



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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 April 2026
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial Performance Assurance Report
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 Trafodaeth/For Discussion

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The purpose of this report is to outline the Health Board's financial position to date against the Annual 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

The Board recognises that approving a budget which included a planned deficit was a 'novel and contentious action' and, as such, the Accountable Officer wrote to the Director General Health, Social Care and Early Years Group in Welsh Government (WG) to advise them of this action in line with requirements.

The Board, at its meeting on the 31 July 2025, endorsed and approved a revised annual plan financial deficit of £30.0m for the 2025/26 financial year, having made decisions to increase the savings target, defer originally planned investments and recognise changing national funding assumptions. The WG expectation is that the Health Board should plan to deliver, as a minimum, the adjusted 2024/25 financial outturn of £22.1m.

Transitioning into the 2026/27 financial year, the Board approved the submission of the 2026/27 annual, which was sent to WG on 31 March 2026, including the financial deficit of £41.0m. Feedback was received from WG on 22 April 2026 stating the annual plan is considered to be unacceptable and unsupportable due to the deterioration of both performance and finance trajectories.

Asesiad / Assessment

Financial Position the 2025/26 Financial Year, including Month 12 2025/26

- The unaudited in-month financial position is a deficit of £4.0m, which is a worsening against the £2.5m in-month deficit plan due to a core operational overspend of £1.4m, the savings target of £3.9m being under identified by £0.1m, with the £3.8m savings identified being fully delivered in-month.
- The Health Board's unaudited End of Year reported outturn is £22.1m which is in line and slightly exceeds the Target Control total set by Welsh Government.
- The £1.4m core operational variation overspend experienced in Month 12 does generate cause for concern as the Health Board moves into the 2026/27 financial year.
- The following table summarises the key drivers, with full analysis included within **Appendix 1**.

Key Driver (£'m)	Current month variance to breakeven	Unaudited End of Year Position
Planned Deficit	2.5	30.0
Unidentified / (Identified) savings gap / (improvement)	0.1	(6.2)
Under / (Over) delivery of savings schemes	0.0	0.3
Core operational variation	1.4	(2.0)
Unaudited Reported Net Position	4.0	22.1

Outlook for 2026/27 Financial Year

- The 2026/27 annual plan included a planned financial deficit of £41.0m, as discussed and agreed in the Board meeting on 26 March 2026.
- A new corporate risk has been created with the reference 2326 and a score of 20. Whilst there is a healthy opportunities catalogue, which is being reviewed across all services, and featured as the focus of a Systems Leaders Meeting timeout on 15 April 2026, there is currently a significant risk to delivering the £41.0m planned deficit due to a deficiency of robust and confirmed savings plans, and an increasing cost base compared to 2025/26.
- The increasing cost base that is currently being experienced relates to overspends within Community and Integrated Medicine relating to service offerings above planned levels, the use of additional medical agency across several portfolios and uncertainty around the containment of Planned and Specialist Care expenditure being in line with the agreed annual plan activity levels and therefore budgets.
- Several portfolios have also confirmed, via an Executive Team led process, that they are not able/willing to convert non-recurrent savings delivered in 2025/26 into recurrent savings for 2026/27 – an expectation clearly set out by WG – should these spending plans convert to actual cost increases, there will be less non-recurrent opportunities to rely upon, with additional savings activities being required to be implemented to achieve the total savings target of £42.8m.
- A framing of the approach that is being undertaken internally to gain better assurance, or understanding, of the financial trajectory for 2026/27 is included within **Appendix 2**. This sets out the timeline to provide an update to the May 2026 Board meeting, as per the action agreed and issued to the Executive Team in the March 2026 Board meeting.

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.

Top priority alerts

Included within **Appendix 1** are the top priority alerts which need to be mitigated, the key themes being:

- **Same Day Emergency and Urgent Care** - Review and reassess agreed Urgent Emergency Care / Six Goals expenditure and funding for 2026/27 in light of increased Same Day Emergency Care (SDEC) and Same Day Urgent Care (SDUC) activity and costs experienced in Month 12 being earlier than planned.
- **Radiology system dual-running** - Investigate and clarify ongoing dual-running costs for Radiology Informatics System Procurement system in Allied Health, including confirmation of when these costs will cease.
- **Planned and Specialist Care adverse operational position** - Undertake a detailed financial and activity analysis of the £1.2m adverse position in Planned & Specialist Care for Month 12, focusing on decision-making, capacity use, and financial governance, ensuring all activity to aligned to the new plan and therefore funding envelope. No un-planned additional activity is to continue into Month 1 2026/27 as per the annual plan.

Welsh Government response to the Annual Plan

A rapid assessment of the broader annual plan has been conducted by WG. Their feedback from this assessment was shared with the Health Board on 22 April 2026 stating they consider the annual plan to be unacceptable and unsupportable due to the deterioration of both performance and finance trajectories. A copy of the letter is included as **Appendix 3**.

Savings delivery and impact on underlying deficit

- Whilst the 2025/26 savings target has been delivered, the end of year key performance breakdown per Clinical Care Group (CCG) / Executive functions in Appendix 1 shows the misbalance across service areas with Executive functions over delivering and CCG's under delivering.
- As part of the 2026-29 planning cycle process to reduce the underlying deficit, it is recognised that the organisation must change the savings approach, the Health Board has delivered £37.9m of non-recurrent savings to Month 12 2025/26, primarily through underspend conversions. To ensure a clearer and more transparent financial approach for 2026/27, the Executive Team undertook an exercise to review the non-recurrent savings via a rebuttal process with the value of delegated budgets being reduced recurrently.
- **Outcome of the non-recurrent review process** – £9.0m, of circa £30m, of ongoing savings have been committed to; £4.7m on a recurrent basis and £4.3m non-recurrently. £4.7m of recurrent savings have been transacted to reduce the underlying deficit carried forward into the 2026/27 financial year, this value was taken out of budgets post Accountability letter base budget cascade. The £4.3m non recurrent savings has been transacted as part of 2026/27 savings which will reduce the target required at the start of the financial year.

- **Proactive declaration of savings** – updated principle will be implemented for 2026/27 whereby an ongoing report will be made available highlighting underspends that have yet to be converted to savings. Underspends are not to be offset with unrelated overspends. Transparency is expected to be heightened, enabling further actionable insights. Reactive reporting of non-recurrent underspend savings will cease in 2026/27.
- **Over-delivery of savings targets**, should this arise through the process, overachievements are to be offset against new savings targets for future financial years, ensuring equitability by rewarding those who deliver more than their requirement in the short term.

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.

Escalation approach and Ways of Working Changes

For a continued period, there have been several portfolios in Level 3 escalation for Finance, as well as other domains. The Level 4 escalation level has yet to be used as it is pending finalisation with the Executive Team. This highlights a key risk where appropriate responses to the escalation framework have not materialised in a sufficient time period, and that continued escalation highlights ineffective actions.

As part of the Executive Team dialogue surrounding the escalation process change for 2026/27, existing governance arrangements are to be stood down, as explained in the Systems Leaders Meeting on 15 April 2026, and replaced with a more aligned and streamlined structure within the Chief Operating Officer portfolio. It is not yet understood how other Executive Portfolios will be monitored if escalated via the established seven domain escalation process, which continues.

By standing down the current governance arrangements, including Executive Improving Together meetings, Escalation Recovery meetings, Integrated Quality, Finance and Performance Delivery (IQFPD) and the Financial Control Sub-Group, there is a risk that appropriate and proportionate control and decision making might not be as effective, with a learning curve impact likely to be associated with the changes outlined. It is imperative that there are no distractions directly or in-directly experienced with this transition, as savings and mitigation plans are required immediately at the start of the new financial year to avoid delivery failure of the annual plan.

It is recognised that once the new ways of working are fully embedded, they may allow for faster, more agile and autonomous decision making and improvements, but the transition period to this state affords a risk to delivery. A comprehensive update will be included in the next committee meeting to provide assurance over the proposed/implemented governance and oversight changes.

Newly qualified nurse streamlining and recruitment

Ongoing work continues with the Corporate Nursing and Workforce teams to progress the 2026/27 newly qualified nursing intake from the streamlining process. Initial modelling indicates there are insufficient vacancies to offer all candidates originally planned through the streamlining process. Further work is predicting the likely attrition rate between now and the

start of the newly qualified intake, and how many vacancies will be advertised later in the year when the annual plan assumptions surrounding service developments come online.

It should be advised that there is a potential risk if all offers are honoured, and reputational implications if they are not. A comprehensive paper will be brought to the June 2026 committee meeting to articulate if any financial risk is likely.

Current status of budget delegation accountability letters for the 2026/27 financial plan

- Following the approval gained at the Finance and Performance Committee on 24 February 2026, budget delegation accountability letters for the 2026/27 financial plan have been issued from the Accountable Officer for the Health Board (Chief Executive) to Executive Directors and Clinical Care Group / Executive Function Leads, with a deadline for return of 31 March 2026.
- A reminder was sent by the Executive Director of Finance on 25 March 2026 to those who had not responded up to that date.
- An escalation approach is planned in three stages (with the first being complete) for the signed responses that are outstanding:
 - Corporate Reporting to send a reminder once the deadline has passed – this reminder was sent on 02 April 2026 by the Deputy Director of Finance.
 - Executive Director of Finance to send a second reminder after the summary status has been shared through a Formal Executive Team meeting.
 - Chief Executive to arrange a meeting as a final review of why a signed response has not been received, before papers are due for the Public Board meeting on 28 May 2026, in which an update will be given.
- In summary, as at 22 April 2026, the number of letters sent, and responses received, is as per the following table:

Approval Status update	Number of letters sent	Number of letters approved
Executive Directors	9	4
Clinical Care Groups / Executive Function Leads	22	15
Total	31	19

Band 2/3 Pay re-banding dispute update

The process around reimbursement of the band 2/3 dispute is still ongoing with progress update as follows:

- Most of the claims were reimbursed by Payroll in February 2026, with the balance expected to be paid via April 2026 payroll. It is currently unclear if there are further claims expected.
- The calculation of the full recurrent impact has not been fully concluded due to the process continuing; initial calculations indicate that the final requirement will be higher than the £2.0m provision included in the 2026/27 financial plan due to volume and price assumption changes.

- Once the recurrent modelling has concluded, an update will be taken through Executive Team and a paper included in the June 2026 Finance and Performance Committee highlighting any risk, or benefit, expected in the 2026/27 financial year.

Assure (to note)

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

Cash

- The receipt of Welsh Government strategic cash of £22.1m together with working capital balances meant that the Health Board was able to pay all its creditors in March 2026.

Capital

- The Health Board has spent within its Capital Resource Limit (CRL) and therefore achieved its statutory duty to break even and not exceed this limit.
- Expenditure in the month of March was significantly higher than prior months at £18.9m, being 45% of the annual expenditure

Grip and control measures

- A new, recognised best practice, scheme of delegation within the Oracle requisition system has been implemented for the new Clinical Care Group structures, with aligned values across each of the seven approval levels.
- A hierarchical approval method will be introduced on 5 May 2026, which will require a requisition to be approved at each stage, adding visibility and appropriate oversight for all budget holders.

Ministerial Priorities

Contained within 'Ministerial Enablers: Annex 2' are specific requirements setting out what the Health Board must take further action on, to reduce the amount it spends on variable pay and premium agency, and has set out the following mandate on an adopt or explain basis:

- Ensure effective implementation of job planning policy, to include ensuring that > 90% of all Consultants have an agreed job plan in place at all times by 30 September 2026 and aligned to service demand and capacity plans.
- Continue to deliver a further and sustained reduction in agency expenditure, with a target 30% reduction in 2026/27 from 2025/26 outturn and ensuring no off-contract expenditure.
- Fully implement the actions outlined in the Variable Pay & Agency Control Framework Welsh Health Circular.
- Organisations who have achieved a reduction in agency spend on Healthcare Support Worker, Admin & Clerical, and Estates & Ancillary staff to maintain that position. Organisations yet to deliver that position to deliver zero by 30th September 2026.

- Ensure a reduction in sickness absence in 2026/27 in comparison to 2025/26, through maximising adherence to the requirements of agreed attendance at work policies and adhering to the all-Wales Occupational Health minimum service levels.

Although there has been positive action evidenced towards achieving a 30% reduction in on-contract agency expenditure, recent months have seen an increase in on-contract agency spend due to demand led and resourcing pressures within the hospital sites. However, off-contract use is eliminated throughout the Health Board. There remains a notional use of agency workers within Mental Health and Learning Disabilities for Healthcare Support Workers, in breach of the ministerial priority, with work continuing to remove the reliance.

Argymhelliad / Recommendation

The Finance and Performance Committee is asked to:

- **NOTE** that The Health Board’s unaudited year-end financial position is £22.1m, slightly exceeding (when roundings are removed) the Target Control Total set by Welsh Government of £22.1m.
- **NOTE** that the Health Board has spent within its Capital Resource Limit (CRL) and achieved the statutory target
- **SCRUTINISE** the top priority alerts for urgent remedial action plans, especially given the risks these could cause to the start of the new financial year.
- **ACKNOWLEDGE** that an underlying deficit assessment has been undertaken and the brought forward deficit into the 2026/27 financial year is £53.8m, significantly higher than the 2025/26 outturn of £22.1m, due to the reliance in-year on non-recurrent actions, reduced by £4.7m with the rebuttal exercise undertaken in March 2026
- **SEEK ASSURANCE** that accountability letters for the delegation of budgets for the 2026/27 financial year will be signed by those areas that have not yet done so.
- **NOTE** the WG letter response to the annual plan being unacceptable and unsupportable due to the deterioration of both performance and finance trajectories
- **ACKNOWLEDGE** the Executive Team actions as set out in the 4 Step Improvement Framework, for the financial aspects, in response to the Board action and WG feedback.
- **NOTE** there may be a requirement to include specific updates on the Chief Operating Officer Ways of Working changes, Newly Qualified Nurse Streamlining and Recruitment, and the outcome of the Band 2/3 Re-banding Recurrent Funding, in the next committee meeting.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference:
Cyfeirnod Cylch Gorchwyl y Pwyllgor:

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

	<p>requirement;</p> <p>3.1.5.3 Performance against other financial metrics, such as cash management, capital management and Public Sector Payment Policy.</p>
<p>Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:</p>	<p>2086 (score 12) Risk of the Health Board not being able to meet the statutory requirement of breaking even in 2025/26 due to significant deficit position. 2326 (score 20) Risk to achieving 2026/27 Target Control Total due to underlying deficit, insufficient savings & reliance on non-recurrent funding</p>
<p>Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)</p>	<p>7. All apply</p>
<p>Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)</p>	<p>6. All Apply</p>
<p>Amcanion Strategol y BIP: UHB Strategic Objectives:</p>	<p>All Strategic Objectives are applicable</p>
<p>Amcanion Cynllunio Planning Objectives</p>	<p>All Planning Objectives Apply</p>
<p>Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</p>	<p>9. All HDdUHB Well-being Objectives apply</p>

Gwybodaeth Ychwanegol: Further Information:	
<p>Ar sail tystiolaeth: Evidence Base:</p>	<p>Monitoring returns to Welsh Government based on HDdUHB's financial reporting system.</p>
<p>Rhestr Termiau: Glossary of Terms:</p>	<p>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</p>

	<p>PSPP– Public Sector Payment Policy RTT – Referral to Treatment Time T&O – Trauma & Orthopaedics TCT – Target Control Total WG – Welsh Government WGH – Worthybush General Hospital WRP – Welsh Risk Pool WTE – Whole Time Equivalent YTD – Year to date</p>
<p>Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:</p>	<p>Finance Team Management Team Executive Team</p>

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Financial implications are inherent within the report.
Ansawdd / Gofal Claf: Quality / Patient Care:	The impact on patient care is assessed within the savings schemes.
Gweithlu: Workforce:	The report considers the financial implications of our workforce.
Risg: Risk:	Financial risks are detailed in the report.
Cyfreithiol: Legal:	HDdUHB has a legal duty to deliver a breakeven financial position over a rolling three-year basis and an administrative requirement to operate within its budget within any given financial year.

Enw Da: Reputational:	Adverse variance against HDdUHB's financial plan will affect its reputation with Welsh Government, Audit Wales, and with external stakeholders.
Gyfrinachedd: Privacy:	Not Applicable.
Cydraddoldeb: Equality:	Not Applicable.



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2025/26 Unaudited Financial Performance Report Finance and Performance Committee

Month 12 March 2025/26



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- Performance and Accountability
- Savings Performance
- Core Operational Variation
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- Trend Analysis
- Staffing Establishment Reports
- Revenue vs Plan Variance Matrices
- Savings Detail

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

Position Overview – Executive Summary



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The Health Board's Annual Planned Deficit is £30.0m with an Annual Savings Target of £46.4m.

The Health Board's unaudited End of Year reported outturn is £22.1m. Year-end figures are subject to audit and could change, therefore are not yet final.

The unaudited in-month financial position is a deficit of £4.0m, which is a worsening against the £2.5m in-month deficit plan due to a core operational overspend of £1.4m, and the savings target of £3.9m being under identified by £0.1m, with the £3.8m savings identified being fully delivered in-month. The end of year position is a deficit of £22.1m which is an improvement against the £30.0m planned deficit, driven by a savings over identification of £6.2m and a favorable core operational variation of £2.0m.

Key Driver (£'m)	Prior month variance to breakeven	Current month variance to breakeven	Prior Month End of Year to breakeven	Unaudited End of Year Position
Planned Deficit	2.5	2.5	30.0	30.0
Unidentified / (Identified) savings gap / (improvement)	(1.1)	0.1	(5.7)	(6.2)
Under / (Over) delivery of savings schemes	0.0	0.0	0.3	0.3
Core operational variation	0.6	1.4	(2.5)	(2.0)
Unaudited Reported Net Position	2.0	4.0	22.1	22.1

Financial Management

Key Measures

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

Core Operational Variation

The end of year core underspend of £2.0m materially relates to dental contract underperformance and drug price improvements. However, the in-month core overspend of £1.4m is signalling a worsening trajectory against plan and is largely driven by Planned Care additional theatres outsourcing activity and Medical Waiting List Initiative sessions and Community and Integrated Medicine joint equipment stores and insulin pumps purchases.

Cash

Risk
#2086
4 x 3 = 12

The receipt of Welsh Government strategic cash of £22.1m together with working capital balances meant that the Health Board was able to pay its creditors in March.

Savings

Of the annual savings target of £46.4m, £52.6m has been identified on an in-year basis resulting in a £6.2m over-identification, however £52.3m savings have delivered, leaving a net £5.9m savings delivery overachievement. Of this over delivery, £7.0m are relating to accountancy gains identified in year.

Capital

Risk
#2204
3 x 4 = 12

The Health Board has spent within its Capital Resource Limit and achieved the statutory target. Variances from project allocations were managed internally across the capital programme, including through increased expenditure against discretionary schemes. Underspends against Carmarthen Hwb and Aseptic were managed through additional discretionary expenditure. Expenditure in the month of March was significantly higher than prior months at £18.9m, being 45% of the annual expenditure.

