



CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

DYDDIAD Y CYFARFOD: DATE OF MEETING:	28 September 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial Report – Month 5 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 5 Health Board financial position is an overspend of £11.6m, which represents a £2.2m overspend against the deficit plan of £9.4m.

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	47.0	112.9
Operational Variation	0.9	7.2	12.3
Under-delivery against identified savings schemes	0.3	1.2	4.2
Unidentified savings gap	1.0	4.7	8.1
Gross Position	11.6	60.1	137.5
Required actions to address savings gap and operational variation	0.0	0.0	(24.6)
Net Position	11.6	60.1	112.9

This largely represents the step change in our expenditure levels since Month 11 and 12 in 2022/23, with the need to further identify and deliver savings that achieve reductions in the current expenditure levels.

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, £8.1m 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 £7.2m.
Capital	There is a Low risk to Capital following confirmation of WG funding in respect of the additional costs associated with WGH Phase 1 Fire scheme and 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 Board is asked to:

- **NOTE** and **DISCUSS** the financial position as at Month 5; and
- **NOTE** that the Month 6 financial outlook is an important juncture for the organisation to ensure clarity is provided to Welsh Government, and further formal communication might be required should sufficiently assured trajectories not be in place to achieve the Planned Deficit of £112.9m.

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 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 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 Sustainable Resources Committee

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.



GIG
CYMRU
NHS
WALES









Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Financial Performance Report

Month 5 2023/24

August 2023

Public Board Meeting

-  Executive Summary..... 3
-  Key Performance Indicators..... 6
-  Savings Performance and Opportunities Development..... 7
-  In-Month Revenue Position..... 9
-  YTD Revenue Position..... 11
-  End of Year Forecast Revenue Position..... 13
-  Key Analysis..... 16
-  Next Steps and Mitigating Actions..... 19

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

The Month 5 Health Board financial position is an overspend of £11.6m, which is made up of £2.2m operational variation and a deficit plan of £9.4m; the key drivers are summarised below, including the current end of year (EoY) forecast.

Driver	Prior month variance to breakeven £'m	Current month variance to breakeven £'m	Year to Date variance to breakeven £'m	Prior month End of Year forecast to breakeven £'m	End of Year forecast to breakeven £'m
Planned Deficit	9.4	9.4	47.0	112.9	112.9
Operational variation	1.4	0.9	7.2	15.9	12.3
Under-delivery against identified savings schemes	0.2	0.3	1.2	4.2	4.2
Unidentified savings gap	1.0	1.0	4.7	10.3	8.1
Gross Position	12.0	11.6	60.1	143.3	137.5
Mitigating actions required	0.0	0.0	0.0	(30.4)	(24.6)
Net Position	12.0	11.6	60.1	112.9	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 1-5 2023/24.

Key Measures (Risk rating - Impact x Likelihood)	Revenue	<p>Risk #1642 5 x 5 = 25</p> <p>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.</p> <p>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.</p> <p>Of the required £19.5m savings delivery, £8.1m 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 £7.2m.</p>	
	Cash		
	Savings		
	Capital		<p>Risk #1707 2 x 4 = 8</p> <p>There is a Low risk to Capital following confirmation of WG funding in respect of the additional costs associated with WGH Phase 1 Fire scheme and works required in WGH due to RAAC.</p>
	Underlying Deficit		<p>Risk #1199 5 x 5 = 25</p> <p>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.</p>

Executive Summary (2 of 3)

Key movements in forecast £'m

There has been a significant improvement in the Gross forecast since the prior month. The key drivers being the development of Recovery Plans and the financial impact of the response to RAAC in WGH.

Driver	Prior month End of Year forecast to breakeven £'m	End of Year forecast to breakeven £'m	Movement in Forecast £'m
Planned Deficit	112.9	112.9	0.0
Operational variation	15.9	12.3	(3.6)
Under-delivery against identified savings schemes	4.2	4.2	0.0
Unidentified savings gap	10.3	8.1	(2.2)
Gross Position	143.3	137.5	(5.8)
Mitigating actions required	(30.4)	(24.6)	(5.8)
Net Position	112.9	112.9	0.0

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.

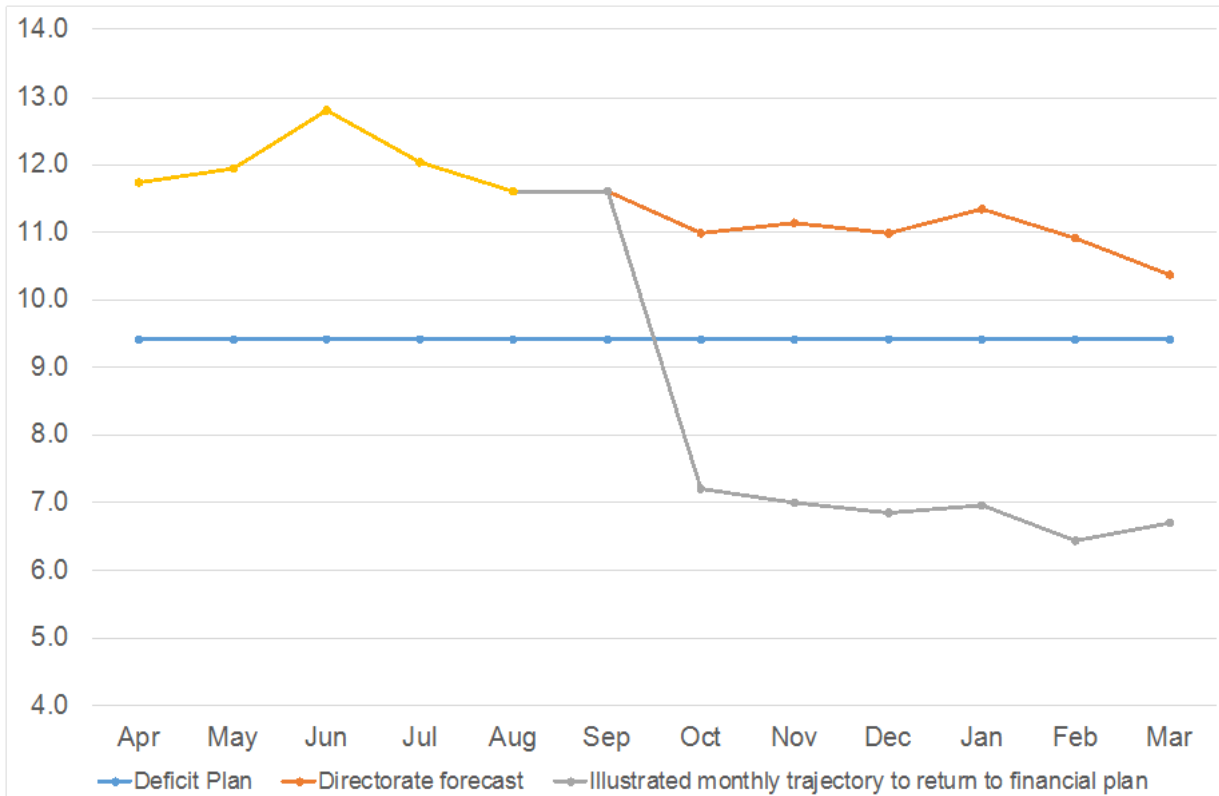
Operational Variation	Change £'m
WGH: Ward closures in response to RAAC reducing reliance on Nurse Agency	(1.7)
Energy: National price reduction in Energy based on latest NWSSP data	(0.9)
Planned Care: Reduction in WGH theatre sessions in response to RAAC	(0.8)
Women & Children: Recovery Plan Variable pay run-rate reduction scheme	(0.6)
Other	0.4
Total	(3.6)

Under-delivery against identified savings schemes	Change £'m
No movement	
Total	0.0

Unidentified savings gap	Change £'m
Conversion of Red to Green Corporate schemes (mainly vacancy holds)	(1.1)
Newly identified schemes in Medical, Women & Children, Oncology	(0.7)
Newly identified scheme within Workforce as part of Recovery Plan	(0.4)
Total	(2.2)

Revenue Deficit Trajectory £'m

In order to deliver the deficit plan of £112.9m the revenue run-rate needs to be improved by **c.£4.1m per month from October onwards**. There is currently insufficient assurance that this is achievable.



