



PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	29 August 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial report – Month 4 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 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.

Cefndir / Background

The Month 4 Health Board financial position is an overspend of £12.0m, which represents a £2.6m overspend against the deficit plan of £9.4m.

Of the £2.6m overspend in-month, £1.0m relates to unidentified savings, £0.2m relates to under-delivery against identified savings schemes, £0.8m relates to Primary Care Prescribing price and volume growth, £0.3m relates to increased Nurse Agency and £0.2m in Medical Locum expenditure due to doctors working additional duty hours at premium rates to cover staff shortages.

Of the required £19.5m savings delivery, £10.3m remains unconverted from Red/Black schemes. 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 £9.2m, the annual forecast is currently assessed as £5.0m.

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.

Asesiad / Assessment

Revenue

Driver	In-month variance to breakeven (£'m)	Year to Date variance to breakeven (£'m)	EoY projected variance to breakeven (£'m)
Planned Deficit	9.4	37.6	112.9
Operational Variation	1.4	6.4	15.9
Under-delivery against identified savings schemes	0.2	0.7	4.2
Unidentified savings gap	1.0	3.8	10.3
Gross Position	12.0	48.5	143.3
Required actions to address savings gap and operational variation	0.0	0.0	(30.4)
Net Position	12.0	48.5	112.9

This largely represents the step change in our expenditure levels since Month 11 and 12 in 2022/23 continuing to increase in Months 1-4 2023/24.

Risks and Opportunities

Revenue	High Revenue risk in relation to delivery of the in-year Plan deficit given the YTD trajectory and assurance level of mitigating actions. Scenario options have been discussed at Board and action plans are not yet assured for delivery. These action plans are now being developed to convert to assured savings schemes.
Cash	If Welsh Government are unable to fund the cash consequences of the revenue deficit this will lead to a significant shortfall in the year end cash position. There is insufficient cash to make payments from February without support.
Savings	Of the required £19.5m savings delivery, £10.3m 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. Forecast delivery is assessed as £5.0m.
Capital	There is a Medium risk to Capital due to the additional costs associated with WGH Phase 1 Fire scheme (an additional funding bid has been submitted to WG; if this is unsuccessful the risk would be escalated to High) and the unknown costs and scope of works required in WGH due to RAAC.
Underlying deficit	The reported underlying deficit is currently to £106.0m; this is before assessing whether the in-year operational variation will have an impact on future years and assumes that the Planned Deficit of £112.9m will be achieved.

Argymhelliad / Recommendation

The Committee is asked to note and discuss the financial position as at Month 4.

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"> • Monthly, quarterly and year-to-date financial performance; • Performance against the Savings Delivery and the Cost Improvement Programme providing assurance on performance against the Capital Resource Limit and cash flow forecasts.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	1642 (score 25) Risk of the Health Board not being able to meet the statutory requirement of breaking even in 2023/24 due to significant deficit position
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

	<p>NICE – National Institute for Health and Care Excellence</p> <p>OCP – Organisational Change Policy/Process</p> <p>OOH – Out of Hours</p> <p>PPH – Prince Philip Hospital</p> <p>PSPP– Public Sector Payment Policy</p> <p>RTT – Referral to Treatment Time</p> <p>T&O – Trauma & Orthopaedics</p> <p>TTP – Test, Trace, Protect</p> <p>WG – Welsh Government</p> <p>WGH – Withybush General Hospital</p> <p>WRP – Welsh Risk Pool</p> <p>WHSSC – Welsh Health Specialised Services Committee</p> <p>YTD – Year to date</p>
<p>Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy:</p> <p>Parties / Committees consulted prior to Sustainable Resources Committee:</p>	<p>Finance Team</p> <p>Management Team</p> <p>Executive Team</p>






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

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

Hywel Dda University Health Board

Financial Report as at 31st July 2023

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Executive Summary

Health Board's Financial Plan is to deliver a deficit of £112.9m, after savings of £19.5m.

Revenue

The Month 4 Health Board financial position is an overspend of **£12.0m**, which is made up of **£2.6m** operational variation and a deficit plan of **£9.4m**; the key drivers are summarised below, including the current end of year (EoY) forecast.

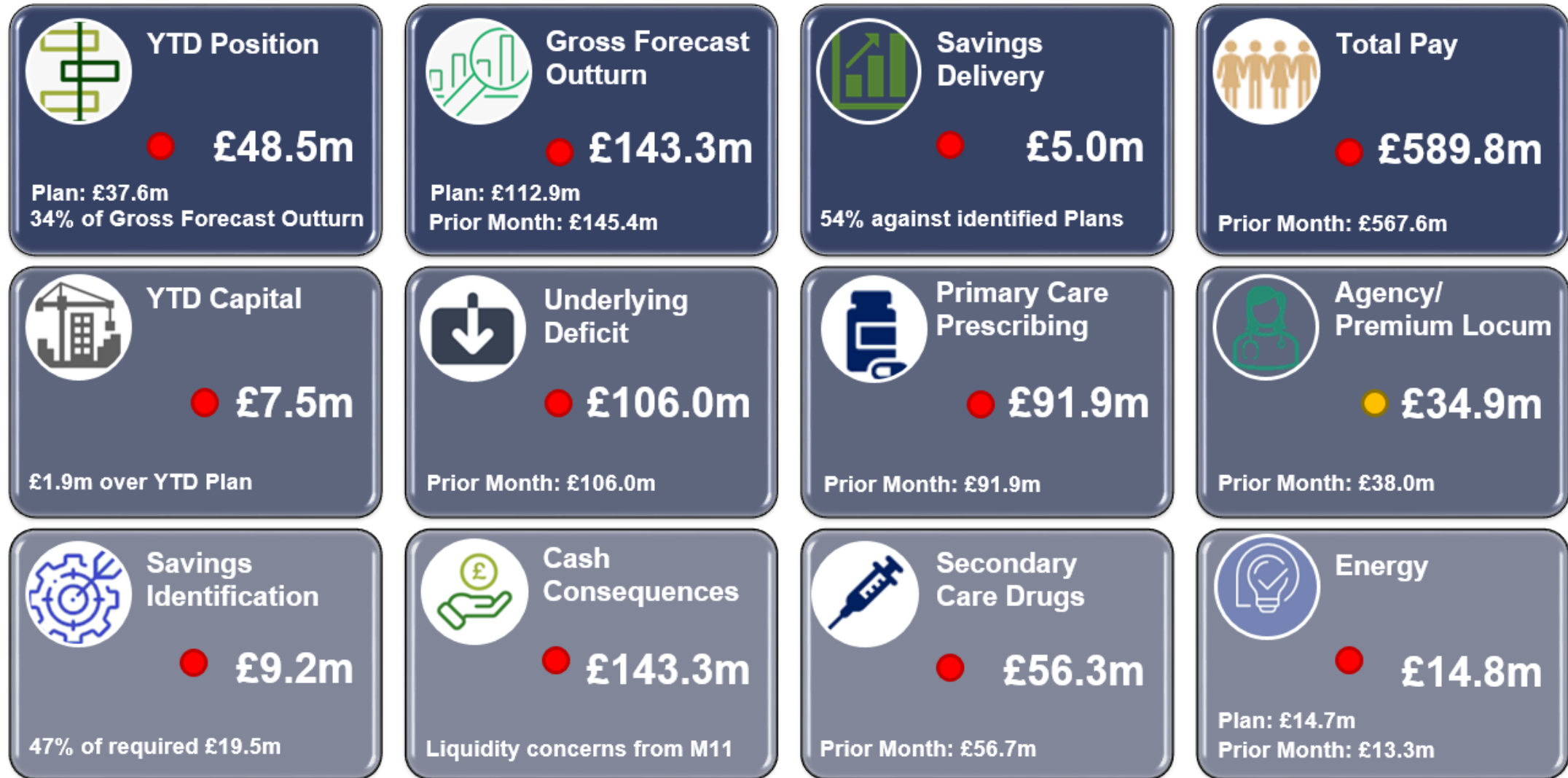
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Capital	There is a Medium risk to Capital due to the additional costs associated with WGH Phase 1 Fire scheme (an additional funding bid has been submitted to WG; if this is unsuccessful the risk would be escalated to High) and the unknown costs and scope of works required in WGH due to RAAC.
Underlying Deficit	The reported underlying deficit is currently to £106.0m; this is before assessing whether the in-year operational variation will have an impact on future years and assumes that the Planned Deficit of £112.9m will be achieved.