Underlying Deficit

Risk
#1199
5 x 5 = 25

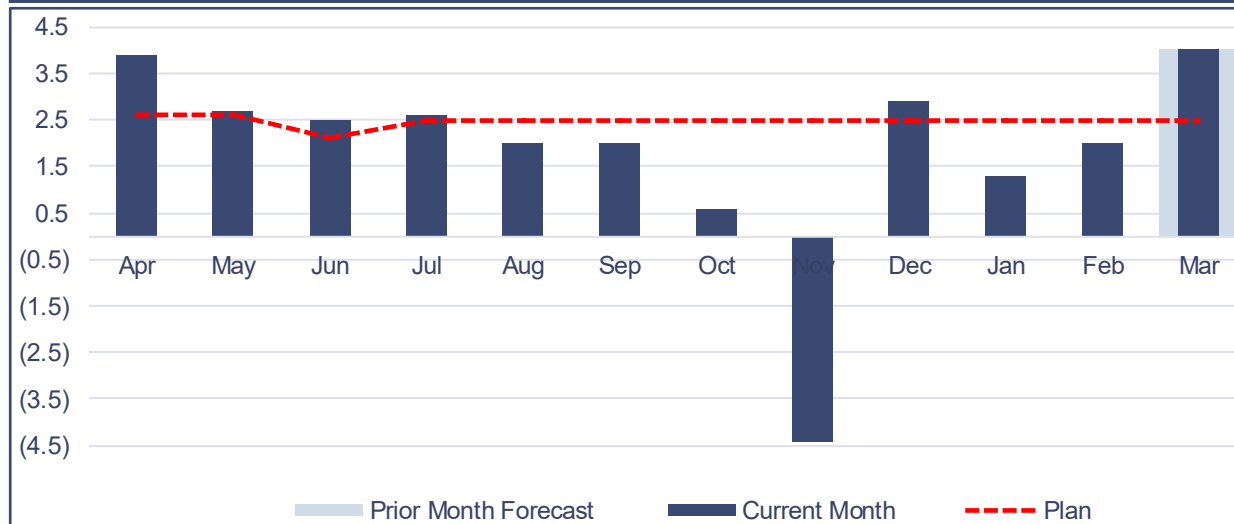
£23.1m of recurrent full year effect schemes have been identified, with recurrent funding for Real Living Wage £2.3m and Bank £0.4m being confirmed, offset by the National Insurance shortfall in funding £2.0m, resulting in an underlying deficit of £53.7m. Following an exercise undertaken with Executive Directors to review and convert any non-recurrent savings into recurrent, £4.7m non-recurrent savings have been converted into recurrent savings schemes in Month 12 to improve the underlying deficit.

Position Overview – Change from Prior Month



Key Driver (£'m)	Prior Month Reported Position	Unaudited Current Month Position	Movement
Planned Deficit	2.5	2.5	0.0
Savings gap / (improvement)	(1.1)	0.1	1.2
Under / (Over) delivery of savings schemes	0.0	0.0	0.0
Core Operational Variation	0.6	1.4	0.8
Unaudited End of Year Position	2.0	4.0	2.0

In-Month Revenue Deficit Trend (£'m)



Unidentified Savings Gap (£'m)	Change
GMS Drugs & Appliances lower winter pressures savings in prior month	0.7
GMS agreements underspend savings in prior month	0.5
Movement in Unidentified Savings Gap	1.2

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 GMS Global Sum payments rate correction adjustment	0.9
Increased provision for employment tribunal costs	0.8
Planned Care theatres outsourcing activity and Medical waiting list initiative	0.6
Community & Integrated Medicine joint equipment stores and insulin pumps	0.5
Community & Integrated Medicine Nursing to support 7 day working	0.3
Dual running of new Radiology Informatics System Procurement system	0.3
Medical increase in marketing, development and producing costs	0.2
Mental Health underutilisation and reduction in CHC packages	(0.2)
Reduction in Continuing Healthcare package costs	(0.7)
VAT recovery reviews	(0.8)
Primary Care 24/25 Dental contract recoveries	(1.1)
Movement in Core Operational Variation	0.8

Position Overview – Change from Prior Forecast

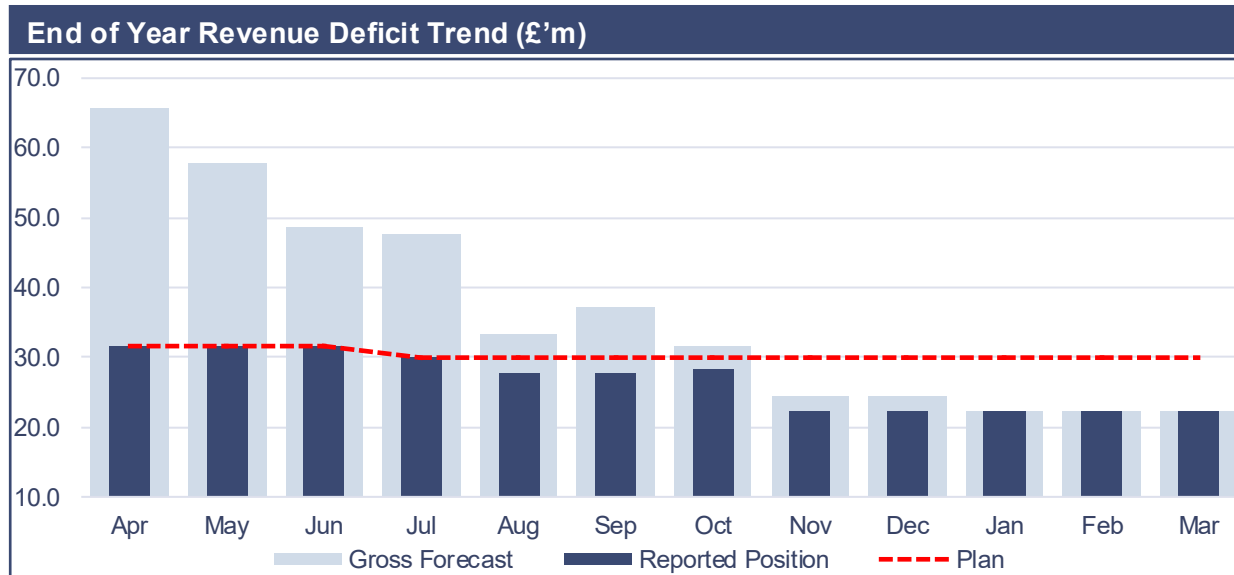


Key Driver (£'m)	Prior Month End of Year Forecast	Unaudited End of Year Position	Movement
Planned Deficit	30.0	30.0	0.0
Savings gap / (improvement)	(5.7)	(6.2)	(0.5)
Under / (Over) delivery of savings schemes	0.3	0.3	0.0
Core Operational Variation	(2.5)	(2.0)	0.5
Unaudited End of Year Position	22.1	22.1	0.0

Unidentified Savings Gap (£'m)	Change
Additional pay and dental underspends savings identified in-month	(0.5)
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
General Medical Services Global Sum 2025/26 contract uplift	0.9
Increased provision for Workforce Tribunal costs	0.8
Community & Integrated Medicine joint equipment stores and insulin pumps	0.5
Estates increase in Maintenance contracts expenditure	0.4
Planned Care theatres outsourcing activity and Medical waiting list initiative	0.4
Community & Integrated Medicine Nursing to support 7 day working	0.3
Medical increase in marketing, development and producing costs	0.2
Mental Health reduction in Continuing Healthcare package volume	(0.4)
Reduction in Continuing Healthcare package costs	(0.7)
VAT recovery reviews	(0.8)
2024/25 Dental contract underperformance recoveries	(1.1)
Movement in Core Operational Variation	0.5



Actionable Insights – Top Priority Alerts



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Action / Decision	Description	Owner	Status	Due Date
Same Day Emergency and Urgent Care	Review the decision-making, approvals, and funding assumptions that led to Same Day Emergency Care (SDEC) and Same Day Urgent Care (SDUC) opening earlier than planned, including the timings and ownership of decision approval.	Peter Skitt	Update required regarding unplanned costs and the impact on Six Goals funding going into FY26/27	April 2026
Urgent and Emergency Care	Review and reassess agreed Urgent Emergency Care / Six Goals expenditure and funding for the new financial year in light of early Same Day Emergency Care (SDEC) and Same Day Urgent Care (SDUC) activity and costs.	Peter Skitt	Update required as early operational decisions may require reprioritisation or refusal of other UEC funded actions	April 2026
Robustness of Continuing Healthcare approach	Review and update, supported by financial analysis, to be discussed with Internal Audit following audit recommendations for the oversight and administration of the Continuing Healthcare database, in respect of recent examples, including Month 12 Mental Health changes.	Sian Jenkins	Update required regarding the Continuing Healthcare process following audit conclusions	April 2026
Radiology system dual-running	Investigate and clarify ongoing dual-running costs for Radiology Informatics System Procurement system in Allied Health, including confirmation of when these costs will cease.	Sara Quarrie	Update required on expected timings for dual running to end, and impact going into FY26/27	April 2026
Planned and Specialist Care adverse operational position	Undertake a detailed financial and activity analysis of the £1.2m adverse position in Planned & Specialist Care, focusing on decision-making, capacity use, and financial governance.	Paul Goode	Update required for FY26/27 forecast as overspend is unaffordable entering the new financial year.	April 2026
Annual Leave Policy	Discussion required regarding the carry over of Annual Leave policy and the appropriateness of exceptions becoming the norm. Propose that only defined exceptions such as maternity, long-term sick, and suspensions should be supported.	Lisa Gostling	Review of Annual Leave policy required due to the scale of unexpected pressure generated in Month 12.	April 2026

Financial Summary – Key Drivers vs Plan



In-Month

Unaudited Position

£4.0m

Planned Deficit **£2.5m**
Prior Month Forecast **£4.0m**

Savings Identification Gap

£0.1m

Savings Target **£3.9m**
Total Identified **£3.8m**

Savings Delivery Gap

£0.0m

Savings Delivery **£3.8m**
Prior Month Delivery **£5.0m**

Core Operational Variation

£1.4m

Prior Month Variation **£0.6m**

End of Year

Unaudited Position

£22.1m

Planned Deficit **£30.0m**
Prior Annual Forecast **£22.1m**

Savings Identification Gap

£(6.2)m

Savings Target **£46.4m**
Total Identified **£52.6m**

Savings Delivery Gap

£0.3m

Savings Delivery **£52.3m**
Prior Month Delivery **£51.8m**

Core Operational Variation

£(2.0)m

Prior Month Variation **£(2.5)m**

Capital Position

£42.4m

Annual Plan **£42.4m**
Prior Annual Forecast **£42.2m**

Underlying Deficit

£53.7m

Annual Plan **£58.5m**
Recognised as unsustainable

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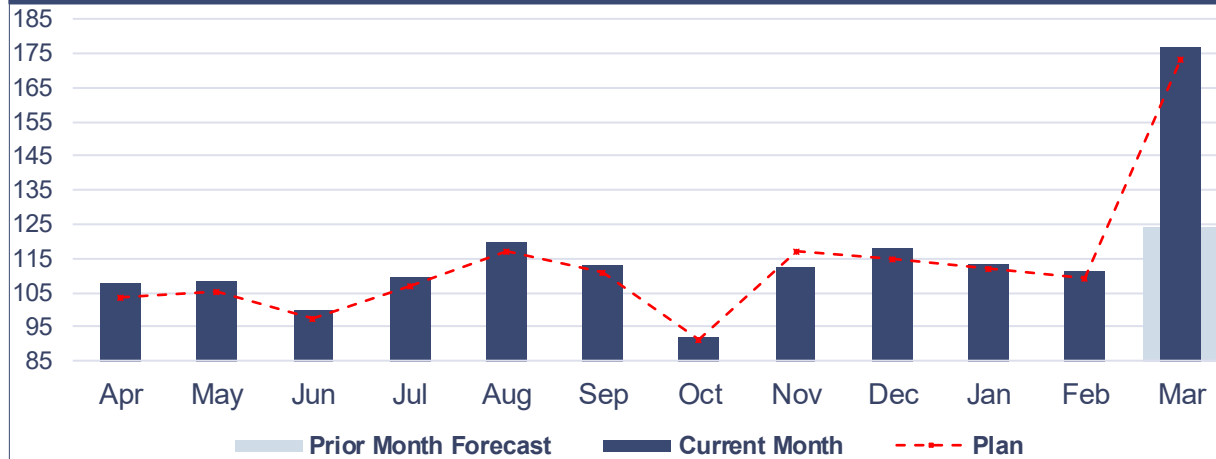
In-Month Actual
£177.0m ○
Variance to Plan **£1.5m**

End of Year Actual
£1,382.2m ○
Variance to Plan **£(7.9)m**

3-Year Growth
19.5%
2022-23 Outturn **£1,157m**

In-Year Growth
1.9%
2024-25 Outturn **£1,357m**

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



Expenditure Trajectory Analysis (£'m)	P07-26	P08-26	P09-26	P10-26	P11-26	P12-26	EOY
Pay	56.8	58.0	58.9	57.0	56.8	103.6	731.3
Administration and Estates	11.5	11.7	12.2	11.6	11.7	21.2	148.9
Allied Health, Scientists and Other	7.3	7.2	7.3	7.2	7.2	13.1	91.9
Medical and Dental	13.3	13.4	13.9	13.0	13.8	22.5	169.4
Nursing, Midwifery and Clinical Support	24.8	25.7	25.5	25.2	24.2	46.8	321.2
Non Pay	41.7	61.6	66.1	63.8	62.2	83.8	733.8
Clinical Services and Supplies	4.7	4.4	4.8	4.5	4.1	4.5	51.7
Commissioned Healthcare Services	36.5	36.9	38.1	36.5	35.7	40.1	434.2
Drugs and Prescribing	7.3	11.7	13.8	13.3	12.6	13.5	148.8
Other Non-Pay	(6.7)	8.6	9.3	9.4	9.8	25.6	99.1
Income	(6.6)	(7.0)	(7.2)	(7.3)	(7.8)	(10.4)	(82.9)
Net Income and Expenditure	91.9	112.5	117.8	113.4	111.3	177.0	1,382.2
Allocations	91.4	116.9	114.9	112.1	109.3	173.1	1,360.1
Reported Position	0.6	(4.4)	2.9	1.3	2.0	4.0	22.1

Key Information

Month 3, June, amortisation of capital expenditure reduced circa £8.0m. Month 5, August, 2025-26 pay award expenditure, including year-to-date backpay circa £9.0m. Month 7, October, amortisation of capital expenditure reduced circa £16.2m and drugs expenditure reduced by £6.1m relating to Aseptic Unit System accountancy gain savings. Month 9, December, Primary Care drugs increase in price including an uptake of Mounjaro drugs, and year-to-date Primary Care Dental, Pharmacy and General Medical Services increase in pay uplift costs in line with funding.

Month 12, March, increase largely 9.4% National Pension Resource in line with funding £42.8m, in addition to anticipated Depreciation and Amortisation Impairment increases £13.8m within Other Non-Pay. Further increases relate to Workforce Tribunal costs £0.8m and dual running of new Radiology Informatics System. Increase in Commissioned Healthcare Services relate to Planned and Specialist Care theatres outsourcing for Outpatients, Diagnostics and Waiting Times recovery £3.0m, and Long Term Agreements Vertex and Joint Commissioning Committee expenditure £2.5m in line with additional Welsh Government funding. Increase in pay largely relates to backdated recognition of outstanding claims for Band 2 to 3 rebanding dispute, with an increase in Nursing to support General Practices 7 day working. Increase in Medical relating to Planned and Specialist Care Waiting List Initiatives sessions and Children and Women Medical variable pay. Increase in Housing with Care Fund projects income.

Total Pay Insights



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In-Month Actual
£103.6m ●
Variance to Plan **£2.1m**

End of Year Actual
£731.3m ●
Variance to Plan **£1.9m**

3-Year Growth
28.8%
2022-23 Outturn **£567.6m**

In-Year Growth
8.2%
2024-25 Outturn **£675.8m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)

	P07-26	P08-26	P09-26	P10-26	P11-26	P12-26	EOY
Substantive	51.7	52.9	52.8	52.3	51.2	97.8	667.8
Administration and Estates	11.1	11.3	11.8	11.3	11.3	20.7	144.5
Allied Health, Scientists and Other	7.0	7.0	7.0	7.0	7.0	12.8	88.7
Medical and Dental	10.8	10.9	10.8	10.8	10.9	19.4	137.6
Nursing, Midwifery and Clinical Support	22.8	23.6	23.2	23.3	22.0	44.9	296.9
Variable	4.2	4.3	5.0	3.6	4.6	4.9	53.2
Administration and Estates	0.3	0.3	0.4	0.3	0.4	0.6	4.3
Allied Health, Scientists and Other	0.2	0.2	0.2	0.1	0.2	0.2	1.9
Medical and Dental	2.0	2.1	2.5	1.6	2.3	2.6	27.1
Nursing, Midwifery and Clinical Support	1.7	1.7	1.9	1.6	1.8	1.5	19.9
Agency (Premium)	0.9	0.8	1.2	1.1	1.1	0.9	10.4
Administration and Estates	-	-	-	-	-	-	-
Allied Health, Scientists and Other	0.1	0.1	0.1	0.1	0.1	-	1.3
Medical and Dental	0.4	0.4	0.6	0.6	0.6	0.5	4.8
Nursing, Midwifery and Clinical Support	0.4	0.4	0.4	0.3	0.4	0.4	4.3
Total Expenditure	56.8	58.0	58.9	57.0	56.8	103.6	731.3
Plan	57.0	59.0	57.8	57.4	56.1	101.5	729.5
Variance to Plan	(0.2)	(1.0)	1.1	(0.4)	0.7	2.0	1.8

Key Information

Month 5, August, 2025-26 pay award expenditure inclusive of year to date backpay circa £9.0m, with subsequent months consequentially increasing.

Month 8, November, includes year to date recognition of additional band 2 to 3 rebanding uplift expenditure £0.6m.

Month 9, December, variable and premium pay increases relating to recovery performance backlog within Scheduled Care, inclusive of arrear payments alongside an increased requirement for sickness cover.

Month 10, January, reduction in Medical and Dental and Nursing variable pay due to a reduction in retrospective claims in-month, in addition to a further reduction in Medical Additional Duty Hours.

Month 12, March, includes an increase of £42.8m relating to 9.4% National Pension Resource in line with funding, in addition to backdated recognition of outstanding claims for Band 2 to 3 rebanding dispute £0.8m. Additional Healthcare Support Workers and Fracture Liaison Service recruitment within Community and Integrated Medicine and increase in Nursing expenditure to support General Practices 7 day working, in addition to Planned and Specialist Care increase in Medical Waiting List Initiative sessions and Children and Women Medical variable pay.

