

**PWYLLGOR ADNODDAU CYNALIADWY  
SUSTAINABLE RESOURCES COMMITTEE**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 February 2025
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Financial Report – Month 10 2024/25
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	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 Health Board approved a budget on 28 March 2024 for the purposes of delegating budgets across the organisation. This represented a planned deficit of £64.0m, after the delivery of £32.4m of necessary savings.

It was recognised by the Board 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 a letter dated 2 December 2024, the Director General for Health, Social Care and Early Years (HSCEY) wrote to the Health Board's Chief Executive confirming additional in-year financial allocations and a revised Target Control Total (TCT). This resulted in the Health Board's planned deficit improving from £64.0m to £31.55m, with the TCT also becoming £31.55m from the previous expectation of £44.8m.

Delivery of the restated planned deficit of £31.55m would meet the revised expectation set by WG, resulting in the Health Board's financial plan being acceptable on an in-year basis. It should be recognised a deficit plan continues to remain a 'novel and contentious action' by not delivering against the Board's statutory duty to financially breakeven across a three-year period.

£2.6m is the new monthly planned deficit, which was the equivalent of £5.3m prior to funding being received.

## Asesiad / Assessment

### Financial Position

- The Health Board is reporting a surplus of £0.3m in month 10, which is a favourable variance of £2.9m against the restated planned deficit of £2.6m – the fourth consecutive month of the financial year that was better than the planned in-month deficit.
- Following further assessment of all service areas expenditure trajectories, the Health Board has formally reported an improvement in the end of year deficit, from the restated planned deficit of £31.5m to £24.0m, signalling a £4.0m improvement from the Month 9 position of £28.0m.
- The £4.0m improvement is mainly due to non-recurrent improvements in Ophthalmic Services, Continuing Health Care Services & Primary Care Prescribing with further in-month conversion of underspends into savings schemes. This does not address the underlying deficit that remains greater than the revised 2024/25 forecast outturn.
- The following table summarises the key drivers, and full analysis are included within Financial Performance Report in **Appendix 1**.

Driver (£'m)	Current month variance to breakeven	Year to Date variance to breakeven	End of Year forecast to breakeven
Restated Planned Deficit	2.6	26.3	31.5
Unidentified / (Identified) savings gap / (improvement)	(0.4)	0.2	(0.3)
Under / (Over) Delivery of Savings Schemes	0.2	0.6	1.4
Core Operational Variation	(2.7)	(6.1)	(8.6)
Gross Forecast			24.0
Reported Net Position	(0.3)	21.0	24.0

### 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.

### Mitigating Recurrent Savings Shortfall

- There has been significant effort in the last quarter to identify the £32.4m Savings target, and as at Month 10 current £32.7m has been identified on an in-year basis resulting in an in year over identification of £0.3m, of which, there is a delivery gap of £1.4m against expected benefits.
- Whilst savings delivery is an improving trend, of the £30.9m delivery projection, there is a recurrent savings shortfall of £14.0m, resulting in the underlying deficit significantly exceeding the 2024/25 forecasted outturn.
- Directorates have undertaken an initial review to convert non-recurrent schemes to recurrent, but this has only yielded a nominal value to date. An agenda item has been added to the escalation meetings to further scrutinise options available to directorates where further actions are required at pace for credible and deliverable Amber and Green schemes.

- As part of the recovery actions and to minimise the impact on the underlying deficit in readiness for the 2025/26 planning cycle, the Executive Team committed to identifying £20.0m of robust recurring deliverable plans by December 2024. Actual plans stand at £19.0m at the end of January 2025, of which £12.0m are ideas, signalling a further conversation risk from ideas to robust deliverable plans high proportion in the idea discovery phase, which will likely convert to less in terms of robust delivery plans based on previous evidenced conversion rates.

### **Financial Underlying Deficit**

- As has been reported to Board and Sustainable Resources Committee throughout the financial year, there is an ongoing significant challenge in reducing the Health Board's underlying deficit. Whilst progress in-year has been improving, a lot of actions have been non-recurrent in nature.
- As part of the 2025/26 Annual Plan deliberations the underlying deficit impact is being reviewed. Due to the reliance on non-recurrent actions an opening delivery gap exists in next year's financial plan if not addressed, or if a decision is not taken to hold expenditure levels at the current run rate.
- The carried forward impact from 2024/25 into the underlying deficit starting point for the 2025/26 financial plan will include, as a minimum, the 2024/25 outturn (currently £24.0m), the recurrent savings gap (currently £14.0m), the underspending directorates that are not currently signalling an ongoing underspend (£7.4m) and new funding challenges (circa £10.0m) over and above the Welsh Government allocation.

### **Level 3 Escalated Directorates**

The following directorates have been escalated to Level 3 (no assurance) for at least five of the last six months, for the domain of Finance, Strategy and Planning. An urgent recovery plan is required from each, and assurance cannot be taken that there is an imminent improvement trajectory in place.

- Carmarthenshire Integrated System
- Pembrokeshire Integrated System
- Mental Health and Learning Disabilities
- Estates and Facilities
- Medicines Management
- Pathology
- Planned Care
- Women's and Children
- Therapies and Health Sciences
- Director of Operations

A review of the internal escalation framework is being undertaken in readiness for the start of the new financial year, with proposals being drafted for Executive Team consideration for appropriate ways to ensure timely corrective action is taken for those directorates that are in distress for a prolonged period of time, recognising limited improvement has been experienced during 2024/25.

Notable movements: the Executive Nursing portfolio was de-escalated from Level 3 to Level 2 in January 2025.

Directorate Status by Month	Apr-24	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25
Bronglais Hospital	3	3	3	3	3	2	2	2	2	2
Cancer & Oncology	1	1	2	3	3	2	2	2	3	3
Carmarthenshire County	3	3	3	3	3	3	3	3	3	3
Ceredigion County	3	3	2	3	3	3	3	3	3	3
Corporate Services	1	1	1	1	1	1	1	1	1	1
Director of Finance	1	1	1	1	1	1	1	1	1	1
Director of Nursing	1	1	1	2	2	3	3	2	3	2
Director of Operations	1	1	1	2	2	3	3	3	3	3
Director of Public Health	1	1	1	1	1	1	1	1	1	1
Director of Strategy and Planning	1	1	1	2	2	3	1	1	2	2
Director of Therapies and Health Sciences	2	2	3	3	3	3	3	3	3	3
Director of Workforce & OD	1	1	1	1	1	1	1	1	1	1
Facilities	2	2	3	3	3	2	3	3	3	3
Glangwili Hospital	3	3	3	3	3	3	3	3	3	3
Medical Directorate	1	1	1	1	1	1	1	1	1	1
Medicines Management	1	1	3	3	3	3	3	3	3	3
Mental Health & Learning Disabilities	3	3	3	3	3	3	3	3	3	3
Pathology	2	2	3	3	3	3	3	3	3	3
Pembrokeshire County	3	3	3	3	3	3	3	3	3	3
Planned Care (incl. Audiology and Endoscopy)	3	3	2	3	3	3	3	3	3	3
Primary Care	2	2	2	2	2	2	3	1	1	1
Primary Care Management	1	1	2	2	2	2	3	1	1	1
Prince Philip Hospital	3	3	3	3	3	3	3	3	3	3
Radiology	3	3	3	3	3	2	2	2	3	3
Withybush Hospital	2	2	3	3	3	3	3	3	3	3
Women & Children	3	3	3	3	3	3	3	3	3	3

### 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.

### Financial Performance

- The Chief Operating Officer (£0.8m), Director of Therapies and Health Sciences (£0.2m), Director of Strategy and Planning (£0.2m) and Director of Nursing (£0.2m) portfolios are adversely performing against core budgets, offset by all other directorates under spending against core budgets, when factoring in over/under delivery against expected savings scheme benefits.
- The projected under-delivery against identified savings plans of £1.4m is linked, in the main, to bed plans within Withybush Hospital (WGH).
- Whilst Chief Operating Officer budgets are overspending, this is the first month the budgets have been underspending against core budgets £(0.5)m, the main cause of the overall overspend is the under-delivery against savings £1.3m.

### Capital

There is a risk of underspending against the Capital Resource Limit due to the significant number of capital schemes which need to be completed before the end of March. Mitigation

plans are in place to manage this risk, and the position will continue to be monitored until the end of March. A corporate level risk has been raised to reflect this.

## Introduction of Ministerial Enablers: Annex 2

As part of the NHS Planning Framework, the Cabinet Secretary for Health and Social Care has written to Chairs to highlight the expectations for the new financial year. This letter is included as **'Appendix 2 - Letter to Chairs - NHS Planning Framework'**. Within the letter, a number of enabling actions are mandated on the basis of "adopt or justify", some of which specifically relate to measures that drive financial implications. These enabling actions are included as **'Appendix 3 - Annex 2 - Enabling Actions'**.

A summary of the expectations set out in **Annex 2** are set out in the below table.

Area	Objective	Responsibility
Urgent and Emergency Care	Improve timely access to care, reducing the length of wait in key areas of the urgent and emergency care stream through addressing variation.	Andrew Carruthers
Planned Care	Improving timely access to care, reducing unwarranted variation in clinical productivity.	Andrew Caruthers
Planned Care	Improving timely access to care, reducing unwarranted variation in clinical productivity.	Andrew Caruthers
Improving Value, Optimising Outcomes & Minimising Variation	Support improvements in outcomes, effectiveness, and value through optimising resource utilisation and improving outcomes.	Andrew Caruthers, Huw Thomas, Jill Paterson, Mark Henwood
Maximising Value for Money	Continue to optimise value for money and contribution to overall efficiency through key non-pay areas.	Huw Thomas, Jill Paterson, Lee Davies
Workforce Productivity	Maximise workforce productivity and efficiency, strengthening value and effective deployment of the workforce.	Lisa Gostling

## Agency and Variable Pay Sustainability

- Managing medical rotas and variable pay has been a critical focus for the Health Board with BGH and MHLD continued use of premium locum and agency to cover sickness, annual leave rota planning, and gaps within rosters.
- Medical rate card proposals are continuing to be discussed with the Local Medical Committees (LMC) and exit strategies for reliance on premium cover are required.
- A key enabling component of the plan is the Allocate adoption across the all patient facing medical staff. Whilst plans are progressing around variable pay, E-rostering, this is pending the Allocate implementation and business process adoptions to ensure sustainable staffing levels are achieved without the reliance on agency.
- Contained within **'Appendix 3 - Ministerial Enablers: Annex 2'**, specific requirements are set out for the Health Board to take further action to reduce the amount it spends on variable pay and agency, and has set out the following mandate:
  - Deliver a further continued and sustained reduction in agency expenditure, with a target 30% reduction in 2025/26 from 2024/25 outturn, and ensuring no off-contract expenditure;
  - Ensure a reduction in agency spend on Healthcare Support Worker, Admin & Clerical, and Estates and Ancillary staff to zero by 30th September 2025;
  - 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 2025;

- Ensure a reduction in sickness absence in 2025/26 in comparison to 2024/25, through maximising adherence to the requirements of agreed attendance at work policies and adhering to the All-Wales Occupational Health minimum service levels.
- A Financial Control Sub-Group decision has been taken to allow a non-direct engagement medical agency worker (off-contract) to support a hard to fill position in a fragile service on a six-month basis. This will require a justification as part of the **Appendix 3 - Ministerial Enablers: Annex 2**, should costs be incurred during 2025/26.

### Assure (to note)

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

### In-Year Forecast Deficit

- The Board's expectation was to de-risk the financial delivery of the Annual Plan in Quarter 1. Improvements had been made by the start of Quarter 3 and the Health Board was forecasting to deliver the planned deficit.
- Following further work, undertaken by the end of Quarter 3, the Health Board has forecast additional non-recurrent improvements enabling the reported forecast to change from the Month 9 position of £28.0m to be further improved by £4.0m to £24.0m
- Improving further than the restated planned deficit of £31.5m supports the request from Welsh Government to go beyond the restated TCT where possible.

### Cash

- WG have confirmed in a letter dated 10 February 2025 that the Health Board will receive strategic cash in line with its forecast deficit and working capital balances. An approved cash management strategy is in place. The Health Board recognises that as the forecast deficit has changed in Month 10, the Strategic Cash will reflect, as a maximum, the current forecast deficit.

### Grip and Control Measures

- An internal escalation framework has been agreed and implemented. Escalation meetings have been undertaken for all escalated directorates. These directorates have received a clear message over the need to deliver financial recovery plans for their core budgets, and to convert savings opportunities into deliverable plans.
- Whilst the process and monitoring of the internal escalation framework can be assured, the Board is advised in the Alert section of those directorates that do not delivery the outcomes required.
- Grip and control measures covering recruitment, training and procurement overseen through the Financial Control Subgroup, chaired by the Director of Finance is providing scrutiny to current vacancies, with a sense of control starting to permeate across the organisations resulting in the improvements to the financial bottom line in recent months.
- Further controls implemented and now in place include:
  - The cessation of any planned Nurse and Healthcare agency for all service areas with the exception of BGH, who will cease from March 2025;

- Cessation of Admin and Clerical variable pay, including additional hours, overtime, and bank requests;
- Exceptional requests will only be approved via an application to the Financial Control Subgroup.
- Further work is ongoing with regards to Medical, as referenced in the Alert section.

## Changes to Reporting Structures for 2025/26

As part of the operational and clinical team Organisational Change Process (OCP) that is being lead by the Chief Operating Officer, a revised reporting structure will be implemented across all financial reporting and accountability arrangements from April 2025 to align to the new model. This will see the 19 Directorates currently residing under the Chief Operating Officer and Director of Primary Care, Community and Long Term Care replaced with 5 Clinical Care Groups and 2 Support Functions, all of which reporting to the Chief Operating Officer.

The table below illustrates the change in reporting structure to be expected from April 2025 onwards. It should be noted that the refined structure will provide greater clarity over accountability arrangements with more appropriate spans of control and a Clinical Service Group structure in place below the Clinical Care Groups, each of which to undertake consistent business management meetings with comprehensive governance arrangements.

Current Finance Reporting Structure	Proposed Finance Reporting Structure
<b>Chief Executive</b> Chief Executive <b>Chief Operating Officer</b> Asst Dir Ops Quality & Nursing Facilities Mental Health & Learning Disabilities Oncology & Cancer Services Operations Director Management Pathology Planned Care Radiology Unscheduled Care Bronglais Unscheduled Care Glangwili Unscheduled Care Prince Philip Unscheduled Care Wyllybush Women & Children <b>Director of Primary Care, Community and Long Term Care</b> Carmarthenshire County Ceredigion County Medicines Management Pembrokeshire County Primary Care Primary Care Management <b>Director of Nursing, Quality and Patient Experience</b> Executive Medical Director Director of Allied Health Professions and Health Sciences Director of Public Health Director of Workforce and Organisational Development Director of Finance Digital Performance Finance <b>Director of Strategy And Planning</b> Strategy and Planning LTA's With Other NHS Providers	<b>Chief Executive</b> Chief Executive <b>Chief Operating Officer</b> Estates and Facilities Mental Health and Learning Disabilities Community and Integrated Medicine Operational Allied Health and Health Sciences Planned and Specialist Care Primary Care, Community Strategy and Long Term Care Chief Operating Officer Management <b>Executive Director of Nursing, Quality and Patient Experience</b> Executive Medical Director Executive Director of Allied Health Professions and Health Sciences Executive Director of Public Health Executive Director of Workforce and Organisational Development Executive Director of Finance Digital Finance <b>Executive Director of Strategy and Planning</b> Strategy and Planning LTA's with Other NHS Providers

**Colour Key**

Level 3 Executive Director Portfolio
Level 4 Clinical Care Group / Executive Function

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## Argymhelliad / Recommendation

The Committee is asked to:

- **RECOGNISE** that following Welsh Government funding received, the Health Board's Deficit plan is now £31.5m, which is the new Target Control, and the reported financial position has further improved to £24.0m in Month 10.

