



CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 July 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial Report – Month 3 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

Month 3 2023/24

The Month 3 Health Board financial position is an overspend of £12.8m, which is made up of £3.4m operational variation and a deficit plan of £9.4m; the key drivers are summarised below, including the current end of year (EoY) forecast.

This brings the cumulative position for the Health Board to a deficit of £36.5m for the first quarter of the financial year, against a planned deficit of £28.2m. While projections early in the financial year are clearly sensitive to a number of risks and opportunities, at this stage, this indicates that there is a risk that the Health Board will overspend by £145.4m. This requires the Health Board to undertake mitigating actions of £32.5m over the remainder of the financial year in order to deliver the deficit plan of £112.9m.

Driver	In-month variance to breakeven (£'m)	Year to Date variance to breakeven (£'m)	EoY projected variance to breakeven (£'m)
Planned Deficit	9.4	28.2	112.9
Operational Variation	2.1	4.8	19.1
Under-delivery against identified savings schemes	0.3	0.5	3.9
Unidentified savings gap	1.0	3.0	9.5
Gross Position	12.8	36.5	145.4
Required actions to address savings gap and operational variation	0.0	0.0	(32.5)
Net Position	12.8	36.5	112.9

Asesiad / Assessment

Risks and Opportunities

Given the position in the year to date, there are significant risks to the year-end revenue position and cash position.

Revenue	High Revenue risk in relation to both the unacceptable and unaffordable level of Planned deficit and the delivery of the in-year Plan deficit.
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.
Savings	Of the required £19.5m savings delivery, £9.5m 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 to close the savings gap. Of the identified operational savings schemes of £10.0m, the annual forecast is currently assessed as £6.2m.
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.

Appendix 1 provides a more in-depth review of the Health Board's Month 3 financial position against plan for financial year 2023/24 and an update on the status of accountability letters issued to Executive Directors.

The Executive Team have agreed a number of actions to address the financial position. These have included implementing a weekly Core Delivery Group from 14 June, as outlined in the

Annual Plan update; and the Communication Cell in order to ensure that messages are cascaded effectively across the organisation.

The senior management team of the Health Board also met on 12 July in order to address the financial challenge.

While actions from the Core Delivery Group, Communications Cell and the senior management team are being assessed, these have had limited impact on the financial position in Q1; and it is anticipated that actions will begin to impact over Q2. The anticipated impact is currently being assessed and will be an ongoing cycle.

Argymhelliad / Recommendation

The Board is asked to discuss the report and note that:

1. Insufficient assurance can be provided at this stage that the savings requirement of £19.5m can be delivered because of a gap in identified savings schemes of £9.5m and a risk of undelivered schemes contributing a risk of a further £3.9m.
2. Operational cost pressures of £19.1m are contributing to further financial risk for the Health Board.
3. The unmitigated financial projection at this stage is £145.4m. However, actions have been agreed by the Executive Team and Health Board senior managers more broadly. These are being assessed, but would need to deliver £32.5m of further improvements in this financial year in order to deliver the planned deficit of £112.9m.
4. The financial forecasts at this stage mean that there would be a significant cash shortfall in Q4 and for which, as yet, there is no assurance of coverage.

Amcanion: (rhaid cwblhau)	
Objectives: (must be completed)	
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 2023/24
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply

Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply
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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 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 & Orthopaedics TTP – Test, Trace, Protect WG – Welsh Government WGH – Withybush General Hospital WRP – Welsh Risk Pool WHSSC – Welsh Health Specialised Services Committee YTD – Year to date
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Finance Team Management Team Executive Team

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

	administrative requirement to operate within its budget within any given financial year.
Enw Da: Reputational:	Adverse variance against HDdUHB's financial plan will affect its reputation with Welsh Government, Audit Wales, and with external stakeholders.
Gyfrinachedd: Privacy:	Not applicable.
Cydraddoldeb: Equality:	Not applicable.

Hywel Dda University Health Board

Financial Report as at 30th June 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 3 Health Board financial position is an overspend of **£12.8m**, which is made up of **£3.4m** operational variation and a deficit plan of **£9.4m**; the key drivers are summarised below, including the current end of year (EoY) forecast.

