



## CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	30 November 2023
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Financial Performance Report – Month 7 2023/24
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Jennifer Thomas, 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 the Annual Plan and assesses the key financial projections, risks, and opportunities for the financial year.

#### Cefndir / Background

The Month 7 Health Board financial position is an underspend of £28.1m, which is made up of a £4.4m improvement against a surplus plan of £23.7m, following the additional funding allocations received from Welsh Government (WG) announced on 20 October 2023. The key drivers are summarised below, including the current end of year (EoY) forecast.

The executive summary provides detail for the level of new funding received and the change in forecast reported in the Month 7 position following the submission of an Accountable Officer letter on 20 October 2023.

#### Asesiad / Assessment

##### Revenue

Driver	Prior month End of Year forecast to breakeven £'m	Latest End of Year forecast to breakeven £'m	Movement in Forecast £'m
Planned Deficit	112.9	44.8	(68.1)
Operational variation	14.7	11.3	(3.4)
Under-delivery against identified savings schemes	4.2	4.7	0.5
Unidentified savings gap	6.6	11.9	5.3
<b>Gross Position</b>	<b>138.4</b>	<b>72.7</b>	<b>(65.7)</b>
Mitigating actions required	(25.5)	Gap of (27.9)	2.4
<b>Reported Net Position</b>	<b>112.9</b>	<b>72.7</b>	<b>(40.2)</b>

During October 2023, the Health Board submitted an Accountable Officer letter to Welsh Government highlighting a materialisation of the risks that had been reported for several months. The updated financial position noted a year-end deficit of £128.0m – a deterioration of £15.1m compared to the Annual Plan of £112.9m.

On the same day the Accountable Officer letter was submitted, 20 October 2023, Welsh Government announced further funding support for the NHS Wales together with a Target Control Total. For Hywel Dda UHB, the Target Control Total is £44.8m, which included an additional £11.3m savings requirement.

With the improvement work that crystallised benefits following the finalisation of the Month 6 September reported financial position, coupled with the additional funding and savings requirement, the key movements are explained below, illustrating the positive work undertaken to improve the financial position from Month 6 to that included in the submission of the Accountable Officer letter, and then adjusted for the funding announced by Welsh Government, giving rise to the Month 7 financial submission included in this report.

Description	£'m	Comment
Annual Plan 2023/24 Planned Deficit	112.9	
Operational variation	14.7	As per key drivers in M6 report
Under / (Over) delivery against identified savings schemes	4.2	Mainly Nurse Stabilisation, TUEC and MH&LD CHC
Unidentified / (Identified) savings gap / (improvement)	6.6	
Month 6 September Forecast	138.4	Formally reported as £112.9m with £25.5m risks
Improvement in operational variation	(2.9)	Recovery support to Oncology and Radiology
Additional savings schemes identified	(6.0)	VAT rebates, LINC delay and funding utilisation
Assumed COVID-19 funding	(1.5)	Programmes managed below funding levels
Accountable Officer Letter Forecast	128.0	Sent to WG on 20 October 2023
Additional funding announced on 20 October 2023	(56.8)	Conditionally recurrent and non-recurrent
Add back assumed COVID-19 funding	1.5	Confirmation funding on actual costs not plan
Month 7 October Forecast	72.7	Formally reported as End of Year deficit position
Gap to Target Control Total	(27.9)	Currently no assurance of delivery plans to close
Target Control Total	44.8	Communicated by WG on 20 October 2023

## Risks and Opportunities

<b>Revenue</b>	With insufficient assurance that the revenue risk for the in-year position could be recovered, an Accountable Officer letter has been submitted indicating the scale of mitigations are very unlikely to be achieved in-year and that an increase in the deficit will be made through the M7 financial reporting return cycle to WG. Scenario options and service level control totals have been discussed and implemented but there remains insufficient assurance over delivery at pace and scale. Actions are ongoing to seek further improvement and assessments are being reviewed weekly.
<b>Cash</b>	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 the end of February without support. A request is being made during November 2023 for support.

<b>Savings</b>	Of the original plan for £19.5m savings delivery, only £0.6m remains unidentified. This gap is likely to be fulfilled in November when further pipeline schemes are implemented. However, forecast delivery against plans is under-performing. The additional control target £11.3m has been issued to service managers.
<b>Capital</b>	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
<b>Underlying deficit</b>	The reported underlying deficit has decreased, following new funding, an assessment of how the in-year operational variation will impact future years, including the recurrent gap within savings plans. The underlying deficit will be further assessed through the 2024/25 financial planning cycle.

### Argymhelliad / Recommendation

The Board is asked to **NOTE** and **DISCUSS** the financial position as at Month 7.

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: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	6. All Apply
Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a>	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: <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>	
<b>Ar sail tystiolaeth: Evidence Base:</b>	Monitoring returns to Welsh Government based on HDdUHB's financial reporting system.
<b>Rhestr Termau: Glossary of Terms:</b>	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 – Worthybush General Hospital WRP – Welsh Risk Pool WHSSC – Welsh Health Specialised Services Committee YTD – Year to date
<b>Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:</b>	Finance Team Management Team Executive Team Sustainable Resources Committee

<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 7 2023/24

October 2023

## Public Board Meeting

-  Executive Summary..... 3
-  Key Performance Indicators..... 7
-  Savings Performance..... 8
-  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

## The Health Board's revised Target Control Total from Welsh Government (WG) is to deliver a deficit of £44.8m, after savings of £30.8m

The Month 7 Health Board financial position is an underspend of £28.1m, which is made up of a £4.4m improvement against a surplus plan of £23.7m following the additional funding allocations received from WG announced in October 2023; 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 / Target Control Total	9.4	(23.7)	26.1	112.9	44.8
Operational variation	1.7	(2.4)	9.4	14.7	11.3
Under / (Over) delivery against identified savings schemes	0.3	0.5	1.8	4.2	4.7
Unidentified / (Identified) savings gap / (improvement)	0.5	(2.5)	6.7	6.6	11.9
<b>Gross Position</b>	<b>11.9</b>	<b>(28.1)</b>	<b>44.0</b>	<b>138.4</b>	<b>72.7</b>
Mitigating actions required to deliver plan / control total	0.0	0.0	0.0	(25.5)	Gap of (27.9)
<b>Reported Net Position</b>	<b>11.9</b>	<b>(28.1)</b>	<b>44.0</b>	<b>112.9</b>	<b>72.7</b>

A normalised position, after removing the additional funding, would have represented a modest improvement of c.£0.4m compared with the average of the prior 3 months run rate.

Key Measures (Risk rating - Impact x Likelihood)	Revenue	Risk #1642 5 x 5 = 25	With insufficient assurance that the revenue risk for the in-year position could be recovered, an Accountable Officer letter has been submitted indicating the scale of mitigations are very unlikely to be achieved in-year and that an increase in the deficit will be made through the M7 financial reporting return cycle to WG. Scenario options and service level control totals have been discussed and implemented but there remains insufficient assurance over delivery at pace and scale. Actions are ongoing to seek further improvement and assessments are being reviewed weekly.
	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. A request is being made during November 2023 for support.
	Savings		Of the original plan for £19.5m savings delivery, only £0.6m remains unidentified. This gap is likely to be fulfilled in November when further pipeline schemes are implemented. However, forecast delivery against plans is under-performing. The additional control target £11.3m has been issued.
	Capital	Risk #1707 2 x 4 = 8	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	Risk #1199 5 x 5 = 25	The reported underlying deficit has decreased, following new funding, an assessment of how the in-year operational variation will impact future years, including the recurrent gap within savings plans. The underlying deficit will be further assessed through the 2024/25 financial planning cycle.