Cash Deficit Trajectory £'m

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, with insufficient cash to make payments from February onwards.

If the timing of the Strategic Cash requests mirror that of the previous year then this would be included in the Month 6 reporting cycle submitted in October 2023.




Key Performance Indicators



YTD Position

● **£60.1m**

Plan: £47.0m
44% of Gross Forecast Outturn



Gross Forecast Outturn

● **£137.5m**


Plan: £112.9m
Prior Month: £143.3m



Savings Delivery

● **£7.2m**

63% against identified Plans



Savings Identification

● **£11.4m**


Plan: 58% of required £19.5m
Prior Month: £9.2m



YTD Capital

● **£10.9m**


£2.6m over YTD Plan



Underlying Deficit

● **£106.0m**


Prior Month: £106.0m



Cash Consequences

● **£137.5m**


Liquidity concerns in Feb '24



Total Pay

● **£589.8m**

Prior Month: £589.8m



**Agency/
Premium Locum**

● **£33.4m**

Prior Month: £34.9m



Primary Care Prescribing

● **£92.1m**


Plan: £89.2m
Prior Month: £91.9m



Secondary Care Drugs

● **£56.8m**

Plan: £54.2m
Prior Month: £56.3m



Energy

● **£13.8m**

Plan: £14.7m
Prior Month: £14.8m

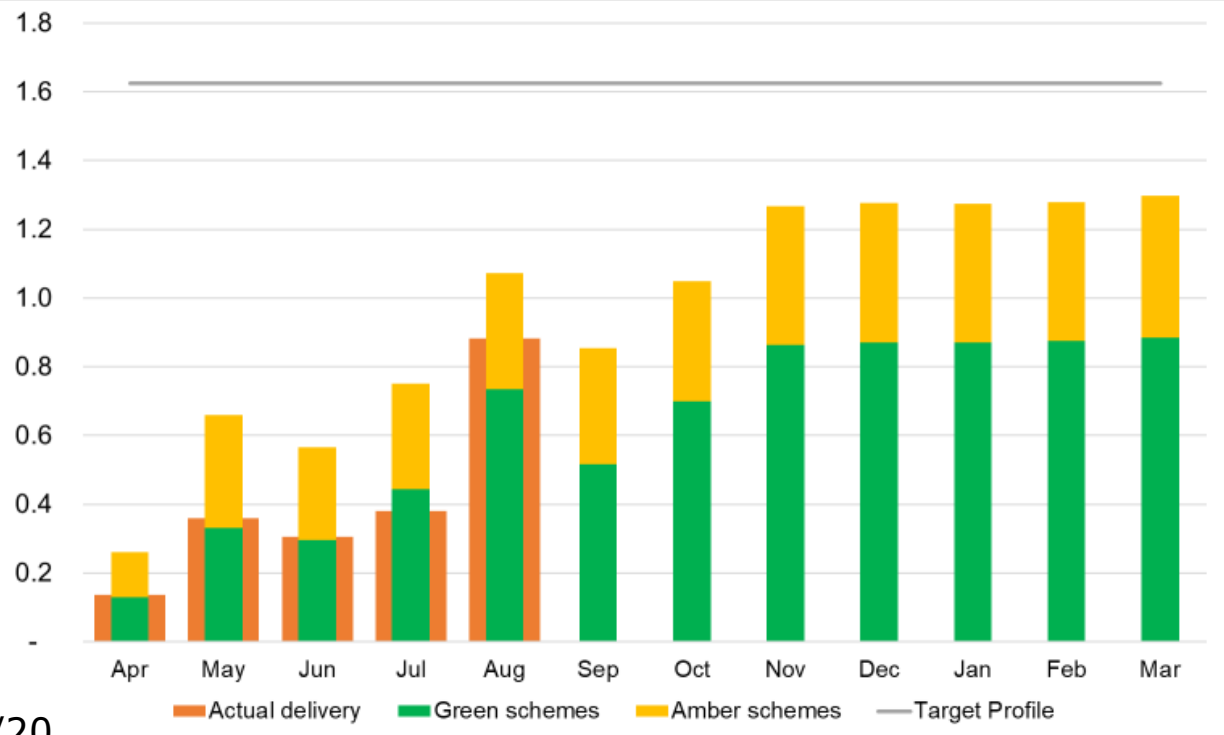
Savings Performance

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

There remains a significant gap in plans against the £19.5m plan, with an increase trajectory from Month 7 onwards – this highlights an element of risk. Of the identified schemes, 84% are recurrent, and of their planned value of £11.4m, the annual forecast is currently assessed as £7.2m.

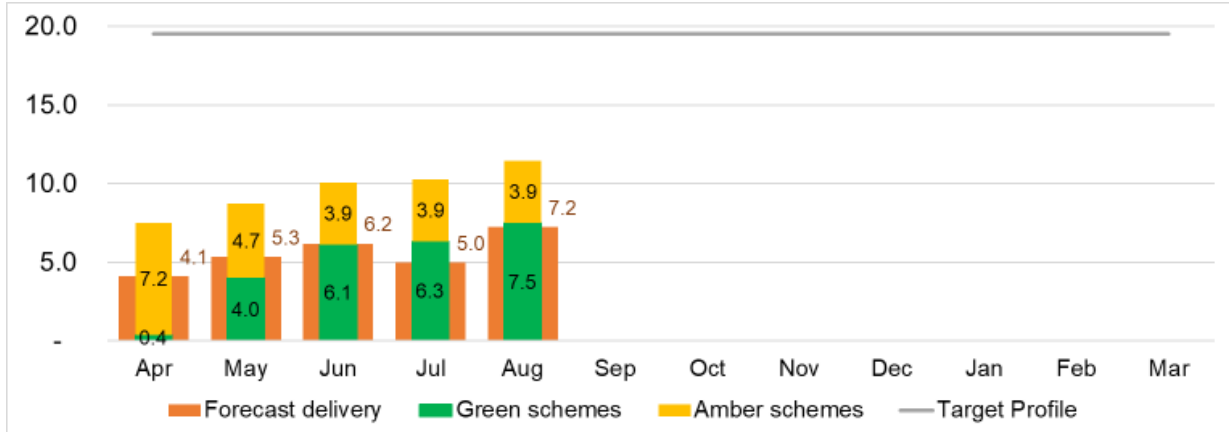
A weekly progress report is being presented to the Executive Team to retain sufficient strategic focus on key deliverables; the delivery of identified savings schemes and conversion of Opportunities into deliverable plans is a priority.

Of the required £19.5m savings delivery, £8.1m 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.



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

Since Month 4, an additional £2.2m of Green schemes have been identified, largely as a result of the operational actions in response to the Core Delivery Group.



