2026 |

## ROSTER QUALITY AND PUBLICATION STANDARDS

| Objectives | Key Actions | Expected Impact |
|---|---|---|
| Shift from reactive to proactive management of staffing gaps | • 6-week roster publication standard (target 12 weeks) | • Immediate reduction in avoidable bank/agency shifts |

| | | |
|---|---|---|
| | • Two-stage approval process (manager + senior nurse sign-off) which must demonstrate appropriate skill mix<br>• Monitoring of finalisation compliance<br>• Net hours optimisation - ensure contracted hours are utilised before temporary staffing is approved | |

| Action | Owner | RAG | Next Step |
|---|---|---|---|
| **6-week roster publication standard (minimum 6 week - target 12 weeks)** | Roster Managers | Amber | Improve |
| **Two-stage approval process** | Roster Managers & SNM | Amber | Improve<br><br>Escalation process via e-rostering team in place |
| **Monitoring of finalisation compliance** | Roster Managers | Amber | Improve |
| **Ensure contracted hours are utilised before temporary staffing is authorised** | Roster manager/SNM | Amber | Improve<br><br>Monitor time balances and implement ward level plans to recover any hours owed/owing. |
| **Reduce post-publication amendments** | Roster Managers/SNM with support of roster team | Amber | Improve |

**WORKFORCE REDESIGN**

| Objectives | Key Actions | Expected Impact |
|---|---|---|
| Align workforce to actual demand, not static templates | • Replace flat roster templates with demand-led rosters (i.e. rosters based on e.g. patient numbers, acuity, time of day, historical trends and are adjusted per shift - so rather than a fixed roster it would be changed to reflect the demand -<br>• Shift agency usage from night duty and weekends towards weekdays and morning peaks<br>• Consider introducing RN and HCSW/NSW float roles<br>• Consistent application of 26.9% uplift baseline<br>• Regular nurse staffing reviews to include skill mix reviews including proportion of RNs<br><br>Where Safecare utilised:<br>• Mandatory twice daily acuity capture (SafeCare)<br>• Link red flags to action and escalation<br>• Use professional judgement alongside tools | • Reduced reliance on temporary staffing<br>• Better productivity from existing workforce<br>• Reduced inappropriate role substitution |

| Action | Owner | RAG | Next Step |
|---|---|---|---|
| **Demand-led roster** | HoNs/Corporate Nursing | Red | Scale pilots |
| **26.9% uplift baseline** | HoNs | Amber | Apply 26.9% uplift consistently across all areas<br><br>Improve compliance with 21.3% headroom application (14.6% annual leave, 2.4% |

| | | | |
|---|---|---|---|
| | | | study leave and 4.3% sick leave |
| **Regular nurse staffing reviews to include skill mix reviews** | Nurse Staffing Programme Lead & HoNs | Green | 6 monthly for S25B wards √<br><br>Agreed nurse staffing work plan for S25A areas<br><br>Align to benchmark/ standards where available |
| **Ensure twice daily acuity capture where appropriate & required** | Ward/Dept Managers & Nurse Staffing Programme Lead | Green | Continue twice daily acuity data capture on all S25B wards (Adults and Paeds)<br><br>Twice daily acuity data capture on selected S25A areas – CCU, CDU and one mental health ward |
| | | Amber | Extend roll out of safecare to all mental health wards<br><br>Consider extending roll out of safecare to ACDU, WGH, AMAU PPH and CDU, BGH |

**WORKFORCE STABILITY**

| Objectives | Key Actions | Expected Impact |
|---|---|---|

| | | |
|---|---|---|
| Reduce absence-driven demand (key driver of variable pay) | • Target **sickness absence reduction**<br>  ○ Current baseline (6.8% in month sickness April 2026)<br>• Target HCSW/NSW vacancy reduction<br>• Implement:<br>  ○ Weekly absence review in clinics<br>  ○ Stronger return-to-work processes<br>  ○ Trigger-based escalation<br>• Improve:<br>  ○ Wellbeing support<br>  ○ Workload balance through staffing redesign<br>  ○ Strengthen leave planning discipline<br>  ○ Annual leave smoothing<br>  ○ Reduce peak-time absence | • Direct reduction in short-notice bank usage<br>• Improved roster resilience<br>• Ward managers accountable for sickness management<br>• Use rostering to balance workload and reduce burnout |

| Action | Owner | RAG | Next Step |
|---|---|---|---|
| **Return to work compliance** | Ward/Dept Managers | Amber | Implement sickness management audit tool |
| **Absence triggers** | HoNs | Amber | Ensure that these are applied consistently |
| **Annual leave planning** | Ward/Dept Managers/SNM | Amber | Improve annual leave planning and sign off |
| **Timely recruitment into HCSW/NSW vacancies** | Ward/Dept Manager/SNM | Amber | Reduce the number of HCSW/NSW vacancies. |
| **Explore apprentice route for hard to fill Band 3 NSW vacancies** | HoN Professional Standards and Regulation | Amber | Finalise the plan for recruiting apprentices for hard to fill Band 3 NSW posts |

