

Hywel Dda UHB

Month 2 Financial Performance and EoY Forecast

Sustainable Resources Committee

27th June 2023

Month 2 Executive Summary

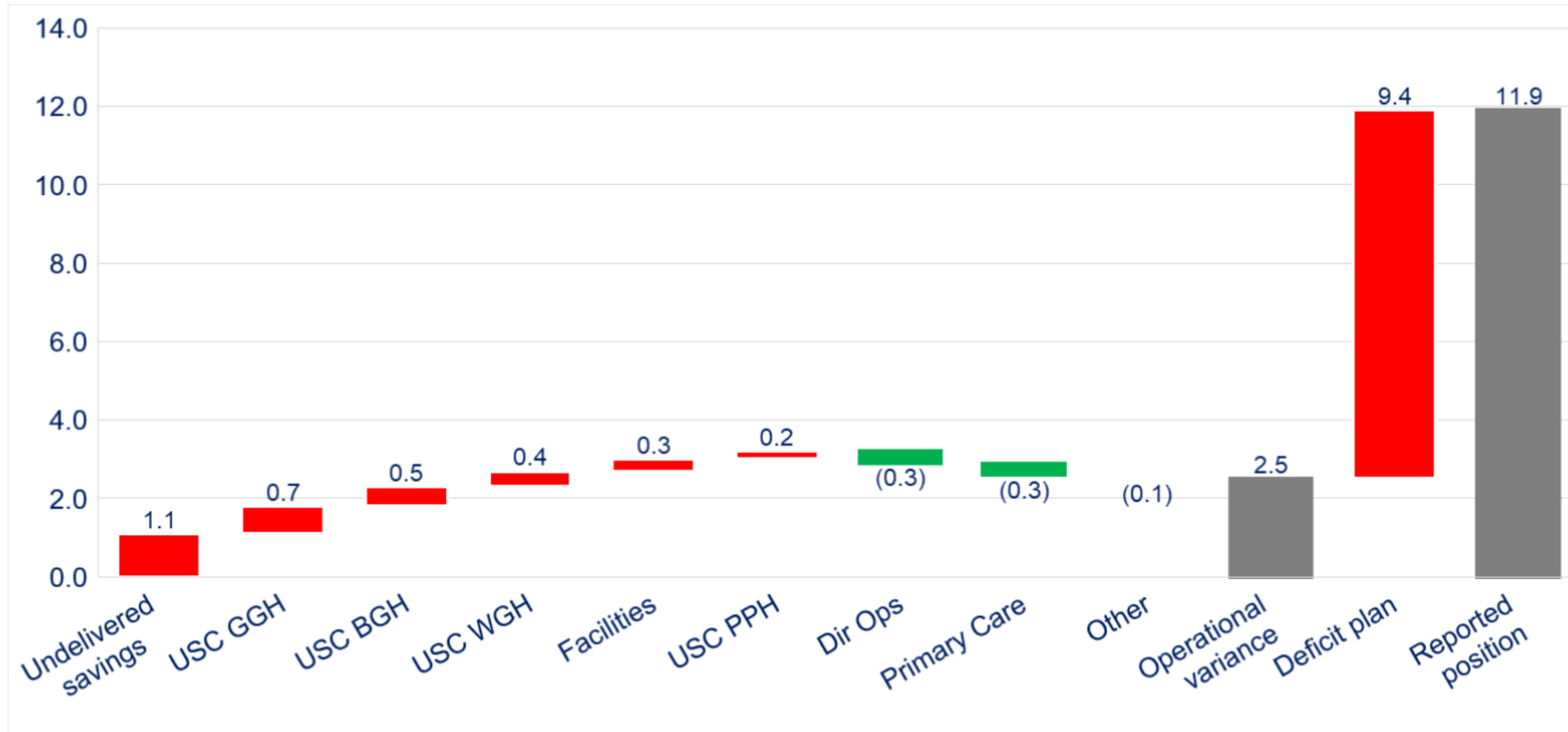
The Month 2 Health Board financial position is an overspend of £11.9m, which is made up of £2.5m operational variance and a deficit plan of £9.4m; the key drivers are summarised below, including the current end of year (EoY) forecast.

This largely represents the step change in our expenditure levels since Month 11 and 12 in 2022/23 continuing to increase in Month 1 and 2 2023/24.

Driver	In month variance to breakeven (£'m)	EoY projected variance to breakeven (£'m)
Deficit plan	9.4	112.9
Operational variance:		
Nurse Agency – continued increases in roster fill rates with Agency staff	2.0	11.8
Oncology drugs – increased activity and price	0.1	2.8
Medical Additional Duty Hours rate card – use of premium rates	0.4	1.7
National Energy price reduction in-year	0.0	(2.0)
Other (EoY: increase in CHC packages, MHLd waiting list outsourcing, high cost Medical Agency, supernumerary International Nurses during qualification training, offset by Community Pharmacy performance)	(1.1)	5.4
Total Operational Variance	1.4	19.7
Unidentified savings gap	1.1	10.8
Sub-Total	11.9	143.4
Mitigating actions to address savings gap and operational variation	0.0	(30.5)
Total	11.9	112.9

The analysis of the deficit drivers coupled with unidentified savings schemes in relation to the 2023/24 target has led to a deterioration in the reported underlying deficit, from £101.5m to £106.0m. In our Plan we have identified the deficit drivers, which relate to the consequences of our configuration (£34.5m) and operational pressures coupled with historic non-delivery of the required level of recurrent savings. The Health Board recognises that the increased deficit is neither acceptable nor affordable to Welsh Government, and this will continue to be refined throughout the year.

Month 2 In-Month 2023/24: Key drivers (£'m)



Of the centrally held Deficit Plan of £9.4m, £2.1m relates to the original deficit and £7.3m relates to the Opportunities Deficit.