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

Since Month 4, the forecast delivery of identified schemes has increased from £5.0m to £7.2m, primarily as a result of the newly identified Green Plans.

In-Year Plan £'m	Executive Owner designation	Target	Plan	Risk-adjusted forecast	Plan v Target	Forecast v Plan
Saving	Chief Executive	0.1	0.2	0.2	0.1	0.0
	Director of Finance	1.3	0.5	0.5	(0.8)	0.0
	Director of Nursing, Quality & Patient Experience	0.2	0.6	0.1	0.3	(0.5)
	Director of Operations	11.7	7.2	3.5	(4.5)	(3.7)
	Director of Primary Care, Community & Long Term Care	3.8	1.3	1.3	(2.4)	0.0
	Director of Public Health	0.1			(0.1)	0.0
	Director of Strategy and Planning	1.2	0.2	0.2	(1.0)	0.0
	Director of Therapies & Health Sciences	0.6	0.2	0.2	(0.3)	0.0
	Director of Workforce & Organisational Development	0.3	0.8	0.8	0.4	0.0
	Medical Director	0.1	0.3	0.3	0.3	0.0
	Saving Total		19.5	11.4	7.2	(8.1)
Run-rate reduction	Director of Operations		3.1	3.5	3.1	0.4
	Director of Primary Care, Community & Long Term Care		0.4	0.4	0.4	0.0
	Director of Therapies & Health Sciences		0.0	0.0	0.0	0.0
Run-rate reduction Total			3.5	4.0	3.5	0.4
Productivity	Director of Operations		7.1	6.9	7.1	(0.1)
Productivity Total			7.1	6.9	7.1	(0.1)
Grand Total		19.5	22.0	18.2	2.5	11.3

Opportunities Development

Following the Board approved list of opportunities from the Extraordinary In-Committee Board Meeting on 10 August 2023, the following summary provides a progress update on delivery plans for those opportunities.

Work Programme	Board Approved Financial Benefit (£'m)	Updated Financial Benefit (£'m)	Movement (£'m) (positive denotes a reduced benefit)	Benefit Included within Financial Forecast (£'m)
Non-Acute Services	3.4	1.5	1.9	1.5
Acute Services	14.2	7.6	6.6	-
Other	4.3	3.6	0.8	0.5
10%	13.9	13.9	-	0
Total	35.8	26.6	9.2	2.0

Savings Scheme Assurance Rating	Board Approved Financial Benefit (£'m)	Updated Financial Benefit (£'m)	Movement (£'m) (positive denotes a reduced benefit)	Benefit Included within Financial Forecast (£'m)
Deliver / Green	3.6	2.2	1.5	2.0
Design / Amber	7.7	7.7	0.0	-
Discover / Red	24.4	16.7	7.7	-
Enquire / Black	0.1	0.0	0.1	-
Total	35.8	26.6	9.2	2.0

In-Month 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 Accountable Officer.

Theme	£'m	Operational Driver comments
Planned Deficit	9.4	
Unidentified savings gap	1.0	1.3
Under-delivering savings schemes	0.3	
Nurse Agency	0.3	0.9
Medical Locum cover	0.4	
Primary Care Prescribing	0.4	
Oncology activity and price	0.2	
Primary Care	(0.2)	
Other	(0.2)	
In-Month Position	11.6	

In-Month Revenue Position (£'m)

EXECUTIVE LEAD / DIRECTORATE	PAY				NON PAY				INCOME	TOTAL
	ADMIN' & ESTATES	ALLIED HEALTH, SCIENTISTS & OTHER	MEDICAL & DENTAL	NURSING, MIDWIFERY & CLINICAL SUPPORT	CLINICAL SERVICES & SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS & PRESCRIBING	OTHER NON-PAY		
CENTRAL INCOME										
CHIEF EXECUTIVE	0.1	0.1	1.8	3.2	0.1			5.0	(0.1)	10.2
PLANNED DEFICIT	0.1	0.1	1.8	3.2	0.1			4.2		9.4
UNIDENTIFIED SAVINGS GAP								0.8		0.8
CHIEF EXECUTIVE										
DIRECTOR OF FINANCE								0.3	(0.1)	0.1
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE										
DIRECTOR OF OPERATIONS	0.2	(0.2)	0.8	(0.1)	0.1	0.5	0.3	0.4	(0.7)	1.3
MENTAL HEALTH & LEARNING DISABILITIES		(0.2)	0.1	(0.4)		0.4				(0.1)
ONCOLOGY & CANCER SERVICES							0.1			0.2
OPERATIONS DIR MANAGEMENT			(0.1)							(0.2)
PATHOLOGY										0.1
PLANNED CARE	(0.1)		0.1		(0.2)	0.1			(0.1)	(0.2)
RADIOLOGY					0.2					0.2
UNSCHEDULED CARE BRONGLAIS			0.2							0.3
UNSCHEDULED CARE GLANGWILU			0.1	0.5				0.1		0.7
UNSCHEDULED CARE PRINCE PHILIP			0.1		0.1					0.1
UNSCHEDULED CARE WITHYBUSH			0.1				0.1			0.2
WOMEN & CHILDREN			0.1	0.1					(0.1)	0.1
ASST DIR OPS QUALITY & NURSING FACILITIES	0.2			(0.2)				0.3	(0.5)	(0.2)
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	(0.1)	0.1	0.2	0.1	0.1	(0.8)	0.5	(0.1)	0.1	0.1
CARMARTHENSHIRE COUNTY						(0.2)				(0.1)
CEREDIGION COUNTY				0.1						
PEMBROKESHIRE COUNTY				(0.1)						(0.1)
MEDICINES MANAGEMENT							0.5	(0.1)		0.4
PRIMARY CARE		0.1	0.2			(0.5)			0.1	(0.2)
PRIMARY CARE MANAGEMENT										
DIRECTOR OF PUBLIC HEALTH									(0.1)	(0.1)
DIRECTOR OF STRATEGY AND PLANNING	0.1							(0.1)	(0.1)	
DIRECTOR OF THERAPIES AND HEALTH SCIENCE		(0.2)								(0.1)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(0.1)		(0.1)	(0.2)				0.4	(0.1)	(0.1)
EXECUTIVE MEDICAL DIRECTOR									(0.1)	
HEALTH BOARD FINANCING						(0.6)		1.0		0.4
LTA'S WITH OTHER NHS PROVIDERS						(0.1)				(0.1)
TOTAL	0.1	(0.1)	2.9	3.0	0.3	(0.9)	0.8	6.9	(1.3)	11.6

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

Year to Date (YTD) Revenue Position

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

Theme	£'m	Operational Driver comments	
Planned Deficit	47.0		
Unidentified savings gap	4.7	5.9	
Under-delivering savings schemes	1.2		
Nurse Agency	3.2	7.2	
MHLD CHC packages	1.8		
Medical Locum cover	1.5		
Primary Care Prescribing	1.4		
Primary Care Managed Practice Locum	1.0		
Oncology activity and price	0.9		
MHLD Vacancies	(1.8)		
Other	(0.8)		
Year to date Position	60.1		

Year to Date (YTD) Revenue Position (£'m)