Key Performance Indicators



In-Month Revenue Position

Theme	£'m		Operational Driver comments
Planned Deficit		9.4	
Unidentified Savings Gap	1.0	1.2	Undelivered planned savings gap across the Health Board.
Underdelivering savings schemes	0.2		USC GGH under-delivery in relation to Nurse Stabilisation. The under-delivery has been partly offset by larger than planned savings in a switch to Biosimilar for Wet AMD patients in Planned Care.
Nurse agency	0.3	1.4	Increased Agency rates of pay and fill rates; improvement in-month regarding reliance on off-contract agency resource across all USC sites.
Medical locum cover	0.2		Premium rates paid across a number of Directorates over and above the Health Board rate Card due to continued staff shortages.
Primary Care Prescribing	0.8		Months 1 to 4 (YTD) recognition of Primary care drugs items growth increase of 1.16% to 2.2% (from 1.04%) and cost per item increase of 13p to £7.72 to reflect April actual data.
Oncology activity and price	(0.2)		Reduction in patient numbers and average price per patient.
Other	0.3		
In-Month Position		12.0	

In-Month Revenue Position

	PAY				NON PAY				INCOME	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		
CENTRAL INCOME									(0.3)	(0.3)
CHIEF EXECUTIVE								0.1		0.1
DIRECTOR OF FINANCE						0.2		(0.4)	(0.1)	(0.2)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE								0.1		
DIRECTOR OF OPERATIONS	0.1	(0.1)	0.3		0.6	0.7		0.6	(0.2)	2.0
ASST DIR OPS QUALITY & NURSING										
FACILITIES	0.1			(0.1)				0.4		0.4
MENTAL HEALTH & LEARNING DISABILITIES		(0.2)		(0.3)		0.7			(0.1)	0.1
ONCOLOGY & CANCER SERVICES								0.2		0.2
OPERATIONS DIR MANAGEMENT				(0.1)				0.1		(0.1)
PATHOLOGY					0.1		(0.1)		(0.1)	
PLANNED CARE							(0.1)	0.1	(0.1)	(0.2)
RADIOLOGY		0.1			0.3					0.3
UNSCHEDULED CARE BRONGLAIS			0.2						0.1	0.4
UNSCHEDULED CARE GLANGWILI				0.5						0.5
UNSCHEDULED CARE PRINCE PHILIP					0.2					0.2
UNSCHEDULED CARE WITHYBUSH			0.1					0.1		0.1
WOMEN & CHILDREN			0.1							0.2
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	0.1	(0.1)				(0.2)	0.8	0.1		0.8
CARMARTHENSHIRE COUNTY	0.1			0.2				0.1		0.3
CEREDIGION COUNTY				(0.1)				(0.1)		(0.1)
MEDICINES MANAGEMENT		(0.1)					0.8	0.1	(0.1)	0.7
PEMBROKESHIRE COUNTY	0.1			(0.1)						
PRIMARY CARE				(0.1)		(0.1)			0.1	(0.1)
PRIMARY CARE MANAGEMENT										
DIRECTOR OF PUBLIC HEALTH										(0.1)
DIRECTOR OF STRATEGY AND PLANNING										(0.1)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE		(0.2)							(0.1)	(0.3)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(0.2)		(0.1)	0.1				0.2	(0.1)	
EXECUTIVE MEDICAL DIRECTOR								(0.2)	(0.1)	(0.2)
HEALTH BOARD FINANCING	0.1					(0.5)		0.5	(0.1)	
LTA'S WITH OTHER NHS PROVIDERS						(0.2)				(0.1)
PLANNED DEFICIT								9.4		9.4
UNIDENTIFIED SAVINGS GAP								1.0		1.0
TOTAL	0.1	(0.5)	0.2	0.1	0.6	0.2	0.8	11.4	(1.0)	12.0

Please note: values are displayed as rounded £'m excluding those items that round to nil, therefore, affecting some totals.