Substantive Insights



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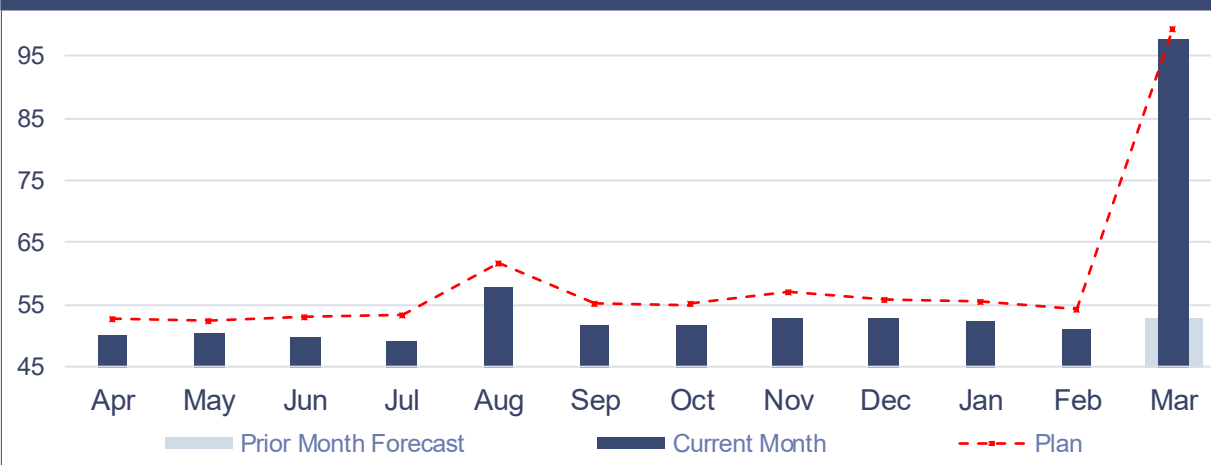
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In-Month Actual
£97.8m ●
Variance to Plan **£(1.6)m**

End of Year Actual
£667.8m ●
Variance to Plan **£(38.4)m**

In-Year Growth
9.2%
2024-25 Outturn **£611.7m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)

	P07-26	P08-26	P09-26	P10-26	P11-26	P12-26	EOY
Pay Groups	51.7	52.9	52.8	52.3	51.2	97.8	667.8
Administration and Estates	11.1	11.3	11.8	11.3	11.3	20.7	144.5
Allied Health, Scientists and Other	7.0	7.0	7.0	7.0	7.0	12.8	88.7
Medical and Dental	10.8	10.9	10.8	10.8	10.9	19.4	137.6
Nursing, Midwifery and Clinical Support	22.8	23.6	23.2	23.3	22.0	44.9	296.9
Functions	51.7	52.9	52.8	52.3	51.2	97.8	667.8
Chief Operating Officer Management	0.7	0.7	0.6	0.6	0.6	0.6	8.0
Community and Integrated Medicine	15.9	15.9	16.0	16.1	17.4	17.1	194.0
Mental Health and Learning Disabilities	5.7	5.8	5.8	5.9	6.0	5.8	69.0
Operational Allied Health and Health Sciences	5.6	5.5	5.6	5.6	5.5	5.6	66.0
Planned and Specialist Care	13.1	13.3	13.3	13.3	13.6	13.5	158.1
Primary Care	1.3	1.2	1.2	1.2	1.2	1.2	15.2
Executive Functions	9.4	10.4	10.2	9.7	6.8	54.0	157.5
Total Expenditure	51.7	52.9	52.8	52.3	51.2	97.8	667.8
Plan	55.1	57.1	55.9	55.5	54.3	99.4	706.2
Variance to Plan	(3.4)	(4.2)	(3.2)	(3.2)	(3.1)	(1.6)	(38.4)

Key Information

Month 5, August, includes 2025-26 pay award expenditure, including year to date backpay circa £9.0m.

Month 8, November, Executive Functions increase relating to additional year to date Band 2 to 3 pay award and rebanding uplift expenditure mainly relating to Healthcare Support Workers within Nursing £0.6m.

Month 11, February, reduction in Nursing due to the retrospective back payment for Band 2 to 3 Healthcare Support Workers rebanding being £(1.0)m lower than anticipated.

Month 12, March, includes an increase of £42.8m relating to 9.4% National Pension Resource in line with funding, in addition to backdated recognition of outstanding claims for Band 2 to 3 rebanding dispute £0.8m, increase in carry forward Annual Leave accrual expenditure £0.8m and increase in pay and travel expenditure £0.3m. Additional Healthcare Support Workers and Fracture Liaison Service recruitment within Community and Integrated Medicine and increase in Nursing expenditure to support General Practices 7 day working.

Variable Insights



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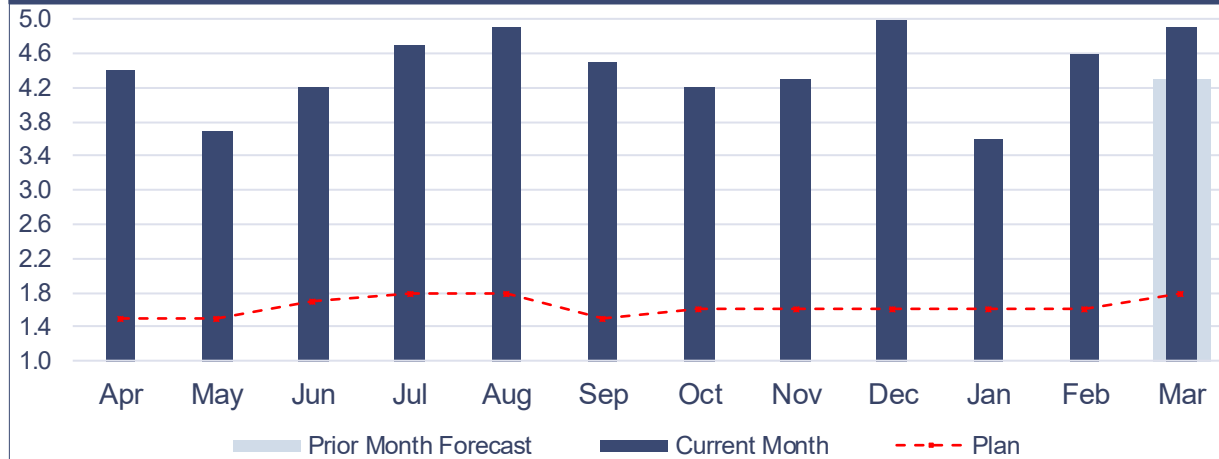
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In-Month Actual
£4.9m ●
Variance to Plan **£3.1m**

End of Year Actual
£53.2m ●
Variance to Plan **£33.9m**

In-Year Growth
(14.7)%
2024-25 Outturn **£62.4m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)	P07-26	P08-26	P09-26	P10-26	P11-26	P12-26	EOY
Pay Groups	4.2	4.3	5.0	3.6	4.6	4.9	53.2
Administration and Estates	0.3	0.3	0.4	0.3	0.4	0.6	4.3
Allied Health, Scientists and Other	0.2	0.2	0.2	0.1	0.2	0.2	1.9
Medical and Dental	2.0	2.1	2.5	1.6	2.3	2.6	27.1
Nursing, Midwifery and Clinical Support	1.7	1.7	1.9	1.6	1.8	1.5	19.9
Functions	4.2	4.3	5.0	3.6	4.6	4.9	53.2
Chief Operating Officer Management	-	-	-	-	-	(0.1)	
Community and Integrated Medicine	1.6	1.7	1.7	1.5	1.7	1.7	20.1
Mental Health and Learning Disabilities	0.3	0.3	0.3	0.2	0.2	0.2	3.5
Operational Allied Health and Health Sciences	0.3	0.3	0.3	0.2	0.3	0.4	3.0
Planned and Specialist Care	1.3	1.3	1.9	1.2	1.4	1.9	17.0
Primary Care	0.4	0.6	0.6	0.5	0.6	0.6	6.5
Executive Functions	0.3	0.3	0.3	(0.1)	0.3	0.3	3.0
Total Expenditure	4.2	4.3	5.0	3.6	4.6	4.9	53.2
Plan	1.6	1.6	1.6	1.6	1.6	1.8	19.3
Variance to Plan	2.6	2.7	3.4	2.0	3.1	3.1	33.9

Key Information

Month 9, December, variable pay cost increases across both Medical & Dental and Nursing as a result of recovery performance backlog within Scheduled Care, including Waiting List Initiative payments, in addition to backdated retrospective claims. Nursing increases due to cover for vacancies and sickness.

Month 10, January, reduction due to Medical and Dental retrospective claims included in prior month, and further reduction in Medical Additional Duty Hours across areas, Planned and Specialist Care reduction in Medical variable cover required and Community and Integrated Medicine Nursing variable pay reduction due to unfilled shifts.

Month 11, February, increase in Variable Pay with an increase in the number of shifts filled from prior month and an increase in bank usage.

Month 12, March, increase relating to Medical Waiting List Initiative Sessions within Planned and Specialist Care in line with increased activity.

Agency Insights



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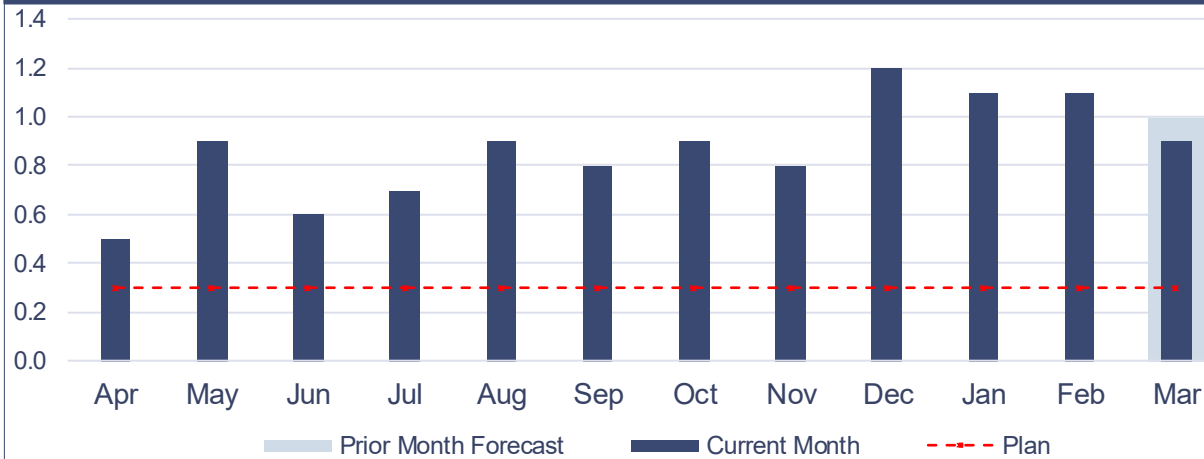
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In-Month Actual
£0.9m ●
Variance to Plan **£0.6m**

End of Year Actual
£10.4m ●
Variance to Plan **£6.3m**

In-Year Growth
(38.1)%
2024-25 Outturn **£16.8m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)

	P07-26	P08-26	P09-26	P10-26	P11-26	P12-26	EOY
Pay Groups	0.9	0.8	1.2	1.1	1.1	0.9	10.4
Administration and Estates	-	-	-	-	-	-	-
Allied Health, Scientists and Other	0.1	0.1	0.1	0.1	0.1	-	1.3
Medical and Dental	0.4	0.4	0.6	0.6	0.6	0.5	4.8
Nursing, Midwifery and Clinical Support	0.4	0.4	0.4	0.3	0.4	0.4	4.3
Functions	0.9	0.8	1.2	1.1	1.1	0.9	10.4
Chief Operating Officer Management	(0.0)	(0.0)	(0.0)	-	-	-	-
Community and Integrated Medicine	0.5	0.4	0.6	0.6	0.6	0.5	5.3
Mental Health and Learning Disabilities	0.1	0.1	0.1	0.1	0.1	0.1	1.0
Operational Allied Health and Health Sciences	0.2	0.1	0.3	0.2	0.2	0.2	2.3
Planned and Specialist Care	0.1	0.2	0.2	0.2	0.2	0.2	1.8
Primary Care	-	-	-	-	-	-	-
Executive Functions	-	-	-	-	-	-	-
Total Expenditure	0.9	0.8	1.2	1.1	1.1	0.9	10.4
Plan	0.3	0.3	0.3	0.3	0.3	0.3	4.1
Variance to Plan	0.6	0.5	0.8	0.7	0.7	0.6	6.3

Key Information

Month 9, December, premium pay cost increases across both Medical and Dental and Nursing as a result of recovery performance backlog within Scheduled Care, inclusive of arrears payments alongside an increased requirement for sickness cover. Anaesthetics continued use of the premium card.

Month 10, January, saw a decrease in agency expenditure due Community and Integrated Medicine being unable to fill shifts, and a reduction in agency reliance within Operational Allied Health, anticipated to continue in future months.

Month 12, March, slight reduction in agency reliance of Allied Health and Medical Locum agency mainly within Community and Integrated Medicine, with a reduction in retrospective shifts and filled shifts.

Clinical Services and Supplies Insights



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In-Month Actual

£4.5m ●

Variance to Plan £0.4m

End of Year Actual

£51.7m ●

Variance to Plan £3.4m

3-Year Growth

27.2%

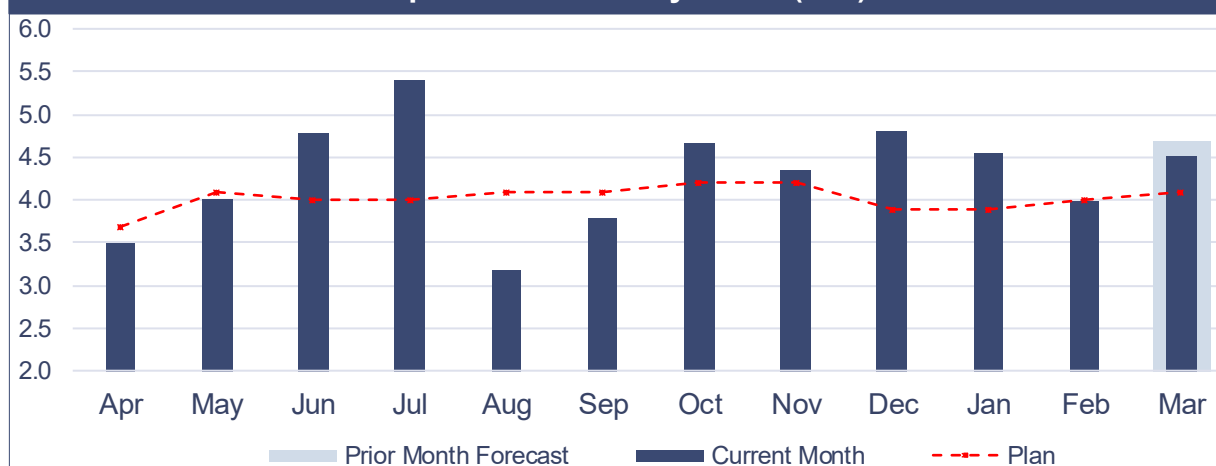
2022-23 Outturn £40.6m

In-Year Growth

9.0%

2024-25 Outturn £47.4m

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)

	P07-26	P08-26	P09-26	P10-26	P11-26	P12-26	EOY
Functions	4.6	4.3	4.7	4.5	4.0	4.5	51.7
Chief Operating Officer Management	-	-	-	-	-	-	0.2
Community and Integrated Medicine	1.2	1.3	1.2	1.3	1.1	1.6	14.3
Mental Health and Learning Disabilities	-	-	-	-	-	-	0.3
Operational Allied Health and Health Sciences	1.2	1.1	1.4	1.2	1.2	1.0	13.7
Planned and Specialist Care	2.2	1.8	2.2	1.9	1.9	2.4	23.1
Primary Care	-	-	(0.1)	0.1	-	-	0.4
Executive Functions	-	0.1	-	0.1	(0.2)	(0.5)	(0.2)
Total Expenditure	4.6	4.3	4.7	4.5	4.0	4.5	51.7
Plan	4.2	4.2	3.9	3.9	4.0	4.1	48.3
Variance to Plan	0.4	0.1	0.9	0.6	0.0	0.4	3.4

Key Information

Month 5, August, includes a year to date reclassification of Planned and Specialist Care Theatre outsourcing activity from Clinical Services and Supplies to Commissioned Healthcare Services.

Month 7, October, includes an increase relating to Planned and Specialist Care stock due to flooding replacements and increased stock levels due to new system.

Month 9, December, includes an increase in lab equipment within Pathology, increased disposables in line with Infection Prevention Control, Sleep Service and insulin consumables within Community and Integrated Medicine, and Planned and Specialist Care insourced activity within Operating Theatres.

Month 11, February, includes a reduction in Community and Integrated Medicine due to purchase of Heart Monitors in prior month and a recategorisation of expenditure to Other Non-Pay within Executive functions.

Month 12, March, increased consumables and insourcing within Planned and Specialist Care in line with increase in recovery activity and increase in insulin pump purchases and joint equipment stores within Community and Integrated Medicine.

Commissioned Healthcare Services Insights



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In-Month Actual

£40.1m ●

Variance to Plan £(1.0)m

End of Year Actual

£434.2m ●

Variance to Plan £0.3m

3-Year Growth

22.7%

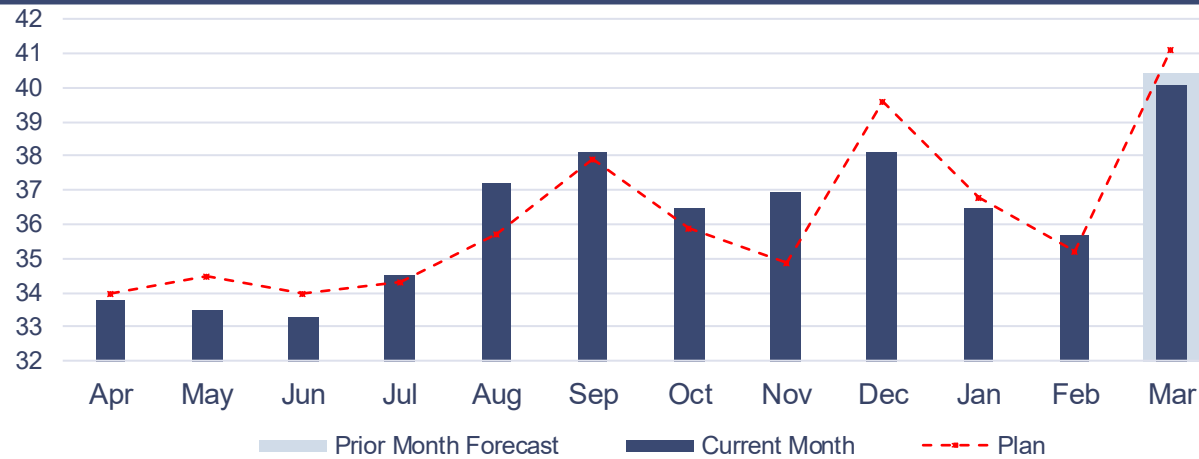
2022-23 Outturn £353.8m

In-Year Growth

7.0%

2024-25 Outturn £405.7m

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)

	P07-26	P08-26	P09-26	P10-26	P11-26	P12-26	EOY
Functions	36.5	36.9	38.1	36.5	35.7	40.1	434.2
Chief Operating Officer Management	-	-	-	-	-	-	-
Community and Integrated Medicine	2.6	2.6	3.0	2.4	2.4	2.9	31.1
Mental Health and Learning Disabilities	4.1	3.9	4.0	3.9	3.9	3.6	45.4
Operational Allied Health and Health Sciences	0.4	0.4	0.4	0.5	0.5	0.5	5.4
Planned and Specialist Care	1.0	1.3	(0.4)	1.0	0.9	4.0	12.1
Primary Care	10.3	10.3	13.4	10.6	9.7	10.1	123.4
Executive Functions	18.0	18.3	17.7	18.2	18.2	19.0	216.8
Total Expenditure	36.5	36.9	38.1	36.5	35.7	40.1	434.2
Plan	35.9	34.9	39.6	36.8	35.2	41.1	433.9
Variance to Plan	0.6	1.9	(1.5)	(0.3)	0.5	(1.0)	0.3

Key Information

Month 5, August, year-to-date reclassification of Theatre outsourcing activity from Clinical Services and Supplies and backdated retrospective Continuing Healthcare uplifts.

Month 6, September, year-to-date Joint Commissioning Committee expenditure in line with funding relating to Pay Award Matrix and Vertex, all of which totalling £3.4m.

Month 9, December, year-to-date Primary Care Dental, Pharmacy and General Medical Services increase in pay uplift costs in line with funding.

Month 11, February, Primary Care General Medical Services Personally Administered Drugs and Appliances winter pressures being lower than anticipated £(0.7)m.