Driver	In-month variance to breakeven (£'m)	Year to Date variance to breakeven (£'m)	EoY projected variance to breakeven (£'m)
Planned Deficit	9.4	28.2	112.9
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Gross Position	12.8	36.5	145.4
Required actions to address savings gap and operational variation	0.0	0.0	(32.5)
Net Position	12.8	36.5	112.9

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

Risks and Opportunities

Revenue	High Revenue risk in relation to both the unacceptable and unaffordable level of Planned deficit and the delivery of the in-year Plan deficit.
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.
Savings	Of the required £19.5m savings delivery, £9.5m 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. Of the identified operational savings schemes of £10.0m, the annual forecast is currently assessed as £6.2m.
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.

In-Month Revenue Position

EXECUTIVE DIRECTOR PORTFOLIO	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		
£'m (+ve denotes over spend against budget)										
CENTRAL INCOME	-	-	-	-	-	-	-	-	-	
CHIEF EXECUTIVE	-	-	-	-	-	-	-	(0.1)	(0.1)	
DIRECTOR OF FINANCE	-	-	-	-	-	(0.1)	-	0.1	(0.1)	
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	-	-	-	-	-	-	-	0.2	0.2	
DIRECTOR OF OPERATIONS										
PLANNED CARE	-	-	-	-	(0.1)	-	-	-	(0.1)	
USC BGH	-	-	0.4	0.1	-	-	-	-	0.5	
USC GGH	-	-	-	0.5	-	-	0.1	-	0.6	
USC PPH	-	-	0.1	0.1	0.1	-	-	-	0.2	
USC WGH	-	-	0.1	0.1	-	-	-	-	0.2	
MENTAL HEALTH & LEARNING DISABILITIES	-	(0.2)	-	(0.2)	-	0.6	-	-	0.2	
FACILITIES AND ESTATES	0.3	-	-	(0.1)	-	-	-	0.4	0.6	
OTHER ACUTE SERVICES	-	0.1	0.1	-	0.4	0.1	0.3	0.1	0.8	
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE										
CARMARTHENSHIRE COUNTY	-	-	-	-	-	(0.3)	-	-	0.1	
CEREDIGION COUNTY	-	-	-	-	-	-	-	-	-	
PEMBROKESHIRE COUNTY	-	-	-	(0.1)	-	-	-	-	(0.1)	
MEDICINES MANAGEMENT	-	-	-	-	-	-	0.1	-	0.1	
PRIMARY CARE	-	0.1	0.3	-	-	(0.1)	-	-	0.1	
PRIMARY CARE MANAGEMENT	(0.1)	-	-	-	0.1	0.1	-	(0.2)	(0.1)	
DIRECTOR OF PUBLIC HEALTH	-	-	-	-	-	-	-	(0.1)	(0.1)	
DIRECTOR OF STRATEGY AND PLANNING	(0.1)	-	-	-	-	-	-	0.1	-	
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	-	(0.2)	-	-	-	-	-	-	(0.2)	
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPME	(0.1)	-	-	(0.2)	-	(0.0)	-	(0.1)	0.1	
EXECUTIVE MEDICAL DIRECTOR	-	-	-	-	-	-	-	(0.1)	(0.1)	
HEALTH BOARD FINANCING	-	-	-	-	-	(0.4)	0.1	0.3	-	
LTA'S WITH OTHER NHS PROVIDERS	-	-	-	-	-	(0.1)	-	-	(0.1)	
Unidentified savings	-	-	-	-	-	-	-	1.0	1.0	
Planned Deficit	-	-	-	-	-	-	-	9.4	9.4	
Total	0.0	(0.2)	1.0	0.2	0.5	(0.2)	0.6	11.1	(0.2)	12.8