## Executive Summary (2 of 4)

- After new funding and assumptions announced on 20 October 2023, there is a gap of £27.9m to achieve the Target Control Total, whereas, as part of the Accountable Officer (AO) Letter, the gap was £15.1m (£128.0m forecast less £112.9m plan)
- A revised deficit of £72.7m verses £44.8m (Target Control Total) is reported as part of the Month 7 finance cycle
- The following table summarises the funding movements between the AO letter and the Month 7 reported position

Description	£'m	Comment
<b>Annual Plan 2023/24 Planned Deficit</b>	<b>112.9</b>	
Annual plans savings target not yet converted into schemes	0.6	
Under-delivery of savings plans	4.2	
Operational variation	11.8	
<b>Gross Forecast</b>	<b>129.5</b>	
COVID-19 funding	(1.5)	
<b>Net Forecast</b>	<b>128.0</b>	As per Accountable Officer Letter
Additional funding	(56.8)	(Recurrent and Non-Recurrent)
Add back COVID-19 funding gain	1.5	Funding confirmed based on actual costs
<b>Revised Net Forecast</b>	<b>72.7</b>	
Gap remaining to achieve Target Control Total	(27.9)	Includes 10% deficit target of £11.3m
<b>Target Control Total</b>	<b>44.8</b>	

# Executive Summary (3 of 4)

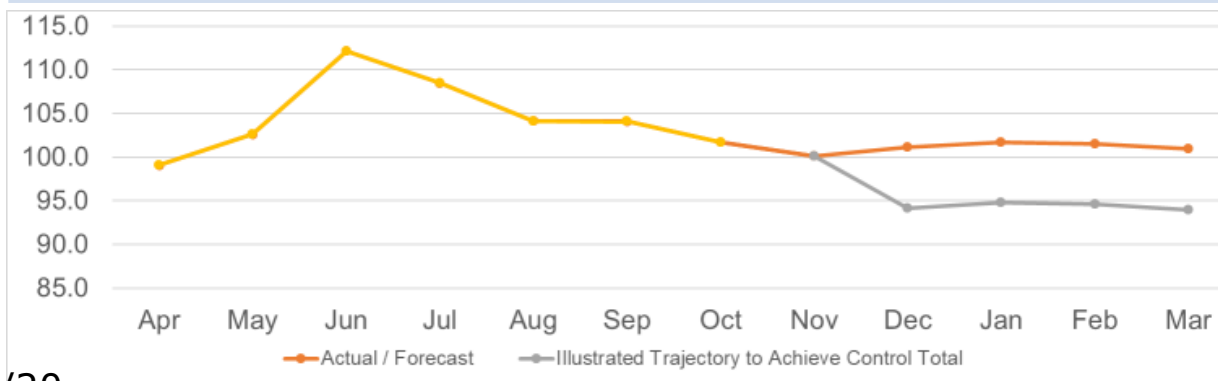
## Key movements in forecast £'m

There has been a modest improvement in the gross forecast since the prior month. The unidentified savings gap had been reduced by £6.0m, with the additional control total of £11.3m increasing the delivery gap to £11.9m.

Driver	Prior month End of Year forecast to breakeven £'m	Latest End of Year forecast to breakeven £'m	Movement in Forecast £'m
<b>Planned Deficit</b>	112.9	44.8	(68.1)
Operational variation	14.7	11.3	(3.4)
Under-delivery against identified savings schemes	4.2	4.7	0.5
Unidentified savings gap	6.6	11.9	5.3
<b>Gross Position</b>	138.4	72.7	(65.7)
Mitigating actions required	(25.5)	Gap of (27.9)	2.4
<b>Reported Net Position</b>	112.9	72.7	(40.2)

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

To deliver the Target Control Total of £44.8m, the revenue run-rate needs to be improved by c.£7.0m per month from November onwards.



## 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
Pathology, Oncology, USC and Planned Care price & volume increase in drugs	(2.2)
Continuing Healthcare high-cost package in Children, higher activity in Counties	(0.4)
Primary Care	(1.5)
Medical Locum Costs	0.4
Other	0.3
<b>Total</b>	<b>(3.4)</b>

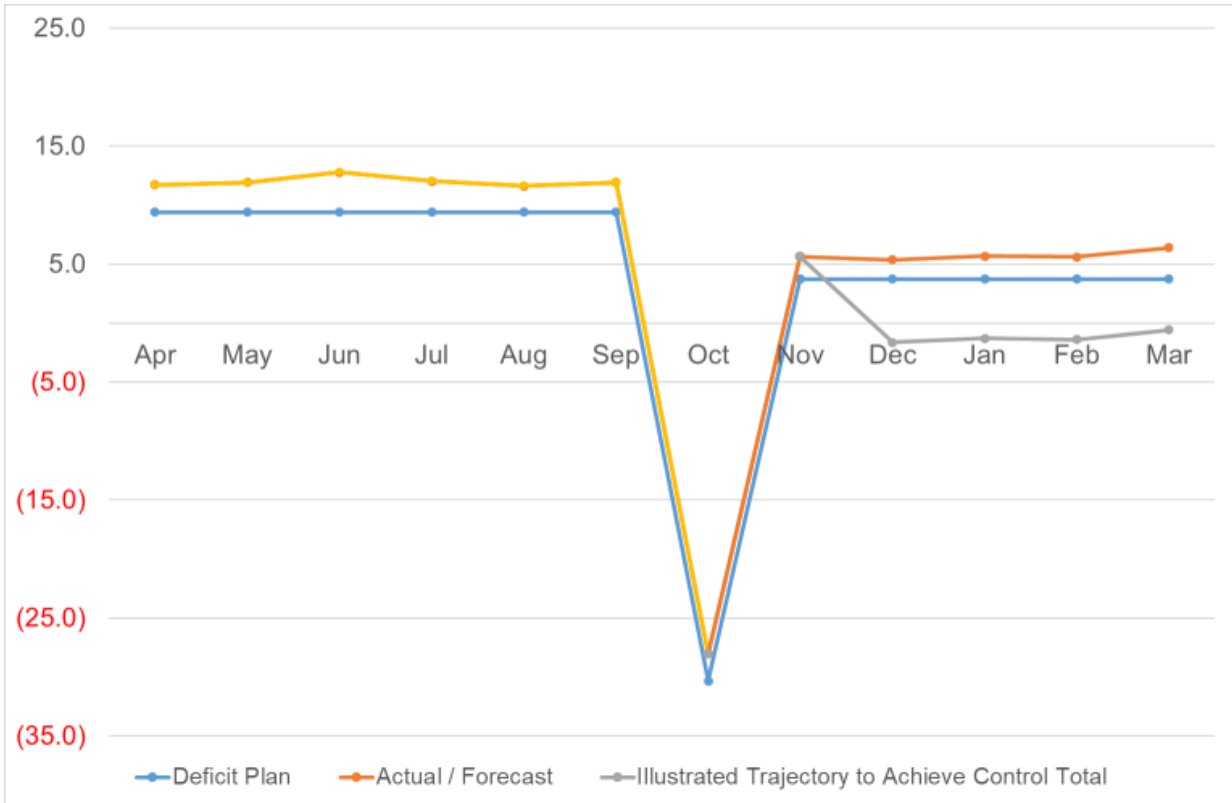
Under-delivery against identified savings schemes	Change £'m
MH&LD CHC savings scheme slippage	0.5
<b>Total</b>	<b>0.5</b>

Unidentified savings gap	Change £'m
New Green schemes identified	(6.0)
Additional Target Control Total (10% of Annual Plan deficit)	11.3
<b>Total</b>	<b>5.3</b>