- **GAIN ASSURANCE** that with a year-to-date delivery of £21.0m against a planned deficit of £26.3m, the Health Board is now on a trajectory to achieve the revised financial position of £24.0m.
- **SCRUTINISE** the progress of savings actions to bridge the recurrent savings gap, of the Executive Team commitment to identify £20.0m of recurrent savings by the end of December 2024, £19.0m has been identified to date with £12.0m being ideas.
- **SCRUTINISE** the Executive Delegated Officer portfolios which are overspending against their delegated budgets.
- **ACKNOWLEDGE** that an underlying deficit assessment is ongoing as part of the 2025/26 planning cycle, and that it is likely to be significantly higher compared to the 2024/25 forecast outturn due to the reliance in-year on non-recurrent actions and the lack of progress made in converting the same to recurrent improvements.
- **SEEK ASSURANCE** from those directorates with a level 3 escalation for Finance, Strategy and Planning, that they have sufficient actions and milestones in place to de-escalate (full details provided within the IPAR report as well as directorates listed under the alert section for the finance domain).
- **SEEK ASSURANCE** that:
  - Plans are translated from opportunities to delivery through the three-delivery functions Value and Sustainability Group, IQFPD Group and the Healthier Mid and West Wales Group;
  - Mitigating actions are being developed to address areas of overspend;
  - Appropriate mechanisms are in place to review and monitor the emerging Capital Resource Limit risk.
- **ACKNOWLEDGE** the Ministerial Enablers: Annex 2 requirements for 2025/26, and **DISCUSS** if any reporting changes are required to ensure assurance can be taken in future committees.
- **ACKNOWLEDGE** the changes that will be made to financial management reporting hierarchies and accountability arrangements for the 2025/26 financial year following Executive Director and Chief Operating Officer portfolio changes.

Amcanion: (rhaid cwblhau)	
Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.1 Undertake detailed scrutiny of the organisation's overall: <ul style="list-style-type: none"> <li>• Monthly, quarterly and year-to-date financial performance;</li> <li>• Performance against the Savings Delivery and the Cost Improvement Programme providing assurance on performance against the Capital Resource Limit and cash flow forecasts.</li> </ul>
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	1843 (score 20) Risk of the Health Board not being able to meet the statutory requirement of breaking even in 2024/25 due to significant deficit position.

	2000 (score 12) Risk of the Health Board significantly underspending in excess of its statutory Capital Resource Limit for 2024/25.
Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a>	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	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: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	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:	<p>BGH – Bronglais Hospital  CHC – Continuing Healthcare  EOY – End of Year  FDU – Finance Delivery Unit  FNC – Funded Nursing Care  FYE – Full Year Effect  GGH – Glangwili Hospital  GMS – General Medical Services  MHLD – Mental Health &amp; 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&amp;O – Trauma &amp; Orthopaedics  TCT – Target Control Total  TTP – Test, Trace, Protect  WG – Welsh Government  WGH – Worthybush Hospital  WRP – Welsh Risk Pool</p>

	WHSSC – Welsh Health Specialised Services Committee YTD – Year to date
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Finance Team Management Team Executive Team

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Financial implications are inherent within the report.
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	The impact on patient care is assessed within the savings schemes.
<b>Gweithlu:</b> <b>Workforce:</b>	The report considers the financial implications of our workforce.
<b>Risg:</b> <b>Risk:</b>	Financial risks are detailed in the report.
<b>Cyfreithiol:</b> <b>Legal:</b>	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.
<b>Enw Da:</b> <b>Reputational:</b>	Adverse variance against HDdUHB's financial plan will affect its reputation with Welsh Government, Audit Wales, and with external stakeholders.
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not applicable.

**Cydraddoldeb:  
Equality:**

Not applicable.



GIG  
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Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board



# Financial Performance Report – Sustainable Resources Committee

Month 10 2024/25

25 February 2025

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# Executive Summary (2 of 5)

The Health Board's restated Annual Planned Deficit is £31.5m with a savings target of £32.4m, following receipt of £32.5m in-year funding. A revised end of year forecast of £24.0m is reported for Month 10, indicating an improvement of £7.5m from the restated Annual Plan and Target Control Total.

The Month 10 financial position is a surplus of £0.3m, which is an improvement against the in-month Deficit Plan of £2.6m. The core operational variance to plan is £(2.7)m with the in-month savings target of £2.7m being successfully over-identified by £(0.4)m, with savings plans under-delivering against their planned benefits by £0.2m. An over-reliance on non-recurrent savings in-year gives rise to a recurrent gap (£14.0m), which does not support an improvement in the underlying deficit as the starting point for the 2025/26 planning cycle.

Driver (£'m)	Prior month variance to breakeven	Current month variance to breakeven	Year to Date variance to breakeven	Prior month End of Year forecast to breakeven	End of Year forecast to breakeven
Restated Planned Deficit	2.6	2.6	26.3	31.5	31.5
Unidentified / (Identified) savings gap / (improvement)	(0.5)	(0.4)	0.2	0.2	(0.3)
Under / (Over) Delivery of Savings Schemes	(0.2)	0.2	0.6	1.3	1.4
Core Operational Variation	(0.7)	(2.7)	(6.1)	(5.0)	(8.6)
Gross Forecast				28.0	24.0
Reported Net Position	1.2	(0.3)	21.0	28.0	24.0

Key Measures (Risk rating = Impact x Likelihood)	In-Year Revenue		Following the latest review of the Health Boards end of year financial forecast position, the annual reported deficit has been improved by £4.0m to £24.0m. This recognises the improving trajectory previously signalled and the ongoing actions that are being managed across service areas.
	Cash	Risk #1843 5 x 4 = 20	Welsh Government have confirmed 10 February 2025 that the Health Board will receive strategic cash in line with its forecast deficit and working capital balances. An approved cash management strategy is now in place. The Health Board recognises that as the forecast deficit has changed in Month 10, the Strategic Cash will reflect as a maximum the current forecast deficit.
	Savings		Of the annual savings target of £32.4m, £32.7m has been identified on an in-year basis resulting in an in year over identification of £0.3m. Of which, there is a delivery gap of £1.4m against expected benefits. There is a recurrent savings delivery shortfall of £14.0m, resulting in the underlying deficit substantially exceeding the 2024/25 forecast outturn. Further actions are urgently required to deliver recurrent improvements to avoid a significant deterioration from the 2024/25 outturn.
	Capital	Risk #2000 3 x 4 = 12	The risk to underspending against the Capital Resource Limit (CRL) remains at a medium risk. There are a significant number of capital schemes which need to be completed before the end of March. Mitigation plans are in place to manage this risk, and the position will continue to be monitored until the end of March. A corporate level risk has been raised to reflect this.
	Underlying Deficit	Risk #1199 5 x 5 = 25	The underlying deficit remains a concern with a recurrent delivery gap of £14.0m for savings schemes. Should this not be remedied by the end of the financial year, the new year planning cycle will be adversely impacted. Any further in-year impacts to the underlying deficit, will be assessed as part of the planning cycle. A £20.0m commitment has been made to identify robust recurring deliverable plans to close the in-year recurrent gap and provide initial input to the 2025/26 financial plan. £19.0m of the £20.0m has been identified to date, of which £12.0m are ideas, signalling a further conversation risk from ideas to robust deliverable plans.

# Executive Summary (3 of 5)

## Key Breakdown of Movements

The following analysis is included to highlight key movements from the prior month in forecast, savings identification and savings delivery. Negative values denote improvements.

Driver (£'m)	Prior Month End of Year Forecast	End of Year Forecast	Movement in Forecast
<b>Restated Planned Deficit</b>	<b>31.5</b>	<b>31.5</b>	<b>0.0</b>
Unidentified Savings Gap	0.2	(0.3)	(0.5)
Under / (Over) Delivery of Savings Schemes	1.3	1.4	0.1
Core Operational Variation	(5.0)	(8.6)	(3.6)
<b>Gross Forecast</b>	<b>28.0</b>	<b>24.0</b>	<b>(4.0)</b>
Further mitigating actions required	0.0	0.0	-
<b>Reported Net Position</b>	<b>28.0</b>	<b>24.0</b>	<b>(4.0)</b>

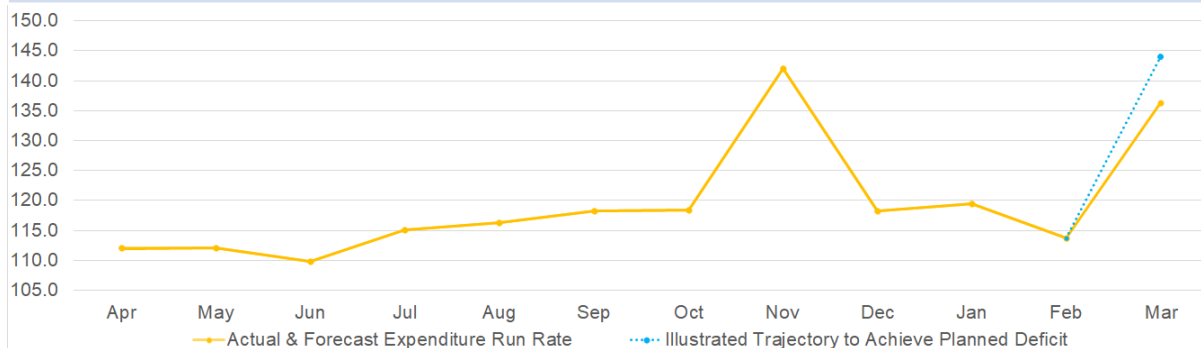
Unidentified Savings Gap (£'m)	Change
In-month underspend conversion into savings	(0.5)
Newly identified schemes	0.0
Blue/Red converted to Amber/Green savings schemes	0.0
<b>Movement in Unidentified Savings Gap</b>	<b>(0.5)</b>

Under / (Over) Delivery of Savings Schemes (£'m)	Change
Further under delivery of Withybush Bed Rationalisation	0.1
<b>Movement in Savings Delivery</b>	<b>0.1</b>

Core Operational Variation (£'m)	Change
Primary Care Ophthalmology Funding Confirmation	(1.0)
Continuation of Vacancies	(0.9)
Prescribing Activity & Drugs Rebate	(0.7)
Income Overachievement	(0.5)
Continuing Healthcare Services Package Reduction	(0.5)
<b>Movement in Core Operational Variation</b>	<b>(3.6)</b>

## Monthly Actual and Forecasted Expenditure Run-Rate £'m

The latest service forecast revenue run-rate trajectory reflects a revised reported net deficit position £24.0m, £(7.5)m improvement against the Annual Planned Deficit £31.5m.



## Executive Summary (4 of 5)

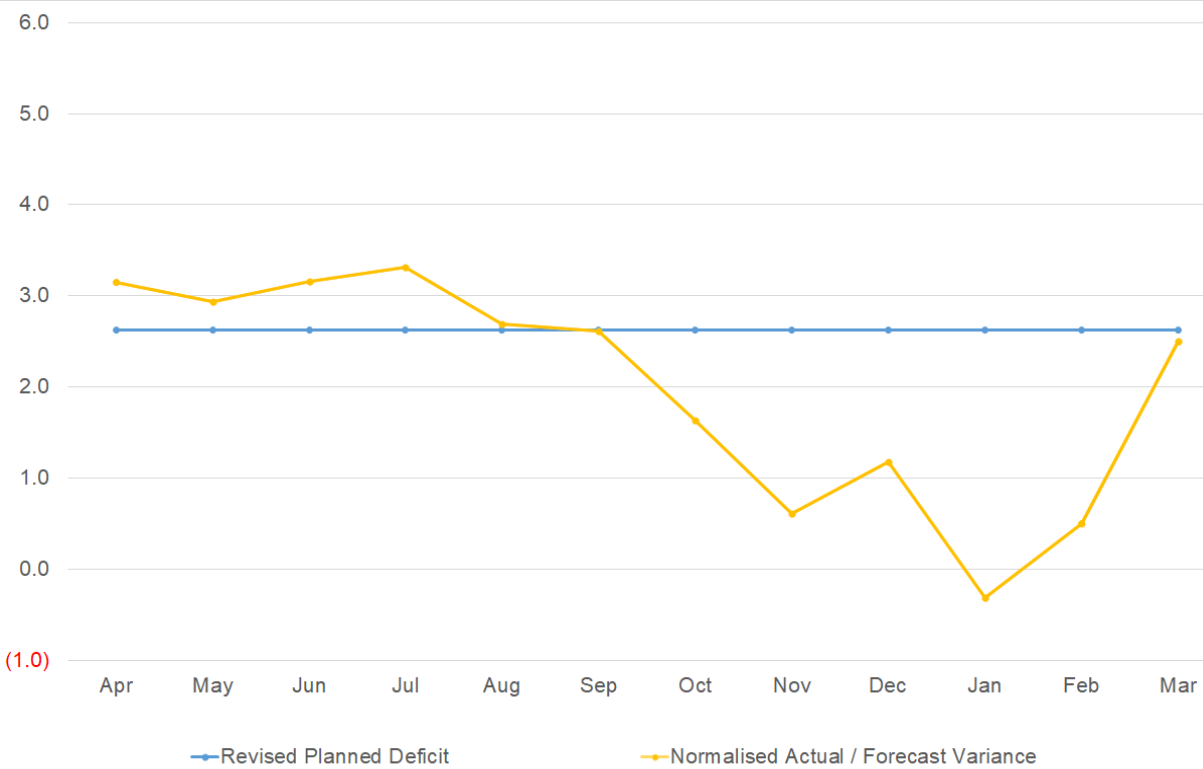
### Key Performance Commentary

Director of Therapies & Health Sciences (£0.2m), Director of Nursing (£0.2m) and Director of Strategy and Planning (£0.2m) are adversely performing against core budgets, partly offset by other directorates underspending. Chief Operating Officer is under delivering against identified savings plans by £1.3m linked, in the main, to bed plans within Withybush General Hospital.