EXECUTIVE LEAD / DIRECTORATE	PAY					NON PAY			INCOME	TOTAL
	ADMIN' & ESTATES	ALLIED HEALTH, SCIENTISTS & OTHER	MEDICAL & DENTAL	NURSING, MIDWIFERY & CLINICAL SUPPORT	CLINICAL SERVICES & SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS & PRESCRIBING	OTHER NON-PAY	INCOME	
CENTRAL INCOME									(0.3)	(0.3)
CHIEF EXECUTIVE	(0.1)							51.7		51.6
PLANNED DEFICIT								47.0		47.0
UNIDENTIFIED SAVINGS GAP								4.6		4.6
CHIEF EXECUTIVE	(0.1)									
DIRECTOR OF FINANCE								0.2	(0.3)	(0.1)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(0.2)	0.1		0.1				0.4		0.3
DIRECTOR OF OPERATIONS	1.0	(0.9)	2.6	1.8	1.0	2.7	1.2	1.7	(1.3)	9.7
ASST DIR OPS QUALITY & NURSING FACILITIES	0.8			(0.6)				1.3	(0.4)	1.1
MENTAL HEALTH & LEARNING DISABILITIES		(0.8)	0.2	(1.3)	0.1	2.3	0.1	0.1	(0.3)	0.3
ONCOLOGY & CANCER SERVICES			(0.1)				0.9			1.0
OPERATIONS DIR MANAGEMENT	(0.1)	(0.1)		(0.2)	(0.1)			(0.1)		(0.5)
PATHOLOGY		0.1			0.3	0.1	(0.2)		(0.2)	(0.2)
PLANNED CARE		(0.1)	0.2		(0.4)	0.2	(0.2)	0.2	(0.2)	(0.4)
RADIOLOGY		0.1			0.8	0.1	(0.1)		(0.1)	0.9
UNSCHEDULED CARE BRONGLAIS	0.1		1.2	0.4					0.1	1.8
UNSCHEDULED CARE GLANGWILI	0.1		0.1	2.4	0.1		0.2			2.8
UNSCHEDULED CARE PRINCE PHILIP			0.2	0.4	0.3					0.9
UNSCHEDULED CARE WITHTYBUSH			0.5	0.7			0.3	0.1	(0.1)	1.4
WOMEN & CHILDREN	0.1		0.3	0.1				0.1	(0.1)	0.5
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	0.1	0.3	1.0	0.3	0.2	(2.6)	1.5	0.1	0.5	1.3
CARMARTHENSHIRE COUNTY		0.1		0.4		(0.4)		0.1		0.2
CEREDIGION COUNTY				0.1				(0.1)	(0.1)	0.1
MEDICINES MANAGEMENT				(0.4)	0.1	(0.3)		0.1	0.2	(0.3)
PEMBROKESHIRE COUNTY		(0.1)		0.1		0.1	1.4	0.1	(0.4)	1.3
PRIMARY CARE	0.1	0.3	1.0	(0.1)	0.1	(2.1)			0.8	0.1
PRIMARY CARE MANAGEMENT	(0.1)			0.1	(0.1)	0.1		(0.1)		0.1
DIRECTOR OF PUBLIC HEALTH			(0.1)			(0.2)			(0.2)	(0.4)
DIRECTOR OF STRATEGY AND PLANNING									(0.2)	(0.1)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	0.1	(0.6)						0.2	(0.2)	(0.6)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(0.6)		(0.2)	(0.5)	0.1			1.1	(0.4)	(0.5)
EXECUTIVE MEDICAL DIRECTOR	0.1	0.1	0.1	0.1				(0.4)	(0.4)	(0.4)
HEALTH BOARD FINANCING	0.1			(0.1)			0.2		(0.2)	(0.1)
LTA'S WITH OTHER NHS PROVIDERS						(0.4)				(0.3)
TOTAL	0.6	(1.1)	3.3	1.6	1.3	(0.3)	2.8	55.1	(3.1)	60.1

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

End of Year (EoY) Forecast 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 Accountable Officer.

Theme	£'m	Operational Driver comments
Planned Deficit	112.9	
Unidentified savings gap	8.1	12.3
Under-delivering savings schemes	4.2	
Nurse Agency	4.6	12.3
Medical Locum cover	4.6	
Primary Care Prescribing	2.4	
Managed Practice Locum	2.3	
Community Pharmacy	(1.7)	
Oncology activity	1.6	
Oncology drug price increases	0.4	
Continuing Healthcare	5.3	
Mental Health & LD vacancies	(4.0)	
Energy price	(1.0)	
Other	(1.2)	
Gross Deficit Position	137.5	
Required Actions	(24.6)	Required actions to address savings gap and operational variation
Net Position	112.9	

End of Year (EoY) Forecast Gross Revenue Position (£'m)