Year to date (YTD) Revenue Position

	PAY				NON PAY				INCOME	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		
CENTRAL INCOME									(0.3)	(0.3)
CHIEF EXECUTIVE	(0.1)							(0.1)		(0.3)
DIRECTOR OF FINANCE								(0.1)	(0.2)	(0.2)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(0.1)							0.3		0.3
DIRECTOR OF OPERATIONS	0.8	(0.6)	1.7	1.9	0.9	2.1	0.9	1.4	(0.7)	8.4
ASST DIR OPS QUALITY & NURSING										(0.1)
FACILITIES	0.6			(0.5)				1.1	0.1	1.2
MENTAL HEALTH & LEARNING DISABILITIES		(0.6)	0.1	(0.9)		1.9	0.1		(0.2)	0.4
ONCOLOGY & CANCER SERVICES			(0.2)				0.8			0.8
OPERATIONS DIR MANAGEMENT	(0.1)	(0.1)	0.1	(0.1)	(0.1)			(0.1)		(0.3)
PATHOLOGY		0.1			0.2	0.1	(0.2)		(0.2)	(0.1)
PLANNED CARE	0.1	(0.1)	0.1		(0.2)	0.1	(0.2)	0.2	(0.2)	(0.2)
RADIOLOGY		0.1			0.6		(0.1)			0.7
UNSCHEDULED CARE BRONGLAIS	0.1		0.9	0.4					0.1	1.5
UNSCHEDULED CARE GLANGWILL	0.1			1.9			0.2			2.1
UNSCHEDULED CARE PRINCE PHILIP			0.1	0.4	0.2					0.7
UNSCHEDULED CARE WITHYBUSH			0.4	0.7			0.2		(0.1)	1.3
WOMEN & CHILDREN	0.1		0.2	0.1				0.1		0.4
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	0.2	0.2	0.7	0.2	0.1	(1.9)	1.0	0.2	0.4	1.3
CARMARTHENSHIRE COUNTY	0.1	0.1		0.3		(0.2)		0.1		0.3
CEREDIGION COUNTY	0.1							(0.1)		
MEDICINES MANAGEMENT		(0.1)		0.1		0.1	1.0	0.1	(0.3)	0.9
PEMBROKESHIRE COUNTY	0.1			(0.3)	0.1	(0.2)		0.1	0.1	(0.2)
PRIMARY CARE	0.1	0.2	0.8	(0.1)	0.1	(1.6)		0.1	0.7	0.3
PRIMARY CARE MANAGEMENT				0.1	(0.1)	0.1		(0.1)		
DIRECTOR OF PUBLIC HEALTH			(0.1)			(0.1)		0.1	(0.1)	(0.3)
DIRECTOR OF STRATEGY AND PLANNING	(0.1)							0.1	(0.1)	(0.1)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	0.1	(0.5)						0.1	(0.2)	(0.5)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(0.5)		(0.2)	(0.3)	0.1	0.1		0.7	(0.3)	(0.4)
EXECUTIVE MEDICAL DIRECTOR	0.1		0.1	0.1				(0.4)	(0.3)	(0.4)
HEALTH BOARD FINANCING	0.1			(0.1)		(1.5)	0.1	1.1	(0.2)	(0.4)
LTA'S WITH OTHER NHS PROVIDERS						(0.2)				(0.1)
PLANNED DEFICIT								37.6		37.6
UNIDENTIFIED SAVINGS GAP								3.8		3.8
TOTAL	0.5	(0.8)	2.3	1.7	1.1	(1.4)	2.0	44.9	(1.8)	48.5

Please note: values are displayed as rounded £'m excluding those items that round to nil, therefore, affecting some totals.

End of Year Forecast Revenue Position

Theme	£'m		Operational Driver comments
Planned Deficit		112.9	
Unidentified Savings Gap	10.3	14.5	Undelivered planned savings gap across the Health Board. Target is £19.5m with identified schemes totalling £9.2m.
Underdelivering savings schemes	4.2		Primarily in relation to Nurse stabilisation, MHL D CHC and FLOs.
Nurse agency	6.8	15.9	Continued increases in shift fill rates with Agency staff across Unscheduled Care sites.
Medical locum cover	3.5		Premium rates paid across a number of Directorates over and above the Health Board rate Card and increased cover of absences particularly in USC BGH and Anaesthetics.
Primary Care Prescribing	2.4		Primary care drugs items growth increase of 1.16% to 2.2% (from 1.04%) and cost per item increase of 13p to £7.72 to reflect April actual data.
Managed Practice Locum	2.1		Additional locum resource in managed practices to cover permanent rota gaps.
Community Pharmacy	(1.8)		Reduced practice payments due to change in contract terms.
Oncology activity	1.6		SACT activity numbers within last quarter 10% (9 patients per day) higher than average seen for 2022/23.
Oncology drug price increases	0.4		Drugs costs for the same period have seen a 15% increase in price.
RIF Over establishment	0.7		Nursing and HCSW costs previously charged to RIF Programmes; now part of Core within Carmarthenshire.
Continuing Healthcare	4.7		MHL D additional high cost packages.
Mental Health & LD vacancies	(3.2)		High vacancies partly offset with use of bank to cover both vacancies and sickness. Highest vacancy numbers in Nursing and Midwifery.
Energy price increase	1.5		Increase in National Energy prices since the Planning cycle.
Other	(2.8)		Vacancies across a number of Corporate and Public Health areas.
Gross Deficit Position		143.3	
Required Actions		(30.4)	Required actions to address savings gap and operational variation
Net Position		112.9	