Year to date (YTD) Revenue Position

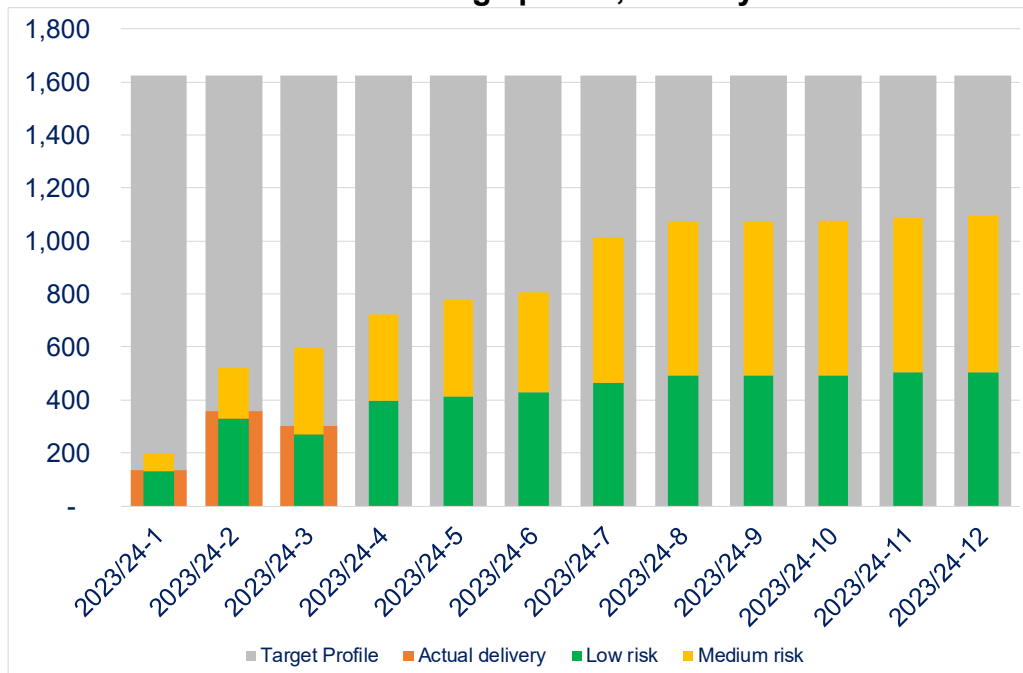
EXECUTIVE DIRECTOR PORTFOLIO	Pay			Non Pay				Income	Total	
	ADMINISTRATION AND ESTATES	ALLIED HEALTH, SCIENTISTS AND OTHER	MEDICAL AND DENTAL	NURSING, MIDWIFERY AND CLINICAL SUPPORT	CLINICAL SERVICES AND SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS AND PRESCRIBING	OTHER NON-PAY		INCOME
£'m (+ve denotes over spend against budget)										
CENTRAL INCOME	-	-	-	-	-	-	-	-	0.1	0.1
CHIEF EXECUTIVE	(0.1)	-	-	-	-	-	-	(0.1)	-	(0.2)
DIRECTOR OF FINANCE	-	-	-	-	-	(0.2)	-	0.3	(0.1)	0.1
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(0.1)	-	-	-	0.1	-	-	0.2	-	0.2
DIRECTOR OF OPERATIONS	-	-	-	-	-	-	-	-	-	-
PLANNED CARE	-	-	0.1	-	(0.2)	0.1	(0.1)	0.1	-	0.0
USC BGH	0.1	-	0.7	0.4	-	-	-	-	-	1.2
USC GGH	0.1	-	-	1.4	-	-	0.1	-	-	1.6
USC PPH	-	-	0.1	0.4	0.1	-	-	-	-	0.6
USC WGH	-	-	0.3	0.7	-	-	0.2	-	(0.1)	1.1
MENTAL HEALTH & LEARNING DISABILITIES	0.1	(0.5)	0.1	(0.6)	-	1.2	0.1	-	(0.1)	0.3
FACILITIES AND ESTATES	0.5	-	-	(0.4)	-	-	-	0.6	0.1	0.8
OTHER ACUTE SERVICES	(0.1)	(0.1)	-	-	0.5	-	0.5	(0.1)	0.1	0.8
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	-	-	-	-	-	-	-	-	-	-
CARMARTHENSHIRE COUNTY	-	0.1	-	0.1	-	(0.2)	-	-	(0.1)	(0.1)
CEREDIGION COUNTY	-	-	-	0.1	-	-	-	-	-	0.1
PEMBROKESHIRE COUNTY	-	-	-	(0.2)	0.1	(0.2)	-	0.1	-	(0.2)
MEDICINES MANAGEMENT	-	-	-	-	-	0.1	0.2	0.1	(0.2)	0.2
PRIMARY CARE	-	0.2	0.8	-	0.1	(1.4)	-	0.1	0.6	0.4
PRIMARY CARE MANAGEMENT	-	-	-	0.1	(0.1)	0.1	-	(0.1)	-	-
DIRECTOR OF PUBLIC HEALTH	-	-	-	-	-	(0.1)	-	0.1	(0.1)	(0.1)
DIRECTOR OF STRATEGY AND PLANNING	(0.1)	-	-	-	-	-	-	0.1	(0.1)	(0.1)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	0.1	(0.2)	-	-	-	-	-	0.1	(0.1)	(0.2)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPME	(0.3)	-	(0.1)	(0.4)	0.1	-	-	0.5	(0.2)	(0.4)
EXECUTIVE MEDICAL DIRECTOR	-	-	0.1	-	-	-	-	(0.2)	(0.1)	(0.2)
HEALTH BOARD FINANCING	-	-	-	(0.1)	-	(1.0)	0.1	0.6	(0.1)	(0.5)
LTA'S WITH OTHER NHS PROVIDERS	-	-	-	-	-	(0.1)	-	-	(0.1)	(0.2)
Unidentified savings	-	-	-	-	-	-	-	3.0	-	3.0
Planned Deficit	-	-	-	-	-	-	-	28.2	-	28.2
Total	0.2	(0.5)	2.0	1.5	0.6	(1.7)	1.1	33.7	(0.5)	36.5

