



**PWYLLGOR ADNODDAU CYNALIADWY**  
**SUSTAINABLE RESOURCES COMMITTEE**

<b>DYDDIAD Y CYFARFOD:</b> <b>DATE OF MEETING:</b>	30 April 2024
<b>TEITL YR ADRODDIAD:</b> <b>TITLE OF REPORT:</b>	Financial Report – Month 12 2023/24
<b>CYFARWYDDWR ARWEINIOL:</b> <b>LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD:</b> <b>REPORTING OFFICER:</b>	Andrew Spratt, Deputy Director of Finance

**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 draft unaudited end-of-year financial position against the Annual Plan.

**Cefndir / Background**

The Month 12 financial position is an overspend of £3.6m, which is made up of a £1.1m improvement against the planned deficit.

The Health Board's target Control Total from Welsh Government (WG) is to deliver a deficit of £44.8m, after savings of £30.8m. The Health Board's Unaudited end-of-year reported outturn is a £65.8m deficit.

The key drivers are detailed in the Financial Performance report (Appendix 1).

**Asesiad / Assessment**

**Revenue**

The Health Board was unable to deliver the target Control Total and the Health Board's end-of-year deficit position is £65.8m. Work is progressing as part of the 2024/25 planning cycle to mitigate the increased cost base. All year-end numbers are draft, pending finalisation of the audited financial accounts by Audit Wales.

The original £19.5m plan requirement has now been achieved. Of the additional £11.3m target Control Total, £7.4m were identified, unfortunately they were not able to be converted into credible and deliverable schemes.

## Risks and Opportunities

Driver	Prior month End of Year forecast to breakeven	Unaudited End of Year to breakeven	Movement in Forecast
Target Control Total	44.8	44.8	0.0
Operational variation	5.4	5.2	(0.2)
Under / (Over) delivery against identified savings schemes	4.5	4.6	1.0
Unidentified savings gap	11.3	11.2	(1.0)
Gross Position	66.0	65.8	(0.2)
Mitigating actions required	Gap of (21.2)	Gap of (21.0)	0.0
Unaudited Reported Net Position	66.0		(0.2)

<b>Revenue</b>	The Health Board was unable to deliver the target Control Total and the Health Board's end of year deficit position is £65.8m. Work is progressing as part of the 2024/25 planning cycle to mitigate the increased cost base.
<b>Cash</b>	The Health Board was able to maintain a balanced cash position through close management of the strategic cash and increased working capital balances. A consequential risk of this strategy could result in failure to achieve Public Sector Payment Performance (PSPP) target next year. Although we achieved the cumulative PSPP for the financial year 2023/24, we saw a marked deterioration in the PSPP target for the month of March 2024 as a consequence of the cash management actions.
<b>Savings</b>	The original £19.5m plan requirement has now been achieved. Of the additional £11.3m target control total, £7.4m were identified, unfortunately they were not able to be converted into credible and deliverable schemes.
<b>Capital</b>	WG increased the Capital Resource Limit (CRL) and a slight underspend of £32k has been reported.
<b>Underlying deficit</b>	As part of the 2024/25 Planning cycle the reported underlying deficit has undergone an assessment of how the in-year operational variation will impact future years, including the recurrent gap within savings plans.

## Accountability Letter

The Chief Executive has written to delegated executive officers to delegate the budget that was approved in the Board meeting on 28 March 2024. A copy of the letter is attached as appendix 2. An update report on the status of returns by the 15 May 2024 deadline will be made available in the next Sustainable Resources Committee meeting.

- **Appendix 1:** the Financial Performance Report
- **Appendix 2:** Budget Accountability Letter

## Argymhelliad / Recommendation

The Committee is asked to:

- **NOTE** and **DISCUSS** the financial position as at Month 12.
- **SCRUTINISE** the areas that are exceeding their financial responsibilities and **AGREE** any work schedules for further meetings to provide deep dives.
- **NOTE** the cash management update.
- **NOTE** the Accountability Letter for 2024/25 delegated budgets.

### 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:	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
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

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Monitoring returns to Welsh Government based on HDdUHB's financial reporting system.
Rhestr Termau: Glossary of Terms:	BGH – Bronglais Hospital CHC – Continuing Healthcare FDU – Finance Delivery Unit FNC – Funded Nursing Care FYE – Full Year Effect GGH – Glangwili Hospital GMS – General Medical Services MHLD – Mental Health & Learning Disabilities NICE – National Institute for Health and Care Excellence OCP – Organisational Change Policy/Process OOH – Out of Hours PPH – Prince Philip Hospital PSPP – Public Sector Payment Policy RTT – Referral to Treatment Time T&O – Trauma and Orthopaedics TTP – Test, Trace, Protect WG – Welsh Government WGH – Withybush Hospital WRP – Welsh Risk Pool 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) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Financial implications are inherent within the report.
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	The impact on patient care is assessed within the savings schemes.
<b>Gweithlu: Workforce:</b>	The report considers the financial implications of our workforce.

<b>Risg: Risk:</b>	Financial risks are detailed in the report.
<b>Cyfreithiol: 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: Reputational:</b>	Adverse variance against HDdUHB's financial plan will affect its reputation with Welsh Government, Audit Wales, and with external stakeholders.
<b>Gyfrinachedd: Privacy:</b>	Not Applicable
<b>Cydraddoldeb: Equality:</b>	Not Applicable









# Financial Performance Report

Month 12 2023/24 (Unaudited)

March 2024

**Sustainable Resources  
Committee**

# Contents

	Executive Summary.....	3
	Key Performance Indicators.....	6
	Savings Performance.....	7
	In-Month Revenue Position.....	8
	YTD Revenue Position.....	10
	End of Year Forecast Revenue Position.....	12
	Key Analysis.....	15
	Next Steps and Mitigating Actions.....	20

Executive Summary (1 of 3)

The Health Board’s Target Control Total from Welsh Government (WG) is to deliver a deficit of £44.8m, after savings of £30.8m. The Health Board’s draft End of Year reported outturn is £65.8m. Year-end figures are subject to audit and could change, therefore are not yet final.

Financial Management	The Health Board’s end of year position is a £65.8m deficit. The Month 12 financial position is an overspend of £3.6m, which is made up of a £1.1m improvement against the planned deficit; the key drivers are summarised below, including the current end of year (EoY) position. The original planned saving requirement of £19.5m is over identified, before the additional £11.3m target control total was issued.			
Key Measures (Risk rating - Impact x Likelihood)	Revenue	Risk #1642 5 x 5 = 25	The Health Board was unable to deliver the target control total and the Health Board's end of year deficit position is £65.8m. Work is progressing as part of the 2024/25 planning cycle to mitigate the increased cost base into the new financial year.	
	Cash		The Health Board was able to maintain a balanced cash position through close management of the strategic cash and increased working capital balances. A consequential risk of this strategy could result in failure to achieve Public Sector Payment performance target next year. Although we achieved the cumulative PSPP for the financial year 2023/24, we saw a marked deterioration in the PSPP target for the month of March 2024 as a consequence of the cash management actions.	
	Savings		The original £19.5m plan requirement has now been achieved with identification of sufficient plans for delivery, exceeding the requirement by £0.1m. Of the additional £11.3m target control total, £7.4m were identified, however they were not able to be converted into credible and deliverable schemes.	
	Capital	Risk #1707 2 x 4 = 8	Welsh Government increased the Capital Resource Limit (CRL) and a small underspend of £32k has been reported.	
	Underlying Deficit	Risk #1199 5 x 5 = 25	As part of the 2024/25 Planning cycle the reported underlying deficit has undergone an assessment of how the in-year operational variation will impact future years, including the recurrent gap within savings plans.	



## Executive Summary (2 of 3)

### Key movements in forecast (£'m)

The original £19.5m plan requirement has now been achieved. Of the additional £11.3m target control total, £4.6m were identified, however, they were not able to be converted into credible and deliverable schemes.

Driver	Prior month End of Year forecast to breakeven	Unaudited End of Year to breakeven	Movement in Forecast
Target Control Total	44.8	44.8	0.0
Operational variation	5.4	5.2	(0.2)
Under / (Over) delivery against identified savings schemes	4.5	4.6	0.1
Unidentified savings gap	11.3	11.2	(0.1)
Gross Position	66.0	65.8	(0.2)
Mitigating actions required	Gap of (21.2)	Gap of (21.0)	0.0
Unaudited Reported Net Position	66.0	65.8	(0.2)

### Monthly Actual Expenditure Run-Rate (£'m)

The revenue run-rate has not delivered the Target Control Total of £44.8m



### Key breakdown of movements (£'m)

The following three breakdowns are included to highlight the key elements within the operational forecast or savings delivery and identification, that have moved from the prior month forecast. Negative values denote improvements.