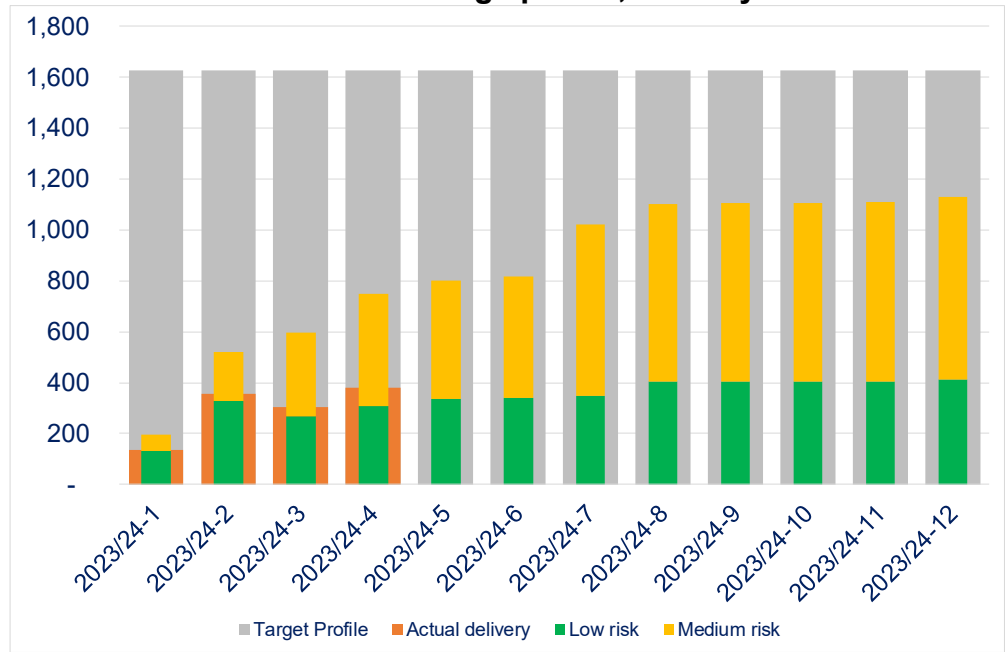
End of Year Forecast Revenue Position

	PAY				NON PAY				INCOME	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		
CENTRAL INCOME										
CHIEF EXECUTIVE	(0.3)					0.1		0.2	(0.4)	(0.4)
DIRECTOR OF FINANCE	(0.1)	0.1	(0.1)			0.9		(0.8)	(0.4)	(0.2)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(0.3)	0.1		0.1				1.0	(0.4)	0.5
DIRECTOR OF OPERATIONS	2.0	(1.0)	4.5	5.6	1.6	6.7	2.1	4.3	(3.0)	22.7
ASST DIR OPS QUALITY & NURSING										
FACILITIES	1.4			(1.4)				3.3	(1.5)	1.8
MENTAL HEALTH & LEARNING DISABILITIES	0.1	(1.2)	0.5	(2.6)	0.1	6.2	0.2		(0.6)	2.6
ONCOLOGY & CANCER SERVICES	0.1		(0.3)	0.1			1.9			1.8
OPERATIONS DIR MANAGEMENT	0.5	(0.2)		(0.4)	(0.3)			0.3		(0.1)
PATHOLOGY	(0.1)	0.2			0.6	0.2	(0.6)		(0.2)	
PLANNED CARE	(0.5)		(0.2)	0.9	(0.4)	0.3	(0.5)	0.4	(0.3)	(0.3)
RADIOLOGY				0.1	1.2	0.1	(0.2)	0.1	(0.2)	1.1
UNSCHEDULED CARE BRONGLAIS	0.3		2.6	0.5	0.1			0.1	0.2	3.8
UNSCHEDULED CARE GLANGWILI	0.2	(0.1)	0.1	5.7			0.6		(0.1)	6.5
UNSCHEDULED CARE PRINCE PHILIP				1.0	0.3				(0.1)	1.3
UNSCHEDULED CARE WITHYBUSH	(0.1)	0.2	1.3	1.5	0.1		0.6	0.2	(0.3)	3.5
WOMEN & CHILDREN	0.2	0.1	0.4				0.1	0.1	(0.1)	0.8
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	0.6	0.8	2.0	0.2	0.1	(5.9)	2.6	(0.7)	1.8	1.4
CARMARTHENSHIRE COUNTY	0.1	0.2		0.7	0.1	0.3		(0.7)		0.7
CEREDIGION COUNTY	0.2			0.1	0.1	(0.2)	0.1		(0.1)	0.1
MEDICINES MANAGEMENT		(0.1)		0.2	0.2	(0.1)	2.5	0.2	(0.5)	2.4
PEMBROKESHIRE COUNTY	0.1		(0.1)	(1.0)	0.1	(0.3)			0.4	(0.8)
PRIMARY CARE	0.3	0.8	2.1	(0.1)	(0.2)	(5.7)		(0.2)	2.0	(0.9)
PRIMARY CARE MANAGEMENT	(0.1)	(0.1)	0.1	0.3	(0.2)					
DIRECTOR OF PUBLIC HEALTH		(0.1)	(0.2)	(0.2)		(0.2)		0.1	(0.3)	(0.8)
DIRECTOR OF STRATEGY AND PLANNING			0.1					0.2	(0.4)	(0.1)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	0.2	(0.8)		(0.1)				0.3	(0.5)	(1.0)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(1.3)		(0.7)	(1.5)	0.1	0.4		2.9	(0.8)	(0.9)
EXECUTIVE MEDICAL DIRECTOR	0.2	0.1	0.2	0.1	0.1			(0.6)	(0.6)	(0.4)
HEALTH BOARD FINANCING	0.2	(0.2)		0.4	0.6	8.4	0.1	(9.9)	0.2	(0.2)
LTA'S WITH OTHER NHS PROVIDERS	0.1					(0.5)				(0.4)
PLANNED DEFICIT								112.9		112.9
UNIDENTIFIED SAVINGS GAP								10.3		10.3
TOTAL	1.4	(0.9)	5.9	4.5	2.4	10.0	4.9	120.3	(5.1)	143.3

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Savings Schemes

Risk-assessed directorate savings profile, delivery and forecast



Assurance

93% of 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

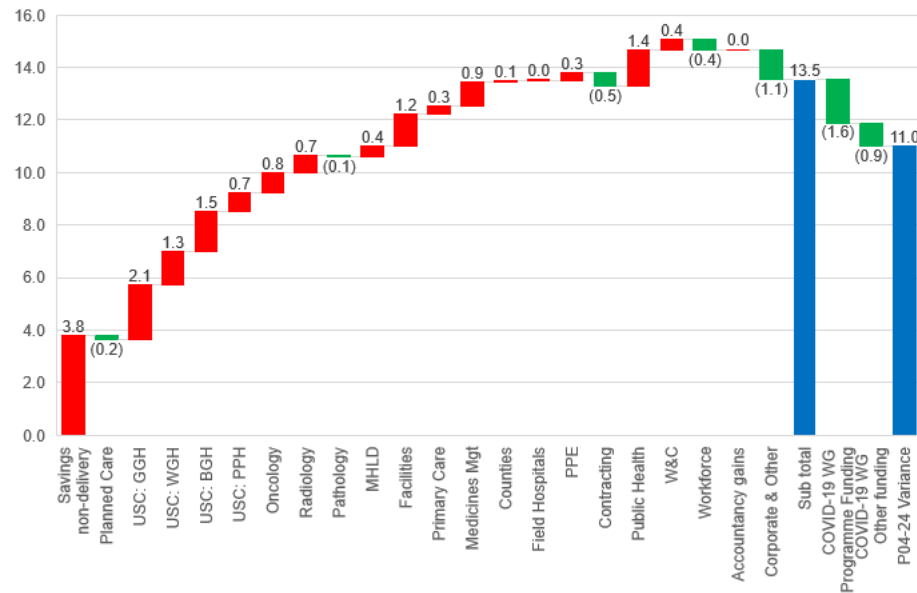
- Of the required £19.5m savings delivery, £10.3m remains unconverted from Red/Black schemes. Whilst the Opportunities Framework presents a significant range and size of opportunities there is insufficient assurance at this stage of in-year conversion into deliverable schemes.
- Of the identified operational savings schemes of £9.2m, the annual forecast is currently assessed as £5.0m.

Next Steps

- Urgent operational actions are required to identify and resolve the issues preventing the delivery of identified savings schemes.
- Following a meeting with Welsh Government representatives in July, a Recovery Workshop was held with all Executive, Service and Finance Leads to escalate the scale and pace of the actions required. The focus of the Workshop was to identify how services could be maintained at a Health Board level targeting service sustainability under 3 scenarios. These scenarios were presented to the Board for review on 10th August; further meetings will be held to develop plans.
- There will be a submission to Welsh Government on 11th August regarding further options to improve the financial trajectory which will require a response before being enacted.