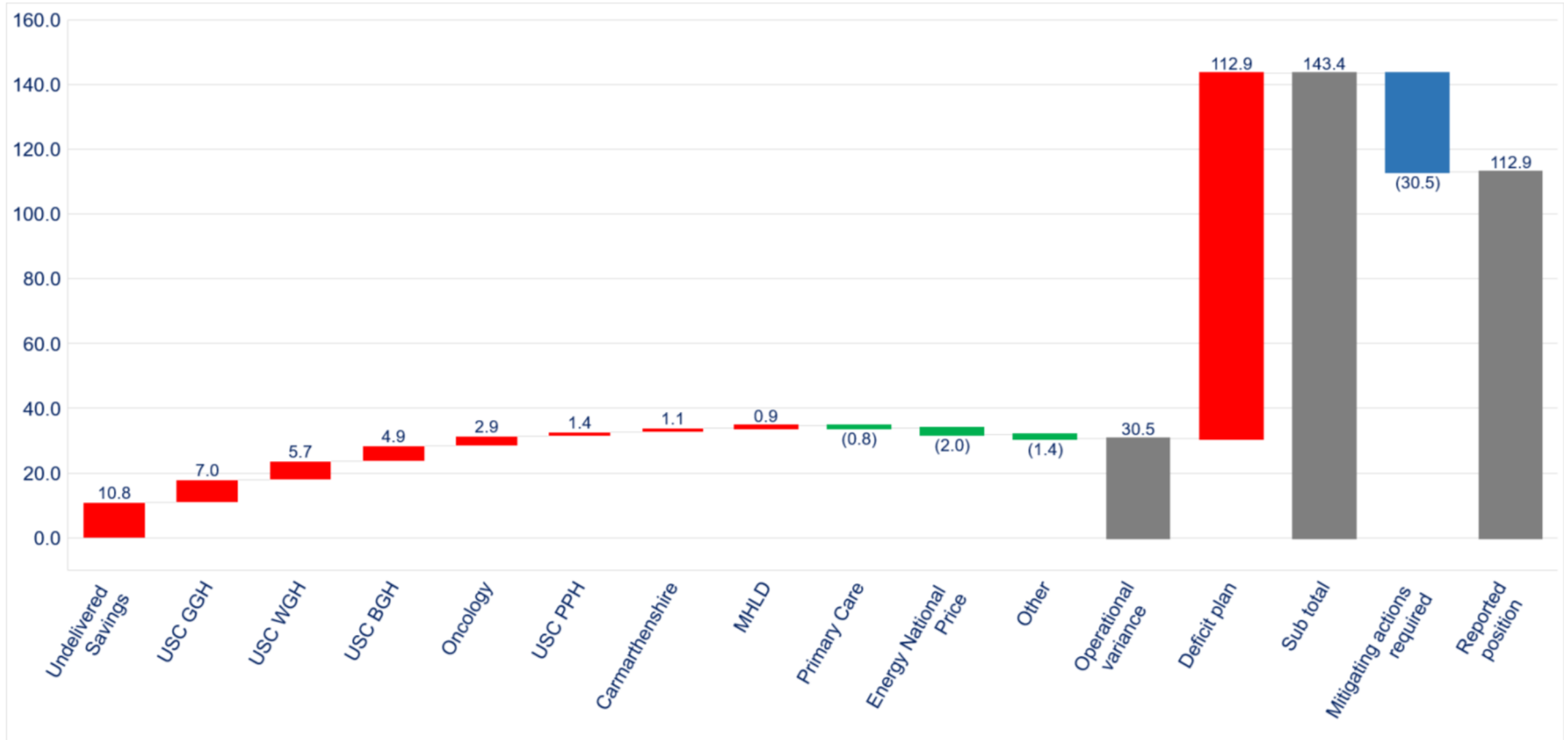
Programme funding relates to the following in response to COVID-19 match-funded by WG:

- Health Promotion (previously TTP)
 - Vaccination programme
 - PPE
- £0.6m was released to match costs in Month 2.

Month 2 In-Month 2023/24: Key drivers (£'m)

Directorate	£'m	Operational Driver comments
Undelivered Savings	1.1	Undelivered planned savings across the Health Board.
USC GGH	0.7	1. RN\HCSW Substantive fill rates increased with agency\bank usage continuing at post Jan levels £420k 2. Undelivered Savings - Nurse Stabilisation Project £123k 3. Increased medical locum rate cards - £20k
USC BGH	0.5	1. £50k Additional support to address waiting lists for Gastro services 2. £200k Increase of medical ad-hoc hours to cover absences and increase in the hourly rates paid now in comparison to FY23 3. £196k Nursing and HCSW - Increased shift fill rate to circa 90% mitigating clinical risk on site with continued site pressures. Cover for sickness and absences.
USC WGH	0.4	1. Nurse agency fill rate - Fill rate increase of 91% to 78% budgeted £100k plus retro agency shifts £140k 2. Patient acuity - Enhanced care HCSW shifts £35k (10.48WTE in month) 3. A&E attendances - 10% increase in patient numbers in month (335 patients)
Facilities	0.3	1. £120k adverse variance for utilities due to phasing across M1 & M2, no impact on the FY Forecast. 2. Additional £95k Waste contracts hit in month due to delayed receipts. 3. £96k adverse variance in month due to Maintenance overspend (Pay and Non Pay). Additional call outs and urgent work have impacted overtime spend. Main drivers include on-going work managing legionella risk in WGH, boiler repairs and blocked drains
USC PPH	0.2	1. RN\HCSW Substantive fill rates increased with agency\bank usage continuing at post Jan levels £179k 2. Middle Grade vacancies £37k 3. Increased medical locum rate cards - £21k
Dir Ops	(0.3)	1. (367k) expected transfer of expenditure to Endoscopy (Planned Care) 2. 70k overspend in OOH due to additional Locally Agreed GP OOHs payments made in month and 1 wte new starter (£8k)
Primary Care	(0.3)	1. Community Pharmacy contract underperformance by 13% £576k 2. Offset by Managed practice locum spend £185k
Other	(0.1)	
Operational variance	2.5	

Month 2 EoY 2023/24: Key drivers (£'m)



Month 2 EoY 2023/24: Key drivers (£'m)