Operational Variation	Change
Facilities Waste & Boiler Inspection Costs	0.6
Corporate Directorate Non Pay Contract Reductions	(0.4)
Primary Care Dental Contract Underperformance Recovery	(0.4)
Total	(0.2)

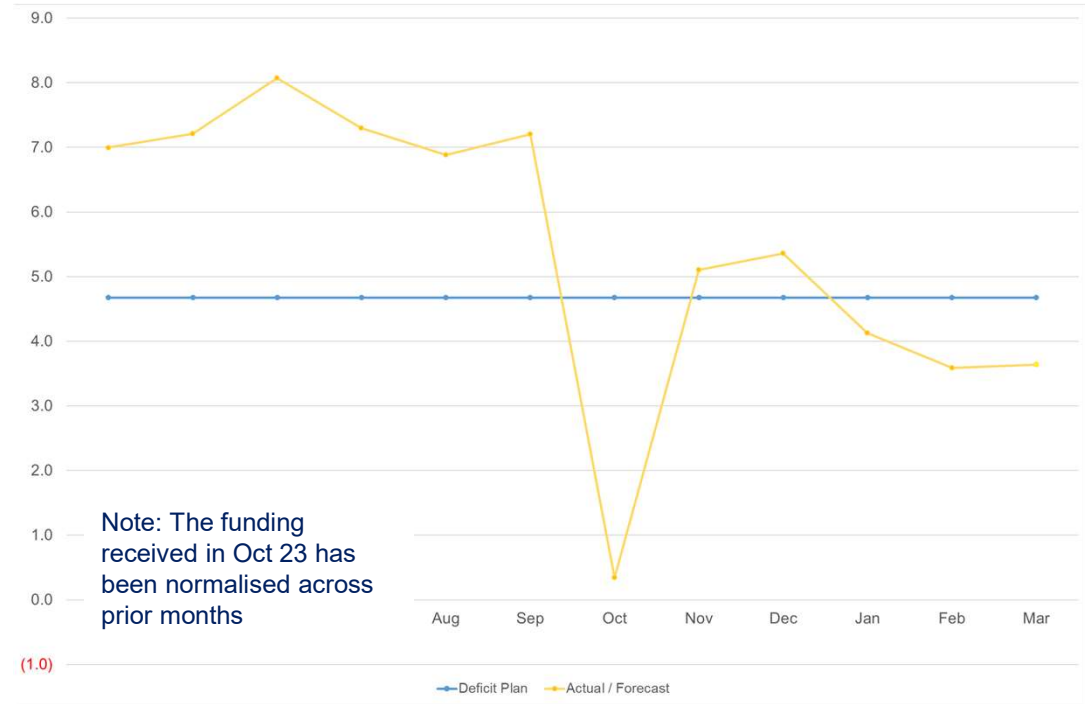
Under / (Over) delivery against identified savings schemes	Change
Under-delivery against MH CHC Scheme	0.1
Total	0.1

Unidentified savings gap	Change
£0.1m over original £19.5m plan recognised against control total £11.3m	(0.1)
Total	(0.1)

Executive Summary (3 of 3)

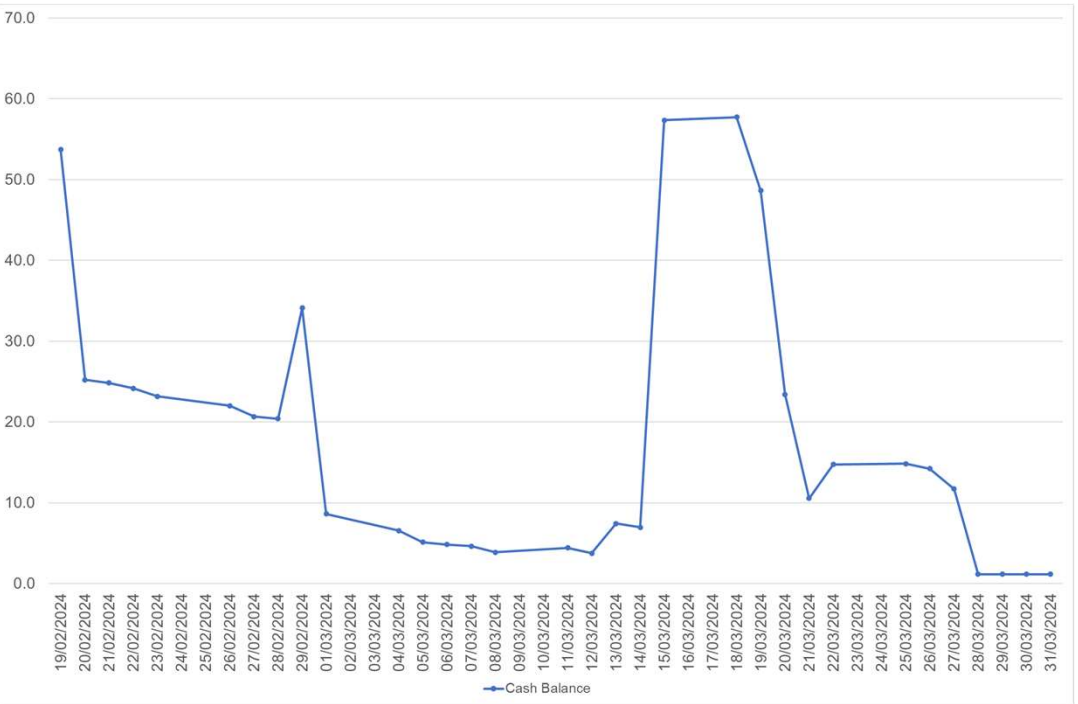
Unaudited Revenue Deficit Result (£'m)

In conclusion to the March assessment the Health Board’s risks and opportunities, the target control total £44.8m has not been met. The final outturn for the year is £65.8m. For the fourth quarter of the year, the run rate was under the planned budget, highlighting improvements on the first three quarters of the year.



Cash Deficit Trajectory (£'m)

The Health Board was able to maintain a balanced cash position through close management of the strategic cash and increased working capital balances. A consequential risk of this strategy could result in failure to achieve Public Sector Payment performance target next year. Although we achieved the cumulative PSPP for the financial year 2023/24, we saw a marked deterioration in the PSPP target for the month of March 2024 as a consequence of the cash management actions.



# Key Performance Indicators



EoY Position

● £65.8m

Revised Plan: £56.1m



Gross Forecast Outturn

● £65.8m

Target Control Total: £44.8m  
Revised Plan: £56.1m



Savings Delivery

● £15.0m

77% against identified Plans



Savings Identification

● £19.6m

Plan: 101% of required £19.5m  
Prior Month: £19.6m  
Note: excludes £11.3m target control total



EoY Capital

● £47.8m

£0.0m deviation to EoY Plan



2024/25 Draft Underlying Financial Plan

● £96.4m

Target Control Total £44.8m



Total Pay

● £603.0m

Prior Month: £601.1m



Agency / Premium Locum

● £33.1m

Prior Month: £32.6m



Primary Care Prescribing

● £89.6m

Plan: £89.2m  
Prior Month: £89.7m



Cash Consequences

● £0.0m

EoY Balanced Cash Position



Secondary Care Drugs

● £64.5m

Plan: £54.2m  
Prior Month: £62.7



Energy

● £12.2m

Plan: £14.7m  
Prior Month: £12.2m

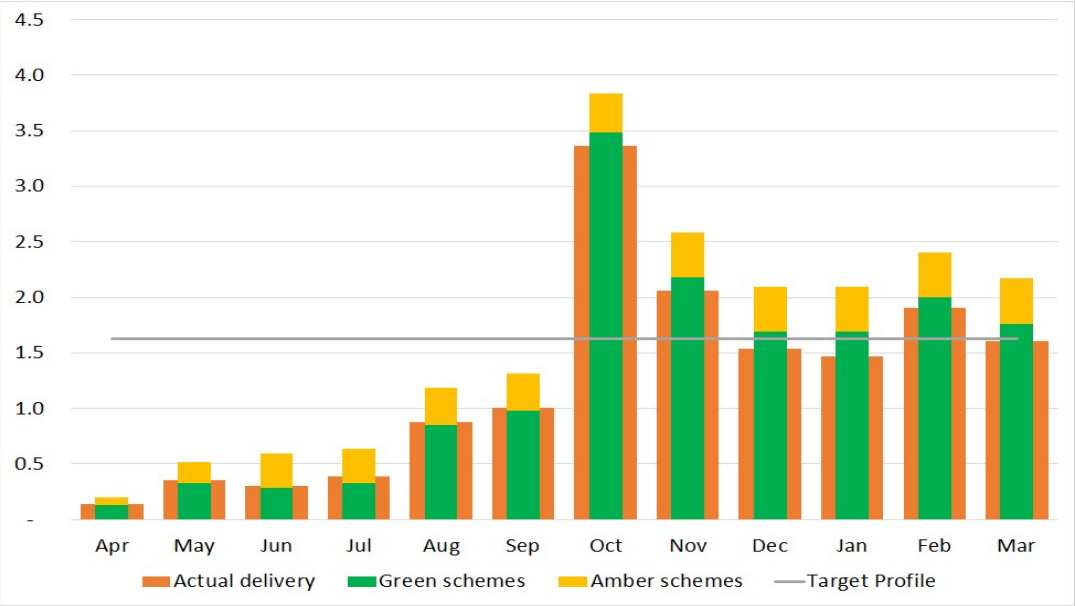
# Savings Performance (assessed against the original Annual Plan of £19.5m, therefore excluding Control Total Target of £11.3m)

## Risk-assessed directorate profiled savings performance (£'m)

The original savings target of £19.5m has now been identified. Of the identified schemes, 70% are recurrent, and of their planned value of £13.2m Directorates have achieved £8.6m – this highlights significant risk going into 2024/25.