Key Analysis

YTD variance by Directorate (against Plan)

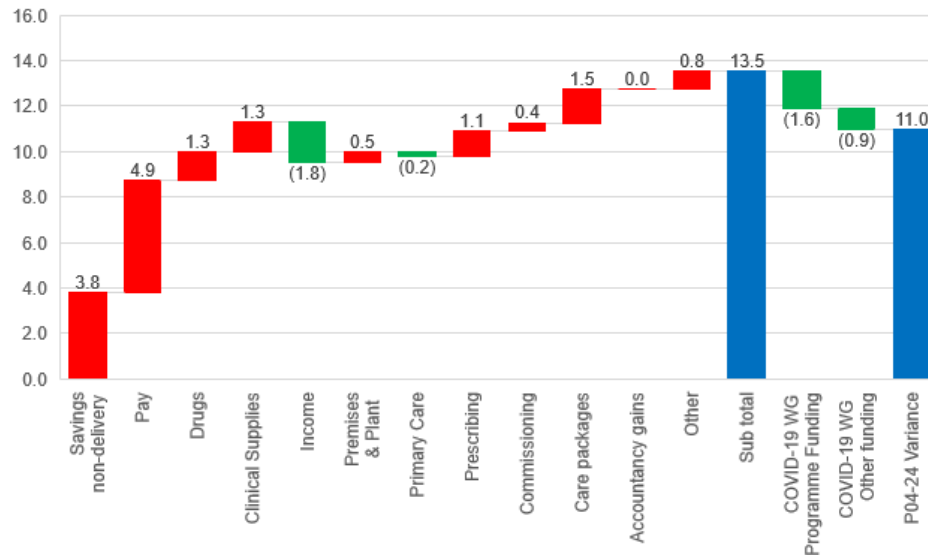


Key drivers of YTD position

- **Savings non delivery £3.8m:** YTD value of savings undelivered by the organisation (against the Plan of £19.5m).
- **Unscheduled care £5.6m:** 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. Due to the increase in activity, USC sites have also been impacted by an increase in drug expenditure.
- **Oncology £0.8m:** Increased levels of SACT activity within the service, an increase in the price of drugs and an increase in homecare issues are resulting in an increase in drug expenditure.
- **Facilities £1.2m:** Primarily driven by maintenance costs through urgent work requests across Health Board estate and an increase in the price of provisions, postage and waste contracts.
- **Medicines Management £0.9m:** Primary Care Prescribing impacted by growth in volume of items prescribed and an increase in the cost per item.
- **Public Health £1.4m:** Primarily driven by Health Promotion and Mass Vaccination COVID-19 programme schemes.
- **WG Programme Funding £(1.6)m:** YTD funding in respect of COVID-19 programme schemes.
- **WG Other funding £(0.9)m:** Fixed allocation funding to support COVID-19 response for Long COVID-19 and Nosocomial.

Key Analysis

YTD variance by Subjective (against Plan)

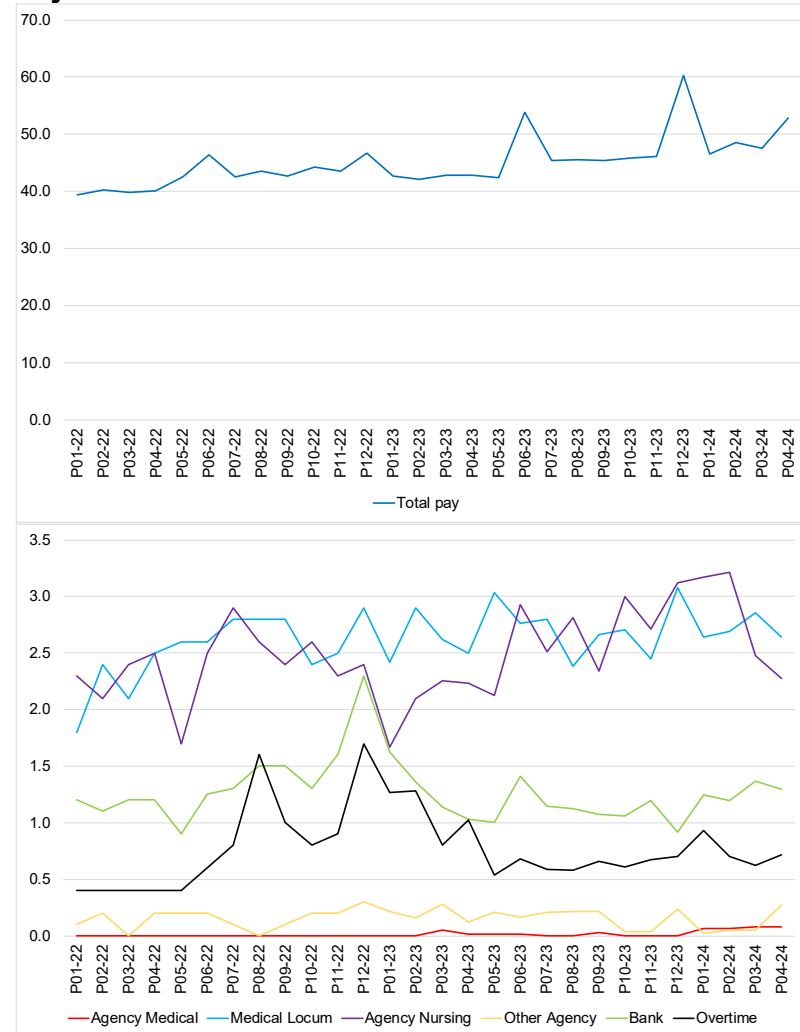


Key drivers of YTD position

- **Savings non delivery £3.8m:** YTD value of savings undelivered by the organisation (against the original Plan of £19.5m).
- **Pay £4.9m:** Continued high levels of variable pay expenditure across Medical and Nursing staff groups due to high levels of activity across Unscheduled Care and increased roster fill rates.
- **Drugs £1.3m:** Increases in Oncology as SACT activity continues to perform in excess of prior year activity levels and the price of drugs has increased. Increases in activity, homecare drugs and base price have also resulted in high drug expenditure across Unscheduled Care sites.
- **Clinical supplies £1.3m:** Use of external reporting services to support vacancies within Radiology, M&SE maintenance contracts and M&SE equipment expenditure higher than budget due to inflationary price increases.
- **Income £(1.8)m:** Recognition of SIFT income received from HEIW and R&D income which is offset by expenditure recognised in other categories. Non-Contracted Activity increase in income and and increase in Welsh LTA income based on Q1 reporting.
- **Prescribing £1.1m:** Primary Care Prescribing impacted by growth in volume of items prescribed and an increase in the cost per item.
- **Care packages £1.5m:** Primarily driven by increases in the cost and volume of Learning Disability packages.