Directorate	£'m	Operational Driver comments
Undelivered Savings Gap	10.8	Undelivered planned savings gap across the Health Board. Planned Savings for the year is £19.5m with identified schemes totalling £8.7m.
USC GGH	7.0	1. RN\HCSW Substantive fill rates increased with agency\bank usage continuing at post Jan levels £4.1m 2. Undelivered Savings - Nurse Stabilisation Project £2.8m 3. Increased medical locum rate cards partly offset by a reduction in high cost locum usage - £146k
USC WGH	5.7	1. Nurse agency increase in fill rates and rate per hour (£4.2m) 2. Recruitment of 15wte overseas nurses (£305k). 3. Increase in medical pay (£625k).
USC BGH	4.9	1. £0.392m Additional support to address waiting lists for Gastro services 2. £2.33m Increase of medical ad-hoc hours to cover absences and increase in the hourly rates paid now in comparison to FY23 3. £2.1m Nursing and HCSW - Increased shift fill rate to circa 90% mitigating clinical risk on site with continued site pressures. Cover for sickness and absences.
Oncology	2.9	1. SACT activity numbers within last quarter (11 patients per day) higher than average seen for 2022/23 - £1.5m 2. Drugs costs for the same period have seen a 22% increase - £1.3m 3. Additional 2WTE staff commenced in Month 2 - £0.1m
USC PPH	1.4	1. RN\HCSW Substantive fill rates increased with agency\bank usage continuing at post Jan levels £1.4m 2. Undelivered Savings - £123k 3. Increased Medical locum usage due to middle grade vacancies £65k
Carmarthenshire	1.1	1. Nursing and HCSW costs previously charged to RIF Programmes but now part of Core costs £581k 2. CHC - Net increase in care packages extrapolated to year end £386k 3. Accommodation charges increases due to rent reassessment in Early 2023 of £97k
MHLD	0.9	1. £575K Third Sector Waiting List - Outsourcing. Key Ministerial Priority. 2. £335K - CHC -Net Increase in New Care Packages. (4 New Packages costing £510K , 3 packages ending (£62.5K) and adjustments made to packages (£112.7K))3. £ 21.9K -First Invoice relating to a on-going DWP Investigation regarding Patient welfare claims.
Primary Care	(0.8)	1. Community Pharmacy underspends (£1.6m) driven by reduced practice payments due to change in contract terms. 2. Dental underspends (£206k) driven by reduced contract take up. 3. Cluster underspends (£485k) on projects not yet confirmed/signed off.
Energy Price Reduction	(2.0)	1. Improvement of £2.0m since Plan due to a reduction in National Energy prices since the Planning cycle.

Month 2 2023/24: EoY Savings Performance and Identification

Annual Forecast is the Risk-Adjusted forecast position against Plans.

In-Year Plan £'000	Executive Director	Annual plan	Annual forecast	Variance
Saving	Director of Finance	246,000	246,000	0
	Director of Operations	3,834,362	3,519,859	314,503
	Director of Therapies & Health Sciences	245,000	245,000	0
	Director of Primary Care, Community & Long Term Care	1,321,000	1,321,000	0
	Director of Nursing, Quality & Patient Experience	500,000	0	500,000
	Director of Workforce & Organisational Development	2,573,000	0	2,573,000
Saving Total		8,719,362	5,331,859	3,387,503
Productivity	Director of Operations	7,759,011	7,759,008	3
Productivity Total		7,759,011	7,759,008	3
Grand Total		16,478,373	13,090,867	3,387,506

- **Director of Nursing, Quality & Patient Experience:** Health Board Wide Family Liaison Officers expected to partly deliver, but unclear of EoY quantum at this stage;
- **Director of Operations:** Planned Care Switch to Biosimilar for Wet AMD patients delivery higher than Plan £(34)k. In GGH and PPH, the forecast is of an under-delivery against part of TUEC £349k;
- **Director of Workforce & Organisational Development:** Under-delivery in relation to Nurse Stabilisation.

Month 2 EoY 2023/24: Risks

Risks	£'m	RAG
Meds Mgt: Growth increase above 0.31% and price increase in Cat M and baseline above Jan 23 price	3.5	HL
USC WGH: 65WTE Nurse Stabilisation supernumerary and accommodation costs	2.1	HL
Oncology: 5% growth in drugs	0.9	HL
Primary Care: Community Pharmacy practice payments in line with 2022/23	0.8	HL
USC BGH: Risk to TUEC savings delivery (Winter)	0.5	HL
MHLD: Recruitment into Active Response Team (new Bro Myrddin)	0.3	HL
Pathology: Growth in drugs to 5%	0.2	HL
Other < £0.2m	0.1	HL
Total highly likely	8.4	

Risks	£'m	RAG
MHLD: Under-delivery on CHC savings scheme	1.2	L
Oncology: 5-10% growth in drugs	0.9	L
GGH: Overseas Nursing	0.8	L
Primary Care: Community Pharmacy ring-fence	0.6	L
MHLD: Recruitment into WG funded schemes (15wte)	0.5	L
Public Health: Recruitment to Substance Misuse vacancies	0.4	L
Central: Apprenticeship Levy increase due to Pay Awards	0.3	L
Radiology: Recruitment of AHP staff	0.3	L
Planned Care: SAS Doctor Care Rate Anaesthetics	0.3	L
MHLD: Medical Locum increase	0.3	L
Planned Care: Critical Care Nurse Agency increase	0.3	L
Primary Care: Cluster plans development	0.3	L
Pathology: 5-10% growth in drugs	0.2	L
Other < £0.2m	0.4	L
Total likely	6.8	
Total Risks	15.2	

Month 2 EoY 2023/24: Opportunities

Opportunities	£'m	RAG
Other < £0.2m	(0.1)	HL
Total highly likely	(0.1)	
Oncology: Reduction in SACT activity once backlog addressed	(0.4)	L
USC BGH: Switch of Nurse shifts to bank/overtime	(0.3)	L
Other < £0.2m	(0.1)	L
Total likely	(0.8)	
Total Opportunities	(0.9)	