# Executive Summary (4 of 4)

## Revenue Deficit Trajectory £'m

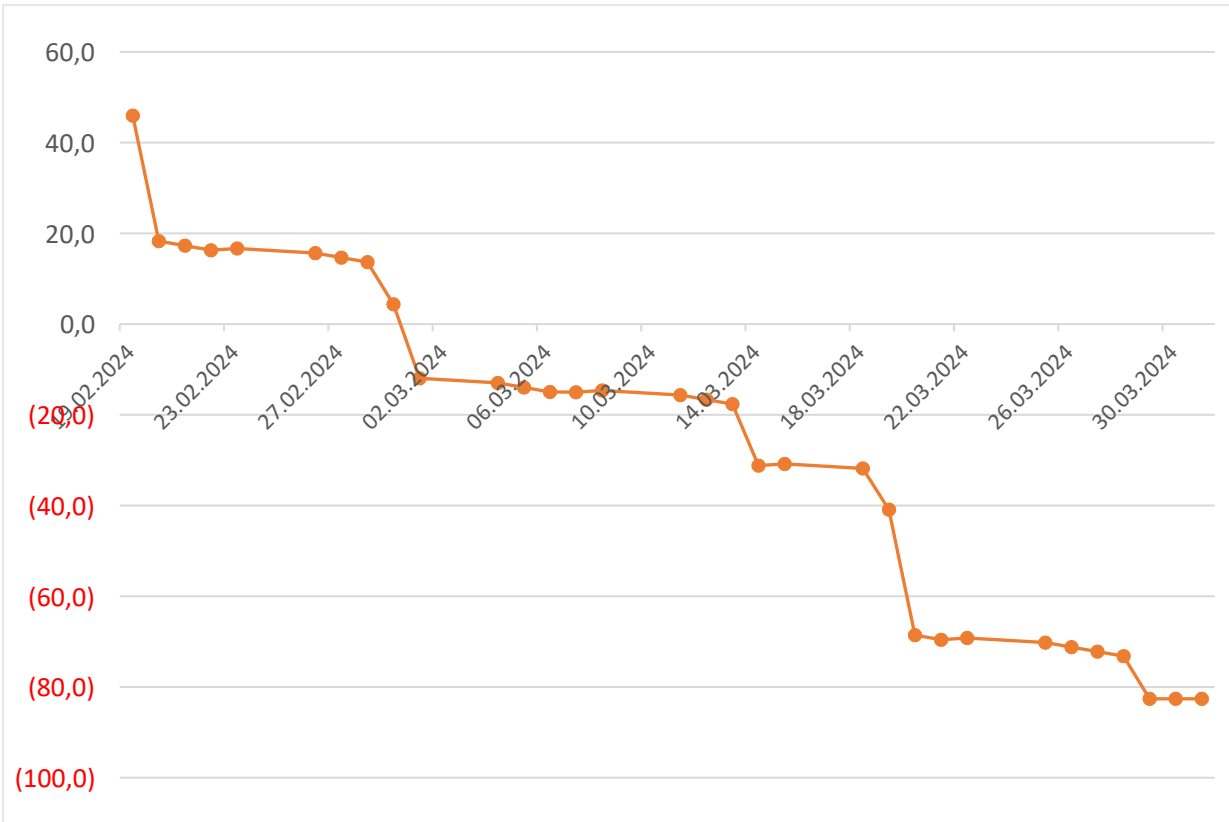
To deliver the Target Control Total of £44.8m the revenue run-rate needs to be improved by c.£7.0m per month from November onwards. There is currently insufficient assurance that this is achievable. A process has been undertaken to formally propose to the Board a change in the reported end of year deficit more than the Annual Plan; the Board met on 19 October, following which an Accountable Officer letter was submitted to WG on 20 October advising of the key drivers and underpinning assumptions that have caused the change in financial deficit.



## 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 the end of February. A cash management strategy approach was taken to Board in October and endorsed, but if required, will have reputational consequences.

A strategic cash request will be submitted during November in-line with the advised Welsh Government requirements.




# Key Performance Indicators



**YTD Position**

● **£44.0m**

Plan: £56.5m  
52% of Gross Forecast Outturn



**Gross Forecast Outturn**

● **£72.7m**


Target Control Total: £44.8m  
Plan: £112.9m  
Prior Month: £138.4m



**Savings Delivery**

● **£14.7m**

75% against identified Plans



**Savings Identification**

● **£18.9m**


Plan: 97% of required £19.5m  
Prior Month: £12.9m  
Note: excludes £11.3m target control total



**YTD Capital**

● **£13.7m**


£0.7m over YTD Plan



**Underlying Deficit**

● **£93.6m**


Deterioration after new funding  
Prior Month: £106.0m



**Total Pay**

● **£598.7m**


Prior Month: £588.5m



**Agency / Premium Locum**

● **£33.0m**


Prior Month: £32.8m



**Primary Care Prescribing**

● **£92.3m**

Plan: £89.2m  
Prior Month: £92.3m



**Cash Consequences**

● **£82.7m**


Liquidity concerns in Feb '24



**Secondary Care Drugs**

● **£60.0m**

Plan: £54.2m  
Prior Month: £58.7m



**Energy**

● **£13.5m**

Plan: £14.7m  
Prior Month: £13.5m

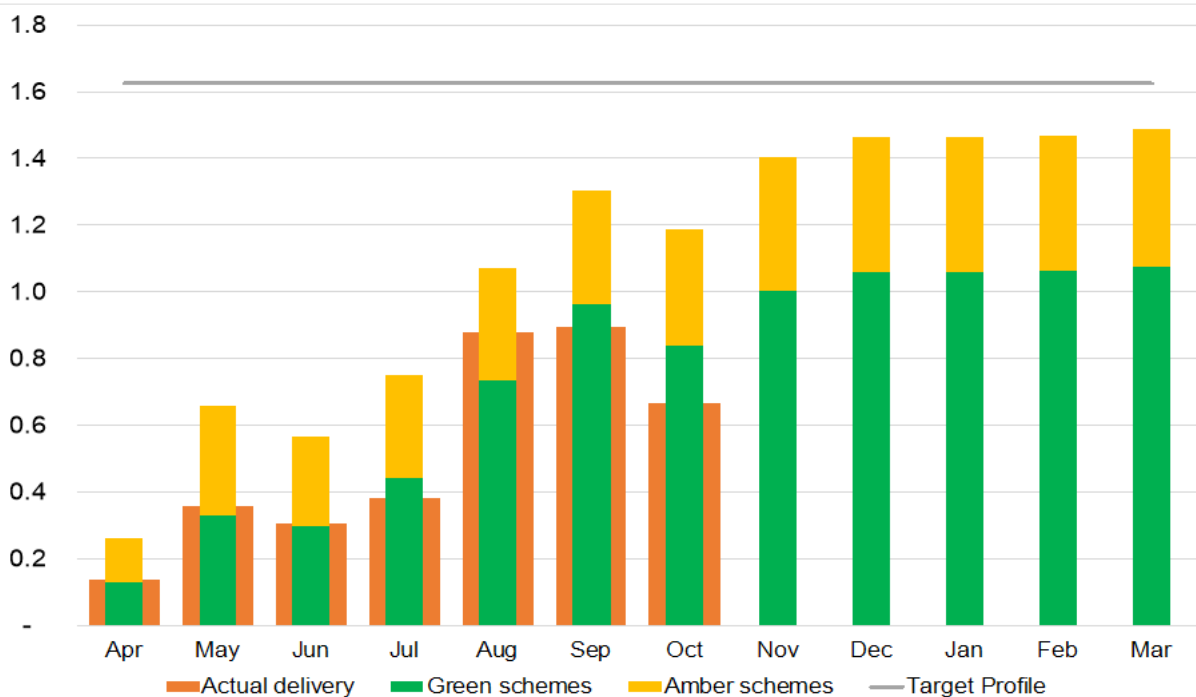
# Savings Performance (assessed against the original Annual Plan of £19.5m, therefore excluding Control Total Target of £11.3m)

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

The majority of savings gap has now been identified, with an increased delivery trajectory from Month 8 onwards. Of the identified schemes, 67% are recurrent, and of their planned value of £13.1m, the annual forecast is currently assessed as £8.8m – this highlights significant risk approaching the 2024/25 planning cycle, as well as highlighting under-delivery against identified plans.