Key Analysis

Pay



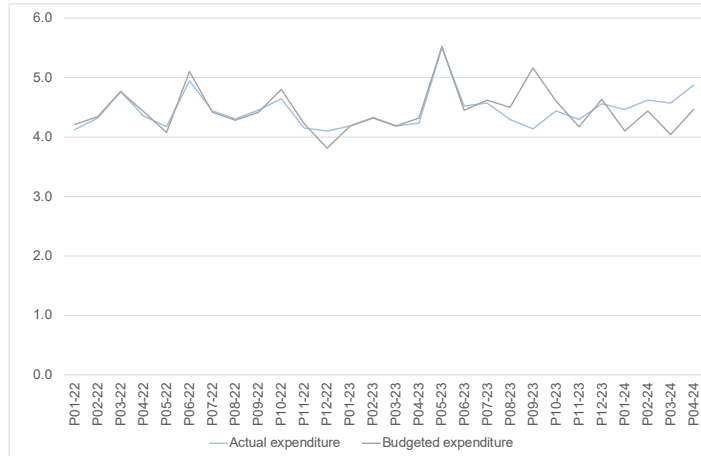
The operational in-month expenditure is a increase of £5.3m compared to Month 3. Of the £5.3m, £6.9m relates to the YTD payment of the 5% Agenda for change pay award that was made to staff in the month. Excluding the inflationary pay award, the pay position reduced by £1.6m.

The main drivers in relation to this reduction relate to the following items:

- **Substantive staff:** In Month 3, salary costs included the enhanced payments to staff for shifts worked on bank holiday days in May (2 Bank Holidays plus the King's Coronation) which did not re-occur in Month 4. A number of arrears payments were also made in Month 3 to doctors following reviews of job plans. These retrospective payments have not re-occurred during Month 4.
- **Medical locum:** Month 4 has seen a reduction in Additional duty hour payments compared to last month, primarily in Scheduled and Unscheduled Care, due to reduced levels of sickness and annual leave absence.
- **Nurse Agency:** Following the the Core Delivery Group's decision last month to restrictions around Agency utilisation and terms/rates, during the month no Off-Contract Agency Nursing shifts were utilised.

Key Analysis

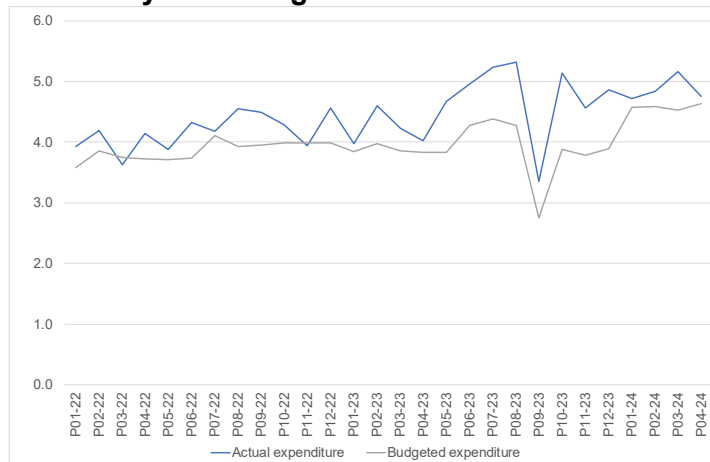
CHC



Continuing Health Care expenditure has increased by £0.3m in-month compared to last month.

During the month year to date inflationary increases in rate payments were made in respect of Free Nursing Care and the majority of Long-term care clients.

Secondary Care Drugs

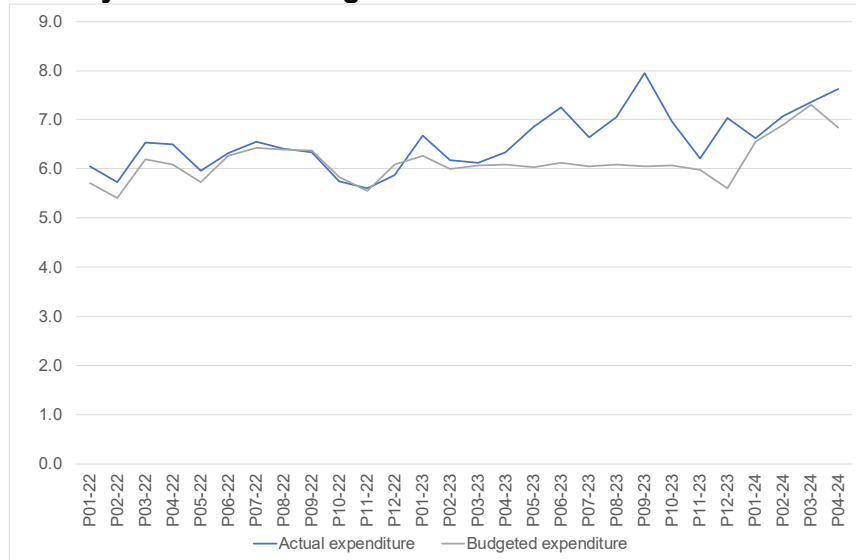


Secondary Care Drug expenditure has reduced by £0.4m in-month compared to last.

The reduction in spend is partially attributable to a reduction in the number of clinic days in July compared to June (From 22.5 to 21). Expenditure has also reduced in-month primarily in Oncology where less patients were seen than anticipated and also the cost of the patient treated was cheaper than the recent run rate.

Key Analysis

Primary Care Prescribing



Primary Care Prescribing costs have increased by £0.3m in-month compared to last.

Whilst Month 4 has less prescribing days than Month 3 (from 22.5 to 21), expenditure has increased this month due to the recognition of the modelling impact of the April data on the YTD position. Actual growth in the number of prescribed items was 2.2% compared to a plan level of 1.04% and the item price increased from £7.56 to £7.72.