Executive Summary

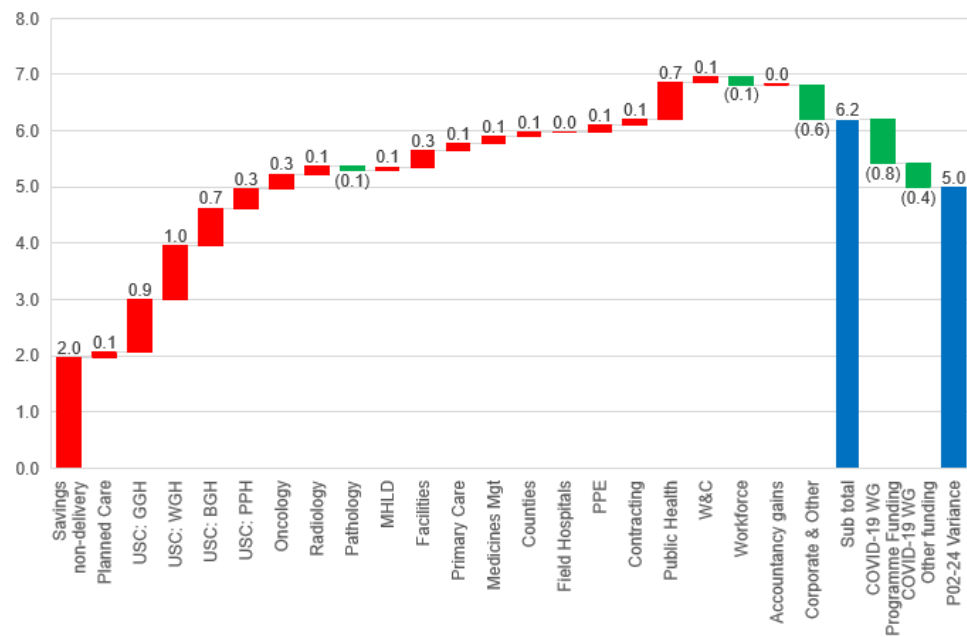
	Health Board's Financial Plan is to deliver a deficit of £112.9m, after savings of £19.5m.		
Revenue	<ul style="list-style-type: none"> The Month 2 Health Board financial position is an overspend of £11.9m, which is made up of £2.5m operational variance and a deficit plan of £9.4m; the key drivers are summarised below, including the current end of year (EoY) forecast. 		
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	<ul style="list-style-type: none"> This largely represents the step change in our expenditure levels since Month 11 and 12 in 2022/23 continuing to increase in Month 1 and 2 2023/24. 		
Underlying Deficit and Risks	<ul style="list-style-type: none"> The analysis of the deficit drivers coupled with unidentified savings schemes in relation to the 2023/24 target has led to a deterioration in the reported underlying deficit, from £101.5m to £106.0m. In our Plan we have identified the deficit drivers, which relate to the consequences of our configuration (£34.5m) and operational pressures coupled with historic non-delivery of the required level of recurrent savings. The Health Board recognises that the increased deficit is neither acceptable nor affordable to Welsh Government, and this will continue to be refined throughout the year. 		

Executive Summary

Savings	<ul style="list-style-type: none">Of the required £19.5m savings delivery, £10.8m remains without robust operational Plans for delivery. Whilst the Opportunities Framework presents a significant range and size of opportunities there is insufficient assurance at this stage of in-year conversion into deliverable schemes. In-month, £0.4m of savings schemes were delivered, which was £0.1m below identified plans.Of the identified operational savings schemes of £8.7m, the annual forecast is currently assessed as £5.3m. This is included in the Directorate's Operational Variation position.																																				
Next Steps	<ul style="list-style-type: none">The choices available for the key drivers of the deficit, coupled with other choices and opportunities, are regularly discussed across key governance forums, including the Executive Team and Board.Urgent operational actions are being considered to identify and resolve the issues preventing the delivery of identified savings schemes. A focused Executive Team Away Day in June considered mitigating actions and their delivery; a six week action timetable has commenced.																																				
Summary of key financial targets	<p>The Health Board's key targets are as follows:</p> <ul style="list-style-type: none">Revenue: to contain the overspend within the Health Board's planned deficitSavings: to deliver savings plans to enable the revenue budget to be achievedCapital: to contain expenditure within the agreed limitPSPP: to pay 95% of Non-NHS invoices within 30 days of receipt of a valid invoiceCash: While there is no prescribed limit for cash held at the end of the month, WG encourages this to be minimised and a rule of thumb of 5% of monthly expenditure is used. For the Health Board, this is broadly £4.0m. <table><tr><th>Key target</th><th></th><th>Annual limit</th><th>YTD limit</th><th>Actual delivery</th><th>Forecast Risk</th></tr><tr><td>Revenue</td><td>£'m</td><td>112.9</td><td>18.8</td><td>23.7</td><td>High*</td></tr><tr><td>Savings</td><td>£'m</td><td>19.5</td><td>3.2</td><td>0.5</td><td>High**</td></tr><tr><td>Capital</td><td>£'m</td><td>25.5</td><td>1.9</td><td>2.4</td><td>Medium***</td></tr><tr><td>Non-NHS PSPP</td><td>%</td><td>95.0</td><td>n/a</td><td>n/a</td><td>n/a</td></tr><tr><td>Period end cash</td><td>£'m</td><td>4.0</td><td>4.0</td><td>3.5</td><td>High****</td></tr></table> <p>* The Revenue risk is considered to be High in relation to both the unacceptable level of Planned deficit and the delivery of the in-year Plan deficit of £112.9m. Urgent management actions are required to address the in-year and underlying position.</p> <p>** Of the required £19.5m savings delivery, £10.8m remains without robust operational Plans for delivery. Whilst the Opportunities Framework presents a significant range and size of opportunities there is insufficient assurance at this stage of in-year conversion into deliverable schemes. Furthermore, of the identified operational savings schemes of £8.7m, the annual forecast is currently assessed as £5.3m.</p> <p>*** The Capital risk is considered medium due to the additional costs associated with WGH Phase 1 Fire scheme (an additional funding bid has been submitted to WG) and the unknown costs and scope of works required in WGH due to RAAC.</p> <p>**** If WG are unable to fund the cash consequences of the revenue deficit, there is a significant risk to the year end cash position.</p>	Key target		Annual limit	YTD limit	Actual delivery	Forecast Risk	Revenue	£'m	112.9	18.8	23.7	High*	Savings	£'m	19.5	3.2	0.5	High**	Capital	£'m	25.5	1.9	2.4	Medium***	Non-NHS PSPP	%	95.0	n/a	n/a	n/a	Period end cash	£'m	4.0	4.0	3.5	High****
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Revenue Summary