End of Year Forecast Revenue Position

Theme	£'m	Operational Driver comments
Planned Deficit	112.9	
Nurse agency	10.3	Continued increases in shift fill rates with Agency staff and retrospective shifts following delays in recording on Allocate in a timely manner.
Medical locum cover	4.3	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.
Primary Care Prescribing	2.8	Primary care drugs items growth has been increased by 1.16% to 2.2% from 1.04% and primary care drugs cost per items increased by 13p to £7.72 to reflect April actual data.
Managed Practice Locum	1.4	Additional medical resource in managed practice locums.
Community Pharmacy	(1.5)	Reduced practice payments due to change in contract terms.
Oncology activity	2.3	SACT activity numbers within last quarter 14% (12 patients per day) higher than average seen for 2022/23.
Oncology drug price increases	0.9	Drugs costs for the same period have seen a 23% increase in price.
RIF Over establishment	0.6	Nursing and HCSW costs previously charged to RIF Programmes; now part of Core within Carmarthenshire.
Continuing Healthcare	1.1	MHLD additional high-cost packages.
Mental Health 3rd sector outsourcing	0.6	Outsourcing to a third Sector organisation to manage the Waiting List which is a key Ministerial Priority.
Energy price reduction	(1.0)	Reduction in National Energy prices since the Planning cycle.
Other	(2.7)	Vacancies across a number of Corporate and Public Health areas.
Operational Variation	19.1	
Undelivered Savings (Gap)	9.5	Undelivered planned savings gap across the Health Board. Target is £19.5m with identified schemes totalling £10.0m.
Underdelivering savings schemes	3.9	Primarily in relation to Nurse stabilisation and FLOs.
Savings Variation	13.4	
Gross Position	145.4	
Required Actions	(32.5)	Required actions to address savings gap and operational variation
Net Position	112.9	

Savings Schemes

Risk-assessed directorate savings profile, delivery and forecast



Concerns

- Of the required £19.5m savings delivery, £9.5m remains unidentified. Whilst the Opportunities Framework presents a significant range and size of opportunities there is insufficient assurance at this stage of in-year conversion into deliverable schemes.
- Of the identified operational savings schemes of £10.0m (an increase of £1.3m since Month 2), the annual forecast is currently assessed as £6.2m.

Next Steps

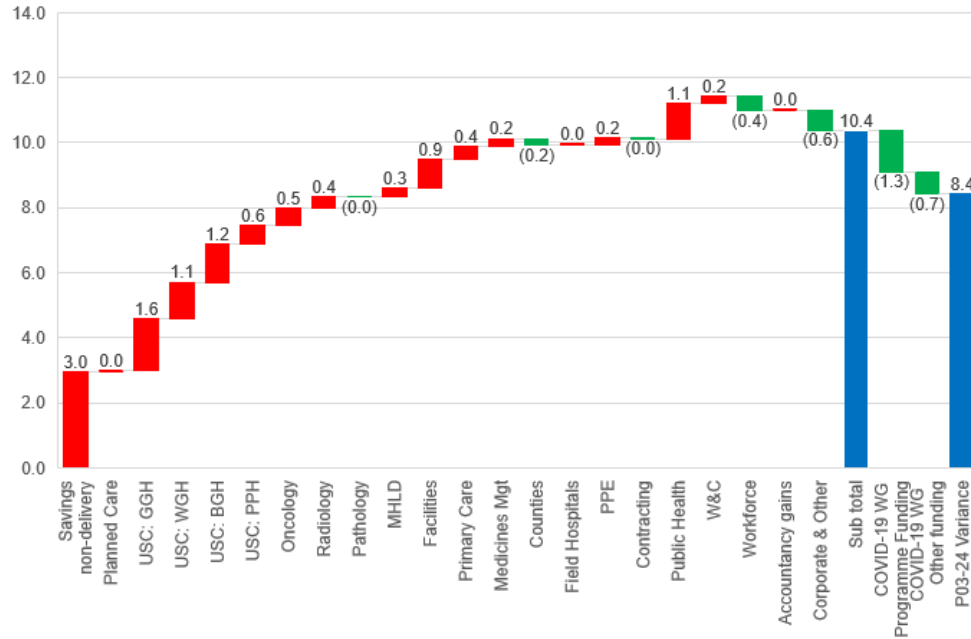
- Urgent operational actions are required to identify and resolve the issues preventing the delivery of identified savings schemes.
- A focused Executive Team Summit in June considered mitigating actions and their delivery; a six-week action timetable has commenced.