Delegated Officer (£'m)	Planned Savings Benefits	In-Year Savings Delivery	Savings Under / (Over) Delivery vs Identified Benefits	Core Budget Performance	Total (Savings Under / (Over) Delivery Plus Core Budget Performance Restated )
Restated Planned Deficit					<b>31.5</b>
Chief Executive	0.3	0.3	-	(0.3)	(0.3)
Director of Finance	1.7	1.6	0.1	(0.6)	(0.5)
Director of Nursing, Quality & Patient Experience	0.5	0.5	-	0.2	0.2
Chief Operating Officer	16.1	14.8	1.3	(0.5)	0.8
Director of Primary Care, Community & Long-Term Care	2.5	2.5	-	(7.9)	(7.9)
Director of Public Health	1.3	1.3	-	(0.4)	(0.4)
Director of Strategy and Planning	3.3	3.3	-	0.2	0.2
Director of Therapies & Health Sciences	1.6	1.6	-	0.2	0.2
Director of Workforce & Organisational Development	1.4	1.4	-	(0.9)	(0.9)
Executive Medical Director	0.4	0.4	-	(0.2)	(0.2)
Health Board Wide	3.6	3.6	-	1.3	1.3
<b>Subtotal</b>	<b>32.7</b>	<b>31.3</b>	<b>1.4</b>	<b>(8.9)</b>	<b>(7.5)</b>
Unidentified / (Identified) savings gap (to target of £32.4m)	(0.3)				(0.3)
<b>Gross forecast</b>					<b>24.0</b>

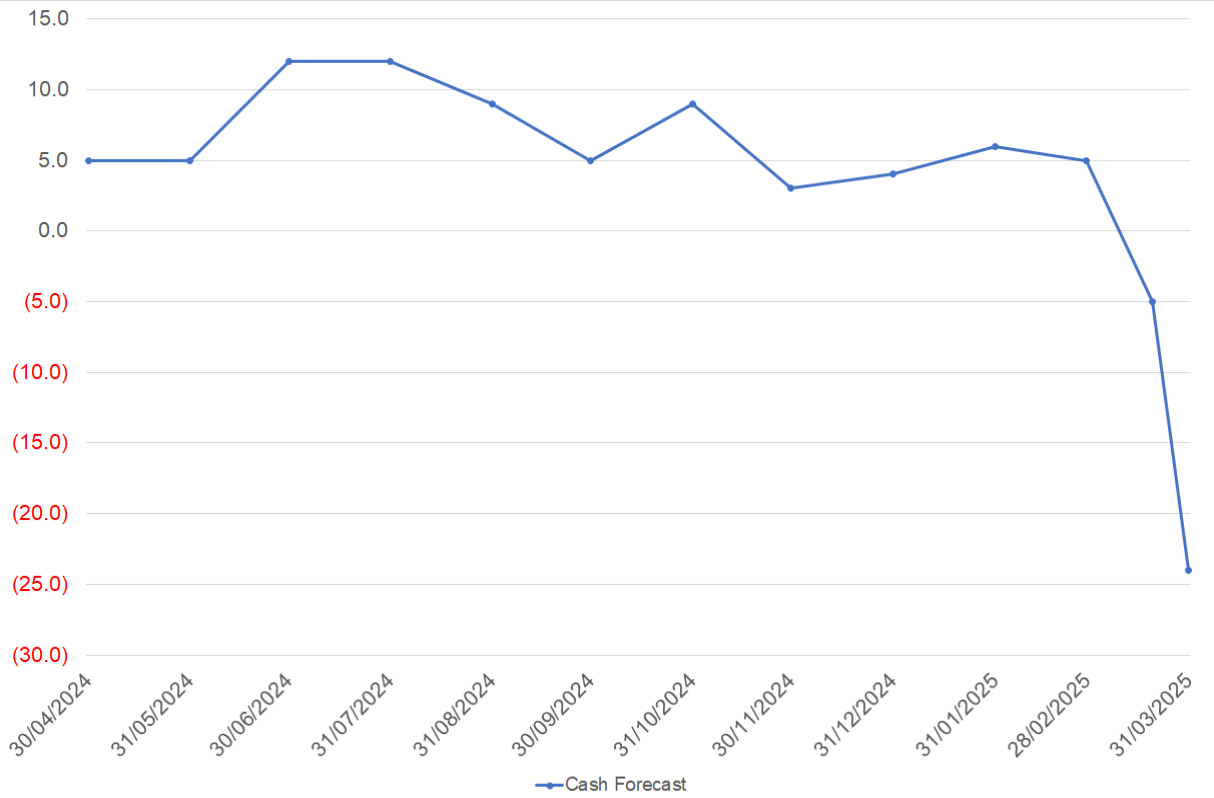
## Revenue Deficit Trajectory (£'m)

The Health Board's restated planned deficit is £31.5m with a savings target of £32.4m. The new funding received in Month 8 has been normalised over prior months. The revenue deficit trajectory is now below the planned deficit at £24.0m, sighting a £7.5m improvement. An average deficit of no more than £1.5m is required for future months to achieve the forecast trajectory.




## Cash Deficit Trajectory (£'m)

Welsh Government have confirmed 10 February 2025 that the Health Board will receive strategic cash in line with its forecast deficit and working capital balances. The Health Board will require strategic cash assistance in line with its forecast deficit and working capital balances. An approved cash management strategy is now in place. The Health Board recognises that as the forecast deficit has changed in Month 10, the Strategic Cash will reflect as a maximum the current forecast deficit of £24.0m.



# Key Performance Indicators



**YTD Position**

● **£21.0m**


Restated Annual Plan: £26.3m  
79.8% of Planned Deficit



**Gross Forecast Outturn**

● **£24.0m**

Restated Annual Plan: £31.5m  
Actions Required: N/A



**In-Year Savings Identification**

● **£32.7m**

Plan: 100% of required £32.4m  
Prior Month: £32.2m



**In-Year Savings Delivery**

● **£31.3m**

95.7% Delivery against Identified Plans



**EoY Capital**

● **£42.6m**


£0.0m deviation to EoY Plan



**Underlying Financial Plan**

● **TBC**


Assessment being undertaken for 2025/26 planning cycle



**Total Pay**

● **£632.5m**


Prior Month: £630.2m



**Agency / Premium Locum**

● **£16.8m**

Prior Month: £16.1m



**Primary Care Prescribing**

● **£84.8m**

Plan: £84.2m  
Prior Month: £85.1m



**Cash Consequences**

● **£24.0m**


Welsh Government Confirmed Strategic Request in Feb 25



**Secondary Care Drugs**

● **£70.5m**

Plan: £67.7m  
Prior Month: £69.9m



**Energy**

● **£10.6m**

Plan: £11.9m  
Prior Month: £10.4m

# Savings Plans and Delivery Performance (1 of 3)



**Annual Plan Requirement**  
**£32.4m**



**In-Year Delivery**  
**£31.3m**



**In-Year Shortfall**  
**£1.1m**

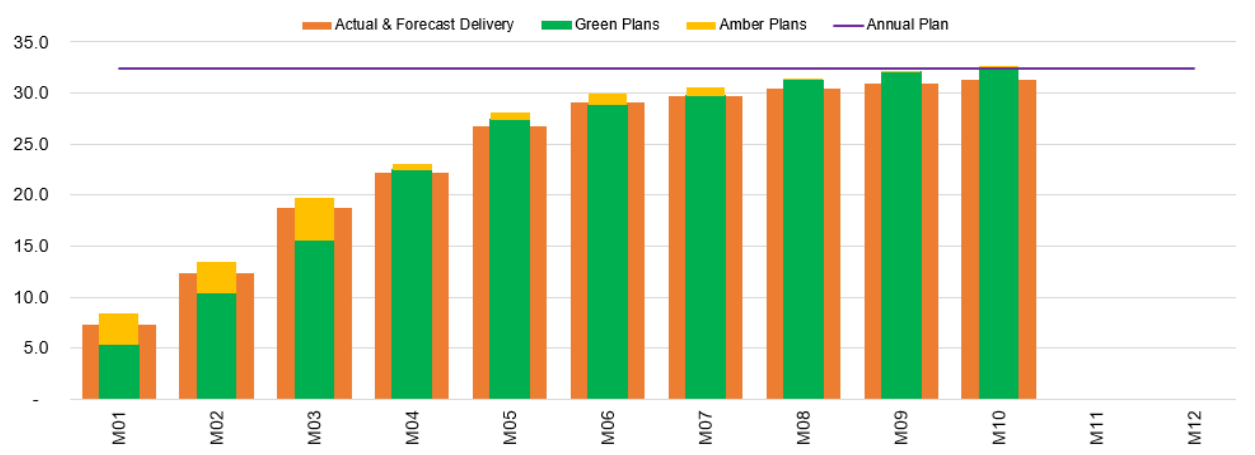


**Recurrent Delivery**  
**£18.4m**

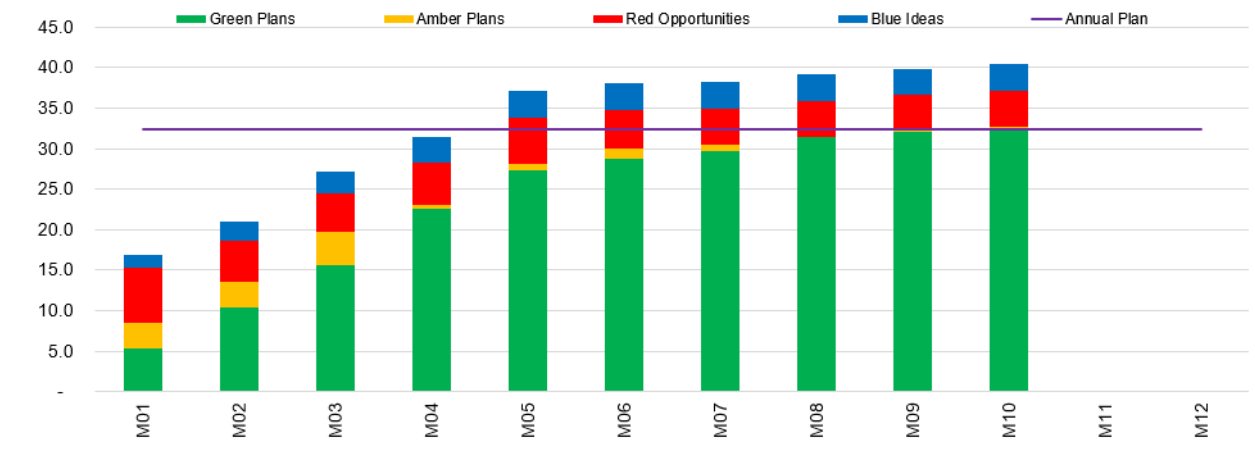


**Recurrent Shortfall**  
**£14.0m**

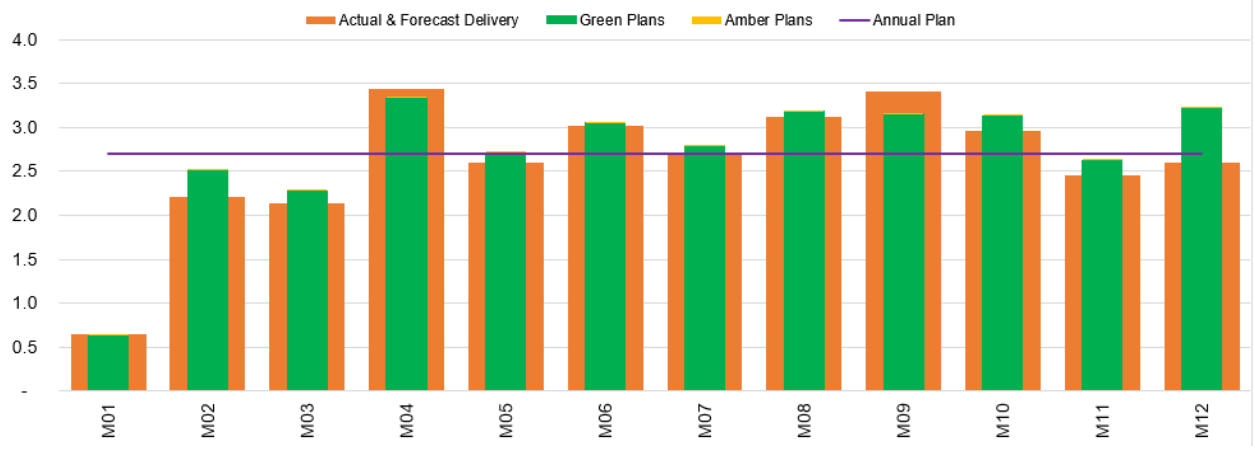
**Monthly Trend of Annual In-Year Risk-Assessed Savings Delivery (£'m)**



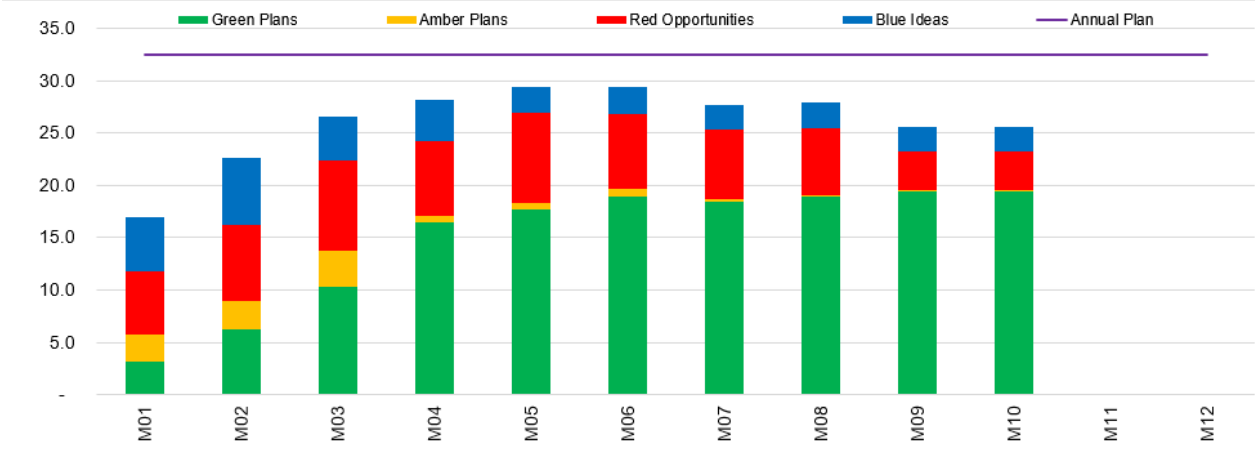
**Monthly Trend of Annual In-Year Opportunity, Pipeline & Savings Plans (£'m)**



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



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



## Savings Plans and Delivery Performance (2 of 3)

Annual Savings Month to Month Movement (£'m)	Prior Month	Current Month	Change
Recurrent savings identification (in-year element only)	15.0	15.0	0.0
Non-recurrent savings identification	17.2	17.7	0.5
<b>Total in-year savings identification</b>	<b>32.2</b>	<b>32.7</b>	<b>0.5</b>
<b>Unidentified / (identified) savings gap/(improvement)</b>	<b>0.2</b>	<b>(0.3)</b>	<b>(0.5)</b>
Recurrent savings delivery (in-year element only)	14.0	13.9	(0.1)
Non-recurrent savings delivery	16.9	17.4	0.5
<b>Total in-year savings delivery</b>	<b>30.9</b>	<b>31.3</b>	<b>0.4</b>
<b>Savings under / (over) delivery vs identified benefits</b>	<b>1.3</b>	<b>1.4</b>	<b>0.1</b>
<b>Savings Delivery Gap/(Improvement) vs Annual Plan</b>	<b>1.5</b>	<b>1.1</b>	<b>(0.4)</b>

In-Year Savings Delivery Movement Summary	Number of Schemes	£'m
In-month underspends converted to savings	6	0.5
Newly identified schemes	0	0.0
Blue/Red converted to Amber/Green savings schemes	0	0.0
<b>Total In-Year Savings Delivery Movement from Prior Month</b>	<b>6</b>	<b>0.5</b>

### Note

Savings aspirations (£62.5m) have been issued to all delegated budget holders, which exceed the annual plan target (£32.4m), to ensure risks are mitigated across portfolios to deliver £32.4m as a minimum in-year.

### Key Savings Commentary

**Annual Plan Target = £32.4m**

**Forecast Delivery Shortfall versus Annual Plan = £1.1m**

Currently £(0.3)m above plan for saving schemes identification with an additional £1.4m forecast delivery under-performance against the schemes that have been identified, resulting in the total forecast delivery shortfall of £1.1m.