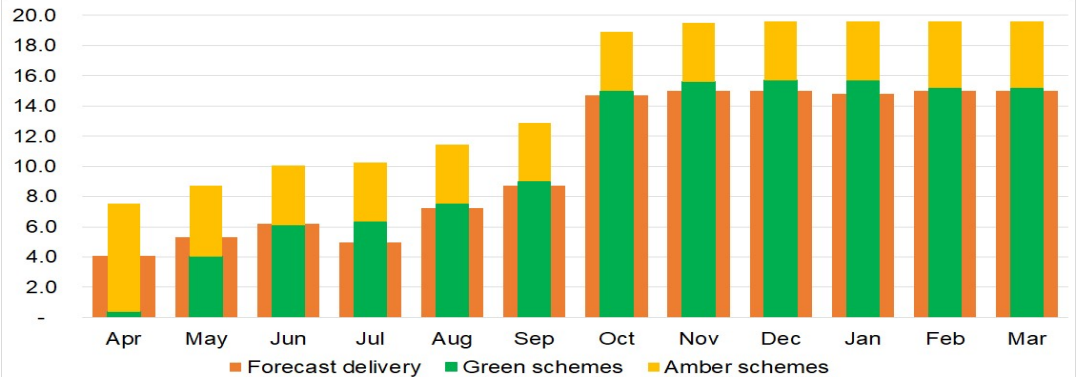
A live Power Bi Savings Tracker is presented to the Executive Team via the Core Delivery Group to retain sufficient strategic focus on key deliverables; the delivery of identified savings schemes and conversion of opportunities into deliverable plans is a priority.

The Opportunities Framework presents a significant range and size of opportunities to identify the additional £11.3m, of which £4.6m were identified, unfortunately they were not able to be converted into credible and deliverable schemes.



## Monthly End of Year progress for identified and risk-assessed savings delivery (£'m)

Since Month 10, no additional schemes have been identified.



## Savings identification and performance against target and planned benefits (£'m)

The delivery of identified schemes was £15.0m, of which £4.5m of plans were under-delivered.

Performance against Target and Plan (£'m)	Executive Owner designation	Target	Plan	Delivery	Plan v Target (+ve = adverse)	Delivery v Plan (+ve = adverse)	Delivery v Target (+ve = adverse)
Saving	Chief Executive	0.1	0.2	0.2	(0.1)	0.0	(0.1)
	Director of Finance	1.3	0.5	0.5	0.8	0.0	0.8
	Director of Nursing, Quality & Patient Experience	0.2	0.6	0.1	(0.3)	0.5	0.2
	Director of Operations	11.7	14.4	10.3	(2.7)	4.1	1.4
	Director of Primary Care, Community & Long Term Care	3.8	2.0	2.0	1.7	0.0	1.7
	Director of Public Health	0.1			0.1	0.0	0.1
	Director of Strategy and Planning	1.2	0.6	0.6	0.7	0.0	0.7
	Director of Therapies & Health Sciences	0.6	0.2	0.2	0.3	0.0	0.3
	Director of Workforce & Organisational Development	0.3	0.8	0.8	(0.4)	0.0	(0.4)
	Medical Director	0.1	0.3	0.3	(0.3)	0.0	(0.3)
Saving Total		19.5	19.6	15.0	(0.1)	4.6	4.5

# In-Month Actual Revenue Position

The below table shows the key thematic drivers of the in-month deficit position; the following slide presents the financial cost categories by the respective Delegated Officer.

Theme	£'m	£'m	Operational Driver comments
Planned Deficit	4.7		
Under / (over) performing savings schemes	0.6	0.1	USC GGH under-delivery in relation to Nurse Stabilisation and MHLD CHC scheme. The under-delivery has been partially offset by a switch to Biosimilar for Wet AMD patients in Planned Care
Identified savings schemes	(0.5)		Over-identification of savings schemes in-month compared to 1/12th full-year target, due to the profiling of savings schemes being identified throughout the year.
Medical Locum & Over Establishment	1.1	(1.2)	Continuing trends with medical ad-hoc hours to cover vacancies, maternity & sickness, additional shadowing of shifts and incorporating Industrial Action catch up costs across Directorates.
Nurse Agency & Over Establishment	1.0		Continuing agency, bank and overtime within Nursing & Midwifery across Directorates.
Women & Children Continuing Healthcare	0.6		Costs in recognition of Local Authority jointly liable care package.
Primary Care Prescribing	(1.0)		The Primary Care Drugs Cost average cost per item of £7.55 for November to January. Item Growth at 0.00% vs FY23. Additional improvement due to Q3 & Q4 for Freestyle Libre.
Non-Pay Contract Reviews	(1.0)		Contract reviews across Corporate Directorates
Primary Care	(0.7)		Dental contract gross recoveries due to contract underperformance
Vacancies	(0.6)		High level of vacancies across Allied Healthcare and admin particularly in Therapies, Public Health & Workforce
Income Overachievement	(0.6)		Overachievement of income across various Directorates, including Mental Health, Planned Care and Medical
Operational variance	(1.1)		
Reported in-month position	3.6		

# 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 AND CLINICAL SUPPORT	CLINICAL SERVICES AND SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS AND PRESCRIBING	OTHER NON-PAY		
CENTRAL INCOME	-	-	-	-	-	-	-	-	75	75
CHIEF EXECUTIVE	(11)	-	-	-	-	9	-	(34)	(16)	(52)
DIRECTOR OF FINANCE	(55)	7	4	(1)	-	74	-	275	(125)	179
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(374)	8	(5)	18	6	38	-	(50)	146	(214)
DIRECTOR OF OPERATIONS	(220)	133	1,423	1,071	325	1,271	493	1,719	(1,271)	4,944
ASST DIR OPS QUALITY & NURSING	(8)	(2)	-	(5)	(5)	-	(0)	34	-	14
FACILITIES	(55)	0	-	(7)	(1)	4	0	856	(541)	256
MENTAL HEALTH & LEARNING DISABILITIES	(125)	(91)	41	(143)	12	361	8	104	(182)	(15)
ONCOLOGY & CANCER SERVICES	3	6	(25)	35	17	(28)	183	3	(3)	191
OPERATIONS DIR MANAGEMENT	(62)	1	37	(54)	(5)	(3)	3	408	(144)	182
PATHOLOGY	(8)	55	(9)	(0)	92	5	52	91	(54)	224
PLANNED CARE	8	184	(26)	266	(104)	119	36	69	(82)	470
RADIOLOGY	1	(65)	7	17	44	43	(4)	7	(3)	47
UNSCHEDULED CARE BRONGLAIS	1	(14)	367	50	27	5	11	14	(5)	456
UNSCHEDULED CARE GLANGWILI	7	20	268	630	(29)	52	128	7	0	1,083
UNSCHEDULED CARE PRINCE PHILIP	(1)	(3)	209	127	163	60	52	9	(31)	586
UNSCHEDULED CARE WITHYBUSH	(9)	39	345	44	19	6	88	43	(121)	453
WOMEN & CHILDREN	28	2	210	112	94	647	(64)	72	(105)	997
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	35	49	306	93	484	(1,247)	(946)	(559)	(309)	(2,094)
CARMARTHENSHIRE COUNTY	25	1	(3)	62	19	(35)	4	20	(209)	(117)
CEREDIGION COUNTY	1	(4)	(1)	17	31	(35)	3	(43)	(44)	(74)
PEMBROKESHIRE COUNTY	(15)	(3)	(5)	(50)	96	(343)	1	59	124	(136)
MEDICINES MANAGEMENT	20	(36)	-	11	45	16	(722)	(22)	(263)	(951)
PRIMARY CARE	(2)	93	312	32	(36)	(888)	(232)	(74)	135	(659)
PRIMARY CARE MANAGEMENT	6	(3)	3	21	329	38	-	(499)	(52)	(157)
DIRECTOR OF PUBLIC HEALTH	(61)	(1)	2	(84)	1	(4)	112	62	(115)	(87)
DIRECTOR OF STRATEGY AND PLANNING	(36)	1	(2)	-	-	0	-	(154)	(49)	(239)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	5	(78)	(2)	(2)	45	15	(1)	26	(61)	(52)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(154)	(22)	(67)	(206)	(17)	(216)	(10)	351	(68)	(409)
EXECUTIVE MEDICAL DIRECTOR	30	26	31	7	3	-	0	(476)	(143)	(521)
HEALTH BOARD FINANCING	15	-	325	128	176	(517)	1,366	(3,349)	(127)	(1,983)
LTA'S WITH OTHER NHS PROVIDERS	9	-	-	-	(13)	(74)	0	(1)	-	(78)
DEFICIT RECOGNISED IN THE PLAN	56	89	1,811	3,170	45	-	44	(539)	-	4,676
UNIDENTIFIED SAVINGS GAP	-	-	-	-	-	-	-	(507)	-	(507)
Grand Total	(761)	210	3,826	4,194	1,055	(649)	1,058	(3,235)	(2,063)	3,636

## End of Year (EoY) Revenue Position

The below table shows the key thematic drivers of the EoY deficit position; the following slide presents the financial cost categories by the respective Delegated Officer.