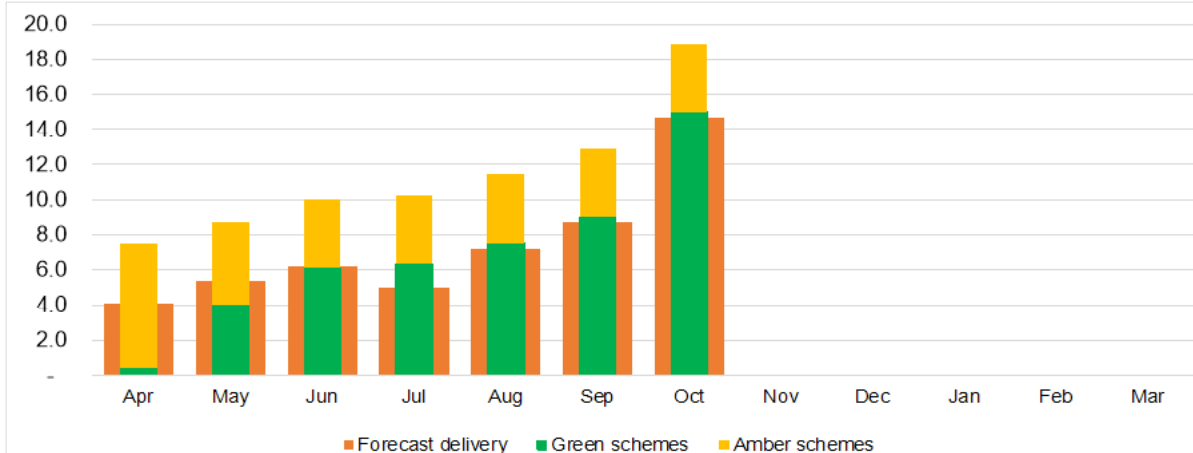
A weekly progress report is being presented to the Executive Team to retain sufficient strategic focus on key deliverables; the delivery of identified savings schemes and conversion of Opportunities into deliverable plans is a priority.

Of the original £19.5m savings delivery, £0.6m remains unconverted from Red/Black schemes. The Opportunities Framework presents a significant range and size of opportunities, and it is likely that the planned gap will be identified in the coming months.



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

Since Month 6, an additional £6.0m of Green schemes have been identified, related to VAT rebates, LINC programme delay and central funding assumptions that are now confirmed.



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

With the new schemes, the forecast delivery of identified schemes has increased from £8.7m to £14.7m, with £4.3m of plans still signalling an under-delivery.

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	14.4	10.6	2.7	(3.8)
	Director of Primary Care, Community & Long Term Care	3.8	1.3	1.3	(2.4)	0.0
	Director of Public Health	0.1	0.0	0.0	(0.1)	0.0
	Director of Strategy and Planning	1.2	0.6	0.6	(0.7)	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
<b>Saving Total</b>		<b>19.5</b>	<b>18.9</b>	<b>14.7</b>	<b>(0.6)</b>	<b>(4.3)</b>
Run-rate reduction	Director of Operations		3.2	3.3	3.2	0.0
	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
<b>Run-rate reduction Total</b>			<b>3.7</b>	<b>3.7</b>	<b>3.7</b>	<b>0.0</b>
Productivity	Director of Operations		7.9	7.3	7.9	(0.5)
<b>Productivity Total</b>			<b>7.9</b>	<b>7.3</b>	<b>7.9</b>	<b>(0.5)</b>
<b>Grand Total</b>		<b>19.5</b>	<b>30.5</b>	<b>25.7</b>	<b>11.0</b>	<b>(4.7)</b>

# 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 Delegated Officer.

Theme	£'m	£'m	Operational Driver comments
<b>Target Control Total</b>	<b>(23.7)</b>		<b>£56.8m WG funding, £33.1m (7/12<sup>th</sup>'s) included in the M7 position</b>
Underperforming savings schemes	0.5	<b>(2.0)</b>	USC GGH under-delivery in relation to Nurse Stabilisation and MHLDC CHC scheme. The under-delivery has been offset by a switch to Biosimilar for Wet AMD patients in Planned Care
Un-identified savings scheme	0.1		Un-identified planned savings across the Health Board
Identified savings schemes	(2.6)		Central Savings (£0.5m), LINC (£0.7m) and VAT Rebates (£1.4m) identified in-month
Nurse Agency	(0.1)	<b>(2.4)</b>	Improvement in month in GGH and PPH with reduction of nurse agency of 11.86WTE
Medical Locum	0.6		Premium rates paid across several Directorates primarily where over and above the Health Board rate Card. During the month BGH and W&C reported increased medical ad-hoc hours to cover vacancies, maternity and sickness and PPH reported increases due to delayed on-boarding of middle-grade doctors
Primary Care Prescribing	(0.4)		Drugs item growth continued at 2.2% and cost per item of £7.72 against a planned growth of 1.04% and cost per item of £7.59, however gain in month due to Velindre income and Winter flu vaccination recharge
LTA Activity	(0.6)		One off benefit in month due to WHSCC risk share adjustment due to improvements in C&V and SBU
Oncology activity and price	(1.2)		Recognition of 11% increase in SACT activity and a 13% increase in the cost of treatment compared to 2022/23, these increased costs are recognised this month with Recovery funding (£1.2m)
Primary Care	(0.4)		Dental underperformance against contract as per service recovery plan
Radiology	(0.5)		Continued use of agency to cover vacancies and use of external provider for reporting, however, benefit in month due to Recovery funding received recognising increased activity levels seen in Directorate (£0.7m)
Non-Pay – Insulin pumps	(0.4)		Review of Insulin pump purchases resulting in one off gain in M7
Other Non-Pay	0.6		Primarily driven by increases in non-pay across Directorates, M&SE supplies, Ophthalmology homecare drugs increases, Pathology PHW increased SLA performance and increased costs of catering provisions
<b>Operational variation</b>	<b>(4.4)</b>		
<b>Reported In-Month Position</b>	<b>(28.1)</b>		

# In-Month Revenue Position – Variance to Budget (£'m)

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		
<b>CENTRAL INCOME</b>									(0.1)	(0.1)
<b>CHIEF EXECUTIVE</b>										
<b>DIRECTOR OF FINANCE</b>								0.2	(0.2)	0.0
<b>DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE</b>										
<b>DIRECTOR OF OPERATIONS</b>	(0.2)	(0.2)	0.2	(0.1)	(1.1)	0.4	(1.1)	0.8	(0.5)	(1.8)
ASST DIR OPS QUALITY & NURSING FACILITIES	(0.2)							0.8	(0.5)	0.1
MENTAL HEALTH & LEARNING DISABILITIES		(0.2)		(0.3)		0.4				(0.0)
ONCOLOGY & CANCER SERVICES							(1.1)			(1.1)
OPERATIONS DIR MANAGEMENT			(0.1)							(0.1)
PATHOLOGY										
PLANNED CARE			(0.2)	(0.1)						(0.3)
RADIOLOGY					(0.6)					(0.6)
UNSCHEDULED CARE BRONGLAIS			0.3							0.3
UNSCHEDULED CARE GLANGWILI				0.5						0.5
UNSCHEDULED CARE PRINCE PHILIP					(0.4)					(0.4)
UNSCHEDULED CARE WITHYBUSH				(0.2)						(0.2)
WOMEN & CHILDREN			0.2							0.2
<b>DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE</b>					0.1	(0.7)	(0.2)		(0.1)	(0.9)
CARMARTHENSHIRE COUNTY										
CEREDIGION COUNTY										
PEMBROKESHIRE COUNTY										
MEDICINES MANAGEMENT							(0.3)		(0.1)	(0.5)
PRIMARY CARE					0.1	(0.7)	0.1			(0.4)
PRIMARY CARE MANAGEMENT										
<b>DIRECTOR OF PUBLIC HEALTH</b>										
<b>DIRECTOR OF STRATEGY AND PLANNING</b>										
<b>DIRECTOR OF THERAPIES AND HEALTH SCIENCE</b>										
<b>DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT</b>	(0.1)			(0.2)				0.2		(0.1)
<b>EXECUTIVE MEDICAL DIRECTOR</b>										
<b>HEALTH BOARD FINANCING</b>						(0.6)		1.5		0.9
<b>LTA'S WITH OTHER NHS PROVIDERS</b>						(0.6)				(0.6)
<b>PLANNED DEFICIT</b>			1.8	3.2				(28.2)		(23.2)
<b>UNIDENTIFIED SAVINGS GAP</b>								(2.3)		(2.3)
<b>Grand Total</b>	<b>(0.3)</b>	<b>(0.2)</b>	<b>2.0</b>	<b>2.9</b>	<b>(0.9)</b>	<b>(1.4)</b>	<b>(1.3)</b>	<b>(27.9)</b>	<b>(1.0)</b>	<b>(28.1)</b>

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 Delegated Officer.