**PATIENT FLOW**

| Objectives | Key Actions | Expected Impact |
|---|---|---|
| Reduce operational pressure that drives staffing escalation (with a focus on surged beds and UEC work plan) | • Target:<br>  ○ Length of stay reduction<br>  ○ Discharges before noon improvement<br>• Address delayed discharge drivers:<br>  ○ Internal processes<br>  ○ External pathway delays | • Lower bed congestion → lower staffing pressure → reduced variable pay |

| Action | Owner | RAG | Next Step |
|---|---|---|---|
| **Discharge improvement** | Clinical Care Groups | Red | Implement plan |
| **Flow coordination** | HoNs | Amber | Improve |
| **LOS review** | SNM | Amber | Improve |
| **Discharge Before Noon** | SNM/Ward Managers | Amber | Improve |

6. **CULTURE & LEADERSHIP**

| Objectives | Key Actions | Expected Impact |
|---|---|---|
| Break “perceived understaffing” cycle | • Strengthen:<br>  ○ Visible leadership (SNM/HoNs/ADN presence)<br>• Accountability for operational decisions. Shift from:<br>  ○ Reactive → proactive management<br>  ○ Task-based → outcome-based working<br>• Introduce: | Culture and morale are now a material driver of absence and inefficiency<br><br>Standardise flexible working processes<br><br>Bilingual Equity |

| | | |
|---|---|---|
| | ○ Regular ward forums and communication routes for staff to feedback roster concerns<br><br>• Embed:<br>○ Performance management (PADR, training compliance)<br>○ Shift distribution fairness<br>○ Welsh language standards compliance | |

| Action | Owner | RAG | Next Step |
|---|---|---|---|
| **Leadership visibility** | Clinical Care Groups | Amber | Increase |
| **PADR compliance** | Ward/Dept Managers | Amber | Improve >90% - currently 79.5% for nursing & midwifery |
| **Training compliance** | Ward/Dept Managers | Amber | Maintain >90% - currently 91.6% for nursing and midwifery |
| **Staff feedback mechanisms** | ADN Professional Standards | Red | Introduce structured feedback mechanisms (e.g. surveys, drop-in sessions) |

**DIGITAL ENABLEMENT**

| Objectives | Key Actions | Expected Impact |
|---|---|---|

| | | |
|---|---|---|
| **Strengthen Digital & Data Capability** | Maximise e-rostering system use<br>Develop real time dashboards (unavailability, staffing acuity | • Real-time decision-making<br>• Transparency<br>• Predictive workforce planning<br>• Improve data visibility |

| Action | Owner | RAG | Next Step |
|---|---|---|---|
| **Maximise e-rostering system use** | HoNs/rostering team | Amber | Increase number of areas using e-rostering |
| **Develop real time dashboards (unavailability, bank and agency usage)** | Assistant Director of Nursing, Professional Standards and Workforce | Amber | Build on the dashboards already in place |

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

# TERMS OF REFERENCE

## Nursing & Midwifery Variable Pay Reduction Programme Oversight Group

| Version | Issued to: | Date | Comments |
|---|---|---|---|
| V1 | Nursing & Midwifery Variable Pay Reduction Programme Oversight Group | 11/08/2026 | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

# Nursing & Midwifery Variable Pay Reduction Programme Oversight Group

## 1. Constitution

1.1 The Nursing & Midwifery Variable Pay Reduction Programme Oversight Group has been established to oversee the delivery of the Nursing 7 Midwifery Variable Pay Reduction Programme.

## 2. Principal Duties

2.1 The purpose of the Nursing Variable Pay Reduction Programme Oversight Group is to provide strategic oversight, challenge, assurance and support for the delivery of the Nursing and Midwifery Variable Pay Reduction Programme.

The Group will:

2.2.1 monitor progress against agreed financial, workforce and operational objectives, ensuring actions deliver sustainable reductions in variable pay expenditure whilst maintaining patient safety, quality of care, workforce wellbeing and compliance with statutory staffing requirements,

## 3. Operational Responsibilities

3.1 The Group will:

3.1.1 Monitor delivery of the Nursing Variable Pay Reduction Programme and associated savings targets.

3.1.2 Provide assurance that expenditure reduction plans do not adversely impact patient safety, quality, workforce sustainability or statutory staffing requirements.