Theme	£'m	£'m	Operational Driver Comments
<b>Planned Deficit</b>	<b>56.1</b>		
Underperforming savings schemes	4.6	<b>4.5</b>	USC GGH under-delivery in relation to Nurse Stabilisation and MHL D CHC scheme. The under-delivery has been offset by a switch to Biosimilar for Wet AMD patients in Planned Care
Identified savings schemes	(0.1)		Savings schemes identified over and above the original savings target of £19.5m
Nurse Agency	5.5	<b>5.2</b>	Increased Agency rates of pay and fill rates
Medical Locum	5.0		Premium rates paid across Directorates over and above the Health Board rate Card. Additional expenditure also incurred to cover roster vacancies, sickness/ annual leave across sites and industrial action.
Continuing Healthcare	3.7		Overspend driven by additional growth, patient acuity and price inflation in MH&LD and a high cost CHC package in W&C
Vacancies MHL D & Other	(3.9)		High level of vacancies across Allied Healthcare and admin particularly in Therapies, Public Health & Workforce
Primary Care	(2.1)		Dental underspends driven by contract underperformance recovery, offset by overspend on managed practices.
Long Term Agreements (LTA)	(0.9)		WHSCC risk share reduction to spend as a result of slippage to in year developments offset by increased patient activity with Swansea Bay.
Primary Care Prescribing	(0.8)		The Primary Care Drugs Cost average cost per item of £7.80 for 4 April to September 2023. The average price from October onwards is £7.55 to reflect the most recent published data with item growth at 1.05% for FY24.
Other Non-Pay	(0.8)		Contract reviews across Corporate Directorates
Income Overachievement	(0.5)		Overachievement of income across various Directorates, including Mental Health, Planned Care and Medical
<b>Operational variance</b>	<b>9.7</b>		
<b>EoY Position</b>	<b>65.8</b>		

## End of Year (EoY) 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 AND CLINICAL SUPPORT	CLINICAL SERVICES AND SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS AND PRESCRIBING	OTHER NON-PAY		
CENTRAL INCOME	-	-	-	-	-	-	-	-	(926)	(926)
CHIEF EXECUTIVE	(204)	0	-	-	1	84	-	111	(108)	(116)
DIRECTOR OF FINANCE	(325)	82	(37)	0	-	(718)	0	2,044	(643)	403
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(514)	51	(50)	34	40	175	0	337	(4)	69
DIRECTOR OF OPERATIONS	(478)	(938)	7,952	4,582	514	5,466	3,211	4,545	(5,001)	19,853
ASST DIR OPS QUALITY & NURSING	(64)	(19)	-	(93)	(78)	-	(0)	27	-	(227)
FACILITIES	(358)	1	-	(64)	29	10	5	2,653	(1,743)	532
MENTAL HEALTH & LEARNING DISABILITIES	(409)	(1,525)	502	(3,318)	140	3,816	184	261	(841)	(1,190)
ONCOLOGY & CANCER SERVICES	69	31	(301)	202	117	(37)	1,168	15	(31)	1,233
OPERATIONS DIR MANAGEMENT	(209)	(99)	(220)	(515)	(28)	(70)	43	(27)	(230)	(1,355)
PATHOLOGY	(102)	284	(43)	5	465	357	55	21	(374)	668
PLANNED CARE	(23)	130	521	(537)	(988)	504	(297)	524	(612)	(778)
RADIOLOGY	(34)	79	162	134	247	156	(89)	48	(178)	526
UNSCHEDULED CARE BRONGLAIS	159	(108)	3,112	1,291	153	11	114	119	(107)	4,744
UNSCHEDULED CARE GLANGWILI	187	44	949	6,030	(66)	47	961	28	(6)	8,174
UNSCHEDULED CARE PRINCE PHILIP	49	(48)	1,033	522	269	62	263	186	(96)	2,240
UNSCHEDULED CARE WITHYBUSH	(50)	216	936	535	147	40	834	214	(452)	2,420
WOMEN & CHILDREN	306	77	1,301	391	108	569	(31)	475	(330)	2,867
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	230	482	2,317	370	852	(8,064)	26	214	396	(3,177)
CARMARTHENSHIRE COUNTY	126	25	(40)	750	159	(489)	31	163	(209)	515
CEREDIGION COUNTY	22	(23)	(31)	117	128	(205)	53	(104)	(111)	(153)
PEMBROKESHIRE COUNTY	(45)	(29)	(68)	(785)	379	(890)	36	414	422	(566)
MEDICINES MANAGEMENT	60	(354)	-	150	182	149	(24)	122	(973)	(687)
PRIMARY CARE	155	886	2,422	(133)	131	(6,932)	(70)	(64)	1,343	(2,263)
PRIMARY CARE MANAGEMENT	(88)	(23)	34	270	(127)	303	-	(316)	(76)	(23)
DIRECTOR OF PUBLIC HEALTH	(218)	(42)	(83)	(451)	2	(147)	297	29	(466)	(1,078)
DIRECTOR OF STRATEGY AND PLANNING	(176)	6	17	-	0	5	-	(436)	(188)	(773)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	121	(1,285)	(25)	(49)	116	39	(26)	246	(584)	(1,447)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(1,452)	(128)	(688)	(1,672)	33	142	(19)	2,678	(755)	(1,860)
EXECUTIVE MEDICAL DIRECTOR	285	263	364	155	53	-	1	(1,350)	(970)	(1,199)
HEALTH BOARD FINANCING	229	-	326	(3)	193	(4,686)	1,817	4,028	(678)	1,225
LTA'S WITH OTHER NHS PROVIDERS	115	-	-	-	(160)	(1,056)	0	(6)	(17)	(1,123)
DEFICIT RECOGNISED IN THE PLAN	677	1,065	21,725	38,033	539	-	526	(6,465)	-	56,100
UNIDENTIFIED SAVINGS GAP	-	-	-	-	-	-	-	(138)	-	(138)
Grand Total	(1,710)	(444)	31,817	41,000	2,183	(8,759)	5,835	5,837	(9,943)	65,815