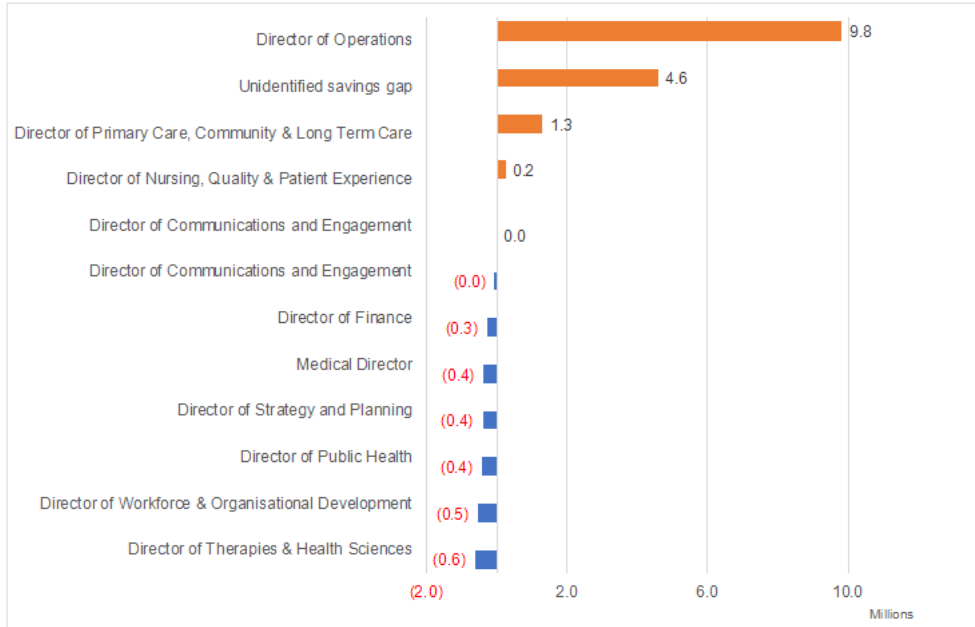
EXECUTIVE LEAD / DIRECTORATE	PAY				NON PAY				INCOME	TOTAL
	ADMIN' & ESTATES	ALLIED HEALTH, MEDICAL & SCIENTISTS & OTHER	DENTAL	NURSING, MIDWIFERY & CLINICAL SUPPORT	CLINICAL SERVICES & SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS & PRESCRIBING	OTHER NON-PAY		
CENTRAL INCOME									(0.5)	(0.5)
CHIEF EXECUTIVE	0.3	1.1	21.7	38.0	1.1	0.1		58.6	(0.1)	120.8
PLANNED DEFICIT	0.7	1.1	21.7	38.0	1.1			50.3		112.9
UNIDENTIFIED SAVINGS GAP								8.1		8.1
CHIEF EXECUTIVE	(0.4)					0.1			(0.1)	(0.1)
DIRECTOR OF FINANCE		0.1	(0.1)			0.1		0.4	(0.7)	(0.2)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(0.4)	0.1		0.2				0.7	(0.1)	0.4
DIRECTOR OF OPERATIONS	2.2	(1.9)	6.3	2.1	1.0	7.0	2.4	5.8	(5.2)	19.7
MENTAL HEALTH & LEARNING DISABILITIES	0.1	(1.8)	0.8	(3.0)	0.1	6.2	0.2	0.2	(0.6)	2.2
ONCOLOGY & CANCER SERVICES			(0.3)	0.2	0.1		1.8			1.8
OPERATIONS DIR MANAGEMENT	0.6	(0.2)	(0.3)	(0.5)	(0.1)			(0.3)	0.2	(0.6)
PATHOLOGY	(0.1)	0.2	0.1	0.1	0.5	0.3	(0.5)		(0.3)	0.2
PLANNED CARE	(0.8)	(0.2)	1.0	(0.2)	(1.3)	0.4	(0.3)	0.4	(0.4)	(1.2)
RADIOLOGY			0.3	0.1	1.2	0.1	(0.2)		(0.2)	1.3
UNSCHEDULED CARE BRONGLAIS	0.3	(0.1)	2.7	1.0	0.1			0.1	0.2	4.3
UNSCHEDULED CARE GLANGWILI	0.2	(0.1)	0.5	5.5	0.1		0.5		(0.1)	6.7
UNSCHEDULED CARE PRINCE PHILIP	0.1		0.2	0.6	0.4			0.1	(0.1)	1.3
UNSCHEDULED CARE WITHYBUSH		0.2	1.3	(0.3)	0.1		0.7	0.1	(0.3)	1.7
WOMEN & CHILDREN	0.2	0.2		(0.1)			0.1	0.2	(0.3)	0.2
ASST DIR OPS QUALITY & NURSING FACILITIES	1.7			(1.5)				5.0	(3.5)	1.8
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	0.5	0.9	2.1	0.5	0.2	(4.0)	0.1	(0.7)	1.7	1.2
CARMARTHENSHIRE COUNTY	0.1	0.2		0.7	0.1	0.1		(0.6)		0.6
CEREDIGION COUNTY	0.2			0.2	0.1	(0.2)	0.1	(0.1)	(0.1)	0.2
PEMBROKESHIRE COUNTY	0.1		(0.1)	(0.8)	0.1	(0.5)	0.1		0.4	(0.8)
MEDICINES MANAGEMENT				0.2	0.2	2.4	(0.1)	0.2	(0.5)	2.4
PRIMARY CARE	0.2	0.8	2.1	(0.1)	(0.1)	(5.8)		(0.2)	1.9	(1.2)
PRIMARY CARE MANAGEMENT	(0.1)			0.3	(0.1)			0.1		0.1
DIRECTOR OF PUBLIC HEALTH		(0.1)	(0.1)			(0.1)	(0.1)		(0.4)	(0.8)
DIRECTOR OF STRATEGY AND PLANNING	0.1		0.1						(0.3)	(0.1)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	0.2	(1.7)		0.1	0.1			0.3	(0.4)	(1.4)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(1.2)		(0.6)	(1.6)	0.1	0.2		2.9	(0.9)	(1.0)
EXECUTIVE MEDICAL DIRECTOR	0.2	0.4	0.2					(0.6)	(0.7)	(0.4)
HEALTH BOARD FINANCING	0.3			(0.1)	0.5		0.2	(0.8)	0.1	0.1
LTA'S WITH OTHER NHS PROVIDERS	0.1					(0.6)				(0.5)
TOTAL	2.3	(1.2)	29.5	39.4	2.9	2.8	2.6	66.8	(7.6)	137.5

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

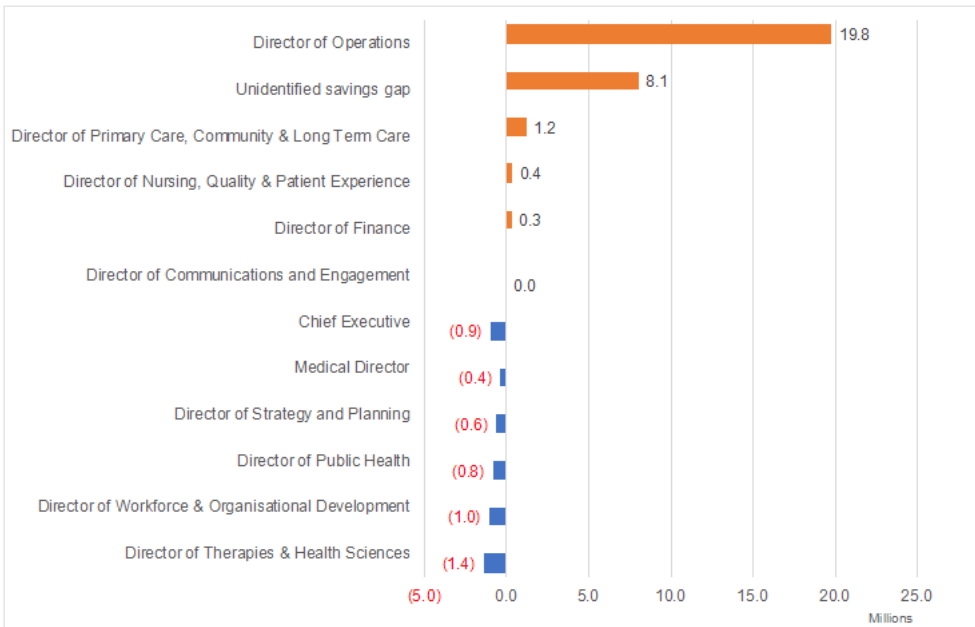
Summary Financial Performance by Portfolio (£'m)