Theme	£'m	£'m	Operational Driver comments
<b>Target Control Total</b>	<b>26.1</b>		
Underperforming savings schemes	1.8	<b>8.5</b>	USC GGH under-delivery in relation to Nurse Stabilisation. The under-delivery has been offset by a switch to Biosimilar for Wet AMD patients in Planned Care
Un-identified savings scheme and additional savings requirement	6.7		Un-identified planned savings across the Health Board of £0.1m, plus an additional £6.6m which is a 10% reduction in planned deficits (7/12 <sup>th</sup> of £13.2m)
Nurse Agency	3.9	<b>9.4</b>	Increased Agency rates of pay and fill rates; some improvement in-month in the reliance on off-contract agency resource across all USC sites
Medical Locum	3.3		Premium rates paid across several Directorates primarily where over and above the Health Board rate Card primarily in BGH and GGH. During the month GGH, WGH and PPH reported increased Locum costs in respect of supervision for the new GP trainee rotations
Primary Care Prescribing	1.4		Continued recognition in month of Drugs items growth of 1.05% and cost per item of £7.84 against a planned growth of 1.04% and cost per item of £7.59
CHC MHL D	2.7		MHL D additional high-cost packages
Vacancies MHL D	(2.0)		High vacancies partly offset with use of bank to cover both vacancies and sickness. Highest vacancy numbers in Nursing and Midwifery
Primary Care	(0.5)		Underspend in GMS (PADMS prescribing and dispensing) and Dental (reduction in contracts) partly offset by Managed Practice overspends (Locum expenditure)
Other	0.6		Primarily driven by vacancies across several corporate areas offset by a number of non-pay items primarily relating to Drugs
<b>Operational variation</b>	<b>17.9</b>		
<b>Reported In-Month Position</b>	<b>44.0</b>		

# Year to Date (YTD) Revenue Position – Variance to Budget (£'m)

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		
<b>CENTRAL INCOME</b>									(0.3)	(0.3)
CHIEF EXECUTIVE	(0.2)							0.2		
DIRECTOR OF FINANCE						(0.4)		1.0	(0.6)	
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(0.2)							0.5		0.3
DIRECTOR OF OPERATIONS		(1.0)	3.4	2.2		3.7	0.9	3.0	(2.1)	10.2
ASST DIR OPS QUALITY & NURSING FACILITIES	(0.1)							2.1	(0.9)	1.2
MENTAL HEALTH & LEARNING DISABILITIES		(1.2)	0.3	(2.0)		3.2	0.1	0.1	(0.3)	0.3
ONCOLOGY & CANCER SERVICES			(0.2)							
OPERATIONS DIR MANAGEMENT	(0.2)	(0.1)	(0.2)	(0.3)						(0.8)
PATHOLOGY		0.1			0.3	0.2	(0.1)		(0.2)	0.2
PLANNED CARE		(0.1)		(0.2)	(0.6)	0.2		0.3	(0.3)	(0.7)
RADIOLOGY		0.2			0.2				(0.1)	0.5
UNSCHEDULED CARE BRONGLAIS	0.2		1.6	0.6					0.1	2.6
UNSCHEDULED CARE GLANGWILI	0.1		0.2	3.3			0.4			4.1
UNSCHEDULED CARE PRINCE PHILIP			0.4	0.4						0.7
UNSCHEDULED CARE WITHYBUSH			0.7	0.3			0.4		(0.2)	1.4
WOMEN & CHILDREN	0.1		0.6					0.2	(0.2)	0.9
<b>DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE</b>	0.2	0.3	1.2	0.4	0.5	(3.7)	1.7	0.2	0.5	1.2
CARMARTHENSHIRE COUNTY				0.4		(0.3)				0.3
CEREDIGION COUNTY				0.2						0.2
PEMBROKESHIRE COUNTY				(0.4)	0.1	(0.4)		0.2	0.2	(0.3)
MEDICINES MANAGEMENT		(0.1)				0.2	1.5		(0.4)	1.3
PRIMARY CARE	0.1	0.4	1.3		0.2	(3.4)	0.1		0.8	(0.5)
PRIMARY CARE MANAGEMENT				0.2		0.2				
<b>DIRECTOR OF PUBLIC HEALTH</b>						(0.1)			(0.2)	(0.4)
<b>DIRECTOR OF STRATEGY AND PLANNING</b>									(0.1)	(0.2)
<b>DIRECTOR OF THERAPIES AND HEALTH SCIENCE</b>	0.1	(0.8)						0.2	(0.3)	(0.9)
<b>DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT</b>	(0.8)		(0.4)	(0.8)		0.1		1.4	(0.4)	(0.8)
EXECUTIVE MEDICAL DIRECTOR	0.1	0.1		0.1				(0.4)	(0.5)	(0.5)
HEALTH BOARD FINANCING	0.2			(0.1)		(3.1)	0.3	4.2	(0.3)	1.1
LTA'S WITH OTHER NHS PROVIDERS						(0.7)				(0.7)
PLANNED DEFICIT	0.4	0.6	12.7	22.2	0.3		0.3	(4.1)		32.3
UNIDENTIFIED SAVINGS GAP								2.7		2.7
<b>Grand Total</b>	<b>(0.2)</b>	<b>(0.8)</b>	<b>16.8</b>	<b>24.0</b>	<b>0.8</b>	<b>(4.3)</b>	<b>3.1</b>	<b>8.8</b>	<b>(4.4)</b>	<b>44.0</b>

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 Delegated Officer.

Theme	£'m	£'m	Operational driver comments	
<b>Target Control Total</b>	<b>44.8</b>		<b>Target Control Total, which includes an additional £11.3m of Savings requirement</b>	
Underperforming savings schemes	4.7	<b>16.6</b>	Key under-delivery in relation to Nurse Stabilisation (£2.5m), MHLDC CHC scheme (£0.7m), TUEC (£0.9m) and FLOs (£0.5m). Partially offset by a switch to Biosimilar for Wet AMD patients (£0.4m)	
Un-identified savings scheme and additional savings requirement	11.9		Un-identified planned savings across the Health Board of £0.6m, plus an additional £11.3m which is a 10% reduction in planned deficits as agreed by Cabinet and detailed in the letter received on 20 <sup>th</sup> October 2023	
Nurse Agency	4.3	<b>11.3</b>	Increased Agency rates of pay and fill rates; some improvement in-month in the reliance on off-contract agency resource across all USC sites but is decreasing with increased fill rates across sites	
Medical Locum	4.7		Premium rates paid across several Directorates primarily where over and above the Health Board rate Card primarily in Planned Care (Anaesthetics) and GGH. Additional expenditure also incurred to cover roster vacancies and sickness/ annual leave	
Primary Care Prescribing	2.5		Primary Care Drugs cost per items increased by 25p to £7.84 (£2.6m) to reflect the latest published data. Primary Care Drugs items growth at 1.05%. From October 2023 the price decreases to £7.82 in line with the latest CAT M announcement	
Continuing Healthcare	5.5		Overspend driven by additional growth, patient acuity and price inflation	
Mental Health vacancies	(4.6)		High vacancies partly offset with use of bank to cover both vacancies and sickness. Highest vacancy numbers in Nursing and Midwifery	
Primary Care	(1.5)		Dental underspends (2.3m) driven by 2022/23 contract underperformance recovery, partially offset by overspend on managed practice	
Other	0.4		Primarily driven by increases in non-pay across Directorates, M&SE supplies, Ophthalmology homecare drugs increases and increased costs of catering provisions	
<b>Operational variation</b>	<b>27.9</b>			
<b>EoY Forecast Position</b>	<b>72.7</b>			