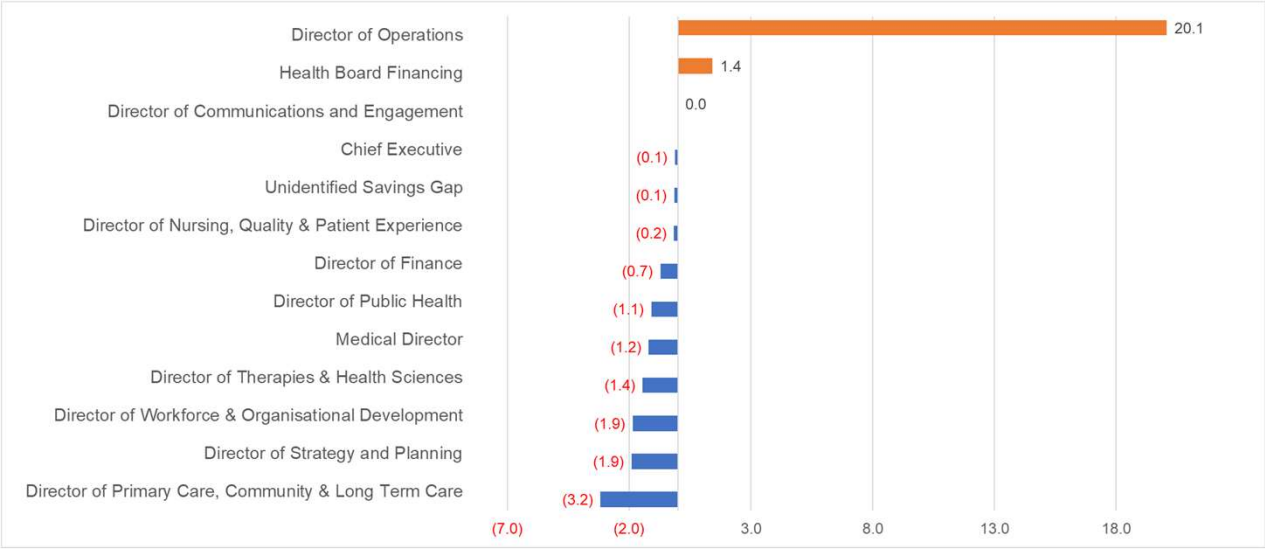


## End of Year (EoY) Gross Revenue Position – Deviation to Forecast (£'000)

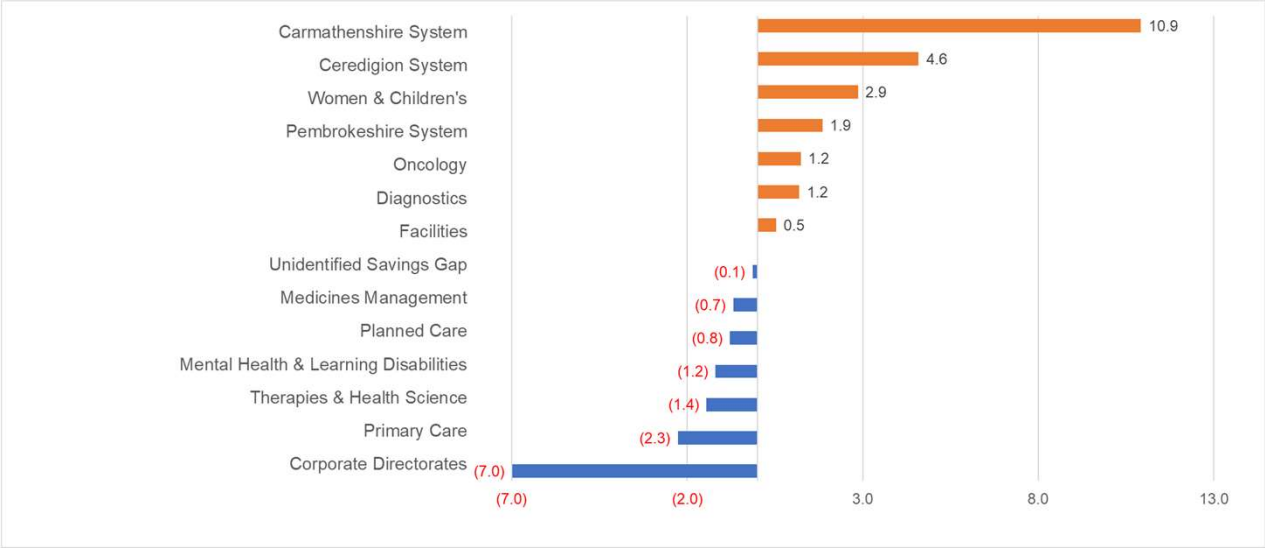
DIRECTORATE	PAY				NON PAY				INCOME	GRAND TOTAL
	ADMINISTRATION AND ESTATES	ALLIED HEALTH, SCIENTISTS AND OTHER	MEDICAL AND DENTAL	NURSING AND CLINICAL SUPPORT	CLINICAL SERVICES AND SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS AND PRESCRIBING	OTHER NON-PAY		
CENTRAL INCOME	-	-	-	-	-	-	-	-	116	116
CHIEF EXECUTIVE	5	-	-	-	-	8	-	(19)	(12)	(17)
DIRECTOR OF FINANCE	(112)	(0)	(7)	(1)	-	424	-	31	5	339
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(363)	6	-	(64)	(24)	38	-	353	89	35
DIRECTOR OF OPERATIONS	(207)	242	(101)	552	261	716	(8)	2,562	(2,007)	2,011
ASST DIR OPS QUALITY & NURSING	-	1	-	(5)	(9)	-	-	6	-	(6)
FACILITIES	27	0	-	0	1	10	0	2,433	(1,743)	728
MENTAL HEALTH & LEARNING DISABILITIES	16	3	3	(19)	2	80	(8)	89	88	255
ONCOLOGY & CANCER SERVICES	(0)	1	3	10	8	(29)	18	2	1	13
OPERATIONS DIR MANAGEMENT	(114)	(10)	48	(2)	(28)	204	1	(212)	(108)	(222)
PATHOLOGY	(1)	17	9	0	86	(37)	21	94	(57)	133
PLANNED CARE	(111)	260	(349)	512	39	83	82	74	(43)	546
RADIOLOGY	3	(50)	(6)	12	60	40	(3)	1	5	62
UNSCHEDULED CARE BRONGLAIS	(6)	0	(12)	(132)	16	5	(28)	9	(1)	(149)
UNSCHEDULED CARE GLANGWILI	(4)	15	44	43	(41)	51	16	(8)	30	146
UNSCHEDULED CARE PRINCE PHILIP	(4)	(0)	(102)	73	79	59	(48)	(5)	(14)	37
UNSCHEDULED CARE WITBYBUSH	(6)	9	134	7	2	4	8	24	(81)	101
WOMEN & CHILDREN	(7)	(4)	127	53	45	245	(67)	54	(82)	366
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	42	0	108	46	124	(995)	(20)	155	(437)	(977)
CARMARTHENSHIRE COUNTY	25	(3)	2	(13)	(2)	(326)	(1)	388	(216)	(145)
CEREDIGION COUNTY	1	(1)	(0)	12	23	(43)	(2)	(4)	(43)	(56)
PEMBROKESHIRE COUNTY	(5)	(0)	(13)	9	65	(588)	1	294	100	(138)
MEDICINES MANAGEMENT	17	(5)	-	(12)	23	9	38	(37)	(231)	(197)
PRIMARY CARE	(2)	10	114	54	(13)	(348)	(56)	(177)	5	(414)
PRIMARY CARE MANAGEMENT	6	(1)	4	(4)	28	301	-	(310)	(52)	(27)
DIRECTOR OF PUBLIC HEALTH	(0)	(4)	0	20	1	(11)	92	81	(92)	87
DIRECTOR OF STRATEGY AND PLANNING	(49)	(0)	(2)	-	-	0	-	(187)	(50)	(288)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	3	25	-	(9)	35	25	2	21	(18)	84
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(93)	0	(3)	(21)	(20)	(421)	(11)	117	(32)	(483)
EXECUTIVE MEDICAL DIRECTOR	5	397	(213)	(2)	3	-	0	(747)	(138)	(697)
HEALTH BOARD FINANCING	(2)	-	325	128	178	(2,945)	1,366	926	(117)	(140)
LTA'S WITH OTHER NHS PROVIDERS	0	-	-	-	(1)	(254)	-	0	-	(256)
DEFICIT RECOGNISED IN THE PLAN	-	-	-	-	-	-	-	-	-	-
UNIDENTIFIED SAVINGS GAP	-	-	-	-	-	-	-	0	-	0
Grand Total	(771)	666	108	648	558	(3,415)	1,422	3,292	(2,692)	(185)

# End of Year Summary Financial Performance by Portfolio (£'m)

## Delegated Officer Performance



## Service Portfolio Performance

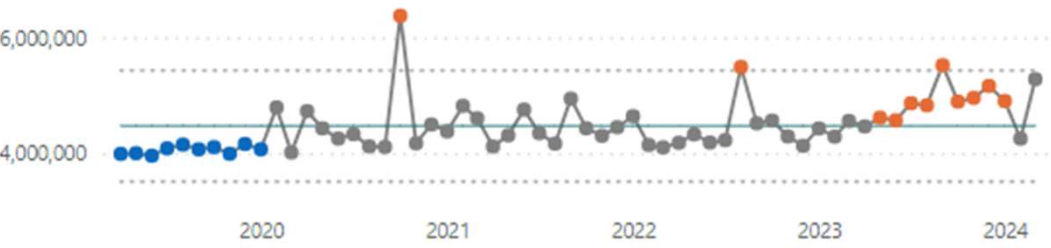


# Key Analysis (1 of 5)

## Continuing Healthcare expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £3,513,971 and £5,434,416

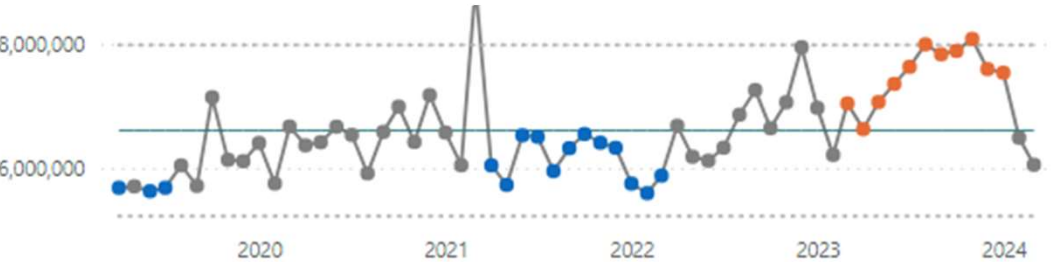


In month increase to Continuing Healthcare package in Women & Children

## Primary Care Prescribing expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £5,229,735 and £7,984,711

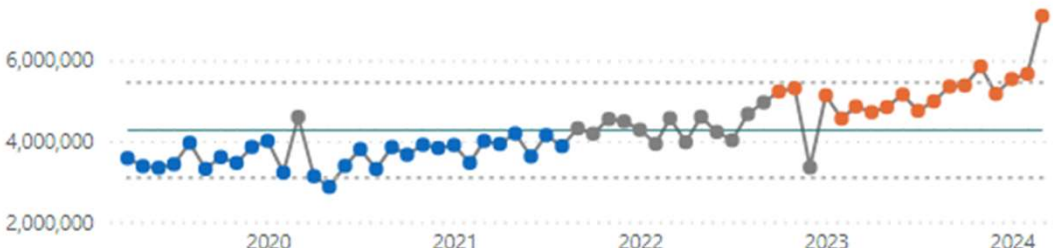


The Primary Care Drugs Cost average cost per item of £7.55 for November to January. Item Growth at 0.00% vs FY23.

## Secondary Care Drugs expenditure (£'m)

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

Expected performance is between £3,091,729 and £5,456,783

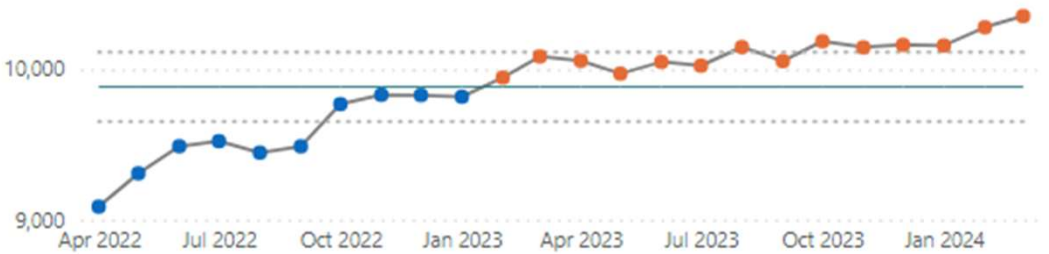


In month statement review of Homecare drugs resulting in addition £1m charge. SACT current year activity higher than the average seen for 2022/23.

## Total Agenda for Change (WTE)

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

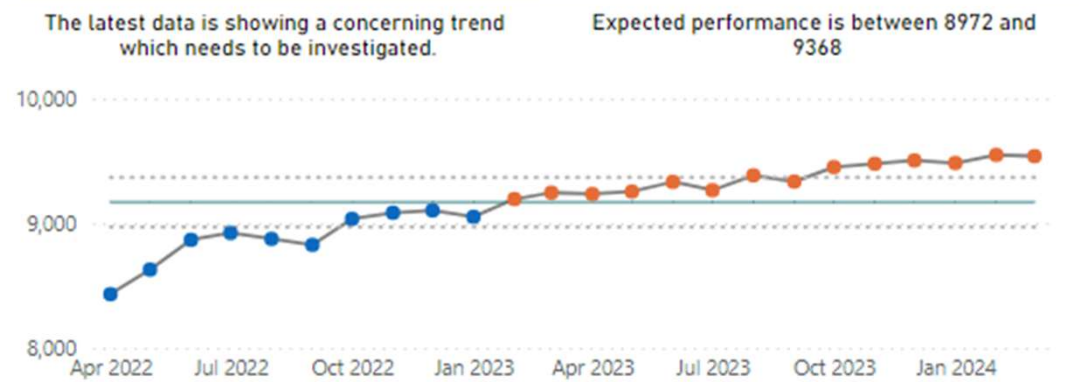
Expected performance is between 9653 and 10115



This total WTE, inclusive of Substantive staff, Bank, Overtime & Agency has increased by 1,267 WTE since April 2022.