Next Steps and Mitigating Actions

- 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.
- A Core Delivery Group (CDG) has been set up as a weekly forum. The focus of the CDG is to take real-time actions based on current best available information; and guide the operational delivery of savings to improve our run-rate. The CDG will also ensure governance is in place surrounding responsibilities, tracking benefits, delivering in line with agreed trajectories and managing risks and mitigations. Actions agreed to date are to:
 - cease travel & subsistence payments for agency workers for all newly booked shifts from 19th June;
 - ban HCSW Agency bookings from 19th June;
 - ban the use of off-contract agency providers outside of paediatric services (due to the clinical need); and
 - remove the specialist rates offered to on-contract providers in non-specialist areas for all newly booked shifts from 19th June, with existing arrangements terminating from 1st September.
- A Communications Cell has been set up to work closely with the CDG; the communications cell will translate the actions of the group into key messages for leaders and our community of staff. Starting with our leadership community, we will seek to engage our leaders as ambassadors of change and enlist their support in enabling the wider organisation to understand the challenge ahead and how individuals and teams can contribute to addressing it with similar energy and action seen during the early days of the pandemic.
- The financial forecast is subject to a regular review process, and the impact of required mitigations may be insufficient to address the risks which we are experiencing. This may result in the financial forecast being revised following decisions and governance arrangements being undertaken.
- Urgent operational actions are being considered to identify and resolve the issues preventing the delivery of identified savings schemes.
- Following a meeting with Welsh Government representatives in July, a Recovery Workshop was held with all Executive, Service and Finance Leads to escalate the scale and pace of the actions required. The focus of the Workshop was to identify how services could be maintained at a Health Board level targeting service sustainability under 3 scenarios. These scenarios were presented to the Board for review on 10th August where they were endorsed; further meetings will be held to develop plans at pace. Key considerations include further reductions in variable pay across a large number of services, reducing community beds and the emergency consolidation of the service provision in South Pembrokeshire due to RAAC.
- There will be a submission to Welsh Government on 11th August regarding further options to improve the financial trajectory which will require a response before being enacted.
- By our Month 6 submission the Board will have needed to assess the Health Board's ability to deliver its deficit Plan of £112.9m and report any revised assessment to Welsh Government.



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NHS
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Hywel Dda
University Health Board

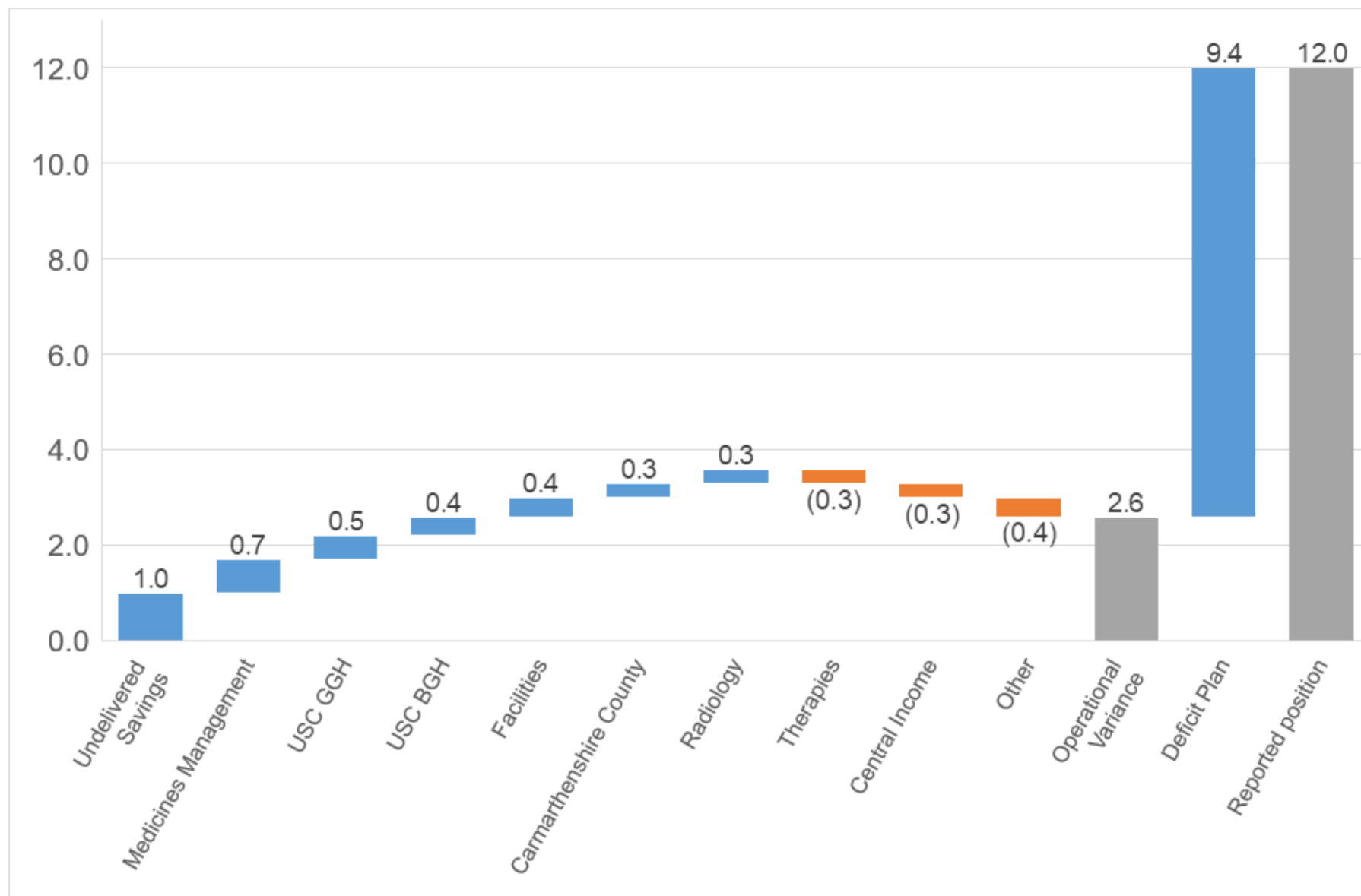
Month 4 2023/24 Financial Briefing Appendix