Month 12, March, increase within Planned and Specialist Care £3.0m largely relating to increase in theatres outsourcing in line with additional Welsh Government recovery funding for Outpatients, Diagnostics and addressing Waiting Times. Additional expenditure within Long Term Agreements in line with additional Welsh Government funding for Vertex and Joint Commissioning Committee £2.5m, offset by reduction in Continuing Healthcare packages longstanding liability with Local Authority £(0.7)m.

Drugs and Prescribing Insights



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In-Month Actual

£13.5m ●

Variance to Plan **£0.2m**

End of Year Actual

£148.8m ●

Variance to Plan **£(5.1)m**

3-Year Growth

5.8%

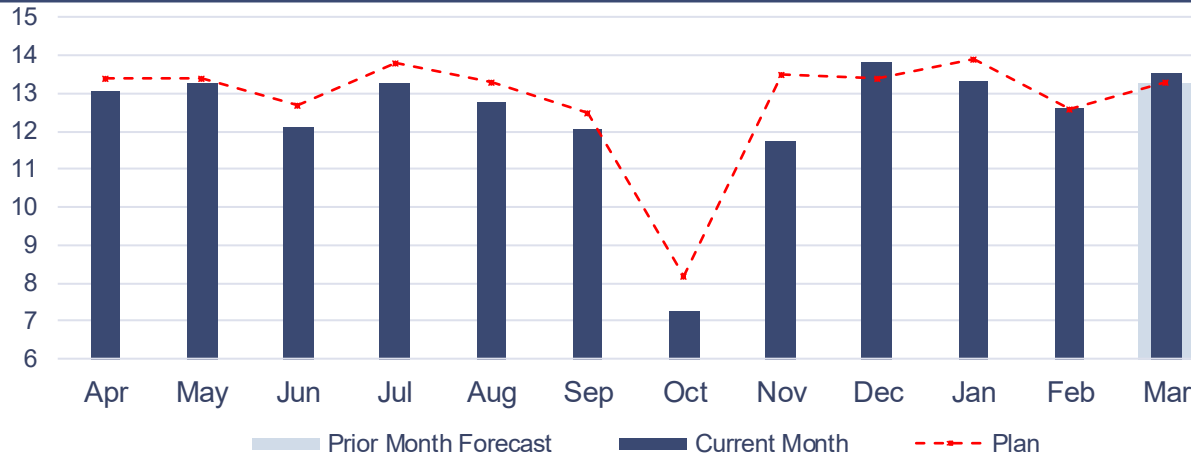
2022-23 Outturn **£140.6m**

In-Year Growth

(3.9)%

2024-25 Outturn **£154.9m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)

	P07-26	P08-26	P09-26	P10-26	P11-26	P12-26	EOY
Functions	7.3	11.7	13.8	13.3	12.6	13.5	148.8
Chief Operating Officer Management	(0.0)	(0.0)	(0.0)	-	-	-	-
Community and Integrated Medicine	1.3	1.4	1.5	1.4	1.4	1.7	17.6
Mental Health and Learning Disabilities	0.1	0.1	0.1	0.1	-	0.1	1.1
Operational Allied Health and Health Sciences	0.5	0.4	0.6	0.5	0.5	0.5	6.0
Planned and Specialist Care	3.0	2.9	3.3	2.9	3.1	3.3	36.9
Primary Care	-	-	-	-	-	-	0.1
Executive Functions	2.3	6.8	8.4	8.4	7.7	7.9	87.0
Total Expenditure	7.3	11.7	13.8	13.3	12.6	13.5	148.8
Plan	8.2	13.5	13.4	13.9	12.6	13.3	153.9
Variance to Plan	(0.9)	(1.8)	0.4	(0.6)	0.1	0.2	(5.1)

Key Information

Month 7, October, reduction of £6.1m as a year-to-date recognition of Aseptic Unit System accountancy gain saving alignment.

Month 9, December, increase relating to September Prescribing Audit Report, sighting an increased price per item of £0.09p in addition to volume increase. A proportion of the increase in cost per item relates to Mounjaro drugs being purchased in-month, with the step-up expected to continue in future months.

Month 10, January, reduction in Cancer Oncology Drugs from prior month due to in-month price per patient decrease of 19%.

Month 11, February, includes a reduction due to a recategorisation of expenditure to Other Non-Pay within Executive functions.

Month 12, March, increase in Homecare Drugs expenditure within Community and Integrated Medicine and Planned and Specialist Care.

Other Non-Pay Insights



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In-Month Actual

£25.6m ○

Variance to Plan **£2.5m**

End of Year Actual

£99.1m ○

Variance to Plan **£0.0m**

3-Year Growth

(10.8)%

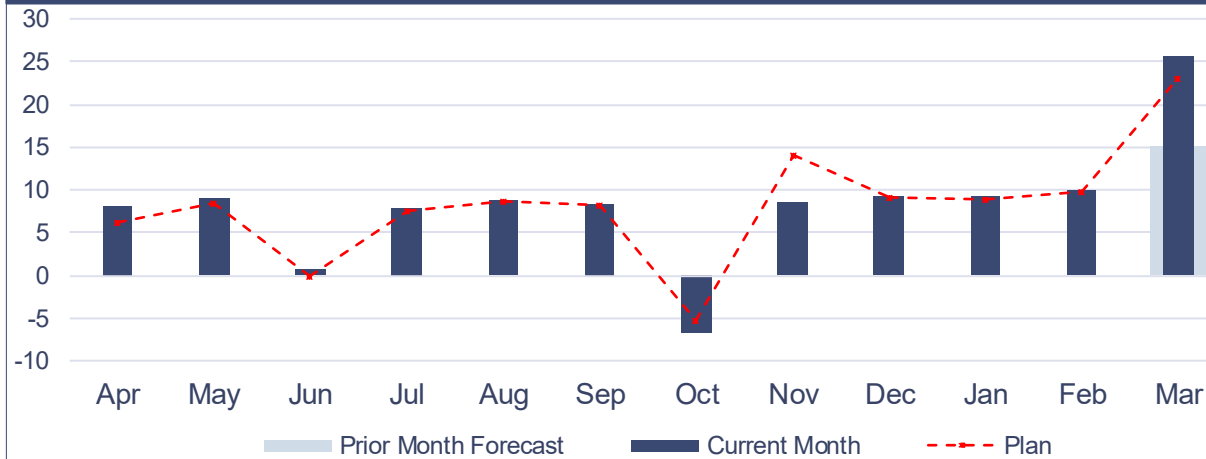
2022-23 Outturn **£111.1m**

In-Year Growth

(30.0)%

2024-25 Outturn **£141.5m**

Expenditure Monthly Trend (£'m)



Expenditure Trajectory Analysis (£'m)

	P07-26	P08-26	P09-26	P10-26	P11-26	P12-26	EOY
Functions	(6.7)	8.6	9.3	9.3	9.8	25.6	99.1
Chief Operating Officer Management	0.1	-	0.2	-	-	0.1	0.9
Community and Integrated Medicine	0.8	1.0	0.8	1.2	1.1	1.3	11.4
Mental Health and Learning Disabilities	0.3	0.2	0.2	0.3	0.2	0.4	2.8
Operational Allied Health and Health Sciences	0.1	0.2	0.1	0.1	0.1	0.5	2.0
Planned and Specialist Care	0.3	0.4	0.4	0.3	0.4	0.7	4.4
Primary Care	0.2	0.1	0.2	0.2	0.2	0.3	2.0
Executive Functions	(8.5)	6.8	7.5	7.3	7.9	22.4	75.5
Total Expenditure	(6.7)	8.6	9.3	9.3	9.8	25.6	99.1
Plan	(5.4)	14.1	9.2	9.0	9.9	23.1	99.1
Variance to Plan	(1.4)	(5.5)	0.2	0.3	(0.0)	2.5	0.0

Key Information

Month 3, June and Month 7, October Amortisation and revaluation and impairment adjustments of Capital Expenditure reduced by circa £8.0m and £16.2m respectively.

Month 12, March, includes a £13.8m increase in relation to anticipated Depreciation and Amortisation Impairment increases. Additional increase in March relating to increase in Workforce Tribunal costs £0.8m, dual running of new Radiology Informatics System Procurement system within Operational and Allied Health £0.3m, and increase in marketing, development and producing costs within Medical £0.2m.

Income Insights



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In-Month Actual

£10.4m

Variance to Plan **£2.8m**

End of Year Actual

£82.9m

Variance to Plan **£8.4m**

3-Year Growth

15.2%

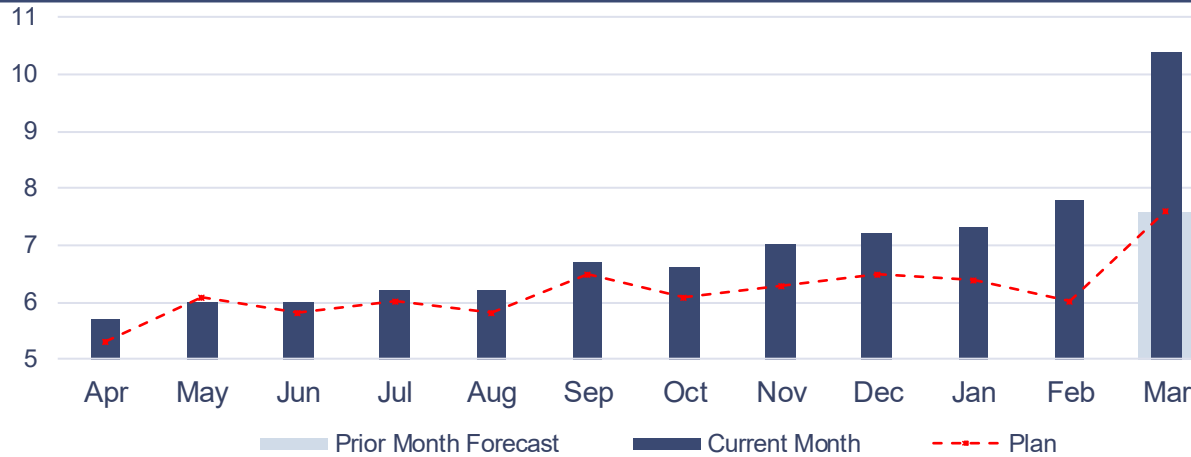
2022-23 Outturn **£72.3m**

In-Year Growth

6.2%

2024-25 Outturn **£78.4m**

Income Monthly Trend (£'m)



Income Trajectory Analysis (£'m)

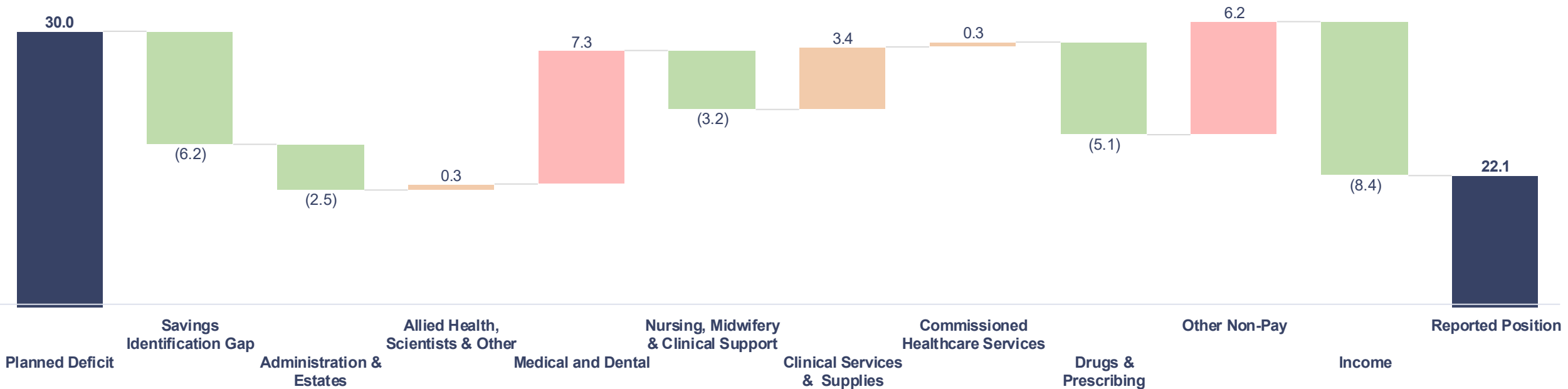
	P07-26	P08-26	P09-26	P10-26	P11-26	P12-26	EOY
Functions	6.6	7.0	7.2	7.3	7.7	10.4	82.9
Chief Operating Officer Management	-	-	-	-	-	0.1	0.4
Community and Integrated Medicine	0.2	0.5	0.6	0.4	0.4	0.7	4.6
Mental Health and Learning Disabilities	0.3	0.3	0.3	0.3	0.2	0.4	3.2
Operational Allied Health and Health Sciences	0.3	0.3	0.3	0.3	0.2	0.7	3.8
Planned and Specialist Care	0.5	0.4	0.6	0.5	0.4	0.6	6.2
Primary Care	0.3	0.3	0.2	0.3	0.3	0.3	2.8
Executive Functions	5.0	5.3	5.3	5.6	6.2	7.7	62.0
Total Income	6.6	7.0	7.2	7.3	7.7	10.4	82.9
Plan	6.1	6.3	6.5	6.4	6.0	7.6	74.5
Variance to Plan	0.5	0.7	0.6	0.9	1.8	2.8	8.4

Key Information

Month 11, February, includes a further increase in Velindre drugs rebate income relating to Mounjaro drugs in line with expenditure.

Month 12, March, additional income in relation to Housing with Care Funds projects expenditure £(1.2)m, additional income within Operational Allied Health £(0.5)m relating to Pathology Digital expenditure and Mortuary fees income, additional NWSSP income £(0.2)m and additional income for Diabetic consumables within Community and Integrated Medicine.

End of Year – Key Drivers vs Plan



Key Information

Medical and Dental – Premium locum usage to cover vacancies, sickness and surge capacity within Planned and Specialist Care, Community and Integrated Medicine and Mental Health.

Drugs & Prescribing – Oncology drugs underspend due to price increases being lower than planned, and delays in expected NICE treatment increases. Public Health drugs underspend with lower uptake for Shingles and Covid-19 vaccination programmes, offset by high-cost drugs and Mounjaro uptake within Pharmacy and Medicines Management.

Other Non-Pay – Joint equipment stores usage, interim care beds demand and prior year Patient Flow invoice within Community and Integrated Medicine, Estates inflationary contract uplifts for maintenance, premises, energy and laundry, Workforce Tribunal costs and ongoing high Legal and Patient Support costs.

Income – Pharmacy and Medicines Management Velindre drugs rebate largely relating to Mounjaro uptake £(3.4)m. Continued Bowel and Breast Screening and Wet Age-related Macular Degeneration income overachievement £(1.0)m. NWSSP income overachievement £(1.0)m and Flying Start and Health Education and Improvement Wales £(0.4)m. Cost Recovery Unit of large cases and Non-Contracted Activity £(1.4)m.

End of Year – Key Performance vs Plan



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Clinical Care Groups and Executive Functions (£'m)	Savings Gap to Target	Savings Delivery vs Plan Benefits	Core Operational Variation	Total	Key Information
Planned Deficit				30.0	
Chief Operating Officer Management	(0.3)	0.0	(0.5)	(0.8)	Clinical Care Group management structures vacancies due to ongoing recruitment.
Community and Integrated Medicine	4.0	0.0	3.2	7.2	Joint equipment stores usage, interim care beds demand, purchases of consumables for Infection Prevention control, high use of medical agency and locum costs due to site pressures, sickness and vacancy cover.
Mental Health and Learning Disabilities	(0.2)	0.0	1.5	1.3	Net increase of 21 Continuing Healthcare packages, purchase of Psychiatric Intensive Care Unit beds and Medical locum usage.
Operational Allied Health & Health Sciences	3.3	0.0	0.1	3.4	Over-achievement of income offset by Physiotherapy and Occupational Therapy agency and variable pay, and Pathology medical locum costs.
Planned and Specialist Care	2.2	0.3	1.8	4.3	Oncology drugs lower than planned, income overachievement offset by theatres insourcing and outsourcing and ongoing Medical locum usage.
Primary Care	(4.3)	0.0	(2.6)	(6.9)	Underspend relating to Dental contracts underperformance and General Medical Services supplementary services and Managed Practices.
Executive Functions	(10.9)	0.0	(5.5)	(16.4)	Reduction in uptake of vaccinations within Public Health, Central Income overachievement for Non-Contracted Activity and Overseas income, VAT recovery, funding confirmation for Band 2 to 3 rebanding dispute, offset by increase in Swansea Bay Long Term Agreement for emergency activity.
Sub Total	(6.2)	0.3	(2.0)	(7.9)	
Unaudited Reported Position				22.1	

End of Year – Key Performance vs Prior Month



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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
Prior Month Forecast				22.1	
Chief Operating Officer Management	(0.1)	0.0	0.0	(0.1)	Further identification of pay underspend savings from prior month.
Community and Integrated Medicine	0.0	0.0	1.1	1.1	Joint equipment stores £0.4m, increase in Nursing expenditure to support with GP's 7 day working £0.3m, prior year Local Authority invoice £0.2m, additional Homecare Drugs £0.2m and insulin pumps costs £0.1m.
Mental Health and Learning Disabilities	(0.2)	0.0	(0.2)	(0.4)	Net reduction of 8 Continuing Healthcare packages and year to date recognition of underutilised Continuing Healthcare package.
Operational Allied Health & Health Sciences	0.0	0.0	0.1	0.1	Dual running of the new Radiology Informatics System Procurement system.
Planned and Specialist Care	0.0	0.0	0.8	0.8	Additional outsourced theatres activity and Medical Waiting List Initiative sessions, Children and Women Medical variable pay and additional Homecare Drugs.
Primary Care	(0.3)	0.0	(0.3)	(0.6)	24/25 Dental contract recoveries £(1.1)m offset by 25/26 GMS Global Sum payment rate correction adjustment £0.9m.
Executive Functions	0.1	0.0	(1.0)	(0.9)	VAT recovery reviews £(0.8)m, reduction in Continuing Healthcare longstanding liability £(0.7)m offset by increased provision for Workforce Tribunal costs £0.8m.
Sub Total	(0.5)	0.0	0.5	0.0	
Unaudited Reported Position				22.1	