Accountable Officer Performance

Year to Date

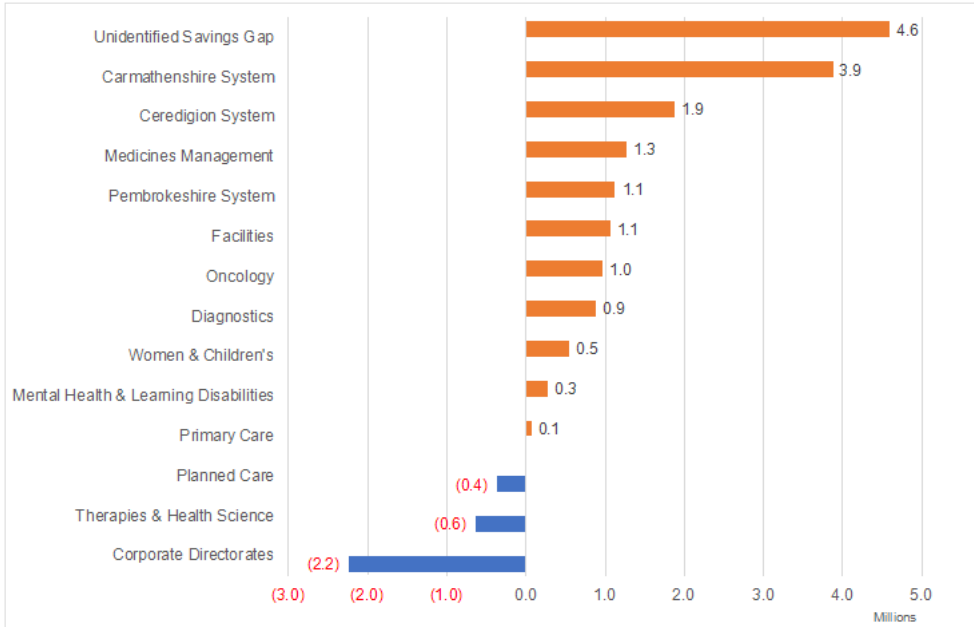


End of Year

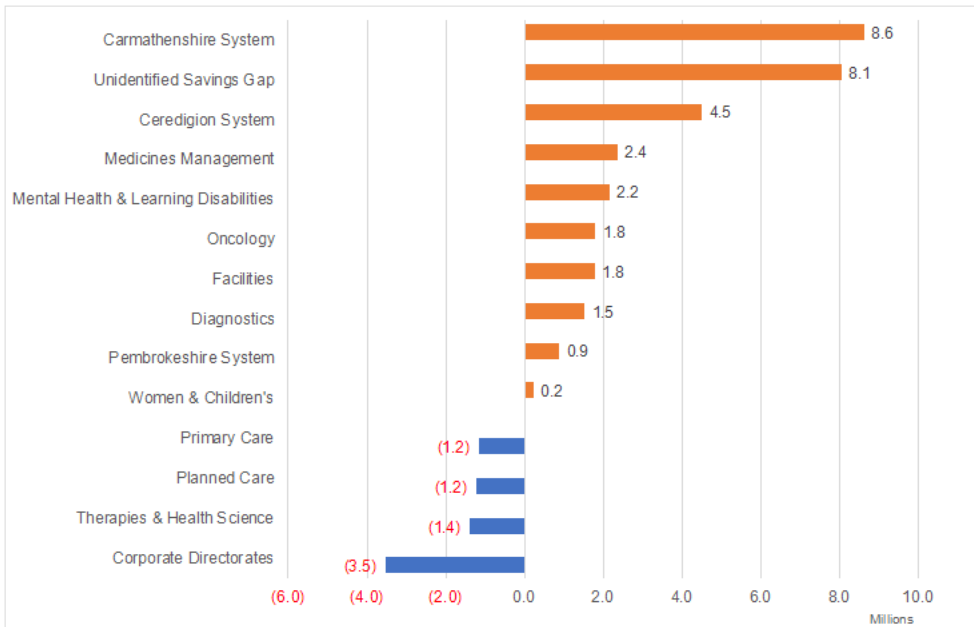


Service Portfolio Performance

Year to Date



End of Year

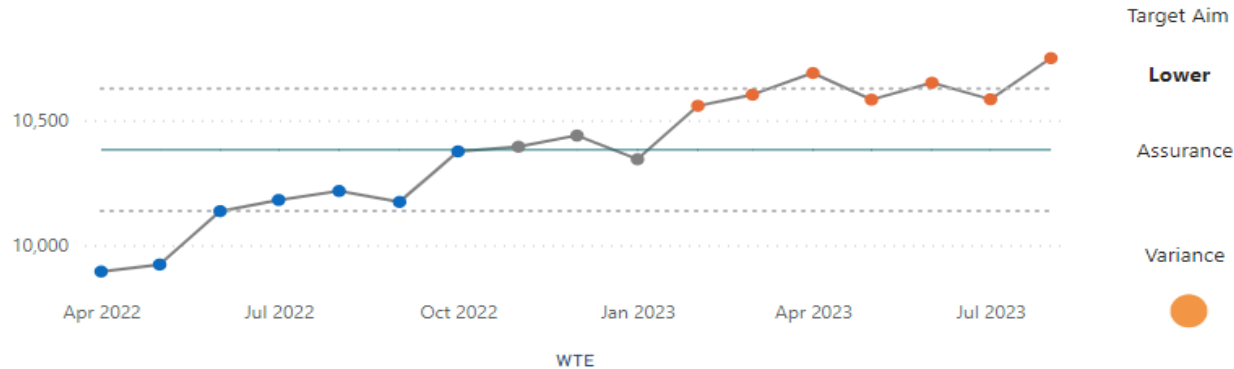


Key Analysis (1 of 3)

Established Worked (WTE)

This indicator is showing a concerning trend.

Expected performance is between 10,137 and 10,628

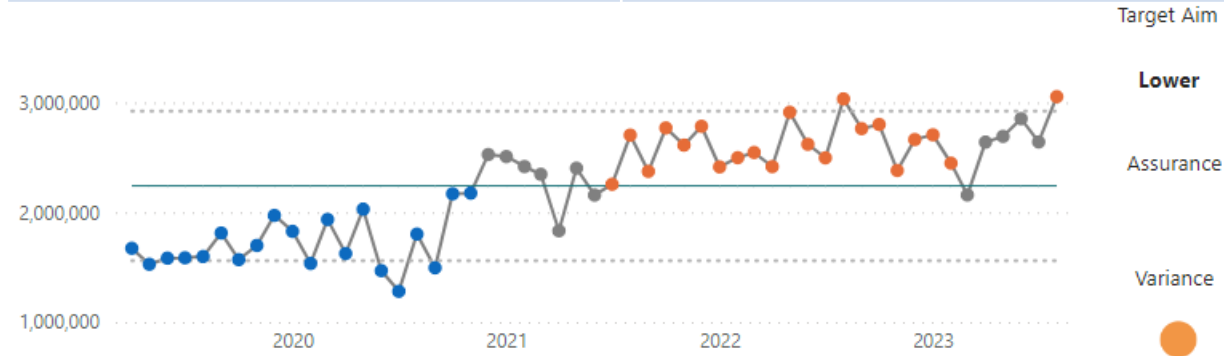


There has been an increase of c.854 in the number of WTEs since April 2022 without a corresponding increase in bed capacity.

Medical Locum expenditure (£'m)

This indicator is showing a concerning trend.

Expected performance is between £1.6m and £2.9m.

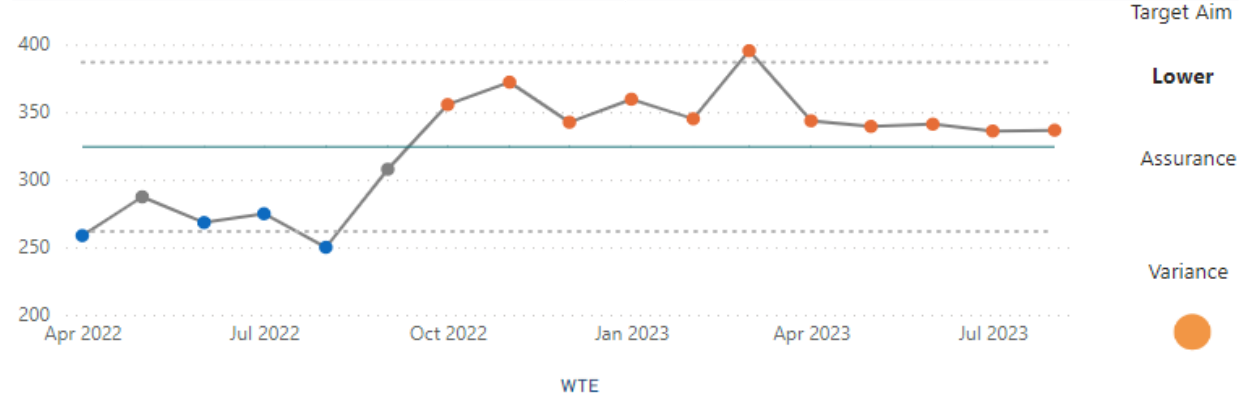


Month 5 has seen an increase in Additional duty hour payments compared to last month, primarily in Unscheduled Care due to increased supervision costs in respect of the new Junior Doctor intake and reimbursement in respect of retrospective shifts.

Nurse Agency Worked (WTE)

This indicator is showing a concerning trend.

Expected performance is between 262 and 387.