Assurance

- £9.4m (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.

Key Analysis

YTD variance by Directorate (against Plan)

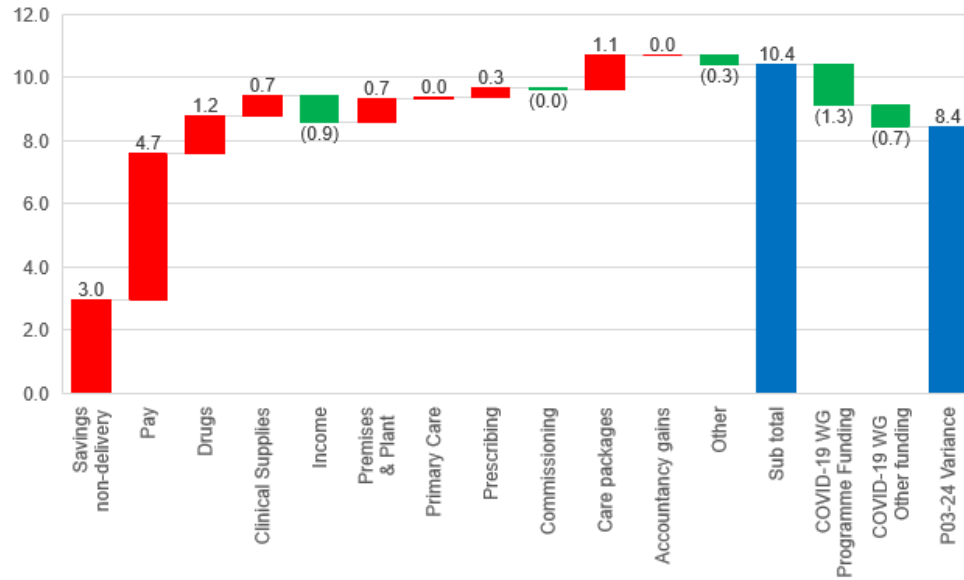


Key drivers of YTD position

- **Savings non delivery £3.0m:** YTD value of savings undelivered by the organisation (against the Plan of £19.5m).
- **Unscheduled care £4.5m:** 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 £0.5m:** 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 £0.9m:** 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.
- **Public Health £1.1m:** Primarily driven by Health Promotion and Mass Vaccination COVID-19 programme schemes.
- **WG Programme Funding £(1.3)m:** YTD funding in respect of COVID-19 programme schemes.
- **WG Other funding £(0.7)m:** Fixed allocation funding to support COVID-19 response for Long COVID-19 and Nosocomial.

Key Analysis

YTD variance by Subjective (against Plan)