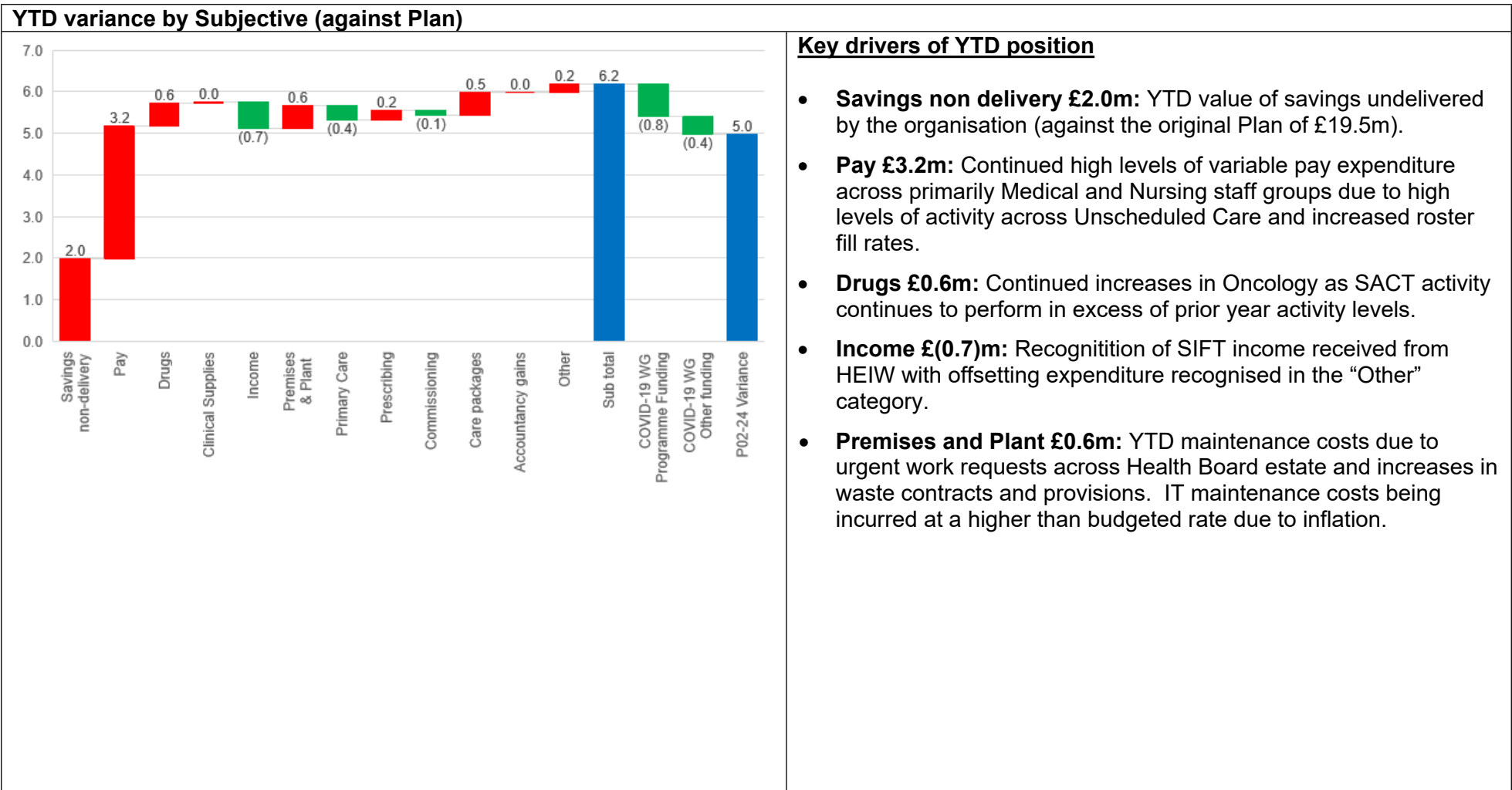
YTD variance by Directorate (against Plan)