# End of Year (EoY) Forecast Gross Revenue Position – Variance to Budget (£'m)

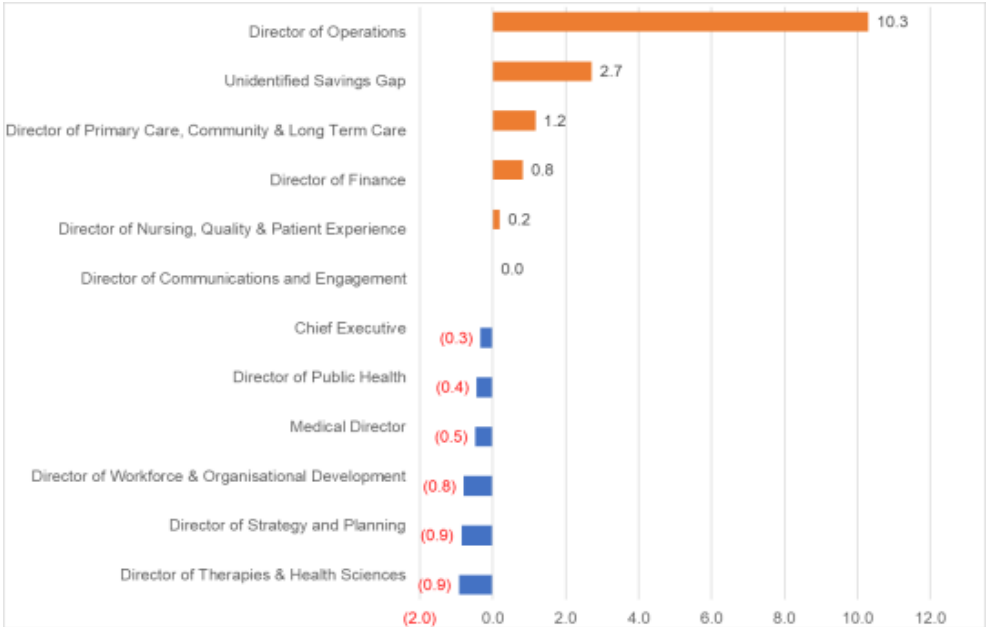
DIRECTORATE	PAY				NON PAY				INCOME	GRAND TOTAL
	ADMINISTRATION AND ESTATES	ALLIED HEALTH, SCIENTISTS AND OTHER	MEDICAL AND DENTAL	NURSING AND CLINICAL SUPPORT	CLINICAL SERVICES AND SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS AND PRESCRIBING	OTHER NON-PAY		
<b>CENTRAL INCOME</b>										
CHIEF EXECUTIVE	(0.3)							0.3	(0.3)	(0.3)
DIRECTOR OF FINANCE	(0.2)					(0.7)		1.7	(1.0)	(0.1)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(0.3)							0.8	(0.2)	0.4
DIRECTOR OF OPERATIONS	0.3	(1.5)	6.0	2.4	0.2	6.8	1.6	5.7	(3.5)	18.2
ASST DIR OPS QUALITY & NURSING										(0.1)
FACILITIES	(0.1)							3.4	(1.6)	1.7
MENTAL HEALTH & LEARNING DISABILITIES	(0.2)	(1.9)	0.7	(3.2)	0.1	5.8	0.2	0.3	(0.5)	1.3
ONCOLOGY & CANCER SERVICES			(0.3)	0.2			(0.2)			(0.2)
OPERATIONS DIR MANAGEMENT	(0.3)	(0.1)	(1.0)	(0.5)	0.4	(0.4)		0.8	0.1	(0.9)
PATHOLOGY		0.2			0.4	0.4			(0.4)	0.6
PLANNED CARE	0.2	(0.2)	0.3	(0.6)	(1.1)	0.4		0.6	(0.4)	(1.0)
RADIOLOGY		0.3	0.1	0.1	(0.2)	0.1			(0.2)	0.3
UNSCHEDULED CARE BRONGLAIS	0.3		2.8	1.0	0.1				0.2	4.5
UNSCHEDULED CARE GLANGWILI	0.2		0.8	5.7			0.7			7.5
UNSCHEDULED CARE PRINCE PHILIP			1.0	0.3	0.1					1.5
UNSCHEDULED CARE WITHYBUSH		0.2	1.3	(0.3)			0.8	0.1	(0.3)	1.9
WOMEN & CHILDREN	0.3	0.1	0.4	(0.2)		0.4		0.2	(0.3)	1.1
<b>DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE</b>	<b>0.4</b>	<b>0.5</b>	<b>2.2</b>	<b>0.6</b>	<b>0.5</b>	<b>(3.7)</b>	<b>0.1</b>		<b>1.0</b>	<b>1.8</b>
CARMARTHENSHIRE COUNTY				0.7	0.1			(0.3)		0.6
CEREDIGION COUNTY				0.2	0.1			0.1	(0.1)	0.4
PEMBROKESHIRE COUNTY	0.1		(0.1)	(0.8)	0.2	(0.2)			0.3	(0.4)
MEDICINES MANAGEMENT		(0.2)		0.2		2.9		0.2	(0.6)	2.5
PRIMARY CARE	0.2	0.8	2.3	(0.1)	0.1	(6.2)			1.3	(1.5)
PRIMARY CARE MANAGEMENT	(0.1)			0.3	(0.1)			0.1		0.2
<b>DIRECTOR OF PUBLIC HEALTH</b>			(0.1)	(0.1)	(0.7)	(0.1)	0.8		(0.4)	(0.7)
<b>DIRECTOR OF STRATEGY AND PLANNING</b>									(0.3)	(0.2)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	0.2	(1.3)		(0.2)				0.3	(0.6)	(1.6)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(1.3)		(0.6)	(1.6)		0.3		2.8	(0.8)	(1.1)
EXECUTIVE MEDICAL DIRECTOR	0.2	0.3		0.2				(0.6)	(0.7)	(0.5)
HEALTH BOARD FINANCING	0.2		0.3	(0.1)	0.4		0.2	0.3		1.4
LTA'S WITH OTHER NHS PROVIDERS	0.1					(1.2)				(1.1)
PLANNED DEFICIT								56.1		56.1
UNIDENTIFIED SAVINGS GAP								0.6		0.6
<b>Grand Total</b>	<b>(0.6)</b>	<b>(1.9)</b>	<b>7.8</b>	<b>1.2</b>	<b>0.4</b>	<b>1.3</b>	<b>2.8</b>	<b>67.8</b>	<b>(6.8)</b>	<b>72.7</b>

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

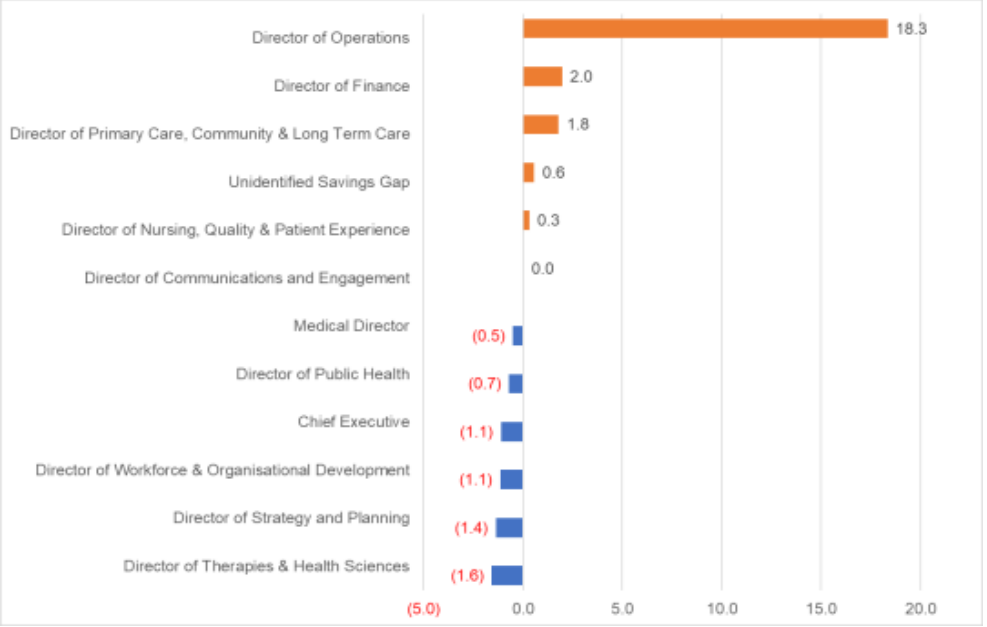
# Summary Financial Performance by Portfolio (£'m)