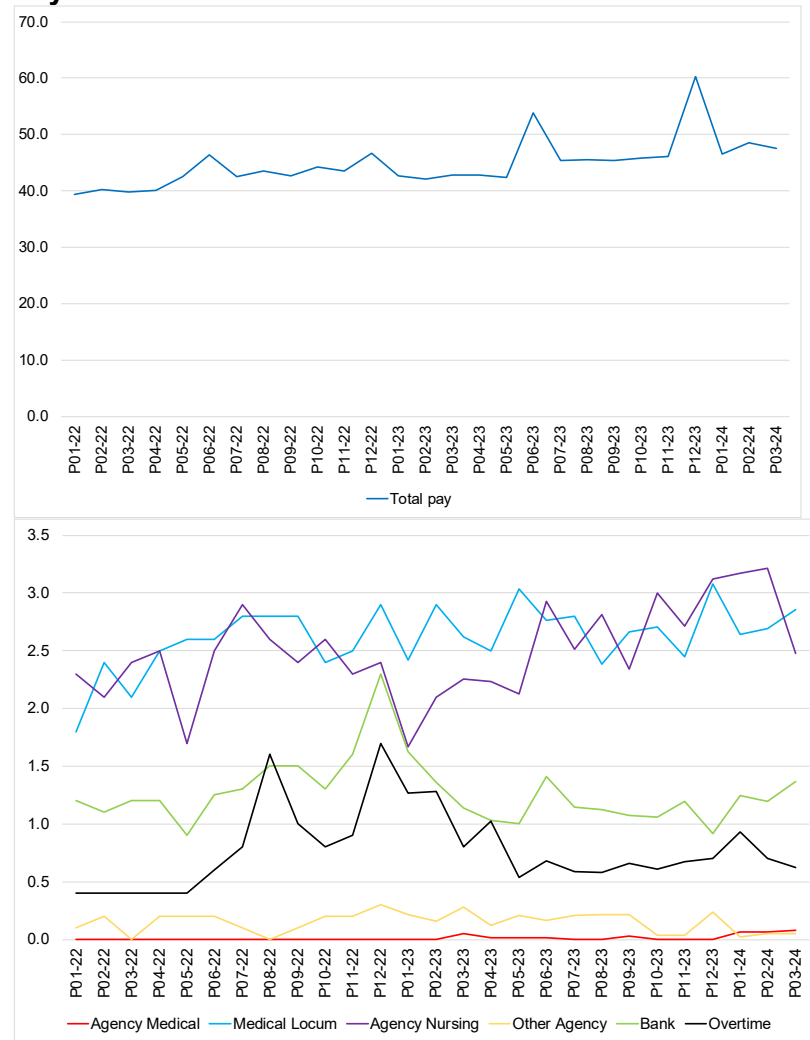


Key drivers of YTD position

- **Savings non delivery £3.0m:** YTD value of savings undelivered by the organisation (against the original Plan of £19.5m).
- **Pay £4.7m:** Continued elevated 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 £1.2m:** Increases in Oncology as SACT activity continues to perform more than 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.
- **Income £(0.9)m:** Recognition of SIFT income received from HEIW and R&D income which is offset by expenditure recognised in other categories.
- **Premises and Plant £0.7m:** YTD maintenance costs due to urgent work requests across Health Board estate and increases in provisions, waste contracts and lease rent. IT maintenance costs being incurred at a higher than planned rate due to inflation.

Key Analysis

Pay



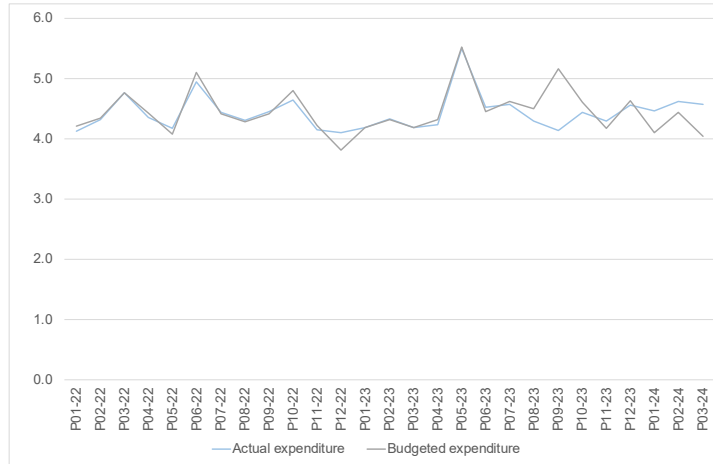
The operational in-month expenditure is a decrease of £1.0m compared to Month 2. Please note that the graph excludes the non-consolidated recovery payment of £9.8m as this is a one-off item of expenditure.

The main movement in pay in-month is the reduction in Nurse Agency expenditure of £0.7m following the Executive team's decision to cease travel & subsistence payments for agency workers for all newly booked shifts from 19th June (thus discouraging workers), to ban the use of off-contract agency providers outside of protected specialties (A&E and Critical Care) unless critical and to remove the specialist rates offered to on-contract providers in non-protected specialties. Reductions have also materialised because of the transfer of patients from Ward 12 to South Pembrokeshire Hospital and the subsequent reduction of 8 beds.

Medical pay deteriorated by £0.2m in-month which was driven by a combination of increased additional duty hours over and above the rate card following guidance from the BMA. Also included in the forecasts are deteriorations in Radiology where additional on-call cover is required due to continued staffing pressures in the service and arrears payments due to a number of doctors following a review of their job plans.

