Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

PWYLLGOR CYLLID A PHERFFORMIAD
FINANCE AND PERFORMANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 June 2026
TEITL YR ADRODDIAD: TITLE OF REPORT:	Band 2/3 Healthcare Support Worker Pay Re-Banding Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Siân Jenkins, Deputy Director of Finance

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

ADRODDIAD SCAA
SBAR REPORT

Sefyllfa / Situation

This paper provides an update to the Finance and Performance Committee (FPC) on the Band 2/3 pay re-banding dispute affecting Healthcare Support Worker (HCSW) roles, and the related national Implementation Framework that has been adopted in Wales. The paper specifically highlights that calculations indicate the recurrent cost pressure is expected to exceed the £2.0m provision included in the 2026/27 financial plan, reflecting changes in volume and pay rate assumptions.

Cefndir / Background

In July 2021, the NHS Staff Council agreed minor wording clarifications to the national Job Profiles for Band 2 and Band 3 HCSW roles to better distinguish between Band 2 personal care duties and Band 3 duties involving a limited range of clinical tasks under supervision.

Guidance for employers and matching panels was issued in August 2021, and organisations were asked to review local roles against the clarified profiles and to ensure duties aligned to job descriptions. Following this, employers across the UK, including Hywel Dda University Health Board (HDdUHB), received increasing requests from individuals and groups to review banding where staff believed they were undertaking Band 3 duties while substantive Band 2.

Since 2021, Trade Unions have pursued re-banding and back-pay claims for affected staff in a number of organisations. Experience elsewhere in the UK has demonstrated the risk of protracted local disputes, including industrial action and significant financial exposure where claims have been backdated over multiple years. In Summer 2024, in anticipation of an escalation of claims in Wales, NHS Wales Employers was asked to support the development of a national approach, covering agreed job descriptions, a consistent assessment process and a timebound settlement position, to mitigate disruption and to support equitable treatment of staff across NHS Wales.

As part of this work, an Employers Reference Group supported the development of national job descriptions and an Implementation Framework. The NHS Wales job descriptions for the relevant roles were agreed through the Welsh Partnership Forum (WPF) by July 2025, and the Implementation Framework was finalised in November 2025, including arrangements for national oversight and a structured, person-by-person assessment process.

The framework sets out the requirement to make Recognition and Corrective payments to eligible staff for work already undertaken, alongside associated pay impacts where staff have moved within Band 3 pay points in line with the agreed framework. Going forward staff are re-banded to Band 3 payscales.

HDdUHB progressed preparatory work in parallel, enabling details for 1,074 staff to be submitted to Payroll in December 2025 for payment in February 2026. This captured the majority of staff, though further submissions have been made in subsequent months to align with latest guidance and resolution of queries. National discussions continued on aspects of framework interpretation and the application of the principles, this has identified further eligible staff, with a consequential impact on cost estimates and final outturn.

Whilst the majority of cases have been resolved, the payment process remains live as further staff queries are raised and validated through Workforce and NHS Wales Shared Services Partnership (NWSSP) Payroll, meaning that the final cost and eligible cohort are still subject to change.

Asesiad / Assessment

In light of progress through the national work stream and the status of the draft Implementation Framework, calculations of the associated costs for the Health Board were initially modelled in the build up to March 31 2025. This informed both the Annual Planning process ahead of 2025/26 in respect of the likely recurrent cost increase, plus the potential cost of recompensing staff for having worked at a Band 3 already through a Recognition Payment.

Concentrating on the recurrent cost, as that is the focus of this report, aggregate workforce data comprising staff in post was used as the basis to model cost estimates, alongside a generic level of enhanced pay across the HCSW staff cohort. This generated an indicative cost estimate of £2.3m for 973.54 whole-time equivalent (WTE) staff, on the premise that 100% of roles would migrate from Band 2 to Band 3. To be prudent, the assumption was made that staff would move to the top of scale at band 3.

As part of efforts to improve the Health Board's financial forecast following Quarter 1 2025/26, funds held in reserves for investment, of which the £2.3m was part of, were reviewed and consideration made as to the scale of funds required, or alternative decisions that could be taken. In light of the prudent assessment made to assume top of scale costs, the funding reserved for the recurrent impact of uplifting Band 2 HCSW to Band 3 was scaled back to £2.0m.