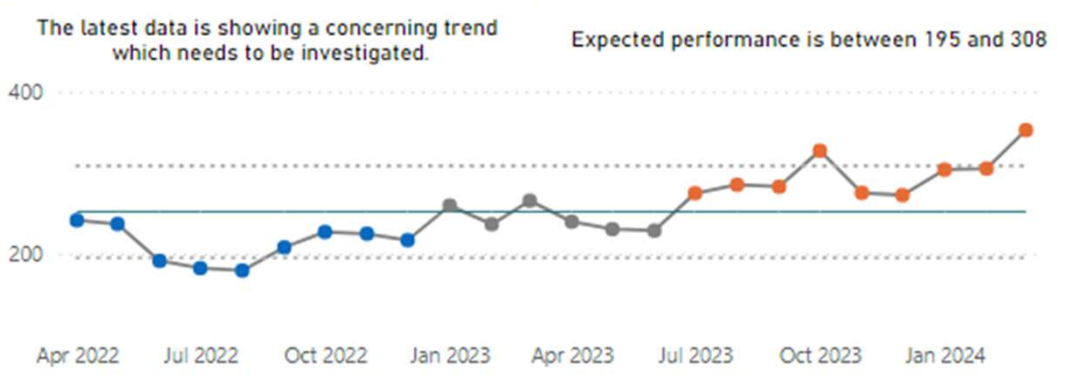
# Key Analysis – All Agenda for Change Staff Groups (2 of 5)

## Substantive (WTE)



There has been an increase of c.1,107 in the number of Substantive WTEs since April 2022.

## Bank (WTE)



There has been an increase of c.112 in the number of Bank WTEs since April 2022.

## Overtime (WTE)



The number of Overtime WTE's has remained constant throughout recent months, without significant deviation from the Mean Average of 158 WTE's

## Agency (WTE)



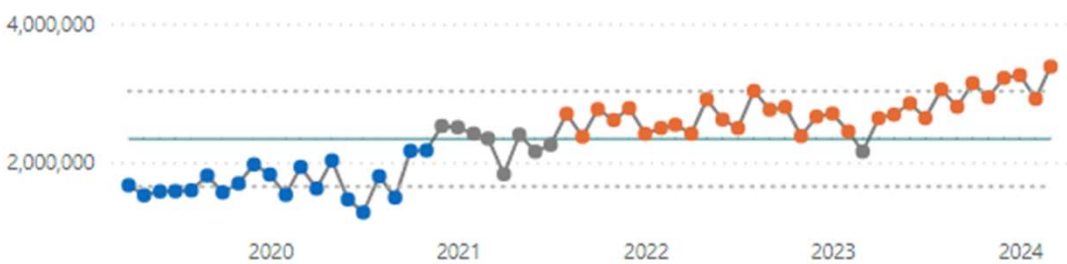
Between July & December 2023 there was a reduction to the number of Agency Nursing WTE used, c. 111. By March the number has increased by c.49 WTE's

# Key Analysis (3 of 5)

## Medical Locum expenditure (£'m)

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

Expected performance is between £1,652,639 and £3,029,417



On-call cover for junior doctors and cover for sickness absence and fragile services continue to be of concern with the use of premium cost locums.

## Nurse Agency expenditure (£'m)

The latest data is showing improvement.

Expected performance is between £1,160,102 and £2,707,647



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

## Overtime expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £189,353 and £1,134,798

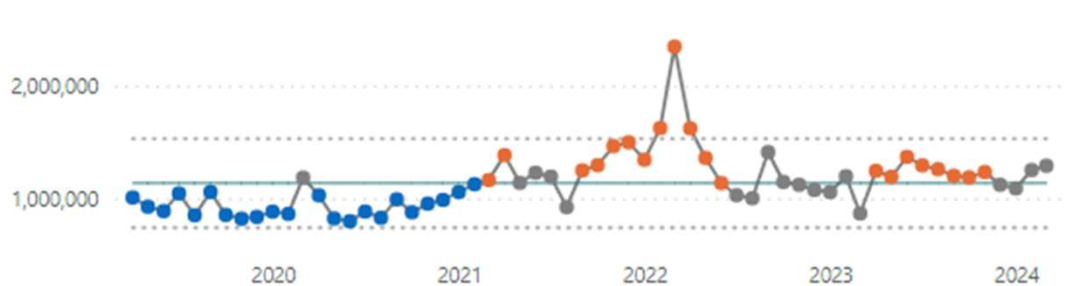


No significant variation.

## Bank expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £742,856 and £1,531,918



No significant variation.

## Key Analysis – Non-Ward Staffing Level (WTE) for All Staff Groups Excluding Medical (4 of 5)

DIRECTORATE	Non-Ward Staffing Level - All Staff Groups Excluding Medical							
	Total Fill Rate	Total WTE	Substantive WTE	Substantive WTE Vacancy	Bank WTE	Overtime WTE	Agency WTE	Total Over/(Under) Staffed
CHIEF EXECUTIVE	95.0%	93	93	(5)	-	-	-	(5)
DIRECTOR OF FINANCE	95.1%	298	296	(17)	-	2	-	(15)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	99.0%	207	207	(2)	-	-	-	(2)
DIRECTOR OF OPERATIONS	97.3%	4,611	4,426	(314)	93	85	7	(128)
ASST DIR OPS QUALITY & NURSING	75.8%	15	15	(5)	-	-	-	(5)
FACILITIES	99.7%	963	880	(86)	54	30	-	(3)
MENTAL HEALTH & LEARNING DISABILITIES	90.4%	924	911	(112)	11	2	-	(98)
ONCOLOGY & CANCER SERVICES	101.7%	101	97	(2)	3	1	-	2
OPERATIONS DIR MANAGEMENT	95.7%	267	257	(22)	7	2	-	(12)
PATHOLOGY	99.2%	239	229	(11)	-	10	-	(2)
PLANNED CARE	96.8%	865	824	(70)	6	28	7	(29)
RADIOLOGY	96.1%	251	246	(16)	1	5	-	(10)
UNSCHEDULED CARE BRONGLAIS	97.4%	95	94	(4)	0	1	-	(3)
UNSCHEDULED CARE GLANGWILI	103.3%	184	174	(4)	7	3	-	6
UNSCHEDULED CARE PRINCE PHILIP	96.2%	112	111	(5)	-	1	-	(4)
UNSCHEDULED CARE WITHYBUSH	123.0%	131	127	21	1	2	0	24
WOMEN & CHILDREN	101.2%	464	460	2	3	1	-	6
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	97.7%	1,179	1,157	(50)	19	3	-	(27)
CARMARTHENSHIRE COUNTY	106.9%	300	290	9	9	2	-	19
CEREDIGION COUNTY	95.0%	160	156	(12)	4	0	-	(8)
MEDICINES MANAGEMENT	102.5%	238	238	6	-	0	-	6
PEMBROKESHIRE COUNTY	82.9%	224	217	(53)	6	1	-	(46)
PRIMARY CARE	98.3%	155	154	(3)	1	0	-	(3)
PRIMARY CARE MANAGEMENT	104.7%	103	103	5	-	-	-	5
DIRECTOR OF PUBLIC HEALTH	79.7%	112	112	(29)	-	0	-	(29)
DIRECTOR OF STRATEGY AND PLANNING	93.5%	33	33	(2)	-	-	-	(2)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	95.4%	594	593	(30)	-	1	-	(29)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	76.8%	240	240	(72)	-	-	-	(72)
EXECUTIVE MEDICAL DIRECTOR	105.5%	96	96	5	-	-	-	5
Grand Total	96.1%	7,464	7,254	(515)	112	91	7	(305)

# Key Analysis – Ward Staffing Level (WTE) for Nursing and Additional Clinical Services Only (5 of 5)

DIRECTORATE	Ward Staffing Level - Nursing and HCSW Only							
	Total Fill Rate	Total WTE	Substantive WTE	Substantive WTE Vacancy	Bank WTE	Overtime WTE	Agency WTE	Total Over/(Under) Staffed
DIRECTOR OF OPERATIONS	106.8%	2,724	2,148	(402)	225	97	254	174
MENTAL HEALTH & LEARNING DISABILITIES	103.3%	286	218	(59)	48	8	13	9
PLANNED CARE	107.5%	185	153	(19)	17	5	10	13
UNSCHEDULED CARE BRONGLAIS	106.7%	306	214	(73)	21	12	60	19
UNSCHEDULED CARE GLANGWILI	112.4%	690	528	(86)	58	33	72	76
UNSCHEDULED CARE PRINCE PHILIP	106.1%	454	366	(62)	42	12	33	26
UNSCHEDULED CARE WITBYBUSH	103.5%	484	378	(89)	32	15	59	16
WOMEN & CHILDREN	104.9%	317	290	(12)	9	11	7	15
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	106.9%	166	136	(19)	15	2	13	11
CARMARTHENSHIRE COUNTY	103.1%	78	70	(6)	3	2	4	2
CEREDIGION COUNTY	98.5%	24	21	(4)	3	0		(0)
PEMBROKESHIRE COUNTY	115.8%	64	46	(9)	9	0	8	9
Grand Total	106.8%	2,889	2,284	(420)	240	99	266	185



## Next Steps and Mitigating Actions

Having concluded the financial year end for 2023/24 in line with our forecasted deficit, the focus of the organisation has shifted towards the delivery of the 2024/25 annual plan.