Key Analysis

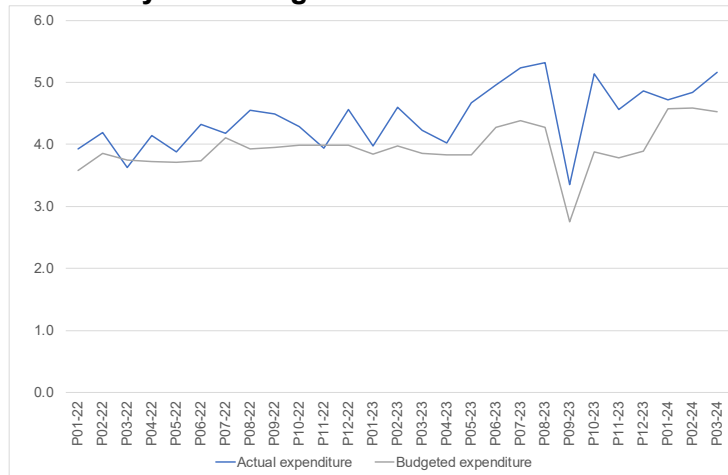
CHC



Continuing Health Care expenditure has remained static compared to last month.

There has been an increase of 5 MHLD packages (of which two are high cost), offset by Palliative Care and General Nursing packages in-month.

Secondary Care Drugs

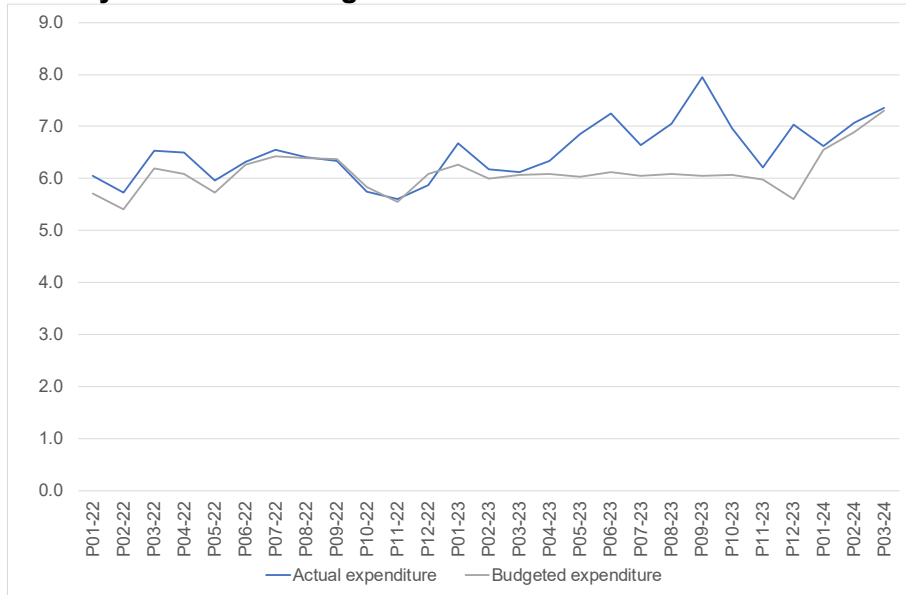


Secondary Care Drug expenditure has increased by £0.4m in-month compared to last.

The increase in spend is partially attributable to an increase in the number of prescribing days in June compared to May (22.5 to 21.5). Expenditure has also increased in-month due to the number of homecare drugs being issued from Hospital pharmacies across the sites.

Key Analysis

Primary Care Prescribing



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

The primary driver for increase relates to the number of prescribing days in June compared to May (22.5 from 21.5).

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

Appendix

1: Pooled Budgets

The Regional Integration Fund (RIF) is a pooled allocation between Health and Local Authorities from Welsh Government, managed by the Regional Partnership Board (RPB) to create sustainable system change through the integration of health and social care services.

The Health Board holds the RIF funding from Welsh Government (WG) on behalf of the Regional Partnership Board (RPB), with governance and decision-making responsibilities residing with the RPB. The Integrated Executive Group (IEG) sits under the RPB as a further monitoring committee.

The Health Board provides monthly financial reporting from the consolidation of the Health Board and Local Authority projects within each programme. Third sector expenditure is commissioned and reported on by the appropriate statutory partner on a project-by-project basis. The local finance leads for each project from each organisation are accountable for managing all the financial and outcome-based analysis. There must be a partnership approach to decision making across the region, and all partners are working together in a cohesive and collaborative manner in managing financial investments in projects.

When the new RIF programme was announced a Steering Group involving Health, Local Authority and 3rd Sector representatives was established with the purpose to discuss and agree projects and services to commission.