End of Year – Saving Delivery Performance



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Savings

Savings Target

£46.4m

Recurrent = £19.0m
Non-Recurrent = £27.4m

In-Year Recurrent Gap

£4.6m ○

Target = £19.0m
Delivery = £14.4m

In-Year Non-Recurrent Gap

£(10.5)m ○

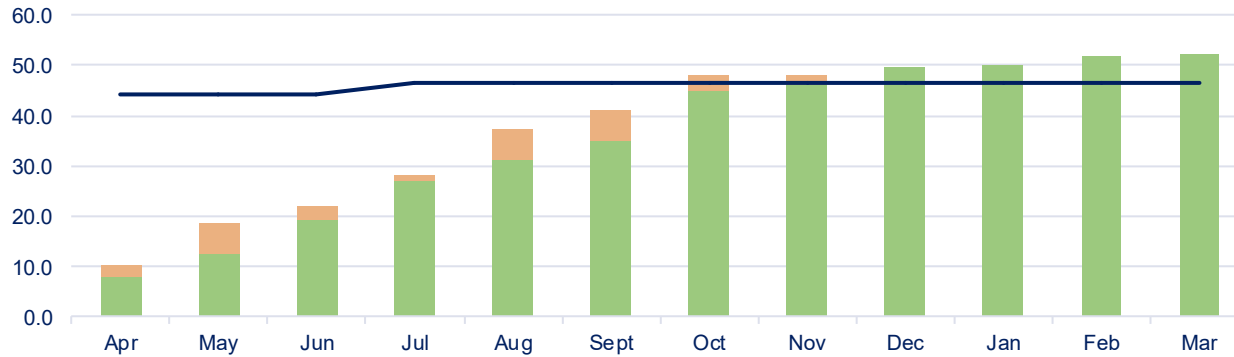
Target = £27.4m
Delivery = £37.9m

Full Year Recurrent Gap

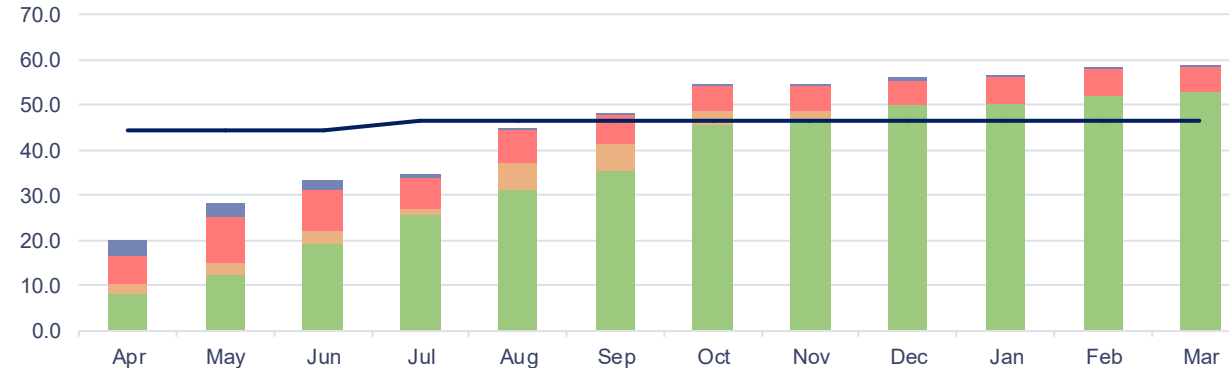
£(4.1)m ○

Target = £19.0m
Delivery = £23.1m

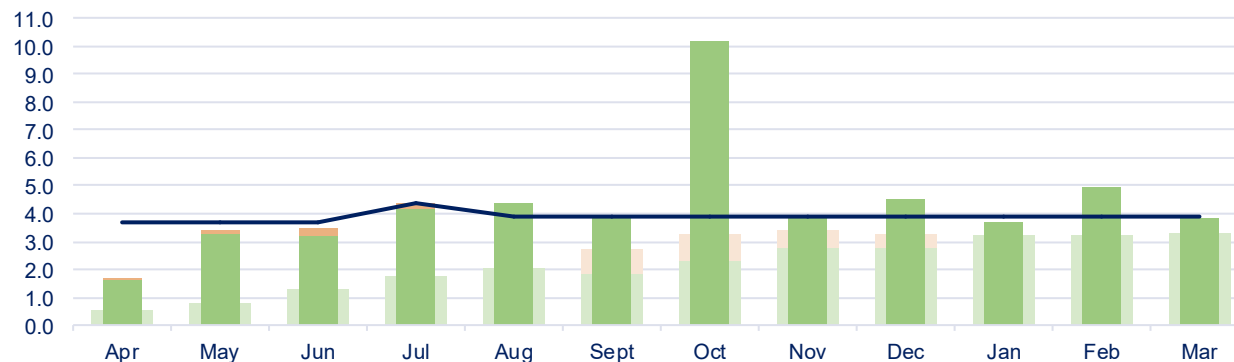
Monthly Trend of Annual In-Year Risk-Assessed Savings Delivery (£'m)



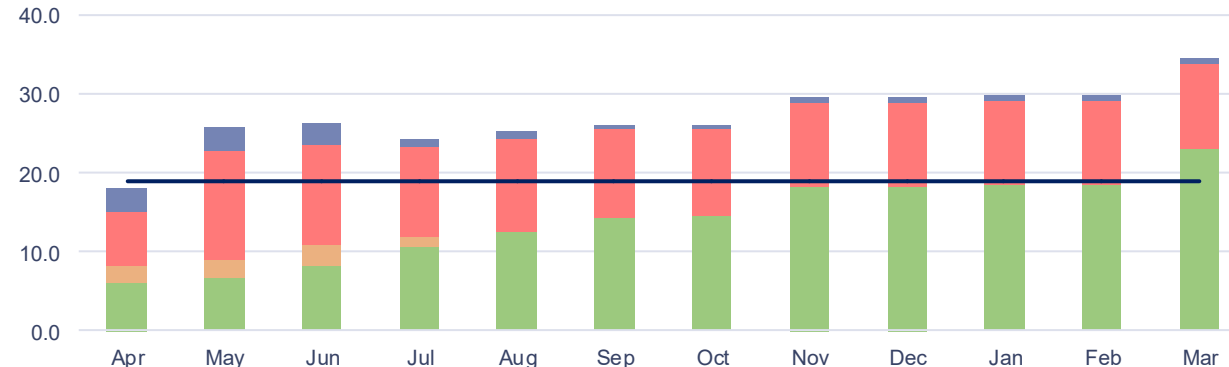
Monthly Trend of Annual In-Year Opportunity, Pipeline & Savings Plans (£'m)



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



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



End of Year – Savings Performance Breakdown



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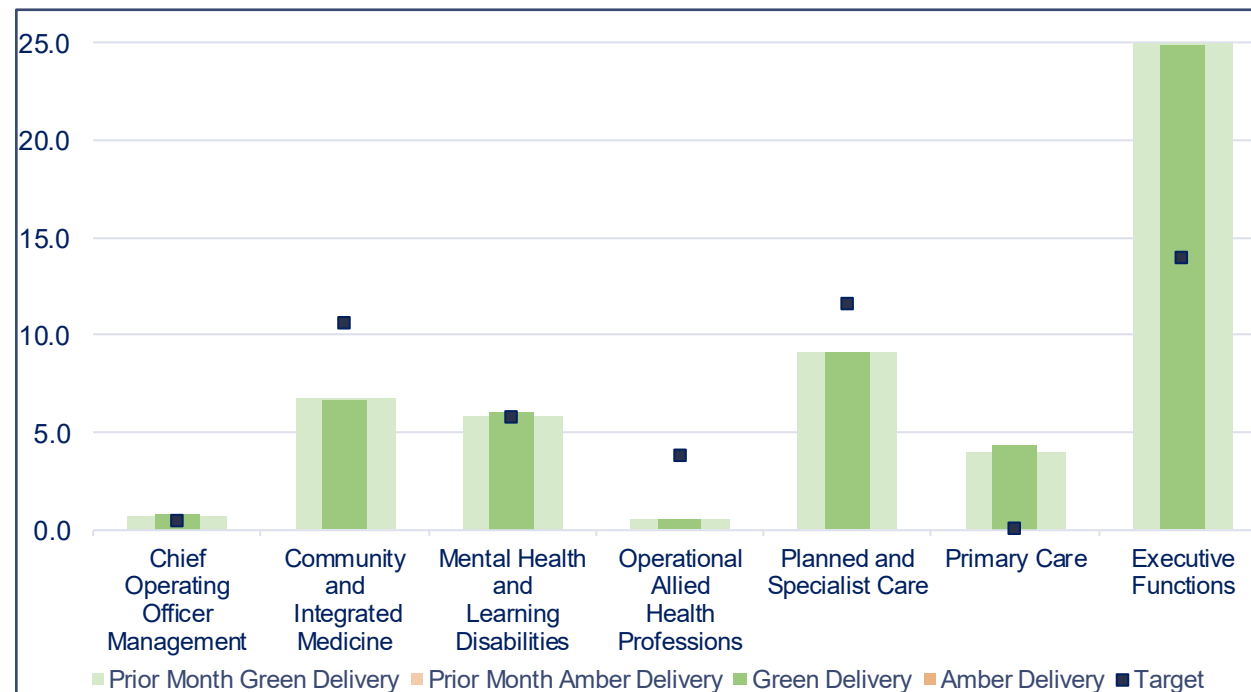
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Savings Delivery vs Target (£'m)



Savings Performance Breakdown (£'m)

Clinical Care Group	Target	Plan	Delivery	Gap
Chief Operating Officer Management	0.5	0.8	0.8	(0.3)
Community and Integrated Medicine	10.6	6.6	6.6	4.0
Mental Health and Learning Disabilities	5.8	6.0	6.0	(0.2)
Operational Allied Health and Health Sciences	3.8	0.5	0.5	3.3
Planned and Specialist Care	11.6	9.4	9.1	2.5
Primary Care	0.1	4.4	4.4	(4.3)
Executive Functions	14.0	24.9	24.9	(10.9)
Grand Total	46.4	52.6	52.3	(5.9)

Key Information

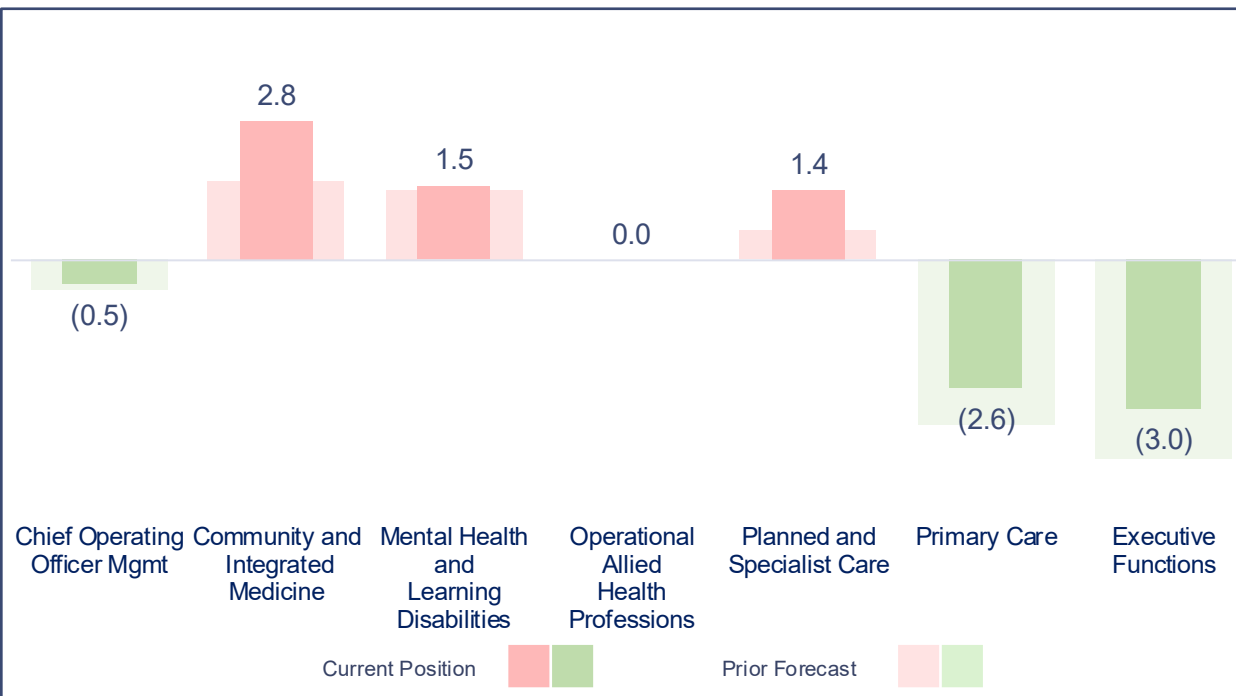
Overall savings identification of £52.6m has been identified, resulting in a £(6.2)m savings over-identification against £46.4m target, with variations across Clinical Care Groups, and £0.3m under delivery within Planned and Specialist Care.

Newly identified schemes of £0.5m relate to underspend savings. Underspend savings identified related to £0.7m pay underspends across several Clinical Care Groups, and £0.3m related to Primary Care Dental underspends. Of the £0.7m pay underspend savings, £0.5m were to deliver in line with year to date run rate management of pay vacancy underspends

End of Year – Core Operational Variation



Core Operational Variation (£'m)



Core Operational Variation (£'m)

Clinical Care Group	Pay	Non-Pay	Income	Total
Chief Operating Officer Management	(0.2)	(0.4)	0.1	(0.5)
Community and Integrated Medicine	0.4	3.9	(1.1)	3.2
Mental Health and Learning Disabilities	(0.2)	1.6	0.1	1.5
Operational Allied Health and Health Sciences	1.5	(0.1)	(1.3)	0.1
Planned and Specialist Care	2.6	0.2	(1.0)	1.8
Primary Care	0.4	(4.2)	1.2	(2.6)
Executive Functions	(2.9)	3.8	(6.4)	(5.5)
Total	1.6	4.8	(8.4)	(2.0)

Key Information

Community and Integrated Medicine Clinical supplies relating to incontinence products, disposable consumables due to increased infection prevention control and insulin pumps, in addition to increased joint equipment stores costs, interim care beds demand, and prior year patient flow invoice, offset by income overachievement.

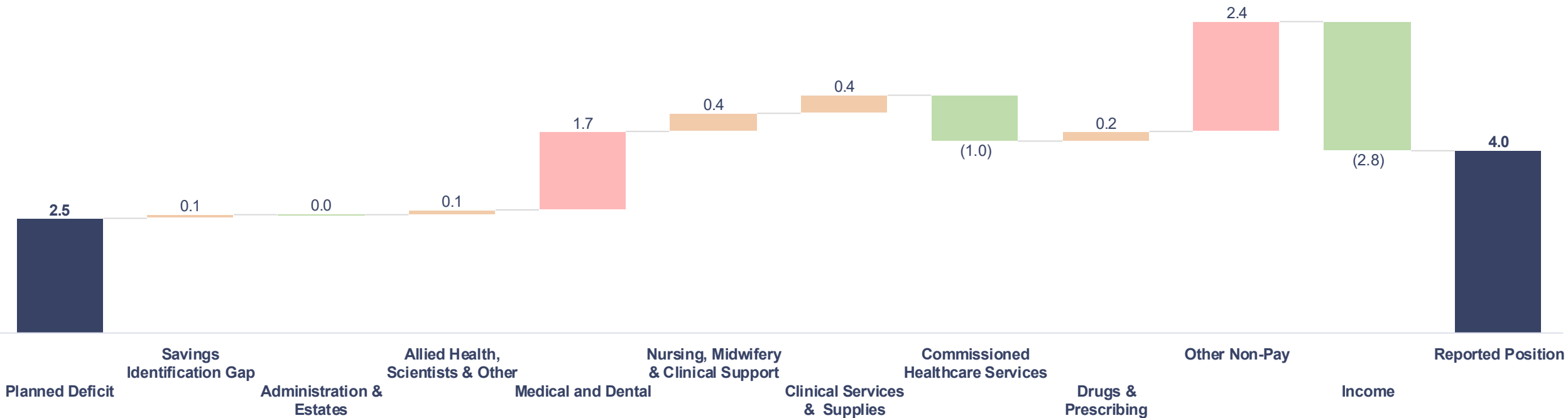
Mental Health Purchase of Psychiatric Intensive Care Unit beds from independent sector £1.4m and net increase of 21 Continuing Healthcare packages £0.7m.

Planned and Specialist Care Medical variable pay locum usage and Waiting List Initiative sessions. Theatres insourcing and outsourcing of activity,, offset by delayed impact of new NICE Horizon funded Oncology drugs and reduction in drug prices. Income overachievement for Bowel Screening & Wet Age-related Macular Degeneration.

Primary Care Dental contracts underperformance £(2.0)m, and General Medical Services supplementary services and Managed Practices £(2.5)m, offset by Dental income underachievement.

Executive Functions Reduction in uptake of vaccinations within Public Health, Central Income overachievement for Non-Contracted Activity, VAT recovery, funding confirmation for Band 2 to 3 rebanding dispute, offset by increase in Swansea Bay Long Term Agreement for emergency activity. Increase in high-cost drugs and Mounjaro uptake offset by Velindre income rebates.

In-Month – Key Drivers vs Plan



Key Information

Medical and Dental – Medical locum, premium rate card and waiting list initiative activity across Anaesthetics, Urology, Orthopaedics and Ophthalmology within Planned and Specialist Care and ongoing Medical Locum agency usage within Community and Integrated Medicine.

Commissioned Healthcare Services – General Medical Services supplementary services underspend and Dental contracts underperformance, in addition to reduction in Continuing Healthcare longstanding liability offset by Theatres outsourcing activity within Planned and Specialist Care.

Other Non-Pay – Increase in joint equipment stores within Community and Integrated Medicine, Workforce Tribunal costs provision and Medical marketing, development and producing costs

Income – Pharmacy Prescribing Rebates relating to Mounjaro drugs in line with increase in expenditure, Bowel and Breast Screening and Wet Age-related Macular Degeneration income overachievement and process change for Powys insulin pumps income.

In-Month – Key Performance vs Plan



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Clinical Care Groups and Executive Functions (£'m)	Savings Gap to Target	Savings Delivery vs Plan Benefits	Core Operational Variation	Total	Key Information
Planned Deficit				2.5	
Chief Operating Officer Management	0.0	0.0	(0.1)	(0.1)	Reduction in pay and travel expenditure.
Community and Integrated Medicine	0.4	0.0	1.8	2.2	Ongoing Medical Locum usage, Nursing expenditure to support 7 day working. Joint equipment stores and Insulin pumps purchases.
Mental Health and Learning Disabilities	(0.1)	0.0	0.0	(0.1)	Net reduction of 8 Continuing Healthcare packages with offsetting expenditure on outsourced Psychiatric Intensive Care Unit beds.
Operational Allied Health & Health Sciences	0.3	0.0	0.3	0.6	Dual running of new Radiology Informatics System Procurement system, Medical Locum usage within Pathology, partially offset by income overachievement.
Planned and Specialist Care	0.3	0.0	1.8	2.1	Medical Locum, premium rate card and Waiting List Initiative activity, theatres insourcing and outsourcing activity offset by Oncology drugs reduction in prices and income overachievement.
Primary Care	(0.3)	0.0	(0.9)	(1.2)	Dental and General Medical Services underspends, in addition to 2024/25 Dental contract underperformance recoversies £(1.1)m offset by General Medical Services Global Sum 2025/26 contract uplift £0.9m
Executive Functions	(0.5)	0.0	(1.5)	(2.0)	Central Income overachievement of Non-Contracted Activity and Overseas income, VAT recovery, reduction in Continuing Healthcare longstanding liability offset Workforce Tribunal costs increase.
Sub Total	0.1	0.0	1.4	1.5	
Unaudited Gross Position				4.0	