3.1.3 Oversee delivery of key workstreams including:

- Workforce Stability
- Governance and Operational Grip
- Vacancy Reduction
- Roster Quality
- Workforce Redesign
- HCSW Agency Elimination
- Flow and Capacity

3.1.4 Review risks, barriers and dependencies impacting programme delivery.

3.1.5 Ensure alignment between nursing, workforce and financial recovery plans.

3.1.6 Monitor implementation of agreed controls relating to temporary staffing utilisation.

3.1.7 Escalate significant risks, performance concerns or decisions requiring executive action.

3.1.8 Share learning and best practice across clinical care groups and services

## 4. Membership

4.1 The membership of the Group shall comprise:

| Title |
|---|
| Deputy Director of Nursing, Quality and Patient Safety |
| Assistant Director of Nursing, Professional Standards & Workforce |
| Assistant Director of Nursing, Quality & Patient Experience, Community & Integrated Medicine CCG |
| Assistant Director of Nursing, Quality & Patient Experience, Planned & Specialist Care CCG |
| Assistant Director of Nursing, Quality & Patient Experience, Mental Health & Learning Disabilities CCG |
| Director of Midwifery & Professional Governance for Women and Children |
| Assistant Director of Nursing Assurance & Safeguarding |
| Deputy Director of Finance |
| Assistant Director of People Planning |
| Assistant Director People Management |
| Head of Nursing, Professional Standards and Regulation |
| Head of Resourcing & Utilisation |
| Senior Workforce Manager |
| Assistant General Manager C&IM CCG (Carms system) |
| Assistant General Manager C&IM CCG (Pembs system) |
| Assistant General Manager C&IM CCG (Ceredigion system) |
| Assistant General Manager Planned & Specialist Care |
| Head of Adult Mental Health Inpatient wards and Learning Disabilities service |
| Head of Service – Older adult MH |
| General Manager Women, Children and Family Health |
| Staff Partnership representative |

4.2 The membership of the Group will be reviewed on an annual basis.

## 5. Quorum and Attendance

5.1 A quorum shall consist of no less than a third and must include as a minimum the Chair or Vice Chair of the Group.

5.2 Any senior officer of the Hywel Dda University Health Board (HDdUHB) or from a partner organisation may, where appropriate, be invited to attend.

5.3 The Group may also co-opt additional independent external 'experts' from outside the organisation to provide specialist knowledge.

5.4 Should any member be unavailable to attend, they may nominate a deputy to attend in their place, subject to the agreement of the Chair.

5.5 The Group may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

## 6. Agenda and Papers

6.1 The Group's Secretary is to hold an agenda setting meeting with the Chair and the Group Lead at least **three** weeks before the meeting date.

6.2 The agenda will be based around the Group work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year and requests from Group members. Following approval, the agenda and timetable for receipt of papers will be circulated to all Group members.

6.3 The agenda and papers for meetings will be distributed **seven** days in advance of the meeting.

6.4 The draft minutes and table of actions will be circulated to members within **ten** days to check the accuracy.

6.7 Members must forward amendments to the Group Secretary within the next **seven** days. The Group Secretary will then forward the final version to the Group Chair.

## 7. Frequency of Meetings

7.1 The Group will meet monthly and shall agree an annual schedule of meetings. Additional meetings will be arranged as determined by the Chair of the Group.

7.2

## 8. Accountability, Responsibility and Authority

8.1 The Group will be accountable to the XXX Sub-Committee for its performance in exercising the functions set out in these terms of reference.

8.2 The Group shall embed the HDdUHB's vision, corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.

8.3 The requirements for the conduct of business as set out in HDdUHB's Standing Orders are equally applicable to the operation of the Group.

## 9. Reporting

9.1 The Group, through its Chair and members, shall work closely with the Board's other committees, including joint/sub committees and groups to provide advice and assurance to the Board

9.2 In doing so, the Group shall contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.

9.3 The Group may establish sub-groups or task and finish groups to carry out on its behalf specific aspects of Group business. The Group will receive an update following each sub-groups meetings detailing the business undertaken on its behalf.

9.4 The Group's Chair, supported by the Group Secretary, shall:

9.4.1 Report formally, regularly and on a timely basis to the XXX Sub-Committee on the Group's activities.

9.4.2 Bring to the XXX Sub-Committee's specific attention any significant matters under consideration by the Group.

## 10. Secretarial Support

10.1 The Group Secretary shall be determined by the Group Lead/ Chair.

## 11. Review Date

11.1 These terms of reference shall be reviewed on at least an annual basis by the Group for approval by the XXX Sub-Committee.