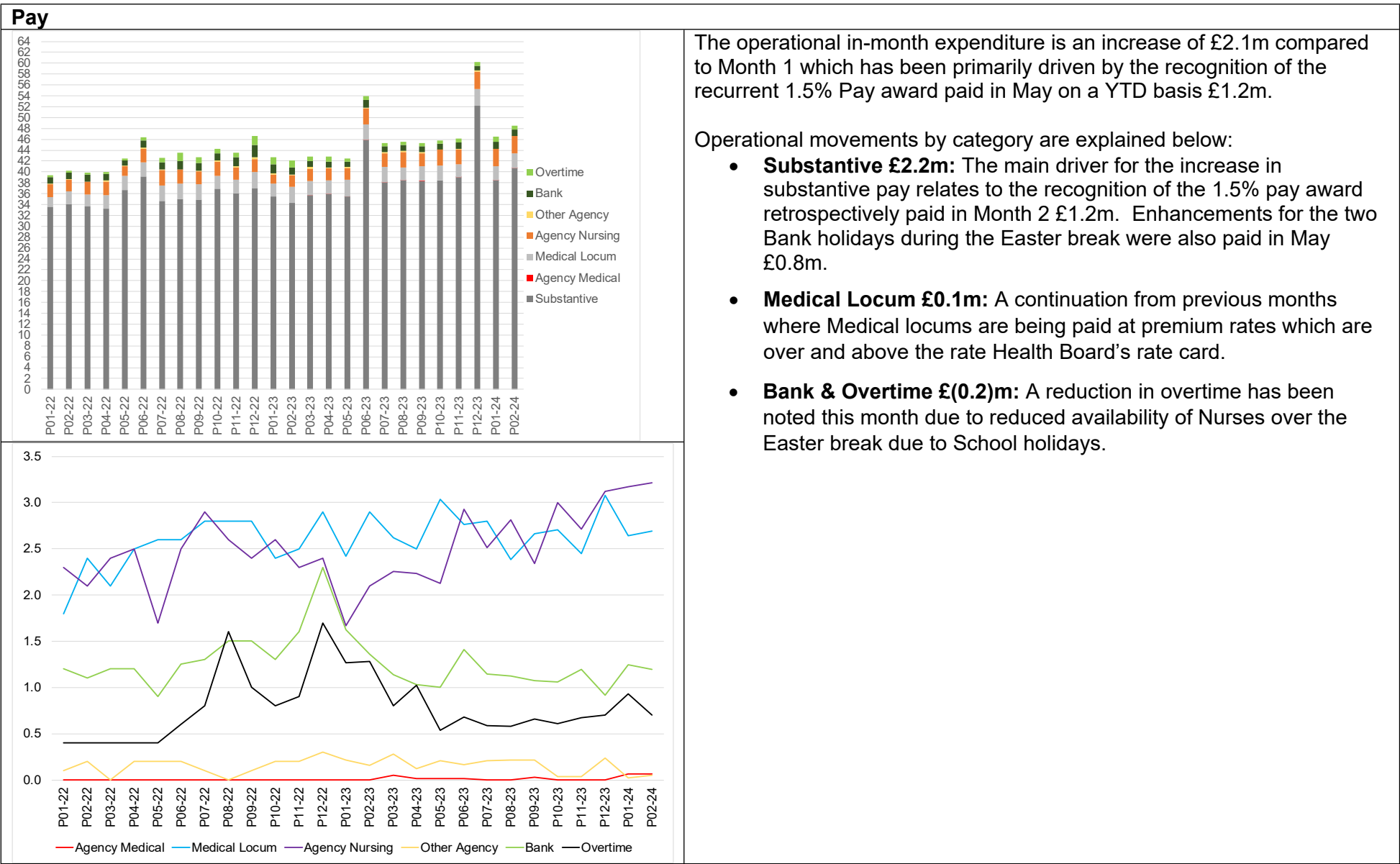
Key drivers of YTD position

- **Savings non delivery £2.0m:** YTD value of savings undelivered by the organisation (against the Plan of £19.5m).
- **Unscheduled care £2.9m:** Continuation of site pressures where high levels of activity are resulting in high variable pay expenditure across all four acute sites in respect of Medical and Nursing staff groups.
- **Oncology £0.3m:** Increased levels of SACT activity within the service and an increase in homecare issues resulting in an increase in drug expenditure.
- **Facilities £0.3m:** Primarily driven by YTD maintenance costs due to urgent work requests across Health Board estates and increases in waste contracts and provisions.
- **Public Health £0.7m:** Primarily driven by Health Promotion and Mass Vaccination COVID-19 programme schemes.
- **WG Programme Funding £(0.8)m:** YTD funding in respect of COVID-19 programme schemes.
- **WG Other funding £(0.4)m:** Fixed allocation funding to support COVID-19 response for Long COVID-19 and Nosocomial.

Revenue Summary



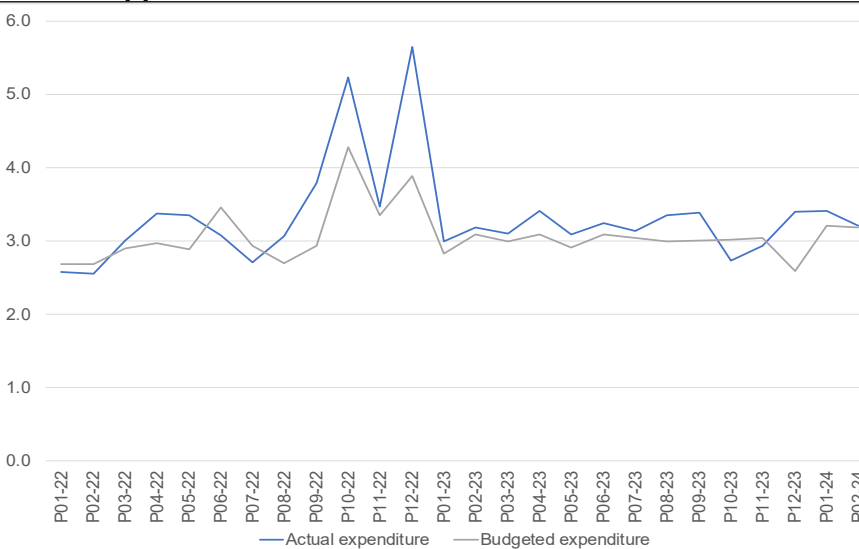
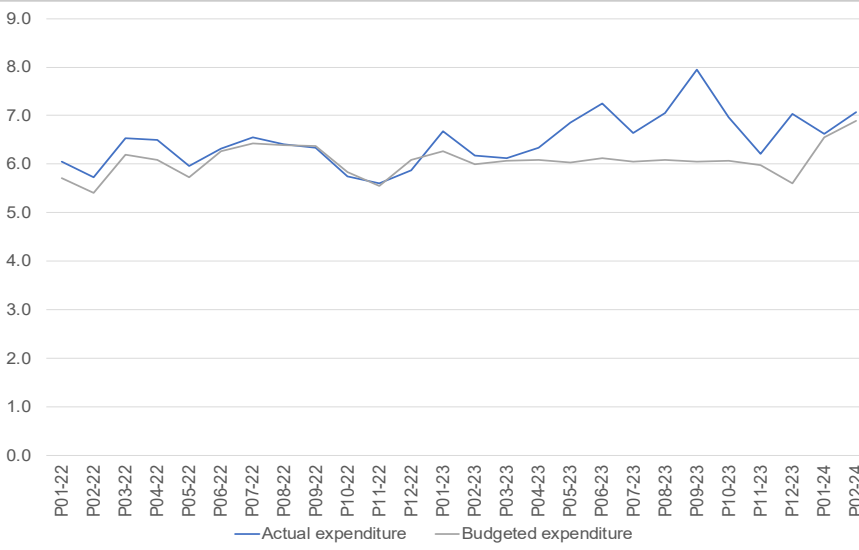
Key Subjective Summary