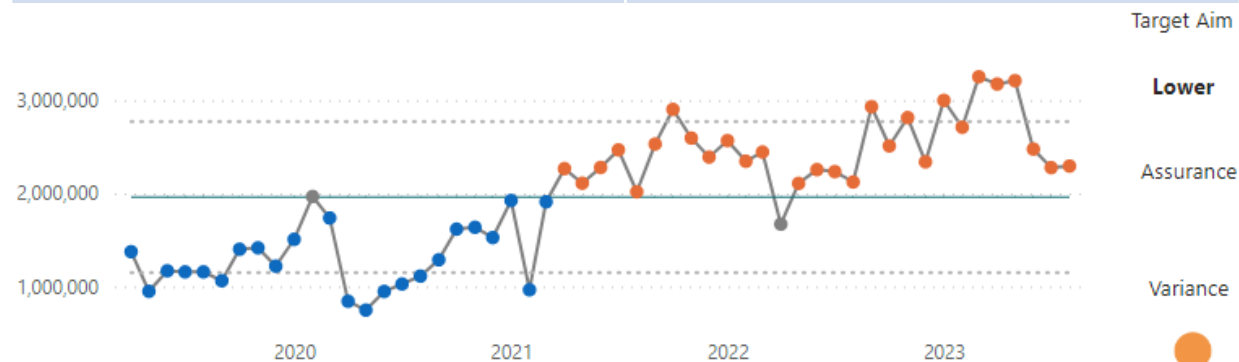


There has been an increase of c.78 WTE in Nurse Agency utilisation since April 2022. Following the Executive team decision to restrict Nurse Agency utilisation, WTE usage has now plateaued.

Nurse Agency expenditure (£'m)

This indicator is showing a concerning trend.

Expected performance is between £1.2m and £2.8m.



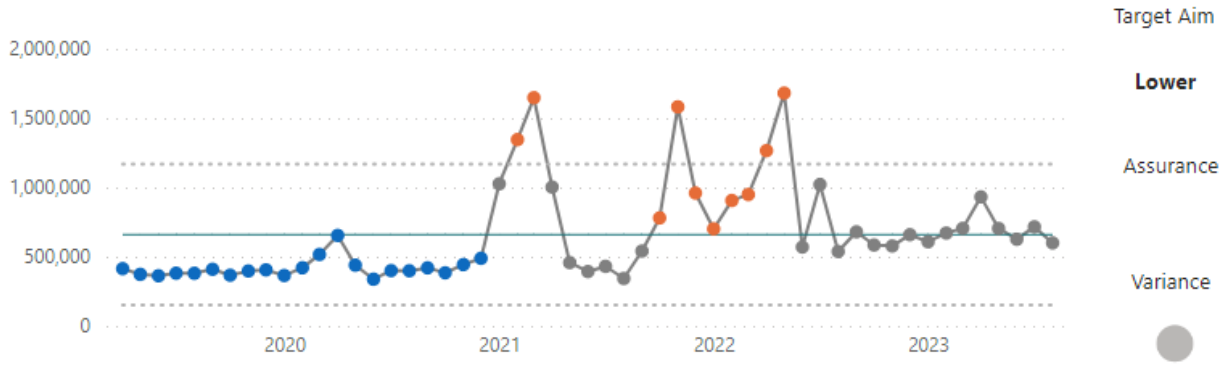
Following the Core Delivery Group's decision last month to restrictions around Agency utilisation and terms/rates, during the month no Off-Contract Agency Nursing were utilised.

Key Analysis (2 of 3)

Overtime expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £0.2m and £1.2m.

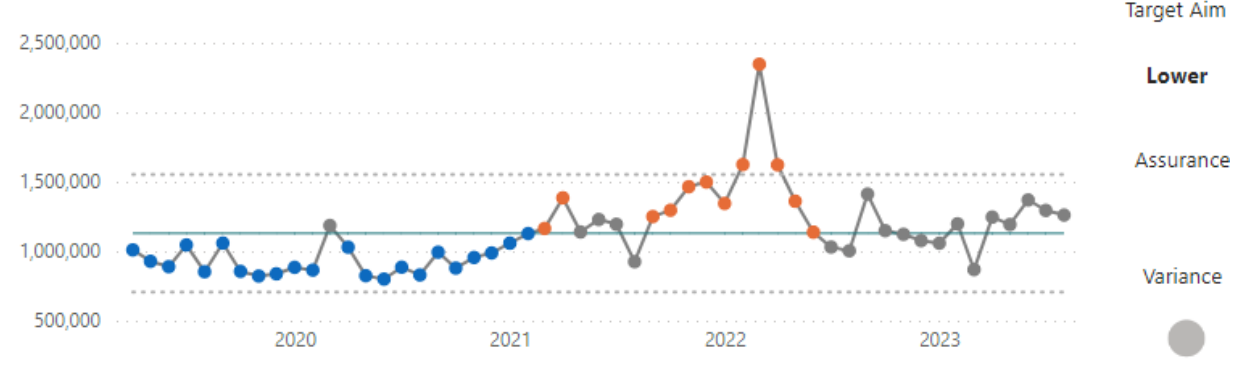


Month 5 has seen a reduction in overtime payments in the month primarily due to Month 4 including retrospective payments in respect of the 5% Wage award.

Bank expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £0.7m and £1.6m.

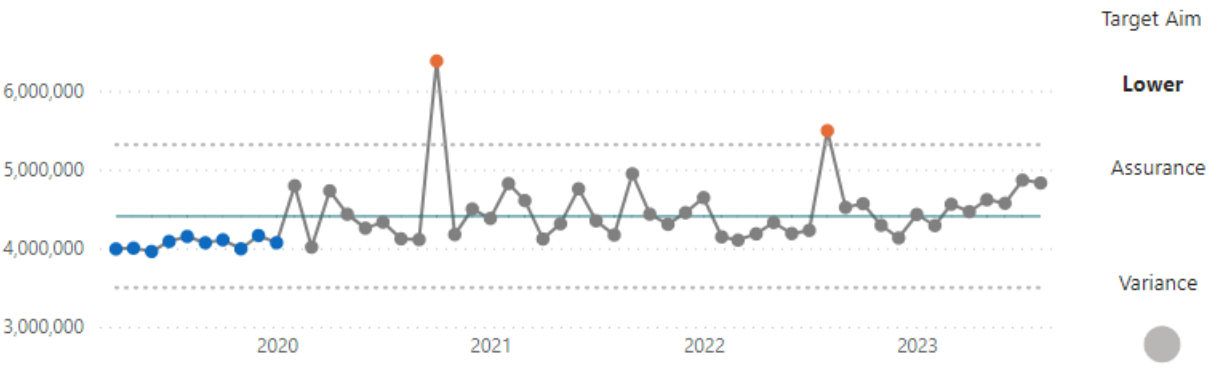


Month 5 has seen a reduction in overtime payments in the month primarily due to Month 4 including retrospective payments in respect of the 5% Wage award.

Continuing Healthcare expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £3.5m and £5.3m.