#### **Main reasons for the under-delivery of identified scheme benefits £1.1m:**

- WGH 25 bed reduction delayed due to surge on wards 4 & 12 and delay in implementing nursing shift changes in A&E.
- WGH Stroke bed reduction delivery impact due to requirement of an additional 1wte HCSW 24/7 staffing requirement
- WGH non-delivery of Medical Staffing reduced SDEC hours savings scheme due to pay protection
- Planned Care biosimilar drug no longer available in the market but an alternative scheme has been introduced.
- Oncology – Mainly due to rental costs that have transpired since the savings scheme commenced.
- Unscheduled Care Prince Phillip – related to the Minor Injuries Unit.
- Nursing – related to the Nursing Income savings.
- Digital – two schemes related to Switchboard and Application Rationalisation.
- Facilities – relates Withybush RAAC savings

#### **Material Movement Changes £0.5m:**

##### **Directorate Underspends £0.5m:**

Related to six schemes converted from directorate underspends in-month within Radiology £0.1m, Planned Care £0.1m, Primary Care £0.1m, Mental Health & LD £0.1m with the remaining £0.1m for Asst Dir of Ops & Workforce.

# Savings Plans and Delivery Performance (3 of 3)

Delegated Officer (£'000)	Annual Savings Aspiration	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
<b>CHIEF EXECUTIVE</b>	169	317	186	131	317	(147)	8.8%	186	(16)	5.1%
<b>CHIEF OPERATING OFFICER</b>	41,482	16,079	6,773	8,009	14,782	26,700	2.5%	9,385	32,096	1.6%
ASST DIR OPS QUALITY & NURSING FACILITIES	51	148	0	148	148	(97)	14.6%	0	51	0.0%
MENTAL HEALTH & LD	2,468	3,275	1,221	2,018	3,239	(770)	6.6%	1,235	1,233	2.5%
ONCOLOGY & CANCER SERVICES	5,170	3,346	661	2,685	3,346	1,824	3.2%	1,000	4,171	1.0%
OPERATIONS DIR MANAGEMENT	1,509	266	171	0	171	1,338	0.6%	250	1,259	0.8%
PATHOLOGY	637	404	47	357	404	233	3.2%	82	555	0.6%
PLANNED CARE	1,423	406	98	308	406	1,017	1.4%	237	1,186	0.8%
RADIOLOGY	6,169	3,466	1,223	2,090	3,313	2,855	2.7%	1,647	4,522	1.3%
UNSCHEDULED CARE BRONGLAIS	1,164	489	291	198	489	675	2.1%	669	494	2.9%
UNSCHEDULED CARE GLANGWILI	4,825	1,170	1,170	0	1,170	3,655	3.6%	1,592	3,233	5.0%
UNSCHEDULED CARE PRINCE PHILIP	8,020	333	333	0	333	7,687	0.6%	1,011	7,009	1.7%
UNSCHEDULED CARE WITHYBUSH	3,735	661	253	205	457	3,277	1.1%	340	3,395	0.8%
WOMEN & CHILDREN	3,508	2,053	1,234	0	1,234	2,273	2.9%	1,251	2,257	2.9%
<b>DIRECTOR OF FINANCE</b>	2,803	61	71	0	71	2,732	0.1%	71	2,732	0.1%
<b>DIRECTOR OF FINANCE</b>	1,161	1,682	659	902	1,561	(400)	6.7%	1,161	(0)	5.0%
DIGITAL	839	717	370	226	596	244	3.5%	872	(33)	5.2%
FINANCE	298	954	289	665	954	(655)	16.0%	289	9	4.8%
PERFORMANCE	23	11	0	11	11	12	2.4%	0	23	0.0%
<b>DIRECTOR OF NURSING, QUALITY &amp; PATIENT EXPERIENCE</b>	484	522	439	62	502	(18)	5.2%	439	44	4.5%
<b>DIRECTOR OF PRIMARY CARE, COMMUNITY &amp; LONG TERM CARE</b>	11,632	2,457	905	1,598	2,503	9,129	1.4%	1,139	10,493	0.6%
CARMARTHENSHIRE COUNTY	4,304	333	0	353	353	3,950	1.1%	0	4,304	0.0%
CEREDIGION COUNTY	855	188	133	55	188	667	1.3%	173	682	1.2%
MEDICINES MANAGEMENT	4,790	523	0	523	523	4,267	0.5%	0	4,790	0.0%
PEMBROKESHIRE COUNTY	1,121	718	209	533	743	378	3.0%	403	718	1.7%
PRIMARY CARE	306	440	307	133	440	(134)	7.2%	307	(1)	5.0%
PRIMARY CARE MANAGEMENT	255	255	255	0	255	(0)	5.0%	255	(0)	5.0%
<b>DIRECTOR OF PUBLIC HEALTH</b>	329	1,339	329	1,010	1,339	(1,010)	20.4%	329	(0)	5.0%
<b>DIRECTOR OF STRATEGY AND PLANNING</b>	3,030	3,347	2,113	1,234	3,347	(317)	5.5%	2,113	917	3.5%
LTA'S WITH OTHER NHS PROVIDERS	2,844	1,927	1,927	0	1,927	917	3.4%	1,927	917	3.4%
STRATEGIC PLANNING	186	1,420	186	1,234	1,420	(1,233)	38.1%	186	0	5.0%
<b>DIRECTOR OF THERAPIES &amp; HEALTH SCIENCES</b>	1,414	1,558	0	1,558	1,558	(144)	5.5%	600	814	2.1%
<b>DIRECTOR OF WORKFORCE &amp; ORGANISATIONAL DEVELOPMENT</b>	758	1,413	349	1,061	1,410	(651)	9.3%	758	0	5.0%
HEALTH BOARD WIDE	1,814	3,595	2,100	1,495	3,595	(1,781)	9.9%	2,100	(286)	5.8%
MEDICAL DIRECTOR	202	377	47	330	377	(175)	9.3%	202	(0)	5.0%
<b>Grand Total</b>	<b>62,474</b>	<b>32,685</b>	<b>13,899</b>	<b>17,390</b>	<b>31,289</b>	<b>31,185</b>	<b>3.2%</b>	<b>18,412</b>	<b>44,062</b>	<b>1.9%</b>

## Revenue Position (1 of 4): In-Month Revenue Position

Theme	£'m	Operational Driver Comments
Planned Deficit	2.6	Monthly Deficit
Unidentified Savings Gap to Annual Plan	(0.4)	The in-month Annual Plan includes a requirement of £2.7m savings identification and delivery, of which £3.2m is identified for delivery, split between £1.4m Recurrent & £1.8m Non-Recurrent. New schemes added in month were £0.5m Non-Recurrent underspend conversions.
Other Non-Pay	1.2	IT contract and telephone expenditure due to inflationary increases above 8% (£300k). Central Losses provisions for permanent injuries claims (£400k). Other non-pay costs across various Directorates, including training & licenses within Workforce (£500k) .
Secondary Care Drugs	0.4	Oncology drug costs due to activity increase of 8.5% or 9 patients per day plus 19%/£150 per patient costs increase (£190k). Homecare drugs pressures in Prince Philip and Glangwili acute wards and other drugs pressures in Bronglais & Withybush. (£210k).
Medical & Dental	(0.1)	Reduction in Additional Medical Sessions at Bronglais General Hospital .
Commissioned Healthcare Services	(0.3)	Net reduction of 5 Continuing Healthcare packages within Mental Health & Learning Disabilities
Primary Care Services	(0.4)	Dental contracts handed back to the Health Board, partially offset by associated reductions in income. General Medical Services underspends on Enhanced Services £(0.1)m.
Income Overachievement	(0.5)	NHS Wales Shared Services Partnership income for 2024/25 Distribution, additional income for Out of Hours 111 Service & Electronic Prescribing Funding and Local Authority income for the Building Community Capacity scheme.
Primary Care Drugs	(0.7)	Primary Care price impact of the October Prescribing Audit Report which has been transacted in month £(0.6)m. Reduction in WP10 prescribing costs £(0.1)m.
Administration Vacancies	(0.9)	Continuation of Administration & Clerical vacancies, particularly across operational directorates where savings schemes have yet to be fully identified, thus recruitment is re-prioritised through the Financial Control Subgroup.
Nursing & Healthcare	(1.2)	Reduced Nursing & Healthcare expenditure across County Directorates alongside Mental Health & Learning Disabilities.
Operational Variance	(2.9)	
Reported in-month position	(0.3)	

## Revenue Position (2 of 4): Year to Date Revenue Position

Theme	£'m	Operational Driver comments
<b>Planned deficit</b>	<b>26.3</b>	
Unidentified savings gap to annual plan	0.2	The YTD plan includes a target of £27.0m savings identification and delivery, of which £26.8m is identified for delivery, leaving a gap of £0.2m.
Other Non-Pay	2.7	Other sources of energy (LPG, Biomass & Heating Oil). RAAC inspection (wards only), additional costs associated with ongoing maintenance and repairs. Other non-pay costs across various Directorates, including training & licenses within Workforce.
Clinical Services & Supplies	1.6	General consumables used by Wards within Prince Phillip Hospital, Insulin Pump and Continuous Positive Airway Pressure Machines and Bronglais additional expenditure due to patient acuity.
Secondary Care Drugs	1.0	Increase in Oncology price per patient alongside Homecare drugs pressures in Prince Philip and Glangwili acute wards and other drugs pressures in Withybush.
Primary Care Drugs	0.8	Despite in month reduction in National cost per item decrease to £7.55, it has previously been £7.57, which was higher than the annual plan cost per item of £7.56.
Medical Additional Cover and Premium	0.5	Paediatrics, Obstetrics and Gynaecology increased locum usage with additional retrospective shifts. Withybush Hospital locum and agency requirement to cover gaps in the roster within Accident & Emergency. Bronglais Hospital locum cover due to increased sickness and annual leave rota planning.
Commissioned Healthcare Services	(0.6)	Decreases to Continuing Healthcare spend, particularly within Mental Health & Learning Disabilities.
Nursing & Healthcare Support Workers	(2.1)	Nurse Agency usage reduction particularly across Counties Community Care and Mental Health & Learning Disabilities. Vacancies within District Nursing teams within County Directorates.
Administration & Clerical Vacancies	(2.3)	Continuation of Administration & Clerical vacancies, particularly across Operational Directorates where savings schemes have yet to be fully identified, thus recruitment is re-prioritised through the Financial Control Subgroup.
Income Overachievement	(3.1)	Flying Start Local Authority increases within Women and Children, Velindre Secondary Drugs rebates income and Planned Care Public Health Wales Bowl Screening income. Facilities income received from NHS Wales Shared Services Partnership for the Laundry Service Level Agreement offsetting previous overspends.
Primary Care Services	(4.0)	Dental contracts handed back to the Health Board, partially offset by associated reductions in income. One-off benefit included a recovery of dental underperformance from 2023/24.
<b>Total deviation to annual plan</b>	<b>(5.3)</b>	
<b>Reported position</b>	<b>21.0</b>	

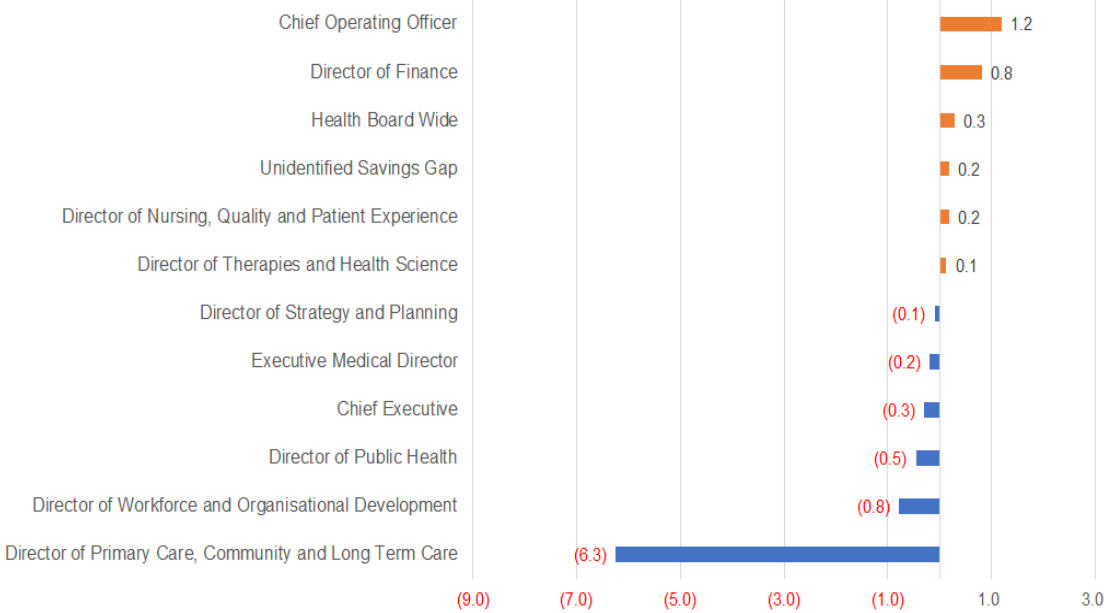
## Revenue Position (3 of 4): End of Year Forecast Gross Revenue Position

Theme	£'m	Operational Driver comments
<b>Planned Deficit</b>	<b>31.5</b>	<b>Revised Deficit and Target Control Total following new funding of £32.45m</b>
Unidentified savings schemes	(0.3)	The FY25 plan includes a target of £32.4m savings delivery, £32.7m identified exceeding our target by £0.3m, of which £15.0m are Recurrent savings and £17.7m are Non-Recurrent.
Other Non-Pay	2.5	Other sources of energy (LPG, Biomass & Heating Oil), RAAC inspection (wards only), additional costs associated with ongoing maintenance and repairs of estate. Central Losses provisions for permanent injuries claims. Theatre consumables driven by increased Orthopaedic Sessions at Prince Phillip Hospital and Regional Orthopaedic Work with Swansea Bay. IT and telephone contracts due to inflationary increases above 8%.
Clinical Services & Supplies	2.4	Pathology increased activity within lab testing. Prince Phillip Hospital Continuous Positive Airway Pressure Machines and Insulin Pumps. Paediatric equipment aids and diabetic consumables.
Secondary Care Drugs	2.2	Oncology price growth surpassing the assumed price growth of 14%. Homecare drugs pressures in Prince Philip and Glangwili acute wards and other high-cost drugs pressures in Withybush.
Medical Additional Cover and Premium	0.7	Bronglais and Mental Health & Learning Disabilities significant use of locum and agency to cover sickness and annual leave rota planning as well as gaps within the roster. Increase in Medical Out of Hours and Management Sessions within Operations Directorate.
Primary Care Drugs	0.6	Increased National cost per item which is higher than the annual plan cost per item of £7.56
Commissioned Healthcare Services	(0.9)	Reductions to Continuing Healthcare packages, particularly within Mental Health & Learning Disabilities and County Directorates.
Administration and Allied Health Vacancies	(2.9)	Continuation of Administration & Clerical vacancies, particularly across Operational Directorates where savings schemes have yet to be fully identified, thus recruitment is re-prioritised through FCSG.
Income Overachievement	(3.4)	Flying Start Local Authority increases within Women and Children, Secondary Drugs Velindre Drug rebates income and Planned Care Public Health Wales Bowel Screening income. Facilities income received from NHS Wales Shared Services Partnership for the Laundry Service Level Agreement.
Nursing & Midwifery, incl. HCSW & Agency	(3.5)	Nurse Agency usage reduction particularly across Counties Community Care and Mental Health & Learning Disabilities. Vacancies within District Nursing teams within County Directorates.
Primary Care Services	(4.9)	Dental contracts handed back to the Health Board, partially offset by associated reductions in income alongside Community Strategic Programme underspends. Offset by Managed Practices overspend driven by premium locum and agency costs.
<b>Operational Variance</b>	<b>(7.5)</b>	
<b>Reported End of Year Forecast</b>	<b>24.0</b>	