29th August 2023

Sustainable Resources Committee



Month 4 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

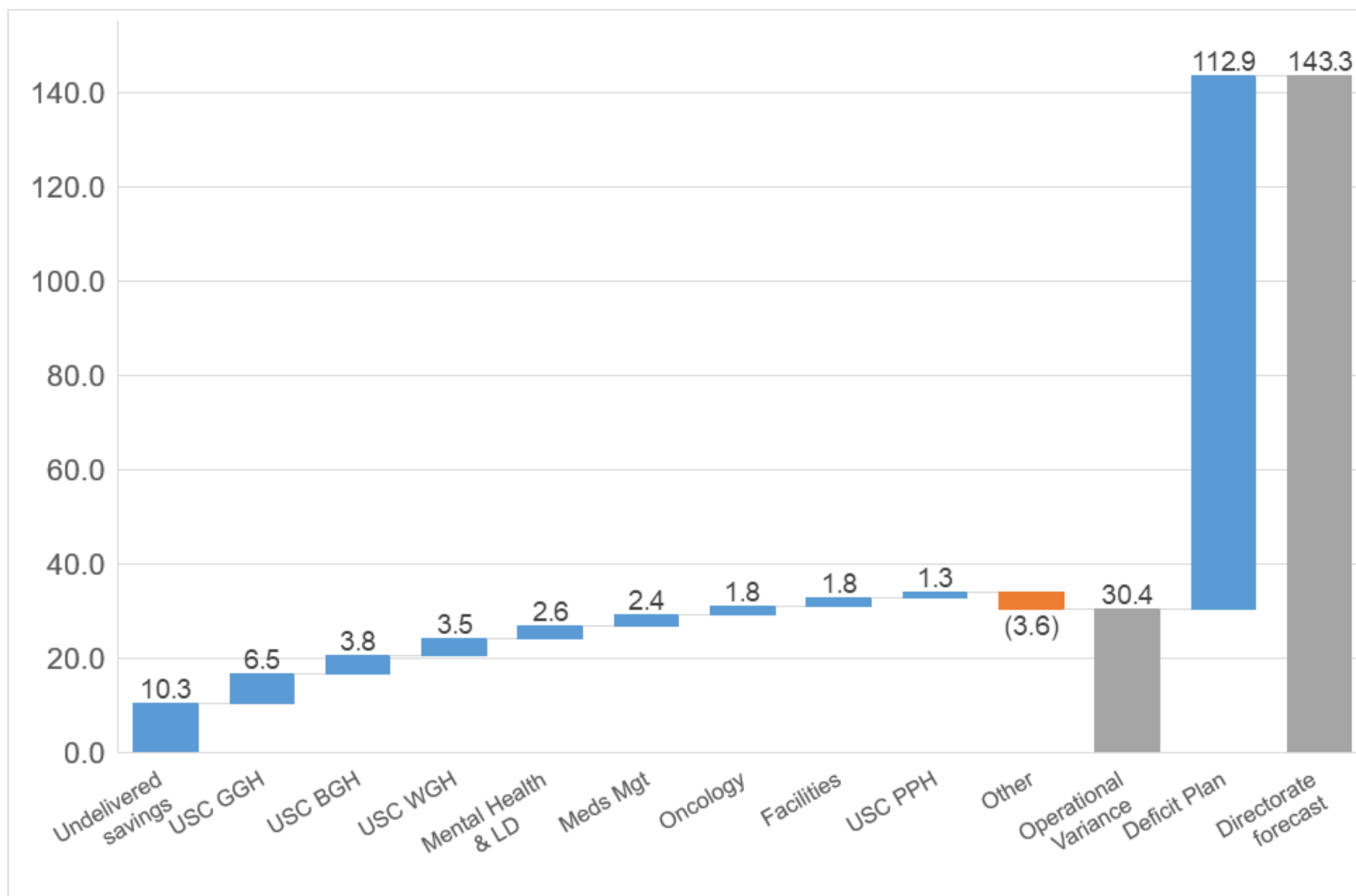
£0.3m was released to match costs in Month 4.

Month 4 EoY 2023/24: Key drivers (£'m)



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board



Identified savings: Risk adjusted performance against Plan

In-Year Plan £'000	Executive Owner designation	Target	Plan	Risk-adjusted forecast	Plan v Target	Forecast v Plan
Saving	Chief Executive	124	19	19	(105)	0
	Director of Finance	1,308	256	256	(1,052)	0
	Director of Nursing, Quality & Patient Experience	231	500	0	269	(500)
	Director of Operations	11,715	6,749	3,065	(4,966)	(3,684)
	Director of Primary Care, Community & Long Term Care	3,767	1,321	1,321	(2,446)	0
	Director of Public Health	111			(111)	0
	Director of Strategy and Planning	1,234			(1,234)	0
	Director of Therapies & Health Sciences	583	245	245	(338)	0
	Director of Workforce & Organisational Development	347			(347)	0
	Medical Director	79	79	79	0	0
Saving Total		19,500	9,169	4,985	(10,331)	(4,184)
Productivity	Director of Operations		7,056	6,993	7,056	(63)
Productivity Total			7,056	6,993	7,056	(63)
Run-rate reduction	Director of Operations		1,663	2,083	1,663	420
	Director of Primary Care, Community & Long Term Care		435	435	435	0
Run-rate reduction Total			2,098	2,518	2,098	420
Grand Total		19,500	18,324	14,497	(1,176)	(3,827)

The above table provides a summary of Savings schemes RAG rated as “Green” and “Amber”.

- Health Board Wide Family Liaison Officers scheme is not expected to generate any benefits this year;
- Planned Care Switch to Biosimilar for Wet AMD patients delivery higher than Plan;
- USC GGH under-delivery in relation to Nurse Stabilisation and part of TUEC;
- USC PPH under-delivery against part of TUEC.
- Mental Health under-delivery against a review of commissioning arrangements in relation to identified CHC packages.

Month 4 EoY 2023/24: Risks

Risks	£'m	RAG
MHLD: 17 new CHC packages expected	0.9	HL
Primary Care: Community Pharmacy prescription rate increased to offset underspend	0.9	HL
Oncology: 5% growth in drugs	0.6	HL
USC BGH: Risk to TUEC savings delivery (Winter)	0.5	HL
Primary Care: Cluster projects commence	0.3	HL
Other < £0.2m	0.4	HL
Total highly likely	3.6	

Risks	£'m	RAG
Meds Mgt: Growth increase above 2.2% and price increase in Cat M and baseline above April 23 price	1.2	L
MHLD: Under-delivery on CHC savings scheme	0.6	L
Oncology: 5-10% growth in drugs	0.6	L
GGH: Overseas Nursing	0.4	L
Therapies: Appointment to posts in Long COVID	0.5	L
Central: Apprenticeship Levy increase due to Pay Awards	0.3	L
Radiology: Recruitment of AHP staff	0.3	L

Risks	£'m	RAG
MHLD: Medical Locum increase	0.3	L
MHLD: Recruitment into WG funded schemes	0.3	L
MHLD: LD restructure recruitment	0.3	L
MHLD: RIF funded vacancies recruitment	0.3	L
Public Health: Recruitment to Substance Misuse	0.3	L
USC BGH: Recruitment 15WTE overseas nurses	0.2	L
USC BGH: Medical August rotation	0.2	L
W&C: Variable Pay RSV surge	0.2	L
Other < £0.2m	0.7	L
Total likely	6.7	
Total Risks	10.3	

Month 4 EoY 2023/24: Opportunities

Opportunities	£'m	RAG
LTA's: WHSSC Risk Share	(0.3)	HL
Other < £0.2m	(0.2)	HL
Total highly likely	(1.1)	
Meds Mgt: Growth decreases below 2.2%	(1.2)	L
USC BGH: Travel & accommodation cessation driving Nurse Agency reduction	(1.2)	L
Oncology: Reduction in SACT activity once backlog addressed	(0.3)	L
USC BGH: Switch of Nurse shifts to bank/overtime	(0.3)	L
Facilities: NWSSP Energy rebate, timing unknown	(0.2)	L
Radiology: Reduced outsourcing due to recruitment	(0.2)	L
Other < £0.2m	(0.3)	L
Total likely	(3.7)	
Total Opportunities	(4.8)	