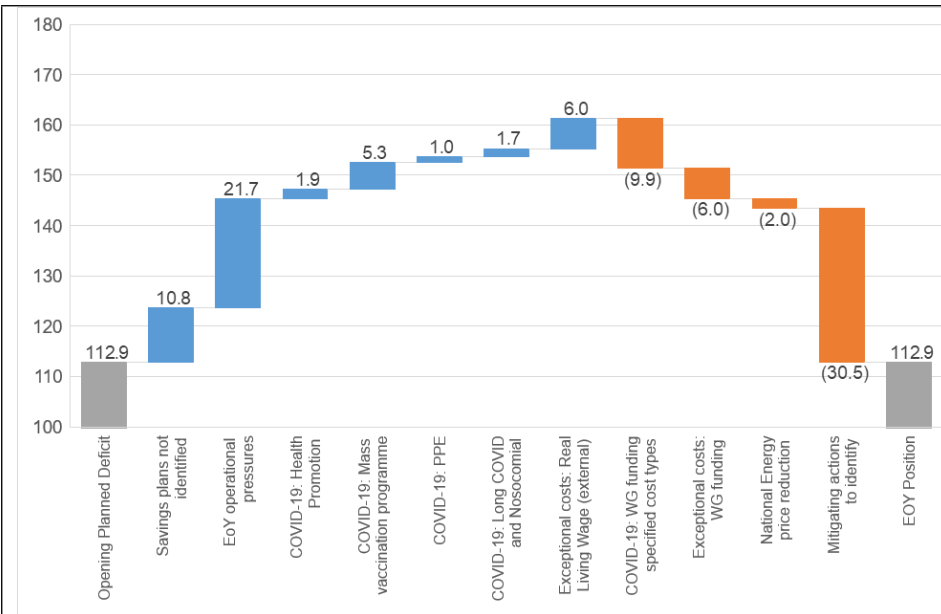
Key Subjective Summary

<h3>CHC</h3> <div><table><tr><th>Period</th><th>Actual expenditure</th><th>Budgeted expenditure</th></tr><tr><td>P01-22</td><td>4.2</td><td>4.1</td></tr><tr><td>P02-22</td><td>4.3</td><td>4.2</td></tr><tr><td>P03-22</td><td>4.7</td><td>4.6</td></tr><tr><td>P04-22</td><td>4.4</td><td>4.3</td></tr><tr><td>P05-22</td><td>4.1</td><td>4.0</td></tr><tr><td>P06-22</td><td>5.1</td><td>5.0</td></tr><tr><td>P07-22</td><td>4.5</td><td>4.4</td></tr><tr><td>P08-22</td><td>4.3</td><td>4.2</td></tr><tr><td>P09-22</td><td>4.5</td><td>4.4</td></tr><tr><td>P10-22</td><td>4.8</td><td>4.7</td></tr><tr><td>P11-22</td><td>4.2</td><td>4.1</td></tr><tr><td>P12-22</td><td>3.9</td><td>3.8</td></tr><tr><td>P01-23</td><td>4.2</td><td>4.1</td></tr><tr><td>P02-23</td><td>4.3</td><td>4.2</td></tr><tr><td>P03-23</td><td>4.2</td><td>4.1</td></tr><tr><td>P04-23</td><td>4.3</td><td>4.2</td></tr><tr><td>P05-23</td><td>5.5</td><td>5.4</td></tr><tr><td>P06-23</td><td>4.5</td><td>4.4</td></tr><tr><td>P07-23</td><td>4.6</td><td>4.5</td></tr><tr><td>P08-23</td><td>4.5</td><td>4.4</td></tr><tr><td>P09-23</td><td>5.2</td><td>5.1</td></tr><tr><td>P10-23</td><td>4.4</td><td>4.3</td></tr><tr><td>P11-23</td><td>4.2</td><td>4.1</td></tr><tr><td>P12-23</td><td>4.6</td><td>4.5</td></tr><tr><td>P01-24</td><td>4.5</td><td>4.4</td></tr><tr><td>P02-24</td><td>4.7</td><td>4.6</td></tr></table></div>		Period	Actual expenditure	Budgeted expenditure	P01-22	4.2	4.1	P02-22	4.3	4.2	P03-22	4.7	4.6	P04-22	4.4	4.3	P05-22	4.1	4.0	P06-22	5.1	5.0	P07-22	4.5	4.4	P08-22	4.3	4.2	P09-22	4.5	4.4	P10-22	4.8	4.7	P11-22	4.2	4.1	P12-22	3.9	3.8	P01-23	4.2	4.1	P02-23	4.3	4.2	P03-23	4.2	4.1	P04-23	4.3	4.2	P05-23	5.5	5.4	P06-23	4.5	4.4	P07-23	4.6	4.5	P08-23	4.5	4.4	P09-23	5.2	5.1	P10-23	4.4	4.3	P11-23	4.2	4.1	P12-23	4.6	4.5	P01-24	4.5	4.4	P02-24	4.7	4.6	<p>Continuing Health Care expenditure has increased by £0.1m compared to last month.</p> <p>The net increase in month is as a result of a net increase of 5 patients being eligible to receive General Nursing care.</p>
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Key Subjective Summary

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Financial Projection



Key Assumptions

- Pay Awards are assumed to be fully funded by Welsh Government.
- Exceptional Real Living Wage costs (external) are assumed to be fully funded by Welsh Government.

Assurance

- Executive led Use of Resources Group which scrutinises business cases, opportunities and financial governance. Performance to continue to be monitored monthly through robust Directorate Improving Together meetings.
- A weekly progress report is being presented to the Executive Team to retain sufficient strategic focus on key deliverables.

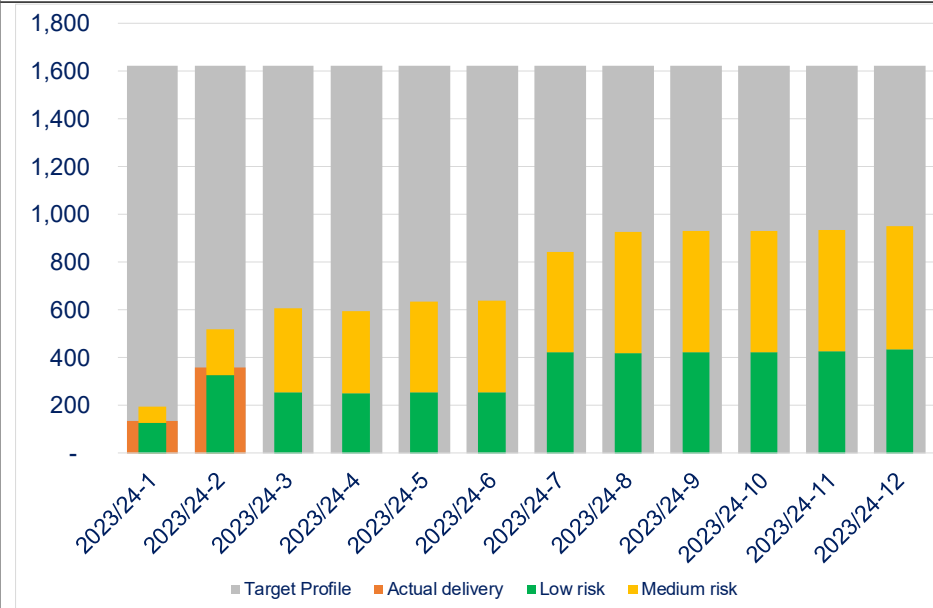
Concerns

- The analysis of the deficit drivers coupled with unidentified savings schemes in relation to the 2023/24 target has led to a deterioration in the reported underlying deficit, from £101.5m to £106.0m. In our Plan we have identified the deficit drivers, which relate to the consequences of our configuration (£34.5m) and operational pressures coupled with historic non-delivery of the required level of recurrent savings. The Health Board recognises that the increased deficit is neither acceptable nor affordable to Welsh Government, and this will continue to be refined throughout the year.