## Delegated Officer Performance

### Year to Date

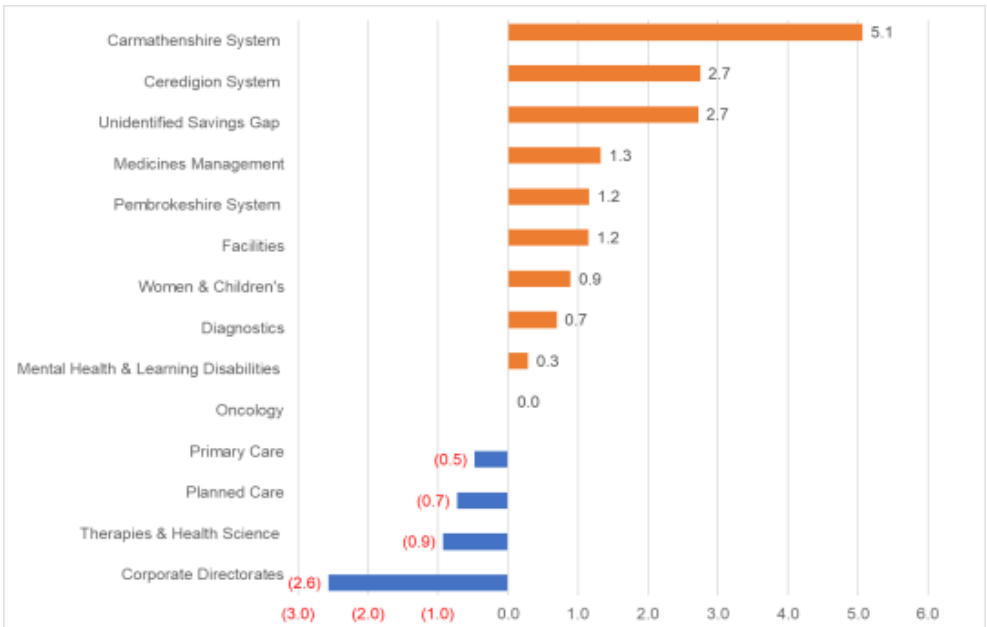


### End of Year

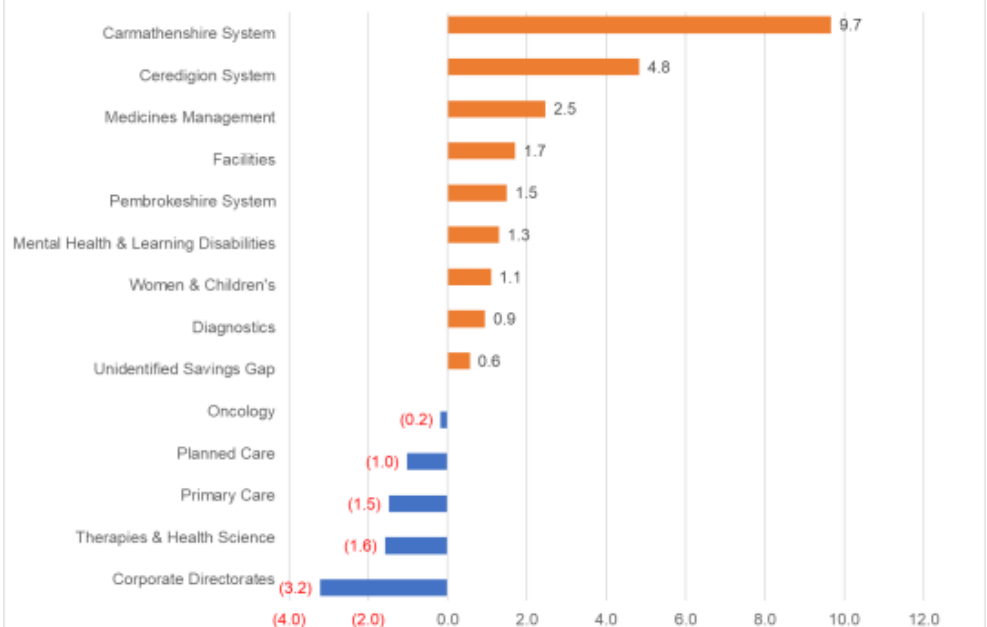


## Service Portfolio Performance

### Year to Date



### End of Year

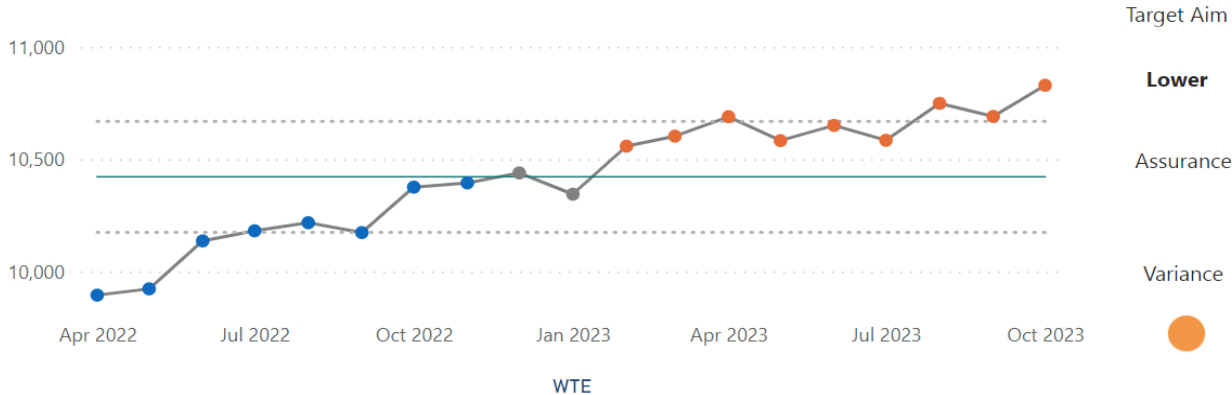


# Key Analysis (1 of 3)

## Established Worked (WTE)

This indicator is showing a concerning trend.

Expected performance is between 10,159 and 10,639

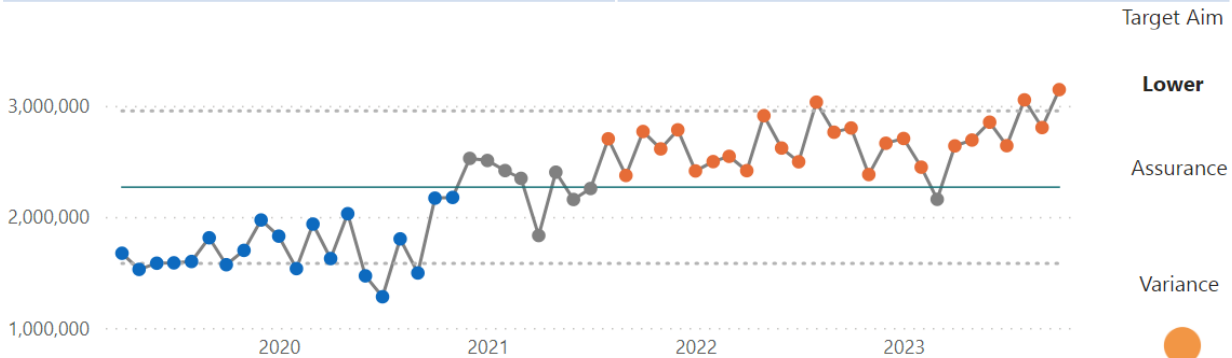


There has been an increase of c.935 in the number of WTEs since April 2022 without a corresponding increase in bed capacity or elective activity.

## Medical Locum expenditure (£'m)

This indicator is showing expected (common cause) variation.