In-Month – Key Performance vs Prior Month



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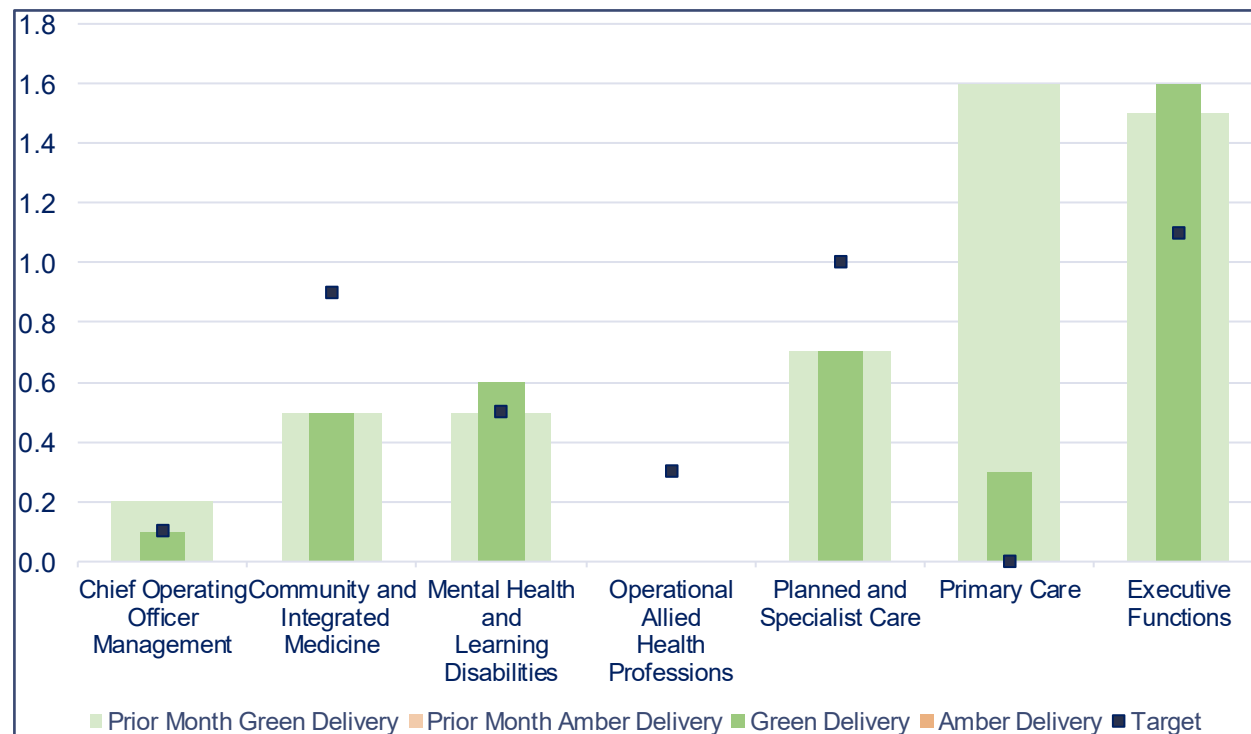
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Clinical Care Groups and Executive Functions (£'m)	Savings Gap to Target Movement	Savings Delivery vs Plan Benefits Movement	Core Operational Variation Movement	Total Movement	Key Information
Planned Deficit				0.0	No change to Planned Deficit of £2.5m
Chief Operating Officer Management	0.1	0.0	(0.1)	0.0	Reduction in pay and travel expenditure
Community and Integrated Medicine	0.0	0.0	1.5	1.5	Joint equipment stores £0.4m, increase in Nursing expenditure to support with GP's 7 day working £0.3m, prior year Local Authority invoice £0.2m, additional Homecare Drugs £0.2m and insulin pumps costs £0.1m.
Mental Health and Learning Disabilities	(0.1)	0.0	(0.1)	(0.2)	Net reduction of 8 Continuing Healthcare packages and year to date recognition of underutilised Continuing Healthcare package.
Operational Allied Health & Health Sciences	0.0	0.0	0.3	0.3	Dual running of new Radiology Informatics System Procurement system.
Planned and Specialist Care	0.0	0.0	1.3	1.3	Additional insourced and outsourced theatres activity in addition to increase in Medical Waiting List Initiative sessions in line with activity.
Primary Care	1.3	0.0	(0.8)	0.5	Reduction in General Medical Services agreements and Personally Administered Drugs and Appliances lower winter pressure savings. 24/25 Dental contract recoveries offset by Global Sum payment rate changes.
Executive Functions	(0.1)	0.0	(1.3)	(1.4)	VAT recovery reviews £(0.8)m, reduction in Continuing Healthcare longstanding liability £(0.7)m, reduction in LTAs JCC Heart surgery activity £(0.3)m, offset by increased provision for Workforce Tribunal costs £0.8m.
Sub Total	1.2	0.0	0.8	2.0	
Unaudited Gross Position				2.0	

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	0.1	0.1	0.0
Community and Integrated Medicine	0.9	0.5	0.5	0.4
Mental Health and Learning Disabilities	0.5	0.6	0.6	(0.1)
Operational Allied Health and Health Sciences	0.3	0.0	0.0	0.3
Planned and Specialist Care	1.0	0.7	0.7	0.3
Primary Care	0.0	0.3	0.3	(0.3)
Executive Functions	1.1	1.6	1.6	(0.5)
Grand Total	3.9	3.8	3.8	0.1

Key Information

Overall savings delivery of £3.8m has been achieved, resulting in a £0.1m savings under-delivery against £3.9m target, with variations across Clinical Care Groups

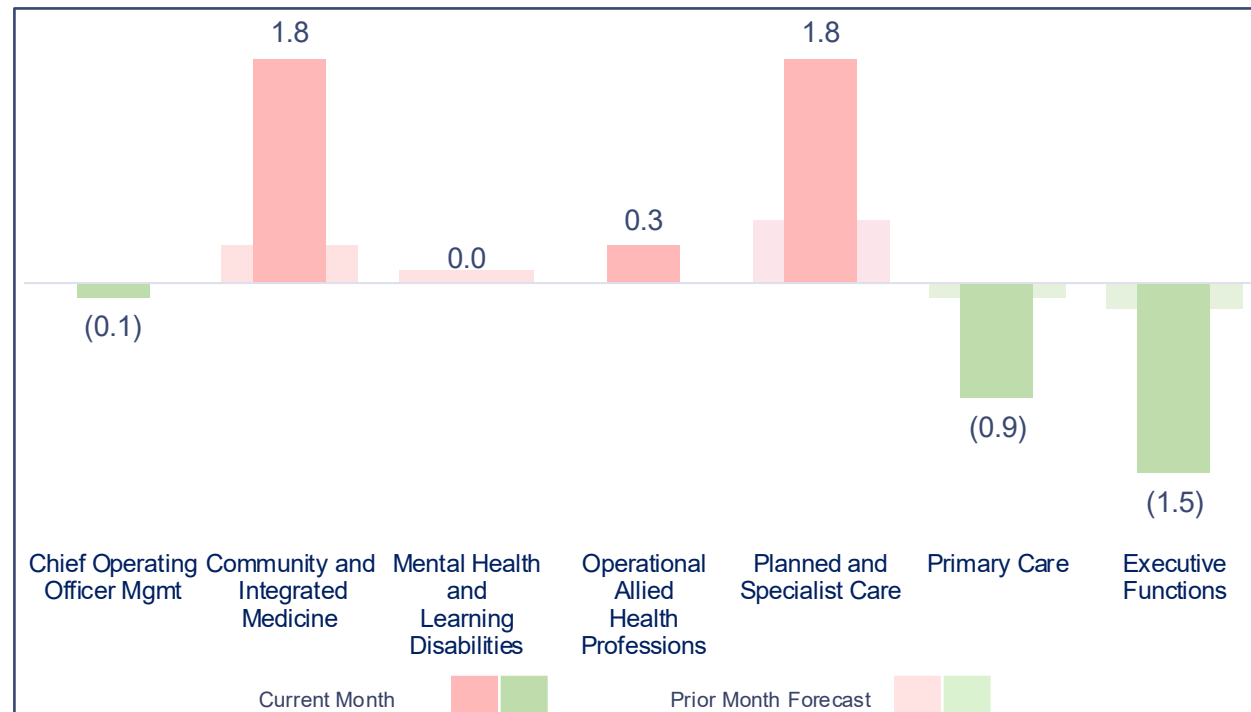
Of the savings delivered in-month, £1.3m relate to recurrent schemes and £2.5m relate to non recurrent schemes.

Newly identified schemes relate to underspend conversion of £0.5m, £0.2m relate to pay underspends and £0.3m relate to Dental underspends. A significant reduction in savings delivered from prior month is seen in Primary Care due to General Medical Services agreements underspends £(0.6)m and General Medical Services Personally Administered Drugs and Appliances saving being identified in prior month due to winter pressures being lower than anticipated £(0.7)m.

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	(0.1)	0.0	0.0	(0.1)
Community and Integrated Medicine	0.7	1.5	(0.4)	1.8
Mental Health and Learning Disabilities	(0.1)	0.0	0.1	0.0
Operational Allied Health and Health Sciences	0.3	0.5	(0.5)	0.3
Planned and Specialist Care	0.8	1.2	(0.2)	1.8
Primary Care	(0.1)	(0.8)	0.0	(0.9)
Executive Functions	0.6	(0.3)	(1.8)	(1.5)
Total	2.1	2.1	(2.8)	1.4

Key Information

Community and Integrated Medicine Ongoing usage of Medical Locum agency, Nursing expenditure to support 7 day working, joint equipment stores and Insulin pumps.

Planned and Specialist Care Medical Locum, premium rate card and Waiting List Initiative activity, theatres insourcing and outsourcing activity offset by Oncology drugs reduction in prices.

Primary Care Dental and General Medical Services underspends, in addition to 2024/25 Dental contract underperformance recoveries £(1.1)m offset by General Medical Services Global Sum 2025/26 contract uplift £0.9m

Executive Functions Velindre income rebates in line with Mounjaro high-cost drug uptake and Central Income overachievement in relation to non-contracted activity.

Capital Performance



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Capital

Total Capital Performance

£42.4m

Annual Plan **£42.4m**



All Wales Capital

£32.6m

Annual Plan **£32.4m**



Discretionary Capital

£7.7m

Annual Plan **£7.9m**



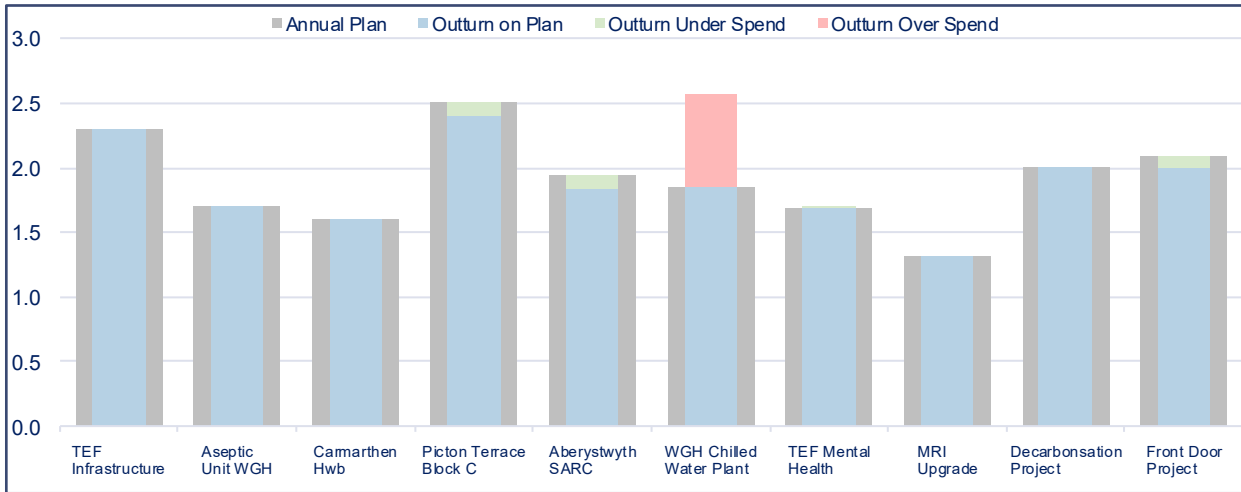
IFRS 16

£2.1m

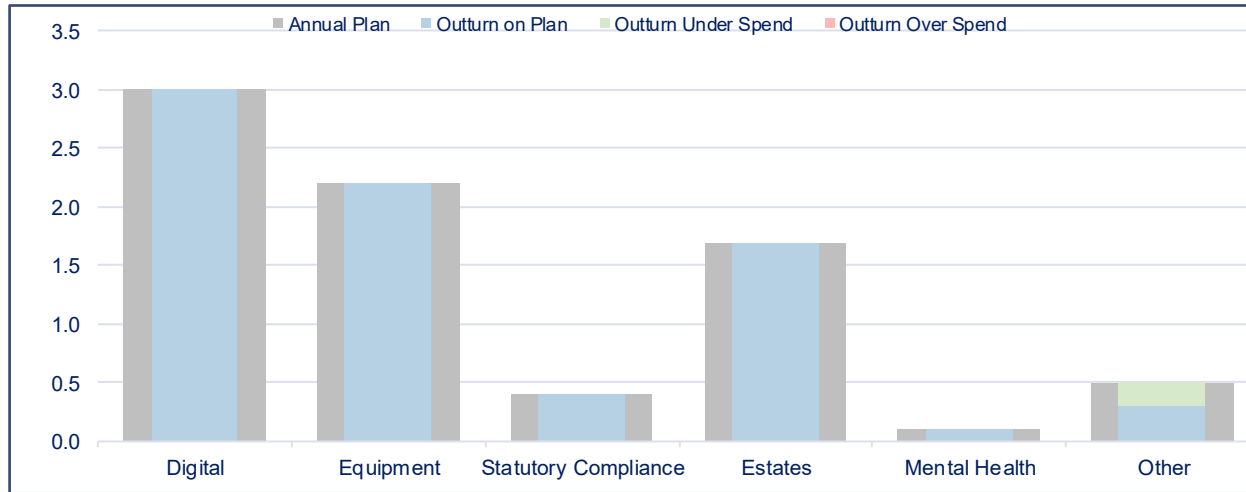
Capital Resource Limit **£2.1m**



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



Discretionary Capital Programme Category Summary (£'m)



Key Information

The Health Board has spent within its Capital Resource Limit. Variances from project allocations were managed internally across the capital programme, including through increased expenditure against discretionary schemes. Underspends against Carmarthen Hwb and Worthybush Aseptics Unit have been managed through discretionary expenditure on Digital.

Annual plan figures above reflect the finalised Capital Resource Limit which is adjusted against discretionary for large All Wales Capital Programme project variances. Expenditure in the month of March was significantly higher than prior months at £18.9m, being 45% of the annual expenditure.

Trend Analysis – Non-Pay and Income



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Executive Summary

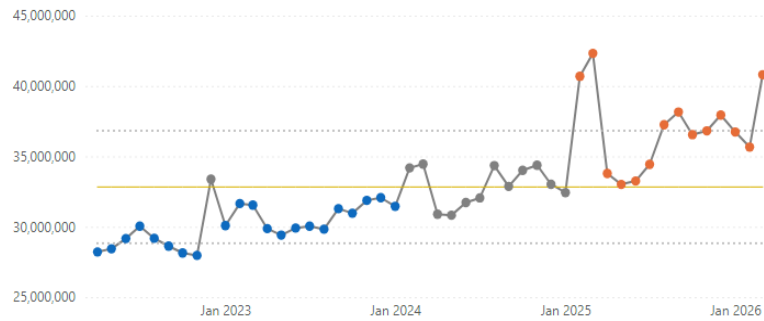
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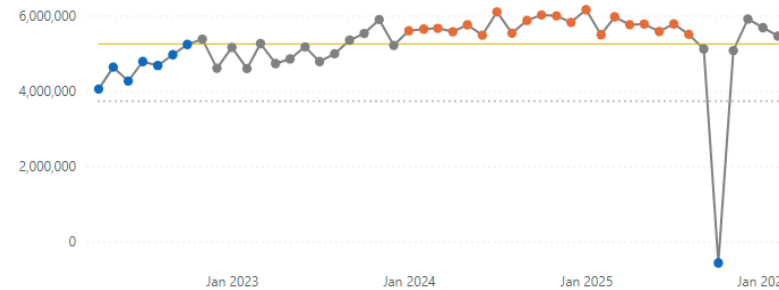
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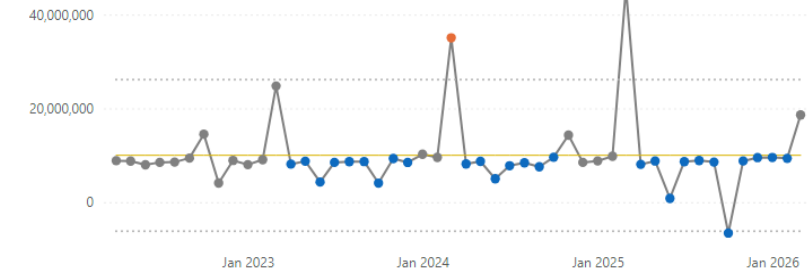
Commissioned Healthcare Services (£)



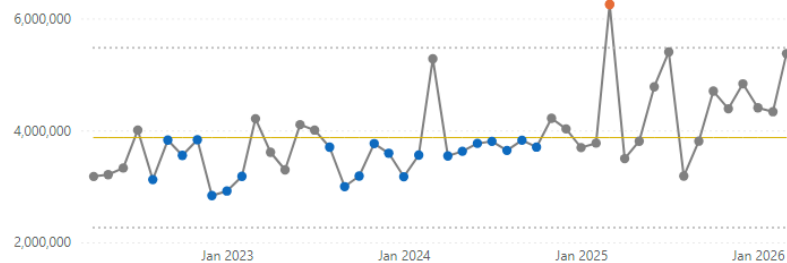
Secondary Care Drugs (£)



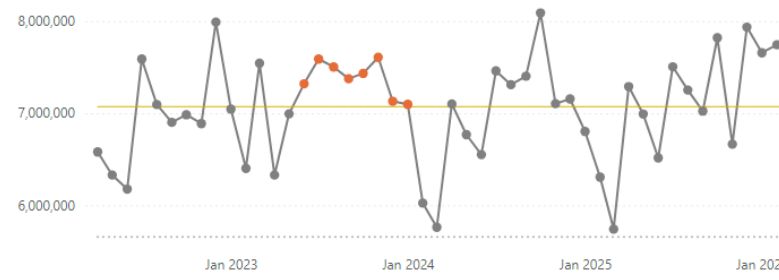
Other Non-Pay (£)



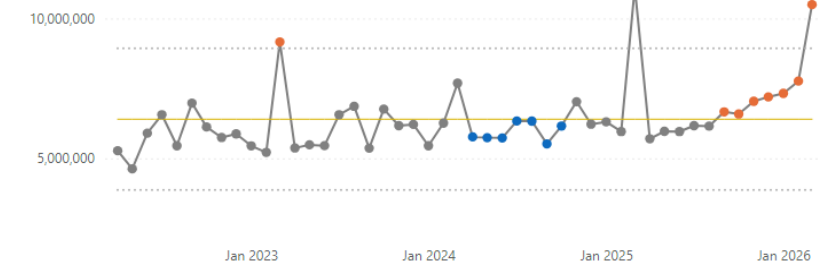
Clinical Services and Supplies (£)



Primary Care Prescribing (£)



Income (£)



Key Information

Commissioned Healthcare Services – Increase in Theatres outsourcing for Outpatients, Diagnostics and addressing Waiting Times within Planned and Specialist Care £3.0m and Long Term Agreements Vertex and Joint Commissioning Committee expenditure £2.5m in line with additional Welsh Government funding.

Secondary Care Drugs – Additional drug costs in-month relating to Homecare drugs, across Community and Integrated Medicine and Planned and Specialist Care.

Other Non-Pay – Increase in relation to Depreciation and Amortisation Impairment increases.

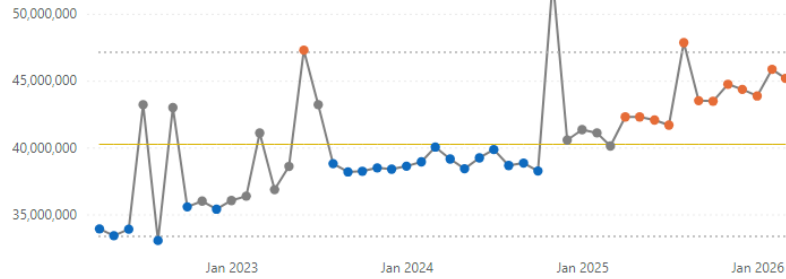
Clinical Services & Supplies – Increased consumables and insourcing in line with activity within Planned and Specialist Care and increase in insulin pump purchases and joint equipment stores.