Annual plan development for the forthcoming financial year is now in its implementation stage, including an assessment of the choices the Health Board will have to make. At this stage there is insufficient assurance to achieve the target control total for the 2024/25 financial year with this being communicated as part of the annual plan, including an anticipated delivery trajectory. The Health Boards focus in the coming six months is summarised as:

- Quarter 1 – de-risking the delivery trajectory of the annual plan to achieve the savings expectation that is set out within it; and
- Quarter 2 – de-risking to further reduce the planned deficit towards the target control total, as a minimum.

The following next steps and mitigating actions are being pursued across Executive Director portfolios, with ongoing reviews in place via Executive team discussions to evaluate progress and impact updates, de-risking the annual plan.

- Creation of the Value & Sustainability Group to systematically implement themed improvements ensuring working groups provide clear decision making across the organisation on a consistent basis.
- Chief Executive Officer has indicated that an internal Escalation Framework will be implemented to manage a balanced criteria covering quality, safety, patient, performance and finance.
- Further, with pace, the conversion of Opportunities into accepted and deliverable operational plans to provide clarity of commitments in quarter 1 that will formally de-risk the current savings delivery gap.
- Board Seminar to further scrutinise progress and provide oversight of the expectations they set out as part of the annual plan endorsement on 28<sup>th</sup> March 2024.
- Accountability letters are being issued in April to delegated Executive Directors inclusive of the savings expectations for their portfolios.





GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board

Gofynnwch am/Please ask for: Kelly Sursona  
Rhif Ffôn /Telephone: 01267 239581  
Ffacs/Facsimile: 01267 239579  
Dyddiad/Date: April 2024/25

Swyddfeydd Corfforaethol, Adeilad Ystwyth  
Hafan Derwen, Parc Dewi Sant, Heol Ffynnon Job  
Caerfyrddin, Sir Gaerfyrddin, SA31 3BB

Corporate Offices, Ystwyth Building  
Hafan Derwen, St Davids Park, Job's Well Road,  
Carmarthen, Carmarthenshire, SA31 3BB

To: All Executive Directors

## Accountability Letter: Delegations and Financial Delivery for 2024/25

Dear colleague

Following approval by the Board at its meeting on 28 March 2024, I am now writing to formally delegate budget manager responsibilities to you for the budgets assigned in **Annex A. Annex B** then sets out the responsibilities which go alongside this delegation.

I am extremely grateful to you in undertaking this role, as these responsibilities are a key part of our governance arrangements which acknowledge the support you will be providing me in my role as Accountable Officer of the Health Board.

As you will be aware, the Health Board has been in a financial deficit for several years. The planned deficit is now planned to be £64.0m for the Financial Year 2024/25. There are £32.4m of savings assumed within this position which will need to be delivered across budget holders. In recognising all embedded cost pressures that have arisen to date, budgets have been increased by a Directorate's net overspend position, using the end of year recurrent forecast as the basis for the plan and budget. Where a Directorate had a net underspend position, the budget remains unadjusted, but every effort should be made to identify savings opportunities before further committing resources.

In recognising these embedded cost pressures, budget holders are expected to re-align their detailed budget makeup, as they deem appropriate, to recognise existing net overspends have now been funded. Any further cost pressures should be evidenced using activity or equivalent information and mitigated within the total resources available to you.

The economic outlook over the coming financial year is stabilising. Our underlying deficit remains significantly high, as we have not been in a position to deliver transformational savings over the past three years to offset growth and investment decisions in all areas of the Health Board. The demand which our services are seeing remains significant, and the availability of substantive staff remains a challenge which means we are dependent on agency, locum, overtime, and other support which comes at a premium cost.

---

Swyddfeydd Corfforaethol, Adeilad Ystwyth,  
Hafan Derwen, Parc Dewi Sant, Heol Ffynnon Job,  
Caerfyrddin, Sir Gaerfyrddin, SA31 3BB

Corporate Offices, Ystwyth Building,  
Hafan Derwen, St Davids Park, Job's Well Road,  
Carmarthen, Carmarthenshire, SA31 3BB

Cadeirydd dros dro / Interim Chair  
**Mrs Judith Hardisty**  
Prif Weithredwr dros dro / Interim  
Chief Executive  
**Professor Philip Kloe**

Bwrdd Iechyd Prifysgol Hywel Dda yw enw gweithredol Bwrdd Iechyd Lleol Prifysgol Hywel Dda  
Hywel Dda University Health Board is the operational name of Hywel Dda University Local Health Board

Mae Bwrdd Iechyd Prifysgol Hywel Dda yn amgylchedd di-fwg Hywel Dda University Health Board operates a smoke free environment

Cost growth in our supply of goods, services and utilities has started to stabilise, after a period of exceptionally high inflation. With all net overspends recognised, and an inflationary forecast included across all appropriate budgets, it is expected that sufficient resources are available to cover the historic and anticipated inflationary rises for this year.

Whilst the Board has approved the delegation of budgets from the Annual Plan, the Board has raised significant concern that the financial plan does not deliver either breakeven, or the minimum expectation of the Welsh Government (WG) target control total, which breaches our statutory financial duty to breakeven over a three-year period. It is expected that the Annual Plan will not be acceptable or supportable by WG, and WG will require further and significant financial improvements during the first quarter of the financial year and beyond, something the Board has also requested from us. With the Board and WG expectation that we erode the deficit below the £64.0m plan that we have currently set, should a further update be required to this delegation I will write at that stage with any revisions.

## **Governance**

Good governance is about how we achieve our objectives as an organisation and should support, not hinder it. For 2024/25, our Annual Plan outlines the agreed vision for the Health Board.

We must have in place appropriate and proportionate internal controls so I can assure myself that we are managing all resources effectively. Our Scheme of Delegation and Standing Financial Instructions remain our key governance documents.

As part of your own governance arrangements, I would expect that, as a minimum, you are holding monthly business performance meetings that review your financial performance, and ensure that you are using the reports available to you to provide assurance that:

- Financial balance is maintained and take appropriate recovery actions where required. In particular, the reasons for variation from budget is understood and explained, using non-financial information, (such as activity, sickness etc.) as appropriate, to enable early intervention to be taken where deficits are identified;
- Unbudgeted cost pressures are addressed with mitigating actions;
- Forecasts are checked and challenged to provide assurance for delivery over the year;
- Under no circumstances are any unbudgeted in-year investment decisions to be made without being proposed via yourself as the lead executive for your portfolio, to the appropriate governance forum, supported by SBARs with payback business cases, and being approved by the Executive Team;
- All Investments and funding bids are tracked with clear benefit realisations for delivery within a stated timeframe;
- Opportunities are being translated into realistic and robust delivery plans;
- Savings plans are being delivered in a timely manner with a minimum expectation that you recurrently deliver your proportion of the savings target during 2024/25.

I will require further assurances from budget holders who are unable to manage within their delegated resources, via the escalation framework that I am developing in response to our ongoing Targeted Intervention status from WG.

## **Risk Management**

The Health Board is facing considerable scrutiny and needs to deliver substantial changes at pace while maintaining safe and effective services. Any change will need a risk management strategy that will support managers to be innovative and drive improvements. At all times, however, we

must ensure our core business is operationally and financially stable, public money is handled with propriety, regularity and associated expenditure is providing value for money and, above all, ensuring our staff, patients and the public are safe and well cared for.

To appropriately consider and gain approval for the risks you may propose taking, please ensure your Risk Registers properly reflect risk, controls, mitigations, and assurance on all schemes. Changes which significantly impact on service performance or quality must be escalated for approval at the Executive Director level. If in doubt, these issues and their governance should be a matter for discussion in regular business review meetings.

## **Financial Control Principles**

You are required to manage your delegated budget without exceeding the financial sum, including the achievement of delegated savings targets. Any unforeseen or new expenditure commitments arising within the year must be subject to your appropriate management review process, and then submitted to the appropriate governance forum, who will scrutinise requests; any approved SBARs will then be presented to the Executive Team for consideration in line with our Scheme of Delegation and Standing Financial Instructions.

You should plan to spend the delegated budget in line with the monthly profile submitted at the start of the financial year, ensuring accuracy of the profile in your budget setting discussions with your Finance Business Partner for all known fluctuations that might occur.

You should, at all times, adhere to the principles of economy, efficiency and effectiveness in the application of resources.

In respect of Pay expenditure, the following are to be strictly observed:

- Approved Payroll procedures, especially in regard to ESR documentation;
- Approved authorisation procedures for the control of vacancies and variable pay;
- Approved procedures for the management of staff absence.

In respect of Non-Pay expenditure, the following are to be strictly observed:

- The Health Board's "No PO (Purchase Order) No Pay" procedure;
- The appropriate and prompt receipting of goods;
- The prompt authorisation of invoices for payment where not covered by receipted purchase orders, in accordance with delegated limits.