Next Steps

- The choices available for the key drivers of the deficit, coupled with other choices and opportunities, are continually discussed across key governance forums, including the Executive Team and Board.

Risk-assessed directorate savings profile, delivery and forecast



Assurance

- All identified schemes are recurrent.
- A weekly progress report is being presented to the Executive Team to retain sufficient strategic focus on key deliverables; the delivery of identified savings schemes and conversion of Opportunities into deliverable plans is a priority.

Concerns

- Of the required £19.5m savings delivery, £10.8m remains unidentified. Whilst the Opportunities Framework presents a significant range and size of opportunities there is insufficient assurance at this stage of in-year conversion into deliverable schemes.
- Of the identified operational savings schemes of £8.7m (an increase of £1.2m since Month 1), the annual forecast is currently assessed as £5.3m.

Next Steps

- Urgent operational actions are required to identify and resolve the issues preventing the delivery of identified savings schemes.
- A focused Executive Team Away Day in June considered mitigating actions and their delivery; a six week action timetable has commenced.



PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 June 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial report – Month 2 2023/24
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Rebecca Hayes, Senior Finance Business Partner

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 and accompanying presentation, at Appendix 1, is to outline the Health Board's financial position to date against our Annual Plan and assess the key financial projections, risks and opportunities for the financial year. An Executive Summary is provided at Appendix 2.

Cefndir / Background

The Month 2 Health Board financial position is an overspend of £11.9m, which is made up of a deficit plan of £9.4m, £1.1m of unidentified savings and £1.4m of operational variation. The operational variation is driven by a continued increase in roster fill rates with Nurse Agency staff (£2.0m) and Medical additional duty hours at premium rates (£0.4m); offset with underspends in Primary Care due to Community Pharmacy contractual underperformance and reduction in Clinical Negligence, Medical Negligence and Personal Injury claims.

The analysis of the deficit drivers coupled with unidentified savings schemes in relation to the 2023/24 target has led to a deterioration in the reported underlying deficit, from £101.5m to £106.0m. In our Plan we have identified the deficit drivers, which relate to the consequences of our configuration (£34.5m) and operational pressures coupled with historic non-delivery of the required level of recurrent savings. The Health Board recognises that the increased deficit is neither acceptable nor affordable to Welsh Government (WG), and this will continue to be refined throughout the year.

Of the required £19.5m savings delivery, £10.8m remains without robust operational Plans for delivery. Whilst the Opportunities Framework presents a significant range and size of opportunities there is insufficient assurance at this stage of in-year conversion into deliverable schemes. In-month, £0.4m of savings schemes were delivered, which was £0.1m below identified plans.

Of the identified operational savings schemes of £8.7m, the annual forecast is currently assessed as £5.3m. This is included in the Directorate's Operational Variation position.

The choices available for the key drivers of the deficit, coupled with other choices and opportunities, are regularly discussed across key governance forums, including the Executive Team and Board.

Urgent operational actions are being considered to identify and resolve the issues preventing the delivery of identified savings schemes. A focused Executive Team Away Day in June 2023 considered mitigating actions and their delivery; a six week action timetable has commenced.

Asesiad / Assessment

The Health Board's key targets are as follows:

- Revenue: to contain the overspend within the Health Board's planned deficit
- Savings: to deliver savings plans to enable the revenue budget to be achieved
- Capital: to contain expenditure within the agreed limit
- PSPP: to pay 95% of Non-NHS invoices within 30 days of receipt of a valid invoice
- Cash: While there is no prescribed limit for cash held at the end of the month, WG encourages this to be minimised and a rule of thumb of 5% of monthly expenditure is used. For the Health Board, this is broadly £4.0m.

Key target		Annual limit	YTD limit	Actual delivery	Forecast Risk
Revenue	£'m	112.9	18.8	23.7	High*
Savings	£'m	19.5	3.2	0.5	High**
Capital	£'m	25.5	1.9	2.4	Medium***
Non-NHS PSPP	%	95.0	n/a	n/a	n/a
Period end cash	£'m	4.0	4.0	3.5	High****

* The Revenue risk is considered to be High in relation to both the unacceptable level of Planned deficit and the delivery of the in-year Plan deficit of £112.9m. Urgent management actions are required to address the in-year and underlying position.

** Of the required £19.5m savings delivery, £10.8m remains without robust operational Plans for delivery. Whilst the Opportunities Framework presents a significant range and size of opportunities there is insufficient assurance at this stage of in-year conversion into deliverable schemes. Furthermore, of the identified operational savings schemes of £8.7m, the annual forecast is currently assessed as £5.3m.

*** The Capital risk is considered medium due to the additional costs associated with WGH Phase 1 Fire scheme (an additional funding bid has been submitted to WG) and the unknown costs and scope of works required in WGH due to RAAC.

**** If WG are unable to fund the cash consequences of the revenue deficit, there is a significant risk to the year end cash position.

Argymhelliad / Recommendation

The Committee is asked to note and discuss the financial position as at Month 2.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	1642 (score 20) Risk of the Health Board not being able to meet the statutory requirement of breaking even 2023/24
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. 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:	Monitoring returns to Welsh Government based on HDdUHB's financial reporting system.
Rhestr Termiau: Glossary of Terms:	BGH – Bronglais General Hospital CHC – Continuing Healthcare FDU – Finance Delivery Unit FNC – Funded Nursing Care FYE – Full Year Effect GGH – Glangwili General Hospital GMS – General Medical Services MHLDD – Mental Health & Learning Disabilities NICE – National Institute for Health and Care Excellence OCP – Organisational Change Policy/Process OOH – Out of Hours PPH – Prince Philip Hospital PSPP – Public Sector Payment Policy RTT – Referral to Treatment Time T&O – Trauma & Orthopaedics TTP – Test, Trace, Protect

	WG – Welsh Government WGH – Withybush General Hospital WRP – Welsh Risk Pool WHSSC – Welsh Health Specialised Services Committee YTD – Year to date
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Finance Team Management Team Executive Team

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Financial implications are inherent within the report.
Ansawdd / Gofal Claf: Quality / Patient Care:	The impact on patient care is assessed within the savings schemes.
Gweithlu: Workforce:	The report considers the financial implications of our workforce.
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.