Through 2025/26 the national work stream progressed, and an updated draft framework was shared in September 2025, with the final version being confirmed in November 2025. The final framework had broadened to include both Recognition and Corrective Payments, plus the review of payscales for those staff already promoted to Band 3 during the period 1 January 2023 and 31 December 2024.

Locally, staff numbers had also increased, with acknowledgement of vacancies in the system, a result of having to pause recruitment to vacant roles pending conclusion of the pay banding dispute.

Given the shifting variables and framework developments the focus has been on ensuring the assessment of costs for 2025/26 was accurate and aligned to Welsh Government funding provision in time for 31 March 2026.

The funding provision for the recurrent cost impact of staff migrating to Band 3 payscales were maintained at £2.0m through the 2026/27 Annual Planning Cycle. On approval of the 2026/27 Annual Plan, work has progressed through late March and April to align budgets per the plan across a number of approved changes. In relation to the Band 2 to Band 3 re-banding, the detail of actual payments in February and March has been used to calculate the uplift required to budgets (payments at Band 3 having commenced in February). This has ensured the reality of payscales, and unsocial hours enhancements has been factored into recurrent budget changes on an appropriate and accurate basis. This detail has highlighted that the budget uplift required totals £2.8m, exceeding the £2.0m afforded by the Annual Plan.

In respect of variables impacting the recurrent cost against the £2.0m earmarked funding, the following changes have been identified which were not factored into original estimates:

- WTE has increased from 973.54 to 1047, additional 73.5 wte, £0.2m
- Already promoted staff being moved up the payscale to top of scale Band 3, 45 people £0.1m
- 2025/26 Pay award 3.6% and National Insurance Employers contribution has increased 13.8% to 15%, combined £0.1m.

In addition to these changes the reality of the specific detail of the payroll will have informed more accurate cost estimates to uplift the HCSW workforce establishment appropriately. This includes the specific pay points within both the Band 2 and Band 3 payscales that people have moved between, the detail in respect of hours worked, plus actual unsocial hours and associated enhancements.

To avoid a cost pressure across affected HCSW budgets, with the agreement of the Chief Executive and Director of Finance, budget was released to afford the £2.8m cost increase. As the increase of £0.8m was not included with the approved Annual Plan, there is no authority to issue budgets. Instead, a similar process has been followed to that of the nurse staffing levels (NSLs), where a negative reserve is created.

As such the following steps have been taken:

- Financial plan and accountability letter stated the Band 2/3 reserve was still pending and would be confirmed in due course once final.
- Imperative to ensure accurate establishment budgets are in place to control the financial decisions of budget holders therefore issued full £2.8m funding to budget holders, creating a negative central reserve to offset the £0.8m that isn't available.
- Signal an 'advise' to FPC in April to this ongoing piece of work/analysis, but the likely impact of an adverse impact against the assumed planned values.
- Finance to prepare a paper, together with Workforce, highlighting/explaining the moving parts that have been worked through since the plan was submitted, and split the changes between price, volume and or mix changes for each material change of the £0.8m (this paper).

- Report to be presented to Executive Team and then onto FPC in June 2026 to highlight the additional budget needed and seek retrospective approval for the negative reserve created.

Argymhelliad / Recommendation

The Finance and Performance Committee is requested to:

- **ACKNOWLEDGE** the approach taken and reasons for the difference between cost versus funding having arisen.
- **APPROVE** of the approach taken to enable the required £2.8m budget to be delegated, by creating a negative budget, recognising this will require further savings and mitigating actions to afford both within 2026/27 and as part of the Health Boards underlying position.

Amcanion: (rhaid cwblhau) **Objectives: (must be completed)**	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1.7 Maintain oversight of, and obtain assurances on, key financial risks. This includes risks against the delivery of Health Board financial targets, the robustness of key income sources and contractual safeguards.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	2026/27 Annual Plan document and Monitoring returns to Welsh Government based on HDdUHB's financial reporting system.
Rhestr Termau: Glossary of Terms:	HCSW – Healthcare Support Worker WTE – Whole Time Equivalent
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cyllid a Pherfformiad Parties / Committees consulted prior to Finance and Performance Committee:	Finance Team Executive Team

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: **Financial / Service:**	Financial implications are inherent within the report.
Ansawdd / Gofal Claf: **Quality / Patient Care:**	This paper and its recommendations seek to sustain existing service provision and the appropriate workforce model, as such there is no impact to patient care.
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.