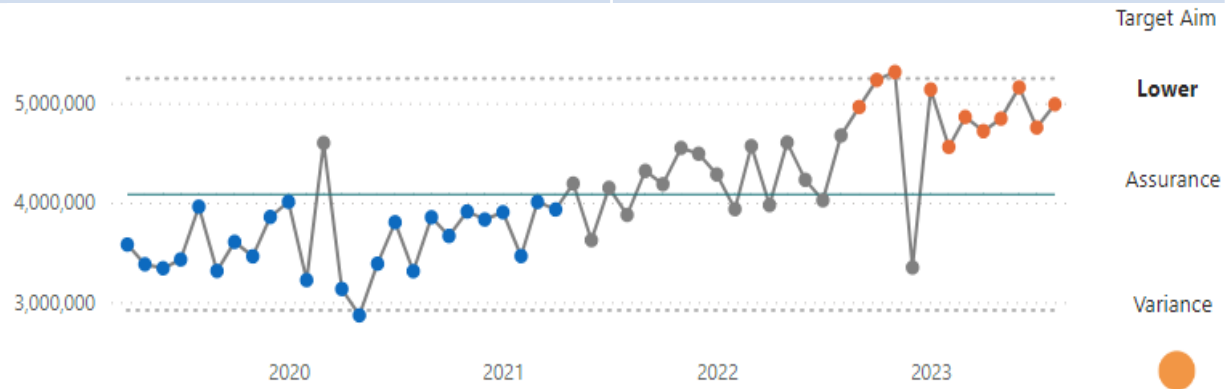
There is no significant movement to report in-month.

Key Analysis (3 of 3)

Secondary Care Drugs expenditure (£'m)

This indicator is showing a concerning trend.

Expected performance is between £2.9m and £5.2m

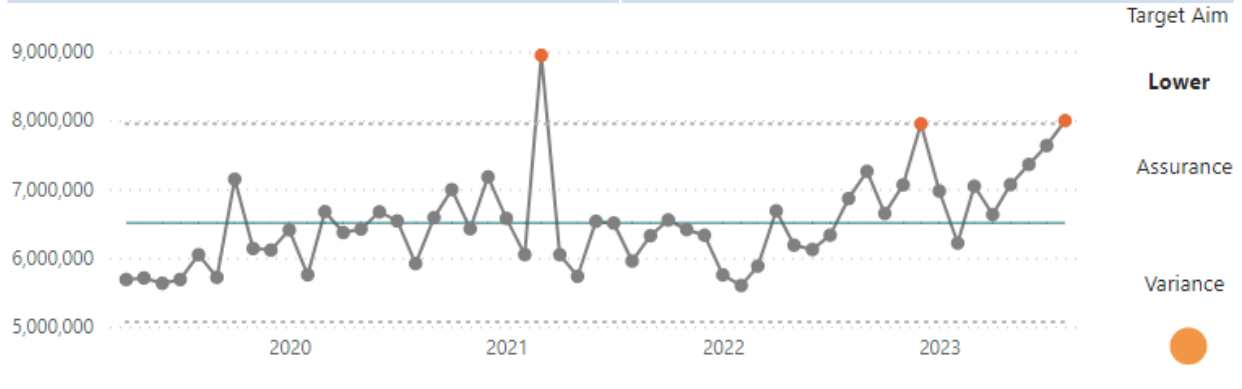


The in-month increase is primarily related to one additional clinic day in the month (from 21 to 22). Additional expenditure was also incurred within Pathology where the costs of Haematology drugs were higher than recent run rate. This includes one patient requiring expensive anti coagulation treatment.

Primary Care Prescribing expenditure (£'m)

This indicator is showing a concerning trend.

Expected performance is between £5.1m and £7.9m.



The in-month increase is primarily related to one additional clinic day in the month (from 21 to 22). The in month position continues to be modelled on April data where 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

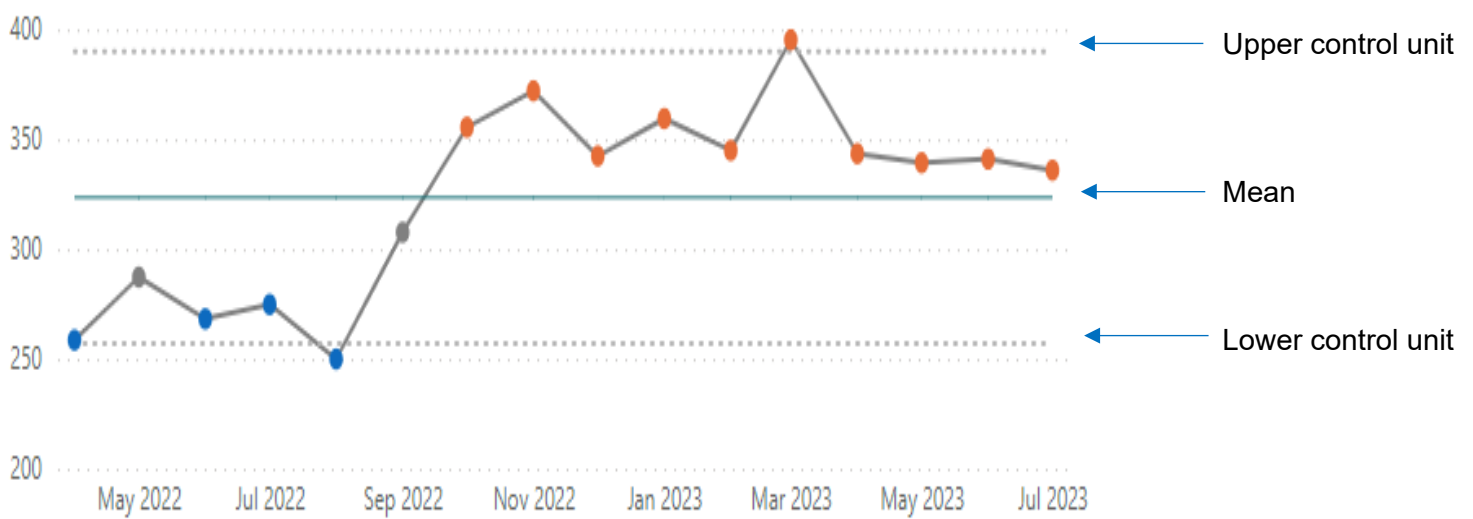
- The choices available for the key drivers of the deficit, coupled with other choices and opportunities, are regularly discussed across key governance forums, including the Executive Team and Board.
- A Core Delivery Group (CDG) has been set up as a weekly forum. The focus of the CDG is to take real-time 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 have been 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.
- A formal response is awaited from the 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.



Why use SPC charts?

- Statistical process control (SPC) is an analytical technique – underpinned by science and statistics – that plots data over time. It helps us understand variation and in so doing guides us to take the most appropriate action. RAG data in a table can hide what is happening.
- There are many factors that impact our performance and therefore month-on-month variation is to be expected.
- SPC charts enable us to determine if changes are showing special cause variation (concerning or improving) or if the changes are within our expected performance range. They also help us easily compare our performance against target.
- The focus is on run rates not variances to budgets; there is a strong evidence base to support the use of SPC charts to inform NHS Improvement

Anatomy of SPC charts



Understanding SPC charts

- The SPC rules identify unusual patterns in a dataset (special cause variation) that are unlikely to have arisen by chance. These pinpoint where action may be needed and as such deserve to be highlighted.
- A target is set to determine if the trend should be increasing or reducing.
- A colour code is used to easily identify patterns:

- orange indicates special cause variation of particular concern and needing action;
- blue where improvement appears to lie;
- grey data indicates no significant change (common cause variation).

- A minimum of 15 data points is required for robust analysis.
- 99% of data will fall within the Upper control limit and Lower control limit.

Executive Summary and KPI Dashboard Key:

- Red indicates a concerning trend/risk that needs immediate management action
- Orange indicates a concerning trend/risk where management action is recommended within a 3-month period
- Green indicates an improving trend or low risk that needs monitoring only