Income – Increase in income relating to Housing with Care Funds projects expenditure.

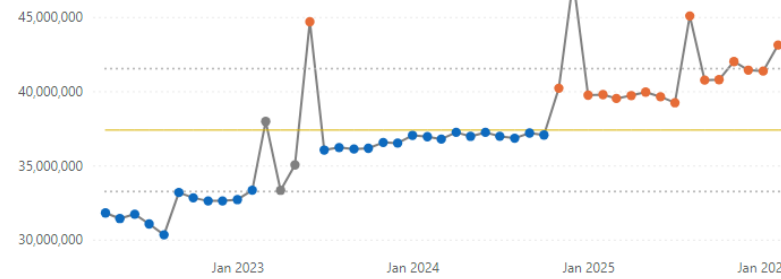
Trend Analysis – Pay Agenda for Change



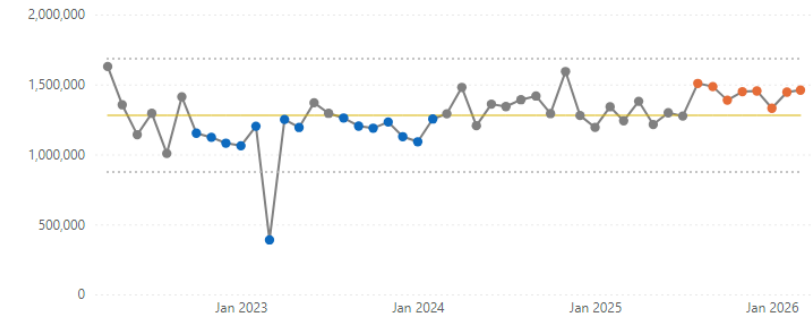
Total (£)



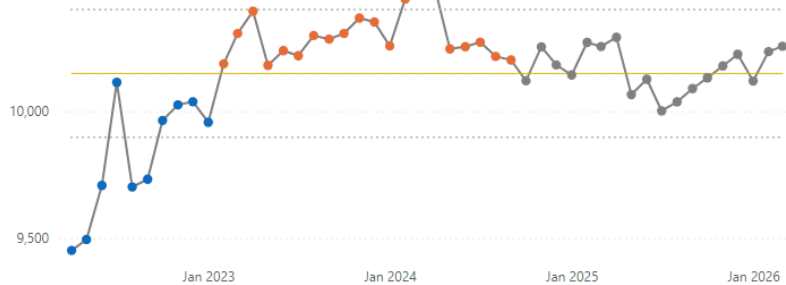
Substantive (£)



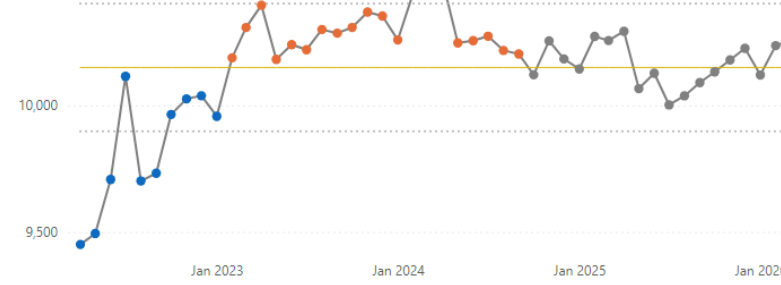
Bank (£)



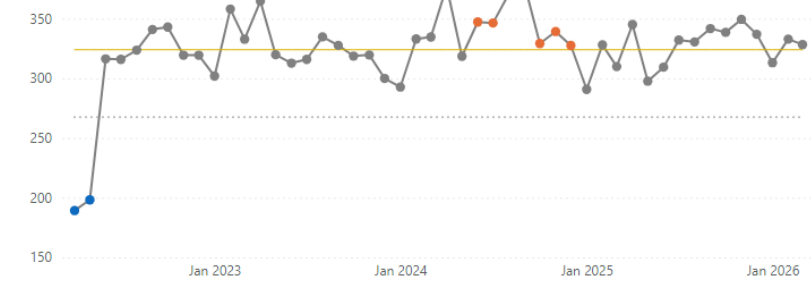
Total (WTE)



Substantive (WTE)



Bank (WTE)



Key Information

Substantive £ and WTE – There is an increase in Substantive WTE of 21 WTE which were mainly in Estates and Facilities and Operational Allied Health and Health Sciences.

Bank £ and WTE – There has been overall reduction of 5 WTE seen in-month compared to Month 11.

Trend Analysis – Pay Agenda for Change



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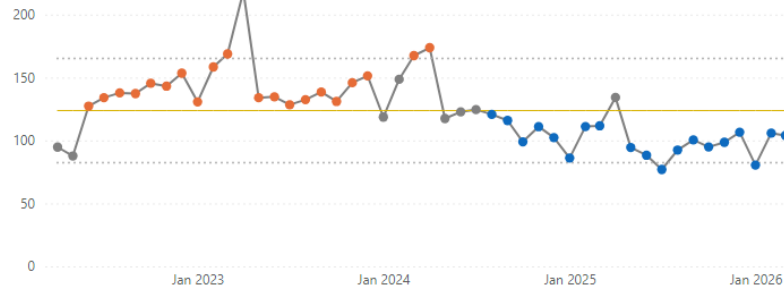
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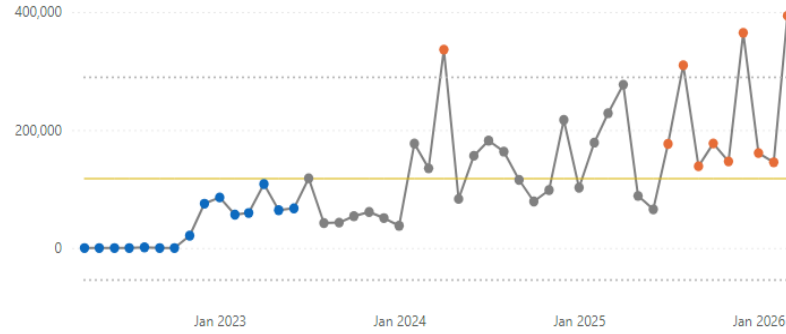
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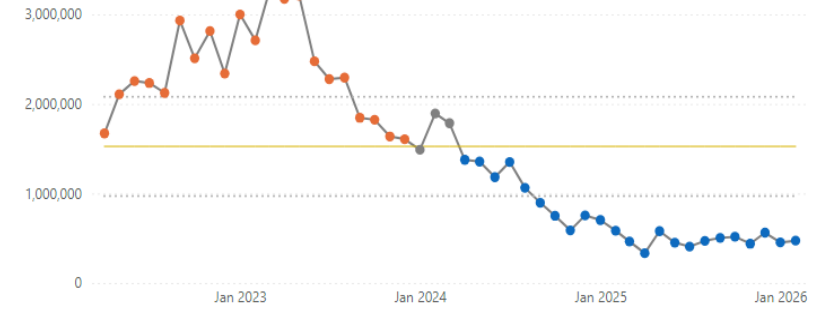
Overtime (£)



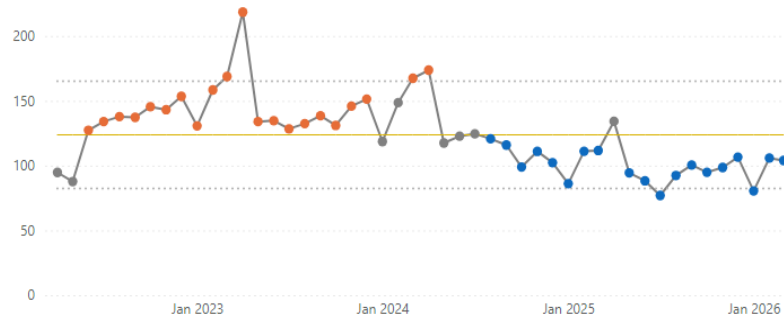
WLI (£)



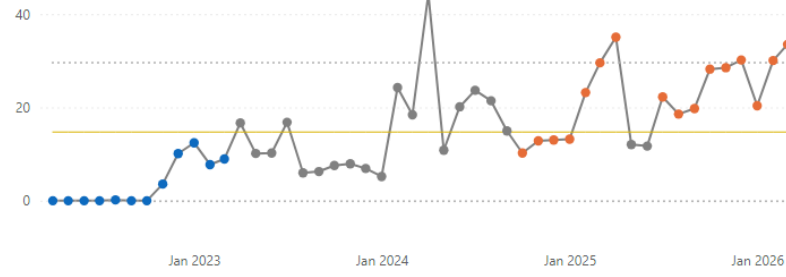
Agency (£)



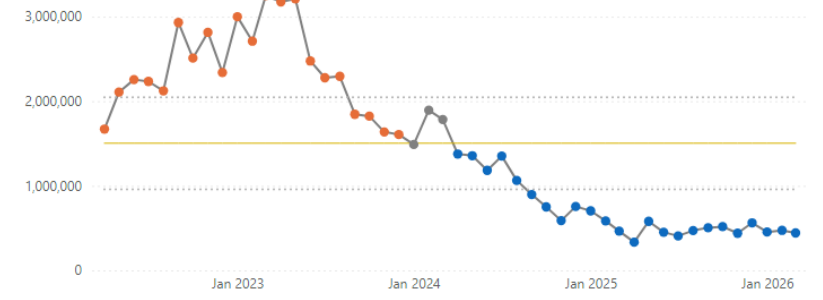
Overtime (WTE)



WLI (WTE)



Agency (WTE)



Key Information

Waiting List Initiative – Waiting List Initiative expenditure has increased by circa £250k compared to Month 11 to cover additional activity within Planned and Specialist Care.

Trend Analysis – Pay Medical and Dental



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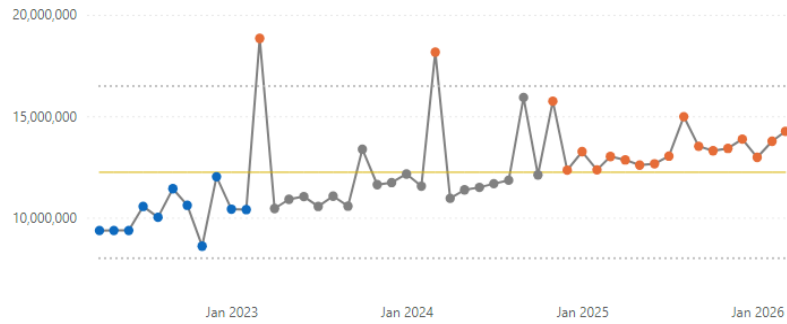
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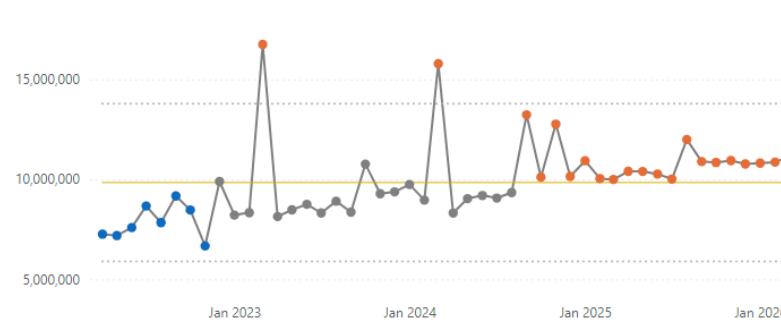
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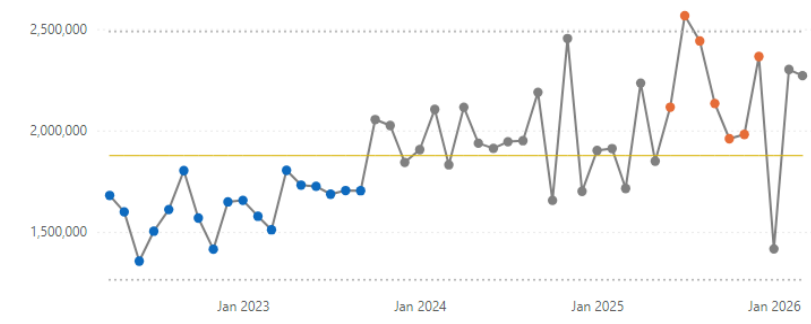
Total (£)



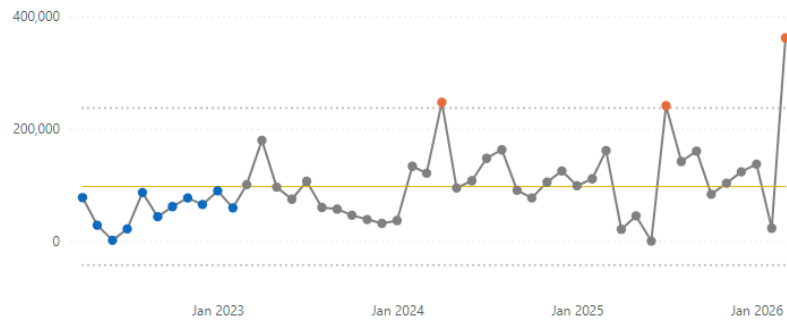
Substantive (£)



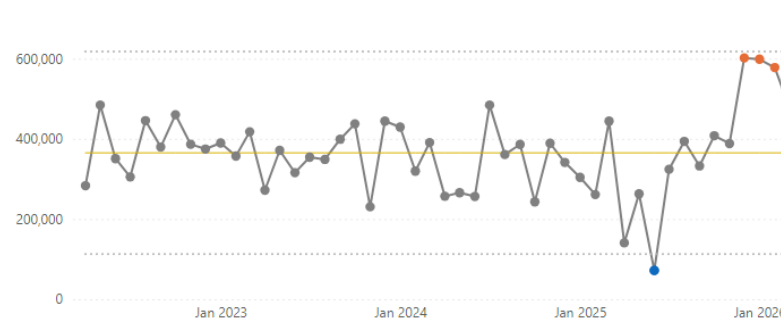
Additional Hours (£)



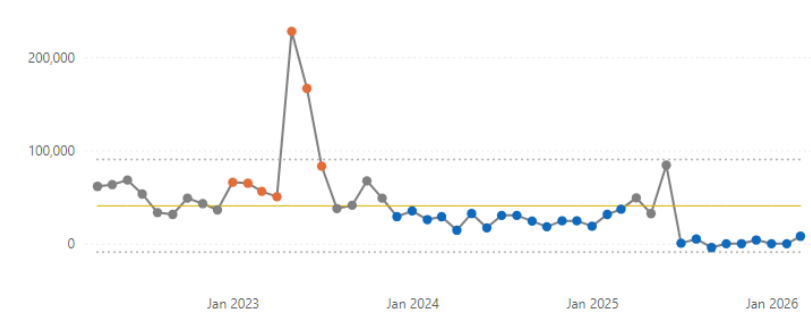
WLI (£)



On Contract Agency Premium (£)



Off Contract Agency Premium (£)



Key Information

Waiting List Initiative – Continued usage of Medical Waiting List Initiative expenditure mainly within Anaesthetics in Planned and Specialist Care to meet Waiting Time Targets, there's an increase of circa £340k from prior month.

On Contract Agency Premium – Reduction in Medical agency usage and shifts filled within Community and Integrated Medicine from 22 WTE in Month 11 to 13 WTE in Month 12.

Medical Stabilisation programme – The introduction of Medical Rate card will ensure that there will be a consistent rate across the Health Board and reduce variation.

Staffing Establishment Reports



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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%	2,661	2,324	(264)	275	55	68
Community and Integrated Medicine	103.2%	1,907	1,649	(189)	205	49	64
Carmarthenshire Integrated System	103.5%	1,142	999	(104)	125	17	37
Ceredigion Integrated System	107.5%	326	270	(30)	38	17	24
Pembrokeshire Integrated System	99.4%	439	380	(55)	42	15	3
Mental Health and Learning Disabilities	104.7%	287	236	(38)	50	1	13
Planned and Specialist Care	96.6%	467	439	(37)	20	5	(9)
Cancer and Scheduled Care	94.6%	165	148	(23)	10	5	(6)
Children, Women and Family Health	97.6%	302	291	(14)	10	-	(3)
Grand Total	102.2%	2,661	2,324	(264)	275	55	68

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%	87	86	(8)	-	-	(8)
Chief Operating Officer	93.7%	5,273	5,114	(452)	142	10	(297)
Chief Operating Officer Management	81.6%	112	108	(20)	3	-	(17)
Community and Integrated Medicine	97.0%	1,409	1,366	(118)	39	3	(75)
Mental Health and Learning Disabilities	90.3%	916	905	(115)	10	-	(105)
Operational Allied Health and Health Sciences	97.2%	1,129	1,100	(45)	28	-	(17)
Planned and Specialist Care	95.0%	1,491	1,426	(97)	56	7	(32)
Primary Care	87.2%	216	209	(57)	6	-	(51)
Executive Director of Allied Health Professions and Health Sciences	95.2%	896	840	(68)	55	-	(13)
Executive Director of Finance	89.9%	418	414	(60)	4	-	(55)
Executive Director of Nursing, Quality and Patient Experience	90.9%	177	176	(18)	-	-	(17)
Executive Director of Public Health	87.6%	143	143	(19)	-	-	(18)
Executive Director of Strategy and Planning	93.9%	49	49	(1)	-	-	(1)
Executive Director of Workforce and Organisational Development	74.6%	227	226	(73)	1	-	(71)
Executive Medical Director	87.0%	320	319	(35)	-	-	(34)
Grand Total	92.7%	7,590	7,367	(734)	202	10	(514)

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	(2)							(27)	15	(14)
Chief Operating Officer	53	(81)	1,194	331	1,427	79	(280)	1,155	(1,001)	2,877
Chief Operating Officer Management	49	2	4	(135)	11	(3)		(30)	(23)	(125)
Community and Integrated Medicine	(105)	38	305	430	586	349	182	427	(443)	1,771
Mental Health and Learning Disabilities	11	(132)	65	(49)	(4)	3	0	50	88	33
Operational Allied Health and Health Sciences	5	22	190	99	207	21	(91)	340	(498)	296
Planned and Specialist Care	155	14	580	1	655	643	(350)	225	(170)	1,753
Primary Care	(62)	(25)	49	(16)	(28)	(934)	(22)	142	45	(851)
Executive Director of Allied Health Professions and Health Sciences	16	(14)		(4)	(87)	0	0	219	(61)	70
Estates and Facilities	4			(4)	(87)		0	219	(61)	72
Executive Allied Health Professions and Health Sciences	12	(14)				0				(2)
Executive Director of Finance	13	7	(15)	(2)	1	(15)		219	(120)	87
Digital	9	7	(15)	(2)	1	(15)		179	(118)	47
Finance	4					(1)		40	(2)	41
Executive Director of Nursing, Quality and Patient Experience	30	(10)		(52)	1	(21)		61	16	24
Executive Director of Public Health	(14)	22	(1)	(48)	6	9	120	8	18	120
Executive Director of Strategy and Planning	4	0	(2)		1	203	(1)	53	(75)	182
LTAs with other NHS Providers	4				1	209	(1)	(0)		212
Strategy and Planning	0	0	(2)			(6)		53	(75)	(29)
Executive Director of Workforce and Organisational Development	57	(12)	11	(57)	(1)	61	(2)	160	(18)	199
Executive Medical Director	39	0	54	31	44	8	642	379	(1,056)	141
Medical	42	13	54	16	28		0	313	(204)	262
Pharmacy and Medicines Management	(3)	(13)		15	16	8	642	66	(852)	(121)
Health Board Wide	(218)	171	442	152	(967)	(1,321)	(267)	204	(472)	(2,275)
Planned Deficit								2,500		2,500
Savings Identification								51		51
Grand Total	(20)	83	1,684	350	425	(997)	211	4,981	(2,754)	3,963