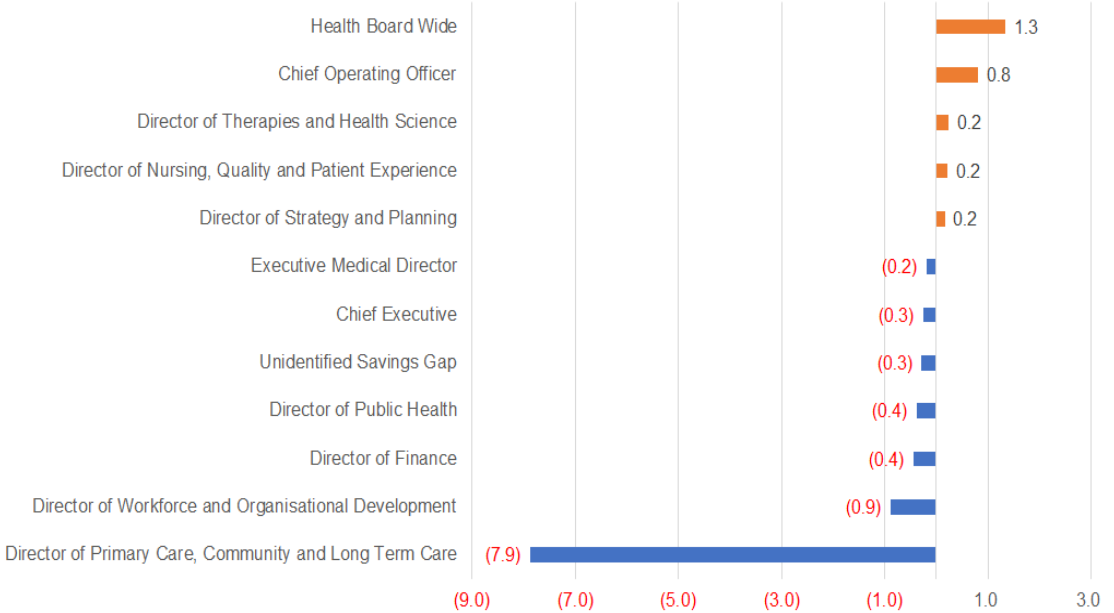
# Revenue Position (4 of 4): Summary Financial Performance by Portfolio (£'m)

## Delegated Officer Performance

### Year to Date

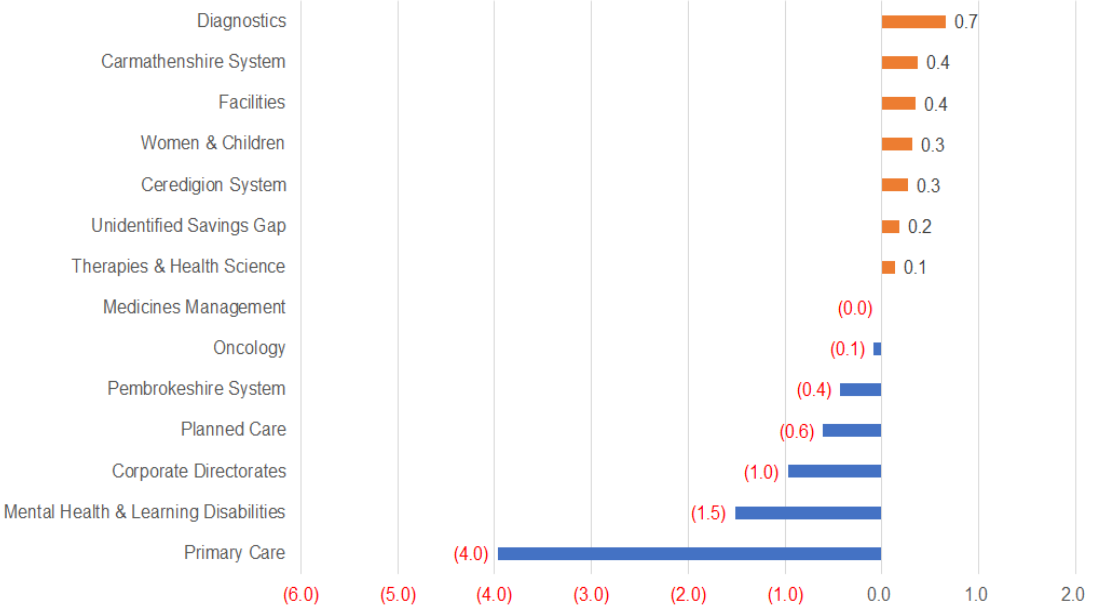


### End of Year

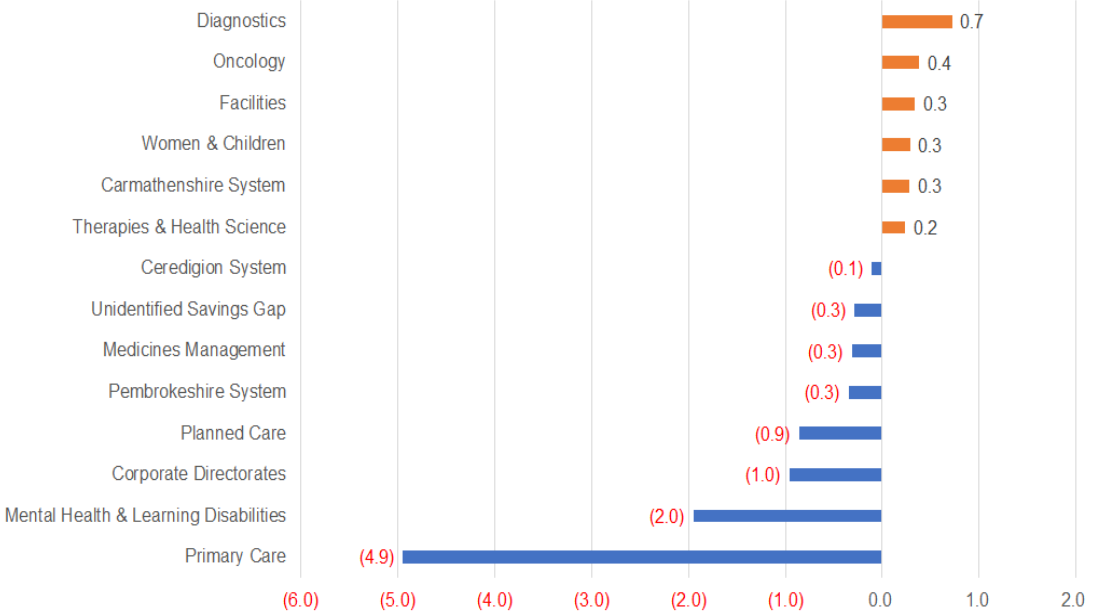


## Service Portfolio Performance

### Year to Date



### End of Year



# Next Steps and Mitigating Actions

## Further Actions

1. With an **improving run rate trend**, and several financial improvement actions in progress, **urgent management action** is required to formally recognise **recurrent savings schemes** to close the recurrent savings gap before the end of March 2025. Whilst the 2024/25 outturn is favourable against the restated annual plan, the underlying deficit is materially adverse due to the continued reliance on non-recurrent actions.
2. Of the **£20.0m Executive Team commitment** made to identify robust recurrent savings delivery plans by December 2024, £19.0m of schemes have been identified. Further action is required to convert the ideas (£12.0m of the £19.0m) at pace into robust plans alongside additional assessments of underspending Directorates for conversion into recurrent savings. A **risk is likely** on the **conversion factor** reducing the £12.0m.
3. As part of the **2025/26 Annual Plan deliberations** the underlying deficit impact is being reviewed. Due to the reliance on non-recurrent actions an opening delivery gap exists in next year's financial plan if not addressed, or a decision not taken to hold expenditure levels at the current run rate.
4. **Escalation process** – Performance levels of directorates, for six domains, is scrutinised through the **internal escalation process**. For the domain of Finance, Strategy and Planning, **six directorates have been escalated to Level 3 (no assurance) for four consecutive months or more**. An urgent recovery plan is required from each directorate, and assurance cannot be taken that there is an imminent improvement trajectory in place.
5. Medical Additional Cover and Premium – Continued use of premium locum and agency to cover sickness, annual leave rota planning, and gaps within rosters. **Rate Card proposals required with LMC and exit strategies** for reliance on premium cover to support service sustainability.
6. The Health Board **acknowledges the conditions assigned** to the allocation of the **conditionally recurrent** funding received in 2024/25. Initial assessments of the financial challenge for 2025/26 indicates both a significant risk in the delivery of the required recovery trajectory and mitigating a net macro-economic and growth impact following the budget allocation confirmation to ensure this funding can be made recurrent.

## Risks and Opportunities Under Review

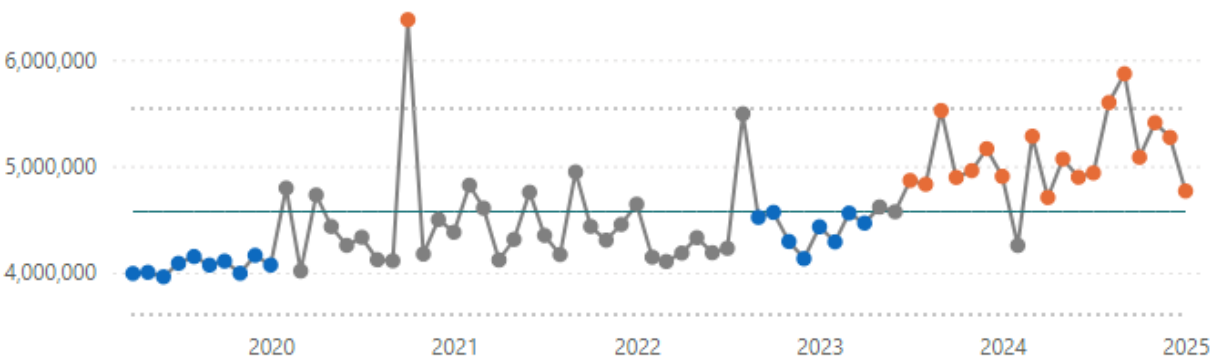
- Utilisation of Referral to Treatment Recovery and 50 Day Cycle resources assumes a significant step up in activity levels during February and March 2025 which could result in a hand back of resource should plans not fully deliver.
- The Health Board is engaged with stakeholders on a potential clinical banding dispute, the outcome of which, if materially different to current assumptions, could lead to a financial deviation for the organisation.
- Pay award funding implications for Medical Intensity payments are still on-going as part of national dialogue with Welsh Government.

# Appendix: Key Analysis (1 of 8)

## Continuing Healthcare Expenditure (£'m)

The latest data is showing a concerning trend which needs to be investigated.

Expected performance is between £3.6m and £5.5m.

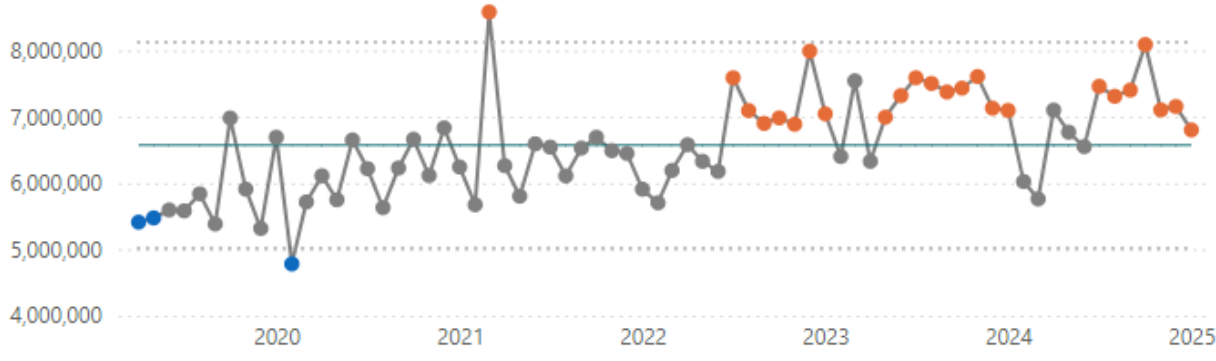


Net reduction of 5 Continuing Healthcare packages within Mental Health & Learning Disabilities.

## Primary Care Prescribing Expenditure (£'m)

The latest data is showing a concerning trend which needs to be investigated.

Expected performance is between £5.0m and £8.1m.

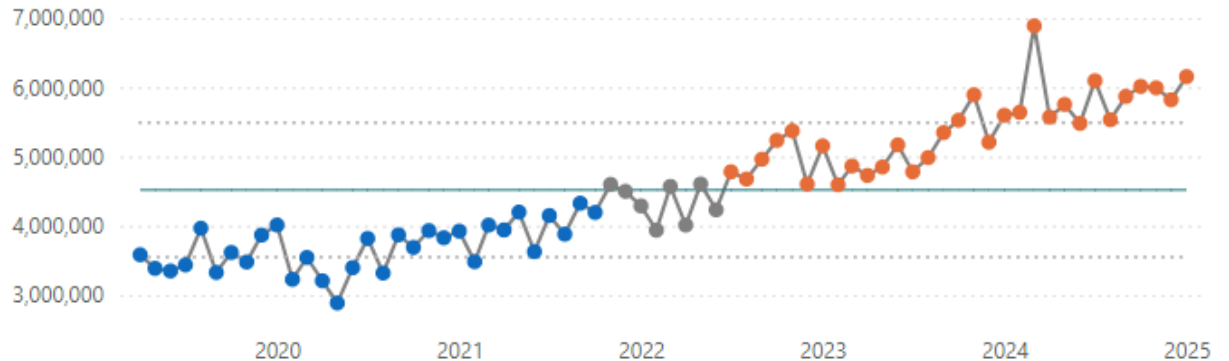


National cost per item of £7.55 in month 10, which is now lower than the annual plan cost per item of £7.56.

## Secondary Care Drugs Expenditure (£'m)

The latest data is showing a concerning trend which needs to be investigated.

Expected performance is between £3.5m and £5.5m.

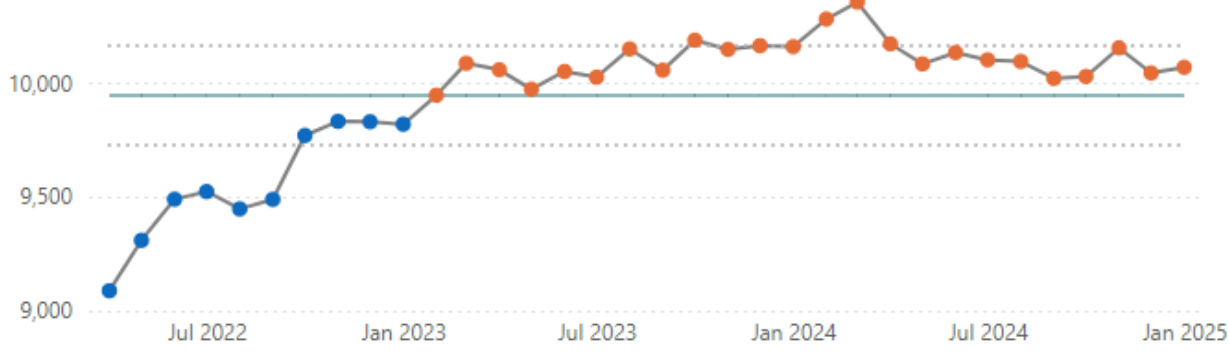


This year has seen an increase in Oncology price per patient alongside pressures within Homecare Drugs in acute sites.