## **Opportunities Framework**

A revised Opportunities Framework has been implemented from November 2023. As part of this, a continuously updated list of variation, is available through the Business Intelligence and Finance Business Partnering functions. Enquire, Discover, Design and Deliver are the four stages of an opportunities journey to savings delivery. There are short to long term opportunities that should be delivered within directorates that are linked to our strategy and our sustainability goals. Whilst they should be progressed with pace, I recognise not all of the financial opportunities will deliver within this financial year. It should, however, be clear that you are expected to address these areas and develop credible plans for delivery.

I have asked the Finance function to report financial performance against our savings aspirations and annual plan savings expectation, with any gap needing to be closed via the Opportunities Framework.

Alongside this, for relevant services, the Clinical Service Plan and associated service transformation is a key area of opportunity to realising the required level of service sustainability and financial recovery.

Your proportion of the £32.4m in-year savings expectation will be transacted from budgets as they are identified, unless you have already identified savings schemes, but you will be expected to deliver this and will be monitored against performance as part of the monthly financial reporting cycles. For clarity, a savings aspiration has been included in your budget summary that you are expected to delivery on a full year basis by the end of this financial year.

Your core budget and savings expectation are all confirmed within **Annex A**.

## **Delegations and Responsibilities**

The delegated budget must be committed in accordance with the Health Board's Annual Plan for 2024/25.

Management of the delegated budget is subject to the provisions of the Health Board's Standing Orders, Standing Financial Instructions and Financial Procedures. In particular your attention is drawn to the Budgetary & Allocation Control Policy and its various provisions and annexes available on the intranet.

A summary of the budgets allocated to you is appended alongside this letter. From time to time during the year these figures are likely to change to take account of additional allocations, transfers and savings plans, but this letter will remain in force as the covering delegations for any revisions.

Any funding not agreed within your appended budget cannot be assumed, and you therefore cannot commit expenditure against assumed funding except when specifically agreed. This is also the case for submitting additional funding bids to WG or other stakeholder organisations. A SBAR should be subject to your appropriate management review process, and then submitted to the appropriate governance forum by the supporting Executive Director for consideration prior to formal Executive Team discussion.

Should the Board make in-year commitments then you will be notified accordingly of such commitments and an appropriate budget adjustment will be made. You should not incur or sanction expenditure against a budget you are not responsible for.

## **Further Delegations**

You may further delegate to your teams some or all of the budgets which I have delegated to you, although you will still retain ultimate accountability in full for these budgets, just as I am ultimately responsible for the Health Board budget as a whole. You are each responsible for deciding on the exact arrangements, but your delegations should be clear, unambiguous and conferred and accepted in writing.

The individuals to which you sub-delegate your budget should have the appropriate training and understanding to fulfil their responsibilities as a budget holder to carry your confidence that they can discharge their duties to the same standard that you will be held. You will need to complete **Annex C** to sub-delegate part or all of your budget. The finance team will facilitate this through your Executive Assistant once you have confirmed the delegation structure, format, and wording to them.

## **Confirmation**

I ask that you acknowledge your understanding and acceptance of these delegations by signing and returning to me, the Director of Finance and your Senior Finance Business Partner(s) (as copied into this letter) the proforma attached to this letter in **Annex B by no later than 15 May 2024**.

I am very grateful to you for your support to me as Accountable Officer and I am committed to do everything I can to support you in your own roles.

Yours sincerely

**Professor Philip Kloer**  
**Chief Executive**

c.c. Huw Thomas, Director of Finance

**Opening Budget 2024/25**

Name of Budget Holder	Enter
Directorate	Enter
Opening Budget	£Enter

This letter authorises the above budget holder to exercise control of the named portfolio budget in accordance with the Health Board's approved scheme of delegation.

The table below provides a summary of the Opening Budget by Directorate within your delegated accountability:

Insert summary budget table

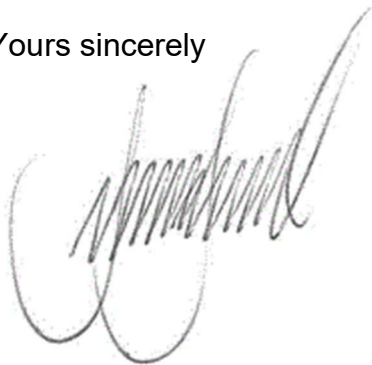
Executive Portfolio(s) listed out with – Budget – Savings Aspiration (5%/50%)

Please note the following items in respect of the 2024/25 financial year confirmed base budget:

- Roll forward recurrent and non-recurrent budgets from 2023/24;
- Full year impact of identified 2023/24 Green and Amber savings plans;
- Your contribution to the Health Board's Efficiency and Productivity savings target;
- Specific investment decisions approved in the Annual Plan, including macro-economic inflationary and growth modelling increases/decreases;
- Cost pressures identified in the Annual Plan and ratified by Board;
- Annual Plan savings targets ratified by Board, including savings schemes identified by service leads;
- Agenda for Change (AfC) and Medical and Dental (M&D) pay budgets do not yet reflect the pay award for 2024/25, which is pending confirmation by WG, but funding for which will be made available once known;
- Variable pay budgets (M&D and AfC) issued non-recurrently to Directorates on the same basis as 2024/25, increased for additional cost pressures identified in the Annual Plan and ratified by Board;
- Budgets for the following funding elements are being held in central reserves and will be issued to Directorates during the year based on assessments made:
  - CHC/FNC price rises
  - NICE and High Cost Drugs
  - Regional Integration Fund (RIF)

Following your discussions with the Chief Executive, you are again reminded of the requirement to deliver both a breakeven position and the required savings target, in full. Please contact your finance business partner who will be happy to answer any questions you may have.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Huw Thomas', with a large, stylized initial 'H'.

**Huw Thomas**  
**Director of Finance**

**Accountability Agreement**

Name of Budget Holder	Enter Executive Director
Directorate	Enter Directorate
Budget	£X,XXX,XXX
Savings Aspiration	£(X,XXX,XXX)

1. I confirm that I have read, understood, and will make my best endeavours to comply with the requirements laid out in the Standing Financial Instructions. I understand that my performance as a budget manager may be scrutinised at any time by the Board; Internal Audit or Audit Wales.
2. I confirm that I accept the budget which has been allocated to me.
3. I confirm that I understand what it is expected that I will make my best endeavours to deliver the Health Board's safety, quality and performance requirements within the budget allocated to me. Patient and staff safety will not be compromised.
4. I confirm that I will:
  - Remain accountable for my budget, even where I have delegated responsibility to others;
  - Review my budget on a regular, at least monthly, basis with the assistance and advice of finance colleagues when called for;
  - Seek advice promptly from my finance lead as the need arises;
  - Ensure a proactive and robust approach is undertaken to identify and deliver my savings aspirations, at least on a recurrent full year effect basis by the end of this financial year, making up any in-year recurrent shortfall with non-recurrent savings as required.
5. I confirm that in relation to costs against my budget, I will
  - Not knowingly incur expenditure where I do not hold sufficient budget;
  - Not knowingly attempt to charge expenditure to a budget which I am not directly responsible for;
  - Not knowingly commit recurrent expenditure against a non-recurrent budget;
  - Not knowingly recruit over my funded establishment;
  - Not knowingly incur temporary staffing costs over my total available budget without agreeing this in advance via an escalation process and / or Executive Director. Where temporary staffing costs need to be incurred urgently or out of hours, these will be confirmed retrospectively with the same;
  - Ensure that staffing data held on the ESR system or on rostering systems is accurate and up to date to the best of my knowledge and belief and that staff overpayments are minimised by informing Employment Services in a timely manner of any relevant changes;
  - Ensure as far as I am able that all non-pay expenditure complies with the requirements of the Standing Financial Instructions including the requirement for an official purchase order to be raised in advance of incurring the expenditure.
6. Where I identify a potential or actual overspend during the financial year, I confirm that I will:



- Develop an action plan designed to bring the position back into line within the financial year;
  - Involve my finance lead and other expert sources of advice, e.g. Management Team, Workforce and Organisational Development lead, in developing the action plan;
  - Make my best endeavours to deliver the requirements of the action plan to ensure a full-year balanced position.
7. I confirm that I have identified and managed (and escalated if appropriate) any risks to achieving the financial objectives I am responsible for.
  8. I confirm that I will support the Health Board to ensure that the needs of the Health Board's catchment population as a whole are met.
  9. I am able to provide reasonable assurance of compliance with legal and regulatory frameworks relevant to my areas of responsibility. These will be achieved through adhering to the Health Board's policies.
  10. All staff within my area of responsibility have been appraised of their duty to raise concerns and to deal promptly and efficiently with any concerns raised with them in line with the relevant health board policy.
  11. I am able to confirm that all staff within my area of responsibility will be expected to receive an annual appraisal over the financial year, and will be expected to complete their mandatory training as required.
  12. I confirm that I am aware of my duties and responsibilities under the NHS Code of Conduct.
  13. I confirm that should I become aware of any suspected fraud, bribery or corruption, I will advise the Local Counter Fraud Service promptly and support any investigation.
  14. I confirm that I will keep my finance lead and line manager aware of any significant changes to risks over the year.

Signed:	
Job Title:	
Date:	

**Delegation of Budget**

Dear Director of Finance

Please note that I am delegating part/all of the budget that has been delegated to me by the Chief Executive to the following Senior Managers in my team:

<b>Name</b>	<b>Designation</b>	<b>Budget Delegated</b>	<b>Opening Budget Value</b>

Please can you issue them with an Accountable Officer Letter for 2024/25.

Signed:	
Job Title:	
Date:	