Alongside the Steering Group a Performance and Finance Group has been established, meeting on a bi-weekly basis and chaired by the RPB. The Group includes representatives from HDdUHB Finance and Local Authority leads and enables decisions regarding governance and reporting arrangements in respect of the Fund.

The Steering Group and Performance and Finance Group have collaborated and agreed the RIF Principles for which Health, Local Authority and Third Sector organisations are to abide by in relation to RIF. The principles include further details of the funding allocations and match funding arrangements.

Funding Summary

The West Wales Regional Partnership Board have been allocated £18.8m in respect of RIF for financial year 2022/23 which has been split as follows:

Scheme	Allocation
Core Funding	15,773,040
7 Dementia and Memory Assessment Services	1,633,000
8 IAS (Integrated Autism Service)	398,000
9 Unpaid Carers Hospital Discharge Engagement	121,000
10 Regional Infrastructure Fund	750,000
11 Short break funding for Carers	163,084
Total WG Investment	18,838,124

As part of the planning process the RPB have agreed funding allocations with each locality and issued accountability letters to the relevant Transformation lead and Service Manager.

The status of accountability letters is as follows:

Scheme	Status
Core Funding: Carmarthenshire LA	Awaiting signed return
Core Funding: Pembrokeshire LA	Awaiting signed return
Core Funding: Ceredigion LA	Awaiting signed return
Dementia and Memory Assessment Services	Returned and signed
Integrated Autism Service	Awaiting signed return
Unpaid Carers Hospital Discharge Engagement	Awaiting signed return
Regional Infrastructure Fund	Awaiting signed return
Short break funding for Carers	Awaiting signed return

Current Position

Following the agreement of the funding allocation splits, Locality Leads were asked to provide financial plans aligned to the value of their allocations and to identify any additional plans that could be commissioned should there be any slippage in delivery of the original plans.

The below table illustrates the approved plans submitted by the Locality Leads.

Scheme and Programme	Carmarthenshire	Ceredigion	Pembrokeshire	Region wide	Region wide Carers	Grand Total
Accelerating change	2,009,908	1,449,486	1,308,561		418,230	5,186,184
1 Place based care – Prevention and community coordination	302,348	254,408	298,982		30,000	885,738
2 Place based care – complex care closer to home	85,259	493,576	293,788		80,000	952,623
3 Promoting good emotional health and wellbeing	373,408	308,590	547,723		308,230	1,537,951
4 Preventing children entering care and supporting children to remain with their families		57,000				57,000
5 Home from hospital	910,807	335,912	168,068			1,414,787
6 Accommodation based solutions	338,086					338,086
Embedding fund	5,079,990	1,289,665	3,323,401		305,000	9,998,056
1 Place based care – Prevention and community coordination	1,617,549	184,152	468,130			2,269,831
2 Place based care – complex care closer to home	305,425	19,870	296,162			621,457
3 Promoting good emotional health and wellbeing	73,012	117,033	132,000		75,000	397,045
4 Preventing children entering care and supporting children to remain with their families	888,096	154,797	410,937			1,453,830
5 Home from hospital	1,917,355	744,995	1,721,421		230,000	4,613,771
6 Accommodation based solutions	278,553	68,819	294,751			642,123
National Priorities fund	138,780	86,147	79,948	2,010,209		2,315,084
12 Short break funding for Carers	78,280	32,616	52,188			163,084
7 Dementia and Memory Assessment Services				1,633,000		1,633,000
8 IAS (Integrated Autism Service)		29,331		368,669		398,000
9 Unpaid Carers Hospital Discharge	60,500	24,200	27,760	8,540		121,000
Regional infrastructure fund	160,729	257,729	170,343	750,000		1,338,801
11 Direct Programme/Project Management Costs	160,729	257,729	170,343			588,801
10 Regional Infrastructure Fund				750,000		750,000
Grand Total	7,389,407	3,083,027	4,882,252	2,760,209	723,230	18,838,124

2: Accountability Letters

The Accountability Letter of Delegations and Financial Delivery for 2023/24 were issued to Executive Directors on 22nd May 2023 with a deadline for signature by 12th June 2023. The below provides a summary of returned signed letters to date:

Executive Director	Accountability letter signed
Director of Therapies and Health Science	Yes
Director of Public Health	Yes
Executive Director of Operations	Yes
Deputy Chief Executive and Executive Medical Director	Yes
Director of Finance	Yes
Director of Primary Care, Community and Long Term Care	Yes
Director of Strategic Planning	Yes
Director of Workforce and Organisational Development	Yes
Director of Nursing, Quality and Patient Experience	Yes