## Total Agenda for Change (WTE)

The latest data is showing a concerning trend which needs to be investigated.

Expected performance is between 9,719 and 10,163.

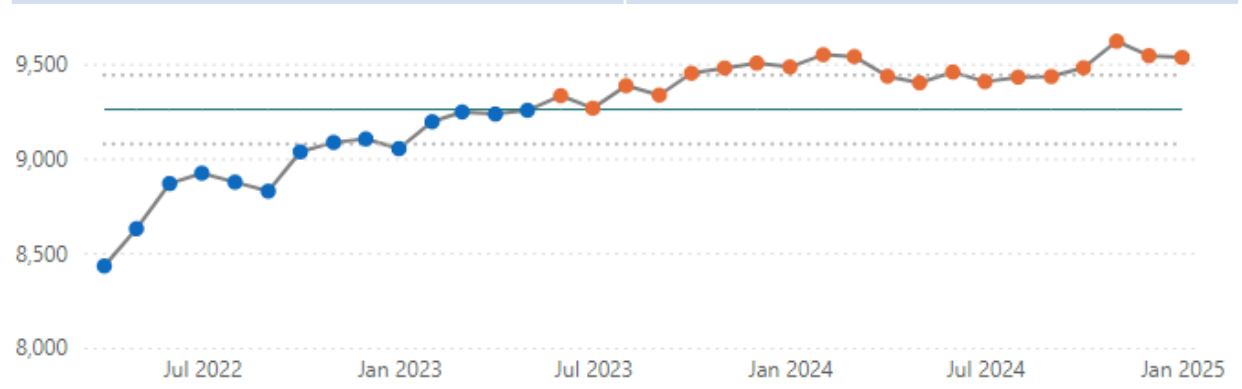


This total WTE is inclusive of Substantive staff, Bank, Overtime & Agency. It excludes Medical resources.

# Appendix: Key Analysis (2 of 8)

## Substantive (WTE)

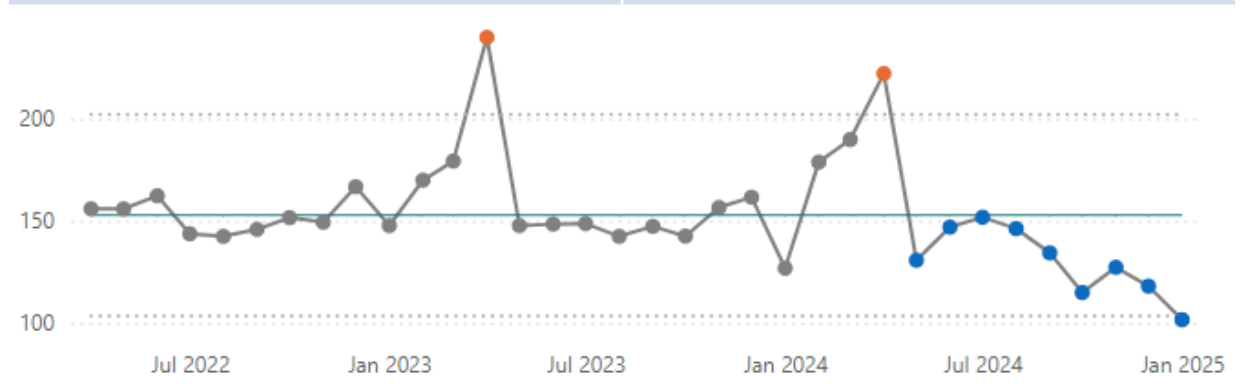
The latest data is showing a concerning trend which needs to be investigated. Expected performance is between 9,077 and 9,442



There has been an increase of c.1102 in the number of Substantive WTEs since April 2022.

## Overtime (WTE)

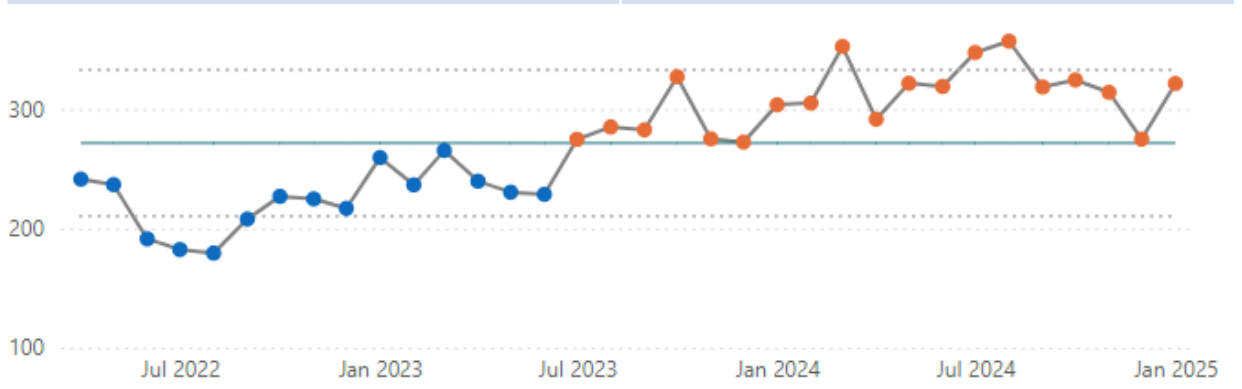
The latest data is showing improvement. Expected performance is between 103 and 202.



The number of overtime WTE has decreased to 102 WTE, which is below the mean of 153 WTE.

## Bank (WTE)

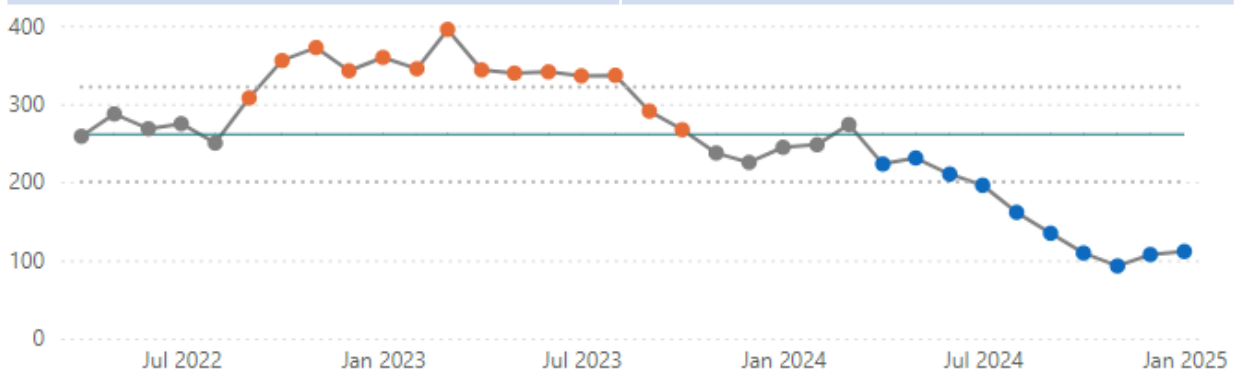
The latest data is showing a concerning trend which needs to be investigated. Expected performance is between 210 and 333.



There has been an increase of c.81 in the number of Bank WTEs since April 2022.

## Agency (WTE)

The latest data is showing improvement. Expected performance is between 201 and 322.



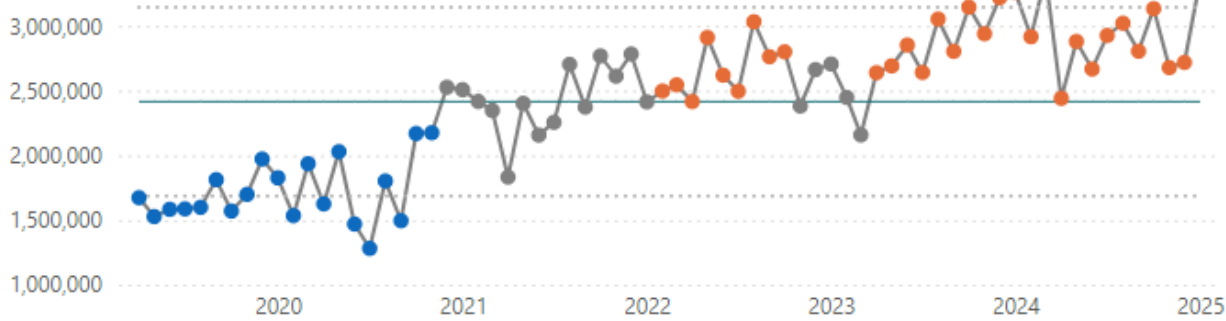
The WTE used in month has seen a marginal increase, but the trend remains at the lowest levels seen since implementation of Allocate.

# Appendix: Key Analysis (3 of 8)

## Medical Locum Expenditure (£'m)

The latest data is showing a concerning trend which needs to be investigated.

Expected performance is between £1.7m and £3.1m.

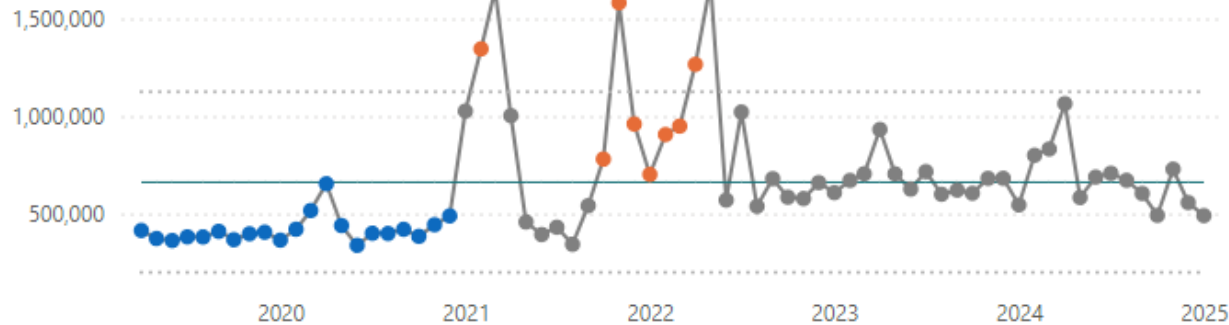


Premium cover YTD increase within Withyush and Bronglais to cover gaps in the roster, and an increase in Paediatrics, Obstetrics and Gynaecology locum usage with additional retrospective shifts.

## Overtime Expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £0.2m and £1.1m.

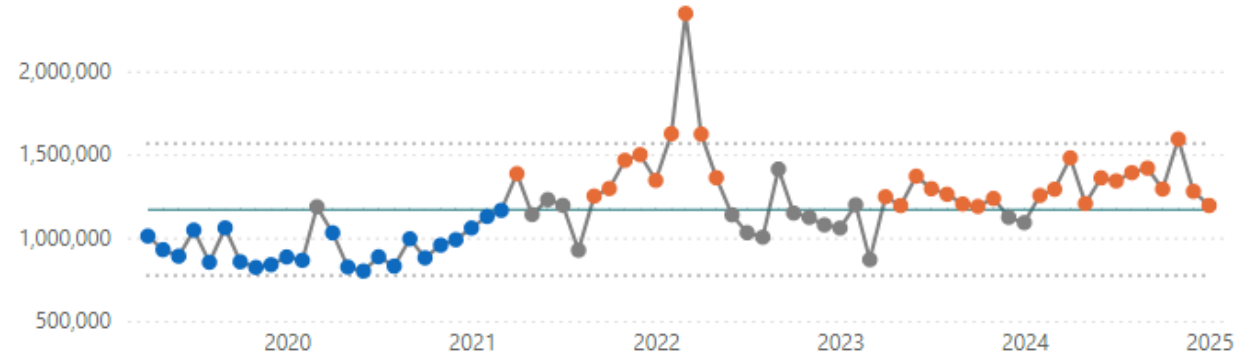


Whilst there was not a concerning statistical trend yet, the recent months have shown a steady decrease in overtime usage.

## Bank Expenditure (£'m)

The latest data is showing a concerning trend which needs to be investigated.

Expected performance is between £0.8m and £1.6m.

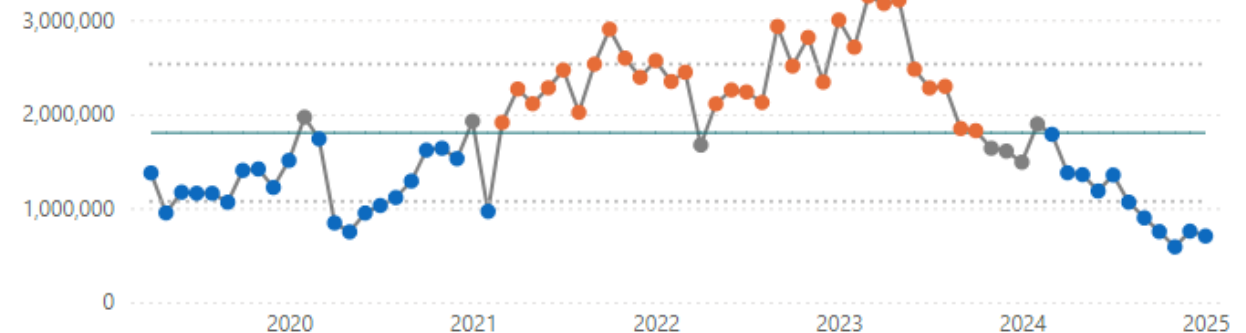


Whilst there is not a concerning statistical trend yet, the most recent months have all shown a steady rise in bank usage.

## Nurse Agency Expenditure (£'m)

The latest data is showing improvement.

Expected performance is between £1.1m and £2.5m.



Following the Core Delivery Group's decision to restrict Agency utilisation and terms/rates, no Off-Contract Agency Nursing were utilised over the last seven months.

# Appendix: Key Analysis (4 of 8): Ward Staffing Levels (Excluding Medical)

DIRECTORATE	Ward Staffing Level (WTE) for Nursing and Health Care Support Workers (HCSW)							
	Total Fill Rate	Total WTE	Substantive WTE	Substantive WTE Vacancy	Bank WTE	Overtime WTE	Agency WTE	Total Over/(Under) Staffed
<b>CHIEF OPERATING OFFICER</b>	<b>105.6%</b>	<b>2,742</b>	<b>2,370</b>	<b>(226)</b>	<b>221</b>	<b>45</b>	<b>106</b>	<b>146</b>
MENTAL HEALTH & LEARNING DISABILITIES	98.0%	266	214	(58)	46	4	2	(6)
PLANNED CARE	103.9%	178	149	(22)	17	2	9	7
UNSCHEDULED CARE BRONGLAIS	115.8%	344	264	(33)	22	7	51	47
UNSCHEDULED CARE GLANGWILI	109.4%	659	574	(28)	58	14	13	56
UNSCHEDULED CARE PRINCE PHILIP	105.2%	441	384	(35)	42	1	14	22
UNSCHEDULED CARE WITHYBUSH	103.3%	551	488	(45)	33	12	18	18
WOMEN & CHILDREN	100.8%	303	296	(5)	3	4	0	3
<b>DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE</b>	<b>75.4%</b>	<b>76</b>	<b>66</b>	<b>(34)</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>(25)</b>
CARMARTHENSHIRE COUNTY	97.5%	74	64	(11)	7	1	2	(2)
CEREDIGION COUNTY	8.2%	2	2	(23)	-	-	-	(23)
<b>Grand Total</b>	<b>104.5%</b>	<b>2,817</b>	<b>2,436</b>	<b>(260)</b>	<b>228</b>	<b>45</b>	<b>108</b>	<b>122</b>

**Note:** There are no wards within Pembrokeshire County due to Sunderland Ward now residing within Unscheduled Care Withybush.