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	(18)				0	1		(108)	15	(111)
Chief Operating Officer	(1,617)	367	7,255	(1,168)	4,321	217	(6,864)	3,284	(1,948)	3,846
Chief Operating Officer Management	(123)	25	(12)	(114)	51	(34)	(420)		84	(544)
Community and Integrated Medicine	(1,277)	(51)	2,071	(344)	1,842	596	(491)	1,911	(1,054)	3,202
Mental Health and Learning Disabilities	(55)	(608)	943	(522)	45	1,983	(403)	(9)	138	1,511
Operational Allied Health and Health Sciences	58	535	460	454	281	(285)	(508)	446	(1,337)	103
Planned and Specialist Care	135	46	2,940	(107)	2,474	2,274	(5,358)	838	(1,022)	2,220
Primary Care	(354)	419	854	(534)	(372)	(4,317)	(103)	519	1,242	(2,645)
Executive Director of Allied Health Professions and Health Sciences	(635)	(171)		(34)	(38)	0	4	1,053	(135)	45
Estates and Facilities	(779)			(34)	(38)		4	1,052	(135)	71
Executive Allied Health Professions and Health Sciences	144	(171)				0		1		(26)
Executive Director of Finance	(112)	80	(28)	7	1	(487)	0	354	(568)	(752)
Digital	(61)	29	(28)	7	1	(468)		388	(564)	(696)
Finance	(51)	51				(19)	0	(34)	(3)	(56)
Executive Director of Nursing, Quality and Patient Experience	(281)	(62)	0	(30)	(1)	28		474	160	288
Executive Director of Public Health	(265)	174	(83)	(341)	(24)	1	(500)	(17)	(166)	(1,220)
Executive Director of Strategy and Planning	(7)	41	(2)		1	1,999	1	134	(165)	2,001
LTAs with other NHS Providers	43				1	2,005	1	(3)		2,047
Strategy and Planning	(50)	41	(2)			(6)		137	(165)	(46)
Executive Director of Workforce and Organisational Development	2	48	(18)	(32)	2	174	(31)	(331)	(102)	(289)
Executive Medical Director	20	(382)	234	118	30	(19)	2,438	56	(3,605)	(1,109)
Medical	30	9	234	(75)	50		(0)	(204)	(164)	(119)
Pharmacy and Medicines Management	(10)	(392)		194	(20)	(19)	2,438	260	(3,441)	(990)
Health Board Wide	402	171	(65)	(1,711)	(920)	(1,637)	(120)	1,315	(1,862)	(4,426)
Planned Deficit								30,000		30,000
Savings Identification								(6,183)		(6,183)
Grand Total	(2,513)	265	7,294	(3,190)	3,372	276	(5,071)	30,031	(8,375)	22,089

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	38	545	84	461	545	(507)	16.1%	222	(184)	6.6%
Chief Operating Officer	32,438	27,729	8,596	18,860	27,456	4,982	4.2%	12,309	20,129	1.9%
Chief Operating Officer Management	500	838	0	838	838	(338)	6.6%	0	500	0.0%
Community and Integrated Medicine	10,565	6,631	2,842	3,788	6,631	3,935	2.7%	2,922	7,643	1.2%
Mental Health and Learning Disabilities	5,851	6,053	1,375	4,678	6,053	(202)	5.9%	1,375	4,476	1.3%
Operational Allied Health and Health Sciences	3,785	480	480	0	480	3,305	0.6%	494	3,291	0.6%
Planned and Specialist Care	11,638	9,366	3,799	5,294	9,092	2,546	4.3%	7,418	4,220	3.5%
Primary Care	99	4,361	100	4,261	4,361	(4,263)	38.9%	100	(1)	0.9%
Executive Director Of Allied Health Professions and Health Sciences	2,063	316	316	0	316	1,747	0.6%	316	1,747	0.6%
Estates and Facilities	2,053	316	316	0	316	1,737	0.6%	316	1,737	0.6%
Executive Allied Health Professions and Health Sciences	10	0	0	0	0	10	0.0%	0	10	0.0%
Executive Director Of Finance	638	2,574	493	2,081	2,574	(1,936)	11.1%	527	112	2.3%
Digital	532	1,929	384	1,545	1,929	(1,397)	11.2%	417	115	2.4%
Finance	106	645	109	536	645	(539)	10.8%	109	(3)	1.8%
Executive Director Of Nursing, Quality and Patient Experience	243	670	201	470	670	(427)	7.2%	243	0	2.6%
Executive Director Of Public Health	107	980	107	873	980	(873)	14.9%	107	(0)	1.6%
Executive Director Of Strategy and Planning	1,902	1,763	518	1,245	1,763	139	2.9%	518	1,384	0.9%
LTAs With Other NHS Providers	1,841	940	457	483	940	901	1.7%	457	1,384	0.8%
Strategy and Planning	61	823	61	762	823	(762)	22.1%	61	(0)	1.6%
Executive Director Of Workforce and Organisational Development	247	3,653	247	3,405	3,653	(3,406)	24.1%	247	(1)	1.6%
Executive Medical Director	6,421	2,865	2,440	425	2,865	3,555	2.9%	2,456	3,965	2.4%
Medical	74	74	74	0	74	(0)	1.7%	74	(0)	1.7%
Pharmacy and Medicines Management	6,347	2,791	2,366	425	2,791	3,556	2.9%	2,382	3,965	2.5%
Health Board Wide	2,303	11,486	1,371	10,115	11,486	(9,183)	31.7%	1,485	819	4.1%
Grand Total	46,400	52,583	14,373	37,936	52,309	(5,909)	5.4%	18,429	27,971	1.9%



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De-risking the 2026/27 Financial Plan – Improvement Framework Finance and Performance Committee

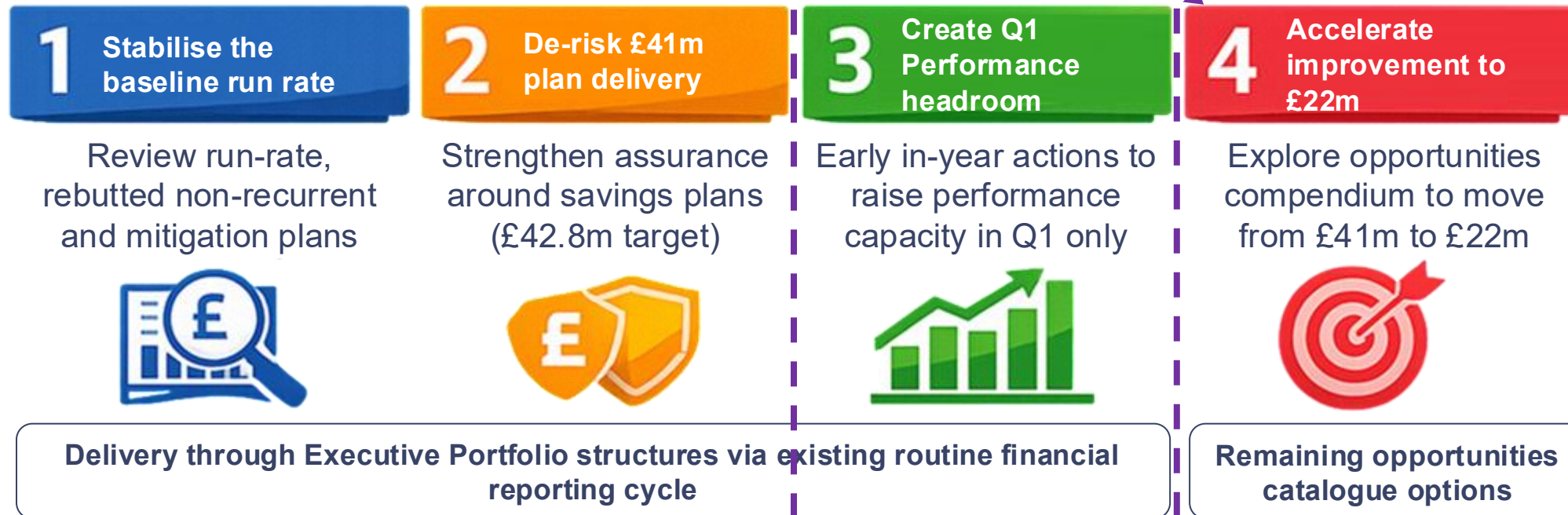
30 April 2026

Objective and 4-Step Improvement Framework



- **Objective:** Board action taken to de-risk delivery of the 2026/27 Financial Plan and improve beyond to £22m
- **Starting position:** Existing run-rate deficit £54m ↔ £90m
- **WG and Board expectation:** Options to improve further to a deficit of £22m
- **Approach:** Structured, time-bound, 4-step improvement framework
- **Outcome:** Increased certainty of delivery, strengthened grip, and improved sustainability

4-Step Financial Improvement Framework



Step 3 Update
With progress ongoing for step 1 and 2, it is proposed to remove step 3 as there is insufficient time to provide a clear line of sight to financial improvements beyond the Q1 budget to afford additional capacity. Capacity is to be held at the annual plan level

Milestones and Timelines



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University Health Board

WG Scrutiny Meeting

£41m not supportable or acceptable

Director of Finance Improvement Plan Cascade

Actions issued

WG Reply to Scrutiny Meeting

£41m not supportable or acceptable

Chief Executive Review

Improvements to be complied from Executive plans



Sensitivity Analysis for 2026/27



Key Component (£'m)	Best Case 0%	33%	66%	Worst Case 100%
Latest Three Month Normalised Run Rate	27.9			
Add 2026/27 savings requirement	42.8			
Add expenditure assumed from rebutted savings	0	7.0	14.1	21.3
Less Assured Amber and Green 2026/27 savings	(5.1)			
Less Blue and Red 2026/27 ideas	(8.7)	(5.8)	(2.9)	0.0
Less new plan expenditure without assured plans	(5.0)	(3.3)	(1.7)	0.0
Add service identified un-mitigated risks	-	1.2	2.3	3.5
Predicted 2026/27 Deficit / (Surplus)	51.9	64.7	77.4	90.4
2026/27 Financial Plan Deficit	41.0			
Adverse / (Favourable) Variance to Plan	10.9	23.7	36.4	49.5

Sensitivity percentage is based on how the best through to worst case could materialise through failure to deliver as per the assumptions contained within the 2026/27 financial plan.

The sensitivity percentages provide a sliding scale of adjustments for 0%, 33%, 66% and 100% delivery as per the plan.

With limited assured savings plans, there is a significant risk to delivering the financial plan, with the best case scenario requiring a minimum of £10.9m new savings actions to be delivered.

The variance to plan values equate to quantum of new savings actions that are required to be taken to deliver the planned deficit that are not identified.

Annual Plan
£41.0m

- As originally submitted to WG on 31 March 2026

Configuration Deficit
£25.0m

- Premium for provision of a rural Mid Wales Hospital (BGH)
- Premium of 4 acute intakes and 3 A&Es until new hospital

Welsh Risk Pool
£12.6m

- WG will provide funding should a breakeven position be presented excluding only the WRP impact

Additional Savings
£3.4m

- Required to achieve a breakeven position, should WG support a Configuration Deficit. Total savings £46.2m

1. Stabilise and Sustain the Financial Baseline

Confirm a credible opening position that is to be recurrent

- Review the underlying run-rate across pay, non-pay and income, including April 2026 outturn
- Identify and address reliance on non-recurrent measures by making them recurrent
- Clearly articulate residual risk and required mitigations with plans developed to address



Board assurance: A robust, transparent baseline with known risks and mitigations, which addresses the reliance on short-term and unsustainable non-recurrent actions

2. De-Risk Delivery of the Savings Plan

Confirm a credible opening position

- Strengthen assurance over delivery of the £42.8m savings requirement
- Challenge deliverability, timing and recurrence of schemes
- Replace or mitigate under-performing or high-risk plans



Board assurance: A credible, deliverable savings plan with strong ownership and controls

Detailed 4-Step Improvement Framework



~~3. Improve In-Year Run-Rate Performance~~

~~Create headroom and raise ambition~~

- ~~• Drive early in-year performance improvement (Q1 focus)~~
- ~~• Tighten financial grip and performance management~~
- ~~• Use improved run-rate to increase performance expectations~~

~~**Board assurance:** Early financial grip enabling higher confidence in delivery~~

Step 3 Update

With progress ongoing for step 1 and 2, it is proposed to remove step 3 as there is insufficient time to provide a clear line of sight to financial improvements beyond the Q1 budget to afford additional capacity. Capacity is to be held at the annual plan level



4. Accelerate Further Financial Improvement

Move beyond plan towards sustainability

- Identify additional opportunities to improve performance beyond plan
- Prioritise recurrent, sustainable impact from opportunities compendium
- Deliver improvement trajectory from £41m to £22m deficit

Board assurance: A credible route to sustained financial improvement



Action Plans (by 22 & 29-30 April CEO Review)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Ref	Executive Action	Owner	Supporting Leads	Intended Outcome
1	Confirm preferred financial and operational option framework approach	Director of Finance	Deputy Director of Finance; Executive Directors	Clear strategic direction agreed to enable planning and assurance
2	Undertake rapid impact assessment of each option (financial sustainability, service/quality impact, workforce, delivery risk)	Executive Directors for their respective Portfolios	Director of Finance; Workforce & OD Director; Medical Director; Director of Nursing	Evidence-based comparison to support decision-making, with patient and staff implications identified
3	Develop implementation plan for preferred option(s), including milestones, governance, and dependencies	Chief Operating Officer	Finance; Planning; TPO	Controlled and realistic delivery plan
4	Refine financial trajectory and assumptions, including mitigations to downside risk	Deputy Director of Finance	Finance; Planning; Performance	Credible financial plan aligned to recovery expectations
5	Engage with Welsh Government on emerging position and options under confidence conditions	Chair; Chief Executive	Director of Finance; Director of Planning & Strategy	Early dialogue to manage risk and maintain trust
6	Prepare escalation Level 4, Programme Management Office and further contingency actions should plans not be deliverable in full	Chief Executive	Executive Team	Organisational readiness and resilience
7	Align internal communications plan to ensure consistent understanding at Executive and senior leadership level	Director of Communications	Chief Executive; Director of Finance; Director of Planning & Strategy	Controlled and consistent messaging
8	Agree timing and route for Board involvement, including private briefing if required	Chair; Chief Executive	Director of Finance; Director of Planning & Strategy	Appropriate governance and decision assurance
9	Establish monitoring and reporting arrangements to track delivery of agreed next steps	Chief Operating Officer	Finance; PMO	Grip, control and early identification of slippage

**Cyfarwyddwr Cyffredinol Grŵp Iechyd, Gofal Cymdeithasol a'r
Blynyddoedd Cynnar / Prif Weithredwr GIG Cymru**

**Director General Health, Social Care & Early Years Group / NHS
Wales Chief Executive**



**Llywodraeth Cymru
Welsh Government**

Phil Kloer
Chief Executive
Aneurin Bevan University Health Board

22 April 2026

Dear Phil

RE: Hywel Dda University Health Board's Annual Plan 2026-27

Thank you for the submission of Hywel Dda University Health Board's Annual Plan for 2026-27. I note the health board has breached its statutory duty to develop a financially balanced, 3-year IMTP. The Plan cannot therefore be considered for full assessment via collective review, nor recommended for Ministerial approval. A rapid assessment of the plan has therefore been undertaken. General feedback and detail of action now required is provided below. Full feedback will be provided at a later date.

The Plan was considered by the Board on 26 March, and it was approved for submission.

Overall, on the basis that the Plan represents a deteriorating financial position and does not meet the clear expectations set by Welsh Government. The Plan is considered to be unacceptable and unsupportable.

General Comments:

- The Plan is set within the context of the health board's longer-term strategy; *A Healthier Mid & West Wales*, and its Clinical Services Plan.
- We note commitments have been made to regional planning and delivery. However, the tangible impact of these developments is not described. I would expect the impact of the regional committee to be articulated in the plan as well as its impact on improving performance
- Overall, the narrative plan is long and difficult to follow, with very detailed descriptions of risk and underpinning analysis which are sometimes repetitive and disjointed. Within this, it is not always clear what delivery commitments the Board has signed up to. We would suggest that reviewing how other health board plans have been structured may be helpful.

Performance:

Performance is mixed. There are some areas of improvement, but also some areas which fall below expectations:

- Planned Care:
 - Despite making massive improvements towards eliminating 104-week breaches during 2025/26, the submitted plan projects 5,507 104-week breaches by March 2027. Given the target is zero, this is a concerning and unacceptable level of deterioration in performance and requires serious consideration and review.
 - 8-week diagnostic waits are forecast to be 4,407 by March 2027. This is considerably above the level required and is not acceptable.
- Urgent and Emergency Care
 - For 2026/2027, the health board has used targeted intervention trajectory figures for >1 hour ambulance patient handover delays; a baseline of 918 patients per month forecast to improve to 590 per month by Q4. This is unacceptable as the target is for no patients to wait longer than 45 minutes for ambulance patient handover.
 - The targeted intervention trajectories are also used for the >12-hour emergency department performance target. This is forecast to improve from 9.5% to 7.3%. Whilst this is an improvement, it is unambitious and the target is zero.
 - Pathway of Care Delays are forecast to reduce from 204 to 183. The number of days delayed are not included and is an omission.

Enabling Actions:

An assessment of the enabling actions has been included, along with the baseline position and quantified opportunities.

Finance:

The submitted plan describes a deficit of £41.0m for 2026/27.

The planned deficit is neither acceptable nor supportable. Further actions are required at pace to reduce this deficit, and a recovery plan to financial balance. It is expected that this will be finalised by **29 May**.

Key reflections from a rapid review of the plan are as follows:

- The carried forward underlying deficit is materially adrift from the forecast outturn for 2025-26 and the requirements of the planning framework. Further clarity and assurance is required that all in year mitigations have been tested for recurrent delivery.
- Cost pressure growth in secondary care drugs is above the health board average; the health board should examine the assumptions underpinning the calculation of expenditure growth and identify any opportunities for improvement.
- The total workforce deployed (including substantive staff in post, variable pay staff and agency) is planned to grow by a further 279 WTE between March 2026 and March 2027. Given the challenging financial outlook, the health board is required to justify why this continued growth is essential and how this will be afforded, or if further actions are required to mitigate this growth.
- Urgent action is required to close the savings gap, currently only £5.1m (12%) of the £42.8m savings plan is supported by Green & Amber Schemes. This suggests the health board has very little plans of detailed substance and action.

- The opportunities pipeline describes £56.1m of opportunities, with a delivery ambition of £18.7m for 2026/27. Clarity is needed on how these align to the £36.0m of pipeline schemes reported in the savings tracker, and if any actions can be taken to increase the pace of conversion to reduce the deficit. In addition, ongoing work is required to continue to strengthen both the depth of the opportunities pipeline, and the timescale for conversion to delivery in support of a balanced financial position.
- The plan describes a significant level of risk at £47.7m, of which £17.2m is described as medium or high risk. This includes £10.2m medium risk to savings delivery.

Further analysis and discussion on the technical aspects of the plan will be followed up by Financial Planning & Delivery Team of NHS Wales Performance & Improvement.

The health board is required to consider and address the above feedback and provide a response to the specific actions required by **29 May**. That response must demonstrate tangible improvements to the Plan in relation to performance and finance.

Yours sincerely



Jacqueline Totterdell

cc. Dr Neil Wooding, Chair HDUHB
Nick Wood
Hywel Jones
Jeremy Griffith
Samia Edmonds