# Appendix: Key Analysis (5 of 8): Non-Ward Staffing Levels (Excluding Medical)

DIRECTORATE	All Other Staffing Levels (WTE) Excluding Medical and Ward Nursing & HCSWs							
	Total Fill Rate	Total WTE	Substantive WTE	Substantive WTE Vacancy	Bank WTE	Overtime WTE	Agency WTE	Total Over/(Under) Staffed
<b>CHIEF EXECUTIVE</b>	<b>93.9%</b>	<b>89</b>	<b>89</b>	<b>(6)</b>	-	-	-	<b>(6)</b>
<b>CHIEF OPERATING OFFICER</b>	<b>93.4%</b>	<b>4,409</b>	<b>4,282</b>	<b>(437)</b>	<b>72</b>	<b>52</b>	<b>4</b>	<b>(310)</b>
ASST DIR OPS QUALITY & NURSING	66.8%	14	14	(7)	-	-	-	(7)
FACILITIES	95.8%	874	816	(97)	42	17	-	(39)
MENTAL HEALTH & LEARNING DISABILITIES	91.7%	900	889	(92)	9	1	-	(82)
ONCOLOGY & CANCER SERVICES	89.3%	100	97	(15)	2	0	-	(12)
OPERATIONS DIR MANAGEMENT	89.9%	252	249	(31)	3	0	-	(28)
PATHOLOGY	97.7%	236	226	(15)	1	9	-	(5)
PLANNED CARE	92.8%	831	804	(91)	4	19	4	(64)
RADIOLOGY	92.8%	247	244	(22)	2	2	-	(19)
UNSCHEDULED CARE BRONGLAIS	91.5%	97	96	(9)	0	0	-	(9)
UNSCHEDULED CARE GLANGWILI	105.0%	187	180	2	5	2	-	9
UNSCHEDULED CARE PRINCE PHILIP	87.9%	106	106	(15)	-	-	-	(15)
UNSCHEDULED CARE WITHYBUSH	85.0%	115	113	(23)	2	1	-	(20)
WOMEN & CHILDREN	96.0%	452	449	(22)	3	1	-	(19)
<b>DIRECTOR OF FINANCE</b>	<b>94.0%</b>	<b>298</b>	<b>297</b>	<b>(20)</b>	-	<b>1</b>	-	<b>(19)</b>
DIGITAL	94.2%	197	196	(13)	-	1	-	(12)
FINANCE	94.3%	94	94	(6)	-	-	-	(6)
PERFORMANCE	86.3%	7	7	(1)	-	-	-	(1)
<b>DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE</b>	<b>94.6%</b>	<b>196</b>	<b>196</b>	<b>(11)</b>	-	-	-	<b>(11)</b>
<b>DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE</b>	<b>93.3%</b>	<b>1,162</b>	<b>1,141</b>	<b>(105)</b>	<b>19</b>	<b>2</b>	-	<b>(84)</b>
CARMARTHENSHIRE COUNTY	97.2%	278	271	(15)	6	1	-	(8)
CEREDIGION COUNTY	104.3%	179	173	1	6	0	-	7
MEDICINES MANAGEMENT	95.0%	232	232	(12)	-	0	-	(12)
PEMBROKESHIRE COUNTY	88.7%	224	217	(36)	6	1	-	(29)
PRIMARY CARE	79.4%	175	175	(46)	-	-	-	(46)
PRIMARY CARE MANAGEMENT	104.7%	74	72	2	1	-	-	3
<b>DIRECTOR OF PUBLIC HEALTH</b>	<b>79.9%</b>	<b>128</b>	<b>127</b>	<b>(34)</b>	<b>2</b>	-	-	<b>(32)</b>
<b>DIRECTOR OF STRATEGY AND PLANNING</b>	<b>104.5%</b>	<b>34</b>	<b>34</b>	<b>1</b>	-	-	-	<b>1</b>
<b>DIRECTOR OF THERAPIES AND HEALTH SCIENCE</b>	<b>98.8%</b>	<b>612</b>	<b>610</b>	<b>(9)</b>	-	<b>2</b>	-	<b>(7)</b>
<b>DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT</b>	<b>74.4%</b>	<b>229</b>	<b>229</b>	<b>(79)</b>	-	-	-	<b>(79)</b>
<b>EXECUTIVE MEDICAL DIRECTOR</b>	<b>98.7%</b>	<b>92</b>	<b>92</b>	<b>(1)</b>	-	-	-	<b>(1)</b>
<b>Grand Total</b>	<b>93.0%</b>	<b>7,251</b>	<b>7,097</b>	<b>(701)</b>	<b>93</b>	<b>56</b>	<b>4</b>	<b>(548)</b>

# Appendix: Key Analysis (6 of 8): In-Month Revenue Position – Variance to Budget (£'000)

DIRECTORATE	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	(10)					(1)		(22)	(5)	(37)
CHIEF OPERATING OFFICER	(877)	43	(180)	(800)	37	33	349	196	(200)	(1,400)
ASST DIR OPS QUALITY & NURSING	2	(0)		(2)	(1)		(0)	2		(0)
FACILITIES	(417)		0	(1)	4		1	57	17	(339)
MENTAL HEALTH & LEARNING DISABILITIES	(5)	60	34	(387)	(3)	30	(27)	(61)	(3)	(361)
ONCOLOGY & CANCER SERVICES	(8)	(16)	(26)	(16)	12	4	188	2	(61)	79
OPERATIONS DIR MANAGEMENT	(159)	(1)	87	(3)	6	(3)	3	13	(62)	(118)
PATHOLOGY	(5)	4	49	(26)	191	(78)	(87)	(6)	(16)	27
PLANNED CARE	1	(1)	(100)	(10)	(127)	35	34	90	(32)	(110)
RADIOLOGY	(12)	26	(6)	(3)	(62)	(10)	(15)	81	(9)	(11)
UNSCHEDULED CARE BRONGLAIS	(37)	(13)	(185)	82	0	0	(13)	64	1	(100)
UNSCHEDULED CARE GLANGWILI	(63)	(0)	(9)	(198)	(19)	(14)	136	(38)	(2)	(207)
UNSCHEDULED CARE PRINCE PHILIP	(56)	12	(16)	(56)	70	17	69	(13)	(6)	21
UNSCHEDULED CARE WITHTYBUSH	(98)	(19)	(86)	(110)	(10)	12	75	(6)	6	(236)
WOMEN & CHILDREN	(20)	(9)	78	(72)	(25)	40	(15)	11	(32)	(45)
DIRECTOR OF FINANCE	(77)	(0)	2	(0)	0	(29)	0	364	(116)	143
DIGITAL	(22)	(0)	2	(0)	0	(18)		323	48	332
FINANCE	(49)					(11)	0	42	(164)	(182)
PERFORMANCE	(7)			(0)				(1)		(8)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(15)	1	(1)	(77)	(0)	(0)		(40)	70	(61)
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	(106)	(37)	165	(239)	(8)	(772)	(660)	124	(31)	(1,564)
CARMARTHENSHIRE COUNTY	(17)	(10)	30	(92)	37	(35)	(1)	(22)	(72)	(181)
CEREDIGION COUNTY	(4)	(4)	5	(66)	(4)	(57)	(1)	(6)	(13)	(150)
PEMBROKESHIRE COUNTY	(22)	(0)	1	(86)	5	(84)	(2)	84	1	(104)
MEDICINES MANAGEMENT	(5)	(35)		4	(20)	8	(677)	(42)	(37)	(805)
PRIMARY CARE	(58)	13	130	(18)	(2)	(604)	22	59	90	(368)
LONG TERM CARE & CHRONIC CONDITIONS	(1)	(1)		18	(24)	0		51	(0)	44
DIRECTOR OF PUBLIC HEALTH	(46)	13	(18)	(30)	(10)	5	59	91	(13)	52
DIRECTOR OF STRATEGY AND PLANNING	4	22	(4)			(54)	0	12	(2)	(21)
LTA'S WITH OTHER NHS PROVIDERS	2					(54)	0	(0)		(52)
STRATEGIC PLANNING	2	22	(4)			0		12	(2)	31
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	22	10	0	(10)	18	8	(3)	26	(25)	45
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(29)	(14)	(8)	(106)	0	7	(1)	103	(49)	(97)
EXECUTIVE MEDICAL DIRECTOR	9	(8)	43	(2)	(1)		0	(14)	(52)	(25)
HEALTH BOARD WIDE	103				4	(80)	4	411	23	464
CENTRAL CAPITAL					0	21		14	(40)	(4)
CENTRAL CONTRACTING						(15)		(1)		(16)
CENTRAL FINANCING	3				4	10	4	398	(7)	411
CENTRAL INCOME									70	70
CENTRAL RESERVES	100					(96)		0	(0)	4
PLANNED DEFICIT								2,629		2,629
UNIDENTIFIED SAVINGS GAP								(442)		(442)
Grand Total	(1,022)	31	(1)	(1,265)	41	(883)	(252)	3,438	(399)	(313)

# Appendix: Key Analysis (7 of 8): Year to Date Revenue Position – Variance to Budget (£'000)

DIRECTORATE	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	(181)				0	(13)		(133)	24	(304)
CHIEF OPERATING OFFICER	(1,124)	(528)	518	(468)	1,831	550	837	1,019	(1,435)	1,201
ASST DIR OPS QUALITY & NURSING	(44)	(7)		0	(59)		(0)	34		(75)
FACILITIES	515	0	0	(18)	29	(12)	5	163	(329)	353
MENTAL HEALTH & LEARNING DISABILITIES	(171)	(206)	661	(1,300)	3	(222)	(285)	(4)	10	(1,514)
ONCOLOGY & CANCER SERVICES	(23)	(149)	(158)	(131)	88	26	347	35	(121)	(85)
OPERATIONS DIR MANAGEMENT	(398)	(93)	233	43	80	(28)	37	5	(195)	(317)
PATHOLOGY	(27)	162	407	57	475	57	(292)	(62)	(96)	681
PLANNED CARE	(195)	161	(566)	(314)	89	187	(42)	411	(335)	(605)
RADIOLOGY	(61)	(18)	(177)	109	45	120	(84)	190	(145)	(21)
UNSCHEDULED CARE BRONGLAIS	(174)	(113)	433	340	50	14	(16)	175	(5)	702
UNSCHEDULED CARE GLANGWILI	(170)	(62)	(90)	391	86	1	680	(76)	(13)	748
UNSCHEDULED CARE PRINCE PHILIP	(184)	(67)	(252)	(153)	732	48	281	(0)	(23)	382
UNSCHEDULED CARE WITHYBUSH	(289)	(75)	(362)	831	13	25	317	113	63	637
WOMEN & CHILDREN	97	(60)	390	(323)	201	333	(111)	36	(246)	317
DIRECTOR OF FINANCE	(335)	2	(6)	(3)	1	(390)	0	1,410	135	812
DIGITAL	13	2	(6)	(2)	1	(279)		1,163	303	1,195
FINANCE	(287)					(112)	0	259	(159)	(300)
PERFORMANCE	(61)			(2)				(11)	(9)	(83)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	15	(34)	2	(218)	9	26		104	276	180
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	(369)	(229)	1,318	(1,293)	(167)	(6,899)	907	208	267	(6,257)
CARMARTHENSHIRE COUNTY	(34)	(91)	10	(240)	122	(395)	8	(8)	(132)	(760)
CEREDIGION COUNTY	18	8	(7)	(400)	(30)	14	(22)	(31)	20	(430)
PEMBROKESHIRE COUNTY	(93)	3	11	(708)	44	(327)	7	(47)	44	(1,066)
MEDICINES MANAGEMENT	(31)	(278)		132	(83)	(15)	837	69	(635)	(3)
PRIMARY CARE	(220)	135	1,305	(278)	87	(6,175)	77	133	972	(3,966)
LONG TERM CARE & CHRONIC CONDITIONS	(9)	(6)		201	(307)	0		92	(2)	(32)
DIRECTOR OF PUBLIC HEALTH	(144)	38	(179)	(232)	(79)	53	(77)	147	18	(455)
DIRECTOR OF STRATEGY AND PLANNING	(52)	21	(6)			(47)	0	56	(69)	(97)
LTA'S WITH OTHER NHS PROVIDERS	18					(52)	0	(3)		(36)
STRATEGIC PLANNING	(70)	21	(6)			6		58	(69)	(60)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	107	4	0	(125)	98	56	(22)	238	(222)	134
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(405)	(65)	(47)	(111)	4	(2)	(9)	46	(191)	(781)
EXECUTIVE MEDICAL DIRECTOR	120	175	199	15	(1)		0	(3)	(698)	(194)
HEALTH BOARD WIDE	535			3	28	(128)	283	(211)	(217)	292
CENTRAL CAPITAL						21		22	(105)	(62)
CENTRAL CONTRACTING						119		(7)		113
CENTRAL FINANCING	35				28	44	283	(218)	(303)	(131)
CENTRAL INCOME									193	193
CENTRAL RESERVES	500			3		(313)		(8)	(2)	180
PLANNED DEFICIT			(0)					26,292		26,292
UNIDENTIFIED SAVINGS GAP								180		180
Grand Total	(1,834)	(615)	1,800	(2,433)	1,723	(6,795)	1,918	29,351	(2,113)	21,003

# Appendix: Key Analysis (8 of 8): End of Year Forecast Gross Revenue Position – Variance to Budget (£'000)

DIRECTORATE	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	(223)				0	(16)		(6)	(8)	(253)
CHIEF OPERATING OFFICER	(1,659)	(469)	627	(1,292)	2,193	414	1,435	1,255	(1,698)	806
ASST DIR OPS QUALITY & NURSING FACILITIES	(79)	(12)	0	(14)	(60)		(0)	30		(135)
MENTAL HEALTH & LEARNING DISABILITIES	(219)	(74)	826	(1,740)	4	(446)	(338)	13	22	(1,951)
ONCOLOGY & CANCER SERVICES	(35)	(181)	(189)	(140)	106	31	852	42	(110)	376
OPERATIONS DIR MANAGEMENT	(525)	(131)	327	(13)	144	(34)	43	99	(322)	(411)
PATHOLOGY	(32)	154	575	51	468	16	(348)	(60)	(85)	740
PLANNED CARE	(274)	178	(775)	(342)	182	213	(67)	405	(378)	(857)
RADIOLOGY	(79)	36	(209)	112	35	140	(93)	201	(164)	(22)
UNSCHEDULED CARE BRONGLAIS	(247)	(138)	544	86	50	15	14	184	(4)	503
UNSCHEDULED CARE GLANGWILI	(202)	(67)	(106)	319	87	2	803	(77)	(16)	744
UNSCHEDULED CARE PRINCE PHILIP	(232)	(77)	(287)	(150)	898	58	311	17	(27)	511
UNSCHEDULED CARE WITHYBUSH	(363)	(79)	(456)	951	(3)	38	384	140	82	695
WOMEN & CHILDREN	111	(78)	377	(393)	245	393	(132)	22	(260)	284
DIRECTOR OF FINANCE	(406)	1	(2)	(4)	1	(449)	0	233	182	(444)
DIGITAL	40	1	(2)	(2)	1	(315)		(86)	362	0
FINANCE	(372)					(134)	0	332	(171)	(345)
PERFORMANCE	(75)			(2)				(14)	(9)	(99)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	18	(31)	0	(273)	9	26		123	349	221
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	(492)	(260)	1,544	(1,618)	(147)	(8,369)	693	428	349	(7,872)
CARMARTHENSHIRE COUNTY	(61)	(110)	17	(380)	146	(403)	6	(55)	(136)	(977)
CEREDIGION COUNTY	18	(1)	2	(513)	(40)	(57)	(25)	7	(4)	(611)
PEMBROKESHIRE COUNTY	(127)	3	12	(826)	59	(280)	8	69	42	(1,039)
MEDICINES MANAGEMENT	(40)	(355)		166	(80)	1	622	94	(725)	(316)
PRIMARY CARE	(274)	210	1,512	(303)	130	(7,630)	81	153	1,173	(4,947)
LONG TERM CARE & CHRONIC CONDITIONS	(8)	(7)		238	(363)	0		160	(2)	18
DIRECTOR OF PUBLIC HEALTH	(194)	65	(214)	(317)	(99)	62	101	186	24	(386)
DIRECTOR OF STRATEGY AND PLANNING	(55)	21	(43)			246	0	64	(72)	161
LTA'S WITH OTHER NHS PROVIDERS	23					239	0	(4)		258
STRATEGIC PLANNING	(77)	21	(43)			6		68	(72)	(97)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	145	34	0	(131)	111	72	(29)	247	(216)	234
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(433)	(91)	(64)	(146)	4	39	(10)	15	(201)	(889)
EXECUTIVE MEDICAL DIRECTOR	142	202	325	12	(2)		0	(70)	(793)	(184)
HEALTH BOARD WIDE	735			3	428	(580)	683	226	(154)	1,341
CENTRAL CAPITAL						21		22	(118)	(75)
CENTRAL CONTRACTING						179		(9)		170
CENTRAL FINANCING	35				28	60	283	(75)	(303)	27
CENTRAL INCOME								268		268
CENTRAL RESERVES	700			3	400	(840)	400	289	(2)	950
PLANNED DEFICIT								31,551		31,551
UNIDENTIFIED SAVINGS GAP								(285)		(285)
<b>Grand Total</b>	<b>(2,422)</b>	<b>(528)</b>	<b>2,172</b>	<b>(3,767)</b>	<b>2,497</b>	<b>(8,554)</b>	<b>2,873</b>	<b>33,966</b>	<b>(2,238)</b>	<b>24,000</b>



Ein cyf/Our ref: MA/JMHSC/10881/24

NHS Chairs

20 December 2024

Dear colleagues,

***Working together to transform services - NHS Wales Planning Framework 2025-2028***

As we work together to transform health and care services in Wales, I am delighted to be presenting my first NHS Wales Planning Framework. It is an opportunity for me to set out my high-level ambition for our health and care system that I know you will share.

There has been a period of considerable uncertainty since the onset of the pandemic in 2020 and recovery of health and care services is clearly still not where it needs to be for patients in Wales. I want to see a speeding up of improvements in delivery, drawing on innovative as well as familiar approaches. Quality, safety and the improvement of outcomes must be at the forefront of all the choices and decisions we make in all parts of our NHS.

**Delivery and Performance**

This Framework sets out the strategic priorities that must be delivered by all health boards, and (where relevant) other NHS organisations over the next three years. They are in areas which have been consistently raised through the First Minister's conversations and engagement with the public and staff since the summer. They are important to Welsh citizens. The areas of focus are broadly:

- Timely Access to Care
- Population Health and Prevention
- Building Community Capacity
- Mental Health Access
- Women's Health

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

**More specifically, the delivery expectations which are required in each of these strategic priority areas are set out in Annex 1.**

I want to see a concerted focus on these in your plans in order to make early and sustainable gains for the population of Wales. Delivering these should be at the centre of how you plan resources and capacity in order to see greater pace and purpose. Progress in some of these areas will require you to prioritise partnerships with social care. Delivering on these expectations will help achieve the improvements in performance and outcomes that we would all wish to see in year 1 of your plans (2025-26). I expect to see continual and consistent improvement towards delivery across all the strategic priority areas over the three years.

**To support you to deliver against these expectations, we are setting out a number of enabling actions (attached as Annex 2) which we are mandating on the basis of “adopt or justify”.** Each has an evidence base to demonstrate improved efficiency and/or outcomes, without driving additional cost. They are the product of work underway through the National Strategic Programmes, the Strategic Clinical Networks and the Value and Sustainability Board. They are already required, but implementation across Wales is inconsistent. We need to see more consistent application and implementation – this is good for patients and good for value and sustainability. Progress against the mandated enabling actions, along with an assessment of the associated productivity, efficiency and/or financial gains must also be reflected in your plans.

Although this Framework is clear about the national priorities that your plans need to most focus on, NHS organisations need of course to commission and/or provide a wide range of services to improve the health of their populations and to meet the strategic objectives of A Healthier Wales, within the resources available to them. I trust that your Boards will keep this balance in mind when making decisions and choices in other areas.

Local health boards are best placed to identify the needs of their local populations, so whilst setting out my expectations for delivery against the 3-year national strategic priorities, Year 1 delivery expectations and enabling actions, I recognise that this means greater flexibility in delivering on other areas.

I look forward to an ongoing dialogue with you on this – your suggestions about how we can identify areas to consider for de-prioritisation would be welcome. In fact, several of the enabling actions relate to activity which *must* be deprioritised and stopped where there is evidence of waste, harm or variation resulting in no (or low) clinical value or effectiveness.

I also want to explore with you how we can streamline the working relationship between the Welsh Government and NHS health boards and organisations, so that we can ensure that our data reporting, accountability and other systems are always proportionate, not over-complicated and reduce duplication. As a tangible example of this in the coming months, I expect that this will be the last year in which our planning framework is published separately and I have set an objective for the Welsh Government to integrate the quality, planning and performance frameworks to streamline our requirements in future.

To begin this process of alignment, this year’s NHS Wales Planning Framework is being issued at the same time as the NHS allocation framework for 2025/26 to ensure absolute clarity about the parameters within which your plans must be developed. Delivering financial improvement and sustainable financial positions, maximising the use of our resources, and increasing our productivity and efficiency, continue to be critical in delivering this agenda.

To support delivery and performance across our NHS, the Ministerial Advisory Group on Performance and Productivity will provide me with its findings and recommendations by the end of March. I will want to work collaboratively with you in responding to those recommendations to ensure that we can reap the benefits of the improvements that we wish to see across the system.

I am keen to ensure all parts of our NHS seek continuously to learn from best practice both from within the NHS in Wales and beyond, proactively working together to identify successful innovation – applying a principle of “adapt, adopt or justify”. This includes rapid progress on digital innovation and transformation, to strengthen the delivery of services.

I also want to understand how organisations are collaborating to create new regional ways of working to deliver quality, access and levels of care that often cannot be delivered by one organisation alone. It is imperative that health boards grasp the opportunities this can bring, in the interests of better patient outcomes and sustainable services.

All organisational planning and delivery must be built upon the domains of improving quality, safety, outcomes and value, supported in turn by robust enabling plans for capital, digital, collaborative working and the NHS workforce.

## **Workforce and Leadership**

I am grateful for the dedication and commitment of our workforce across the NHS in Wales, who are at the heart of the experience and quality of services we deliver for our patients. Investment in building our workforce has increased year on year, and we must continue to focus, in social partnership, on ways to engage and empower our people to deliver safely, effectively and flexibly across the NHS in Wales.

Leading with compassion at all levels across the NHS in Wales will mean we properly listen to, understand, and empathise with our workforce so that we can help to remove the challenges and barriers they are experiencing which are getting in the way of delivering improved services for the people of Wales. Creating a safe and inclusive culture and collaborative leadership across the NHS is key to empowering people to deliver their best. This will value individuals' contributions and develop more effective teams who are confident to make effective decisions, for example about care, treatment and discharge. Effective leadership - regardless of hierarchy - is also crucial to fostering team, organisational, regional and system-level innovation by seizing opportunities to adapt and improve service delivery.

I expect to hear how organisations are developing their leadership and culture to ensure the safety, health and well-being of their workforce to enable them to deliver, optimise their team effectiveness and improve their services.

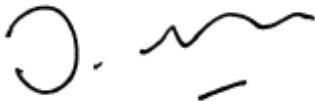
## **Outcomes that matter to people**

In the coming months I intend to continue to talk with the public and the NHS workforce across Wales to hear about the challenges and opportunities across the health and care system. Some of the key issues which we are working on together, such as long waits for treatment, and discharge from hospital are of course already high on the agenda for the public, patients and health and care staff. It is imperative that we are clear about what must be done in the short term and what we need to do in the longer term, to live healthier lives through preventative approaches and avoid the need for hospital care where we can. There

are no simple solutions so I want to explore with the public what reforms and service developments can be set in train to support the NHS to adapt for the future.

We must act to balance better long-term outcomes with addressing the here and now issues that face our communities, our patients, our workforce and our health and social care system. I know that all of your staff working on the front line and delivering care in our communities, day in and day out, are at the heart of everything that needs to be done. With your support I am confident that we can together make the improvements we all want to see.

Yours sincerely,

A handwritten signature in black ink, consisting of a large 'J' followed by a series of wavy lines and a short horizontal stroke at the end.

**Jeremy Miles AS/MS**

Ysgrifennydd y Cabinet dros Iechyd a Gofal Cymdeithasol  
Cabinet Secretary for Health and Social Care

## Annex 2 - 2025/26 Cabinet Secretary's Enabling Actions

Thematic Area	Objective	Enabling Actions
Operational Productivity & Efficiency - Urgent and Emergency Care	Improve timely access to care, reducing the length of wait in key areas of the urgent and emergency care stream through addressing variation	Implementation of the Community Based Falls Response - 6 Goals Programme
		Implementation of the remote clinical assessment services framework - 6 Goals Programme
		Implementation of acute frailty model at the Front Door - 6 Goals Programme
		Implementation of the Welsh Health Circular - Ambulance Handover Guidance - 6 Goals Programme
		Implement the Optimum Hospital Flow Framework - 6 Goals Programme
		Maintaining the actions within the 50 Day challenge that can be delivered consistently with minimal additional resource, within organisations and as a priority within regional partnership arrangements. Ensure consistent delivery of effective integrated discharge planning, utilising the National Discharge Guidance issued by the 6 Goals Programme.
Operational Productivity - Planned Care	Improving timely access to care, reducing unwarranted variation in clinical productivity	Implement national guidelines with thresholds by Clinical Implementation Network (CIN) and procedure. This includes delivery of effective outpatients through See on Symptom (SOS) and Patient Initiated Follow-up (PIFU) by default. Individual CINs will establish PIFU / SOS targets by specialty & sub-specialty on an ongoing basis by March 2025.
		All new Cataract referrals should be direct listed to treatment stage of the pathway following an admin triage by the end of Q2.
		Ensure monitoring of DNA/CNA rates is in place for every Outpatient clinic. When DNA/CNA as a combined rate is greater than 5%, overbooking additional patients should be implemented and monitored.
		Implementation of CIN follow up criteria both prospectively and retrospectively to established Follow-up waiting lists.

		<p>On 90% of days planned care inpatient/daycase/theatre recovery capacity should be protected from unscheduled care pressures and outlying of patients by the end of Q1.</p> <p>Ensure effective utilisation of theatre capacity through:</p> <ul style="list-style-type: none"> <li>- Reducing late starts to less than 20%;</li> <li>- Reducing early finishes to less than 10%; and</li> <li>- Increasing session utilisation to the GiRFT standard of 85% by March 2026.</li> </ul> <p>Improvement in the implementation and delivery of High Volume Low Complexity Theatre lists, with an initial focus on:</p> <ul style="list-style-type: none"> <li>- Anthroplasty 90% compliance with GiRFT standard of 4 primary joints/day, 2 by end of quarter 2;</li> <li>- Cataract 90% of lists to have 7 Cataracts per list by end of Q2</li> <li>- 90% of the time achieve at least 6 HVLC general surgery procedures on an all day list made up of hernia or gallbladders by end of Q2.</li> </ul> <p>Deliver improvements in day surgery rates, with an expectation to achieving a BACDS daycase rate of 70% from April 2025, moving to 80% by the end of June 2025</p> <p>Consistent clerical and clinical validation should be in place on an ongoing basis and reported quarterly for impact.</p>
Workforce Productivity	Maximise workforce productivity and efficiency, strengthening value and	<p>Fully implement the actions outlined in the Variable Pay &amp; Agency Control Framework Welsh Health Circular</p> <p>Deliver a further continued and sustained reduction in agency expenditure, with a target <b>30%</b> reduction in 2025/26 from 2024/25 outturn, and ensuring no off-contract expenditure.</p>

	effective deployment of the workforce.	<p>Ensure a reduction in agency spend on Healthcare Support Worker, Admin &amp; Clerical, and Estates &amp; Ancillary staff to <b>zero</b> by 30th September 2025.</p> <p>Ensure effective implementation of job planning policy, to include ensuring that &gt; 90% of all Consultants have an agreed job plan in place at all times by 30 September 2025.</p> <p>Ensure a reduction in sickness absence in 2025/26 in comparison to 2024/25, through maximising adherence to the requirements of agreed attendance at work policies and adhering to the all-Wales Occupational Health minimum service levels.</p>
Maximising Value for Money	Continue to optimise value for money and contribution to overall efficiency through key non-pay areas, optimising both efficiency and effectiveness	<p>Non-Pay - ensure implementation of Value &amp; Sustainability Board recommendations, which includes local implementation of clinically endorsed and mandated product choice to maximise market share and deliver best value.</p> <p>Medicines Management - ensure full implementation of the high value medicines Value &amp; Sustainability Board programme, which includes delivering opportunities against each of the four programme areas (maximise use of biosimilars, switch to generics, preferential use of medicines in primary care, restrict low value prescriptions)</p> <p>CHC - ensure implementation of Value &amp; Sustainability Board recommendations which include continued actions to improve clinical and financial effectiveness associated with packages of care. This includes implemented a standard digital solution to support effective intelligence capture on a national basis.</p> <p>Estate - ensure ongoing actions to strengthen estate utilisation including the appropriate repurposing and disposal of under-utilised estate.</p>
Improving Value, Optimising Outcomes, & Minimising Variation	Support improvements in outcomes, effectiveness, and value, through optimising how resources are utilised,	<p>Ensuring full implementation of the nationally optimised pathways in the cancer recovery programme</p> <p>Ensuring full compliance with straight to test guidance</p> <p>Ensure progress with the implementation of Value &amp; Sustainability Board High Value High Impact pathway - Diabetes</p>

	<p>and focus on improving outcomes</p>	<p>Ensure progress with the implementation of Value &amp; Sustainability Board High Value High Impact pathway - Bone Health</p>
		<p>Ensure progress with the implementation of Value &amp; Sustainability Board High Value High Impact pathway - Arthroplasty (Hip &amp; Knee)</p>
		<p>Ensure implementation of national digital priorities, specifically the implementation of the digital maternity system, and NHS Wales app.</p>
		<p>Support the implementation and roll-out of the NHS Wales app for maximum impact and benefit to include the uptake of its use for repeat prescriptions.</p>
		<p>Eradicate unsupported systems and devices, and ensure a clear cyber response plan for the organisation.</p>
		<p>Progress implementation of the national approach to Interventions not normally undertaken (INNU) - Deliver the 8 priority procedures determined for implementation as part of Phase 1.</p>
		<p>Progress implementation of the national approach to Interventions not normally undertaken (INNU) - continue to implement ongoing recommendations throughout 2025/26</p>
		<p>Ensure delivery of effective referral management processes. This includes consistent implementation of Health Pathways (Pathway Alliance Programme) across all Health Boards with the rapid adoption of the 282 pathways within the programme.</p>