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

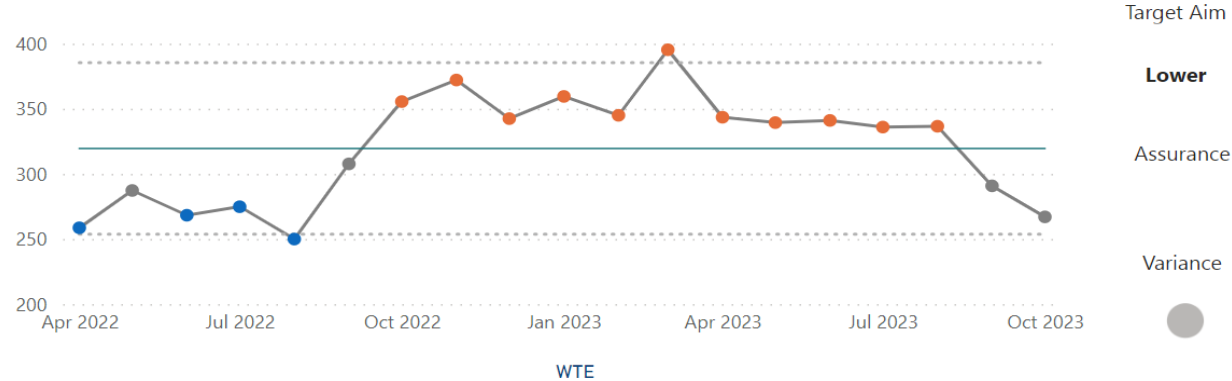


On-call cover for junior doctors and cover for sickness absence and fragile services continue to be of concern with the use of premium cost locums.

## Nurse Agency Worked (WTE)

This indicator is showing expected (common cause) variation.

Expected performance is between 256 and 388.

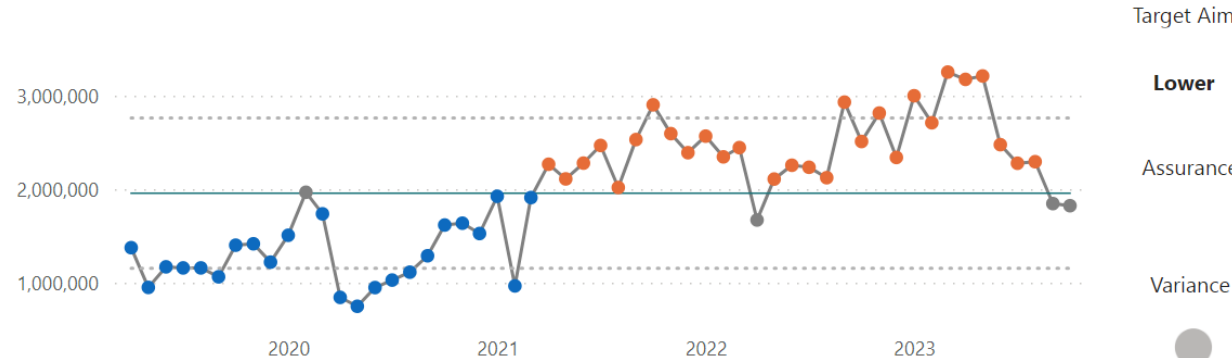


There has been a significant decrease in Nurse Agency utilisation and WTE is now at April 2022 levels, this is following the Core Delivery Group's decision to restrict Nurse Agency utilisation, with the exception of WGH where reductions are due to RAAC.

## Nurse Agency expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £1.1m and £2.8m.

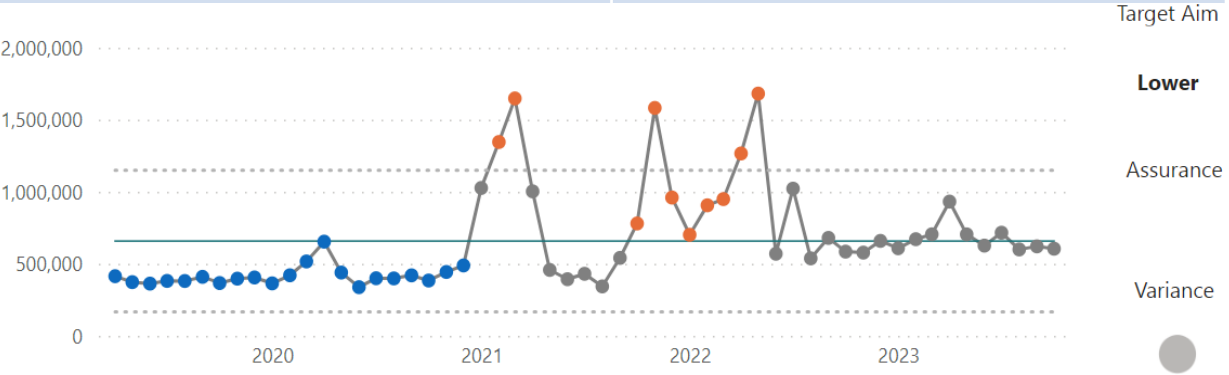


Following the Core Delivery Group's decision to restrict Agency utilisation and terms/rates, no Off-Contract Agency Nursing were utilised over the last three months.

# Key Analysis (2 of 3)

## Overtime expenditure (£'m)

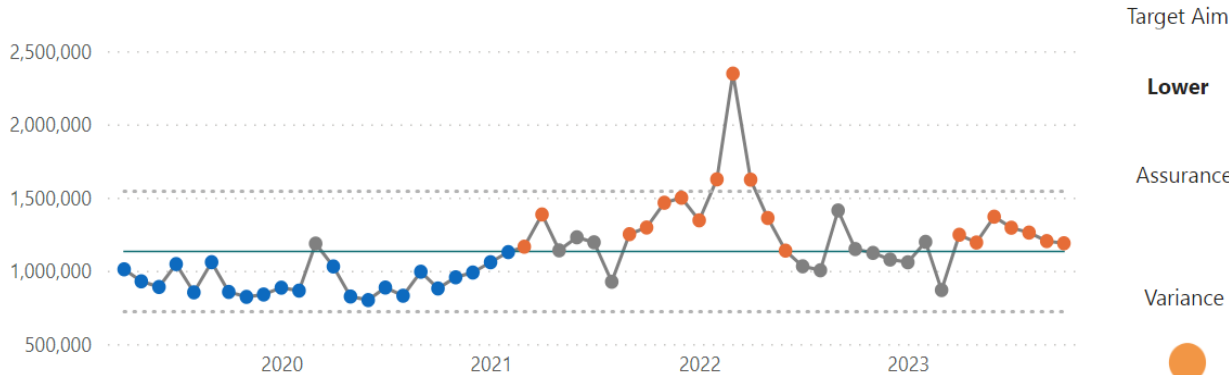
This indicator is showing expected (common cause) variation. Expected performance is between £0.2m and £1.2m.



No significant variation.

## Bank expenditure (£'m)

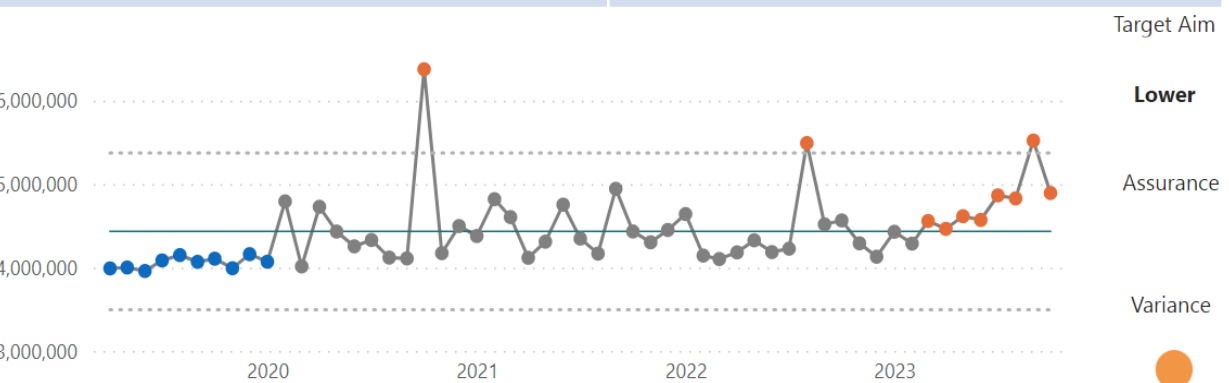
This indicator is showing expected (common cause) variation. Expected performance is between £0.7m and £1.5m.



No significant variation.

## Continuing Healthcare expenditure (£'m)

This indicator is showing a concerning trend. Expected performance is between £3.5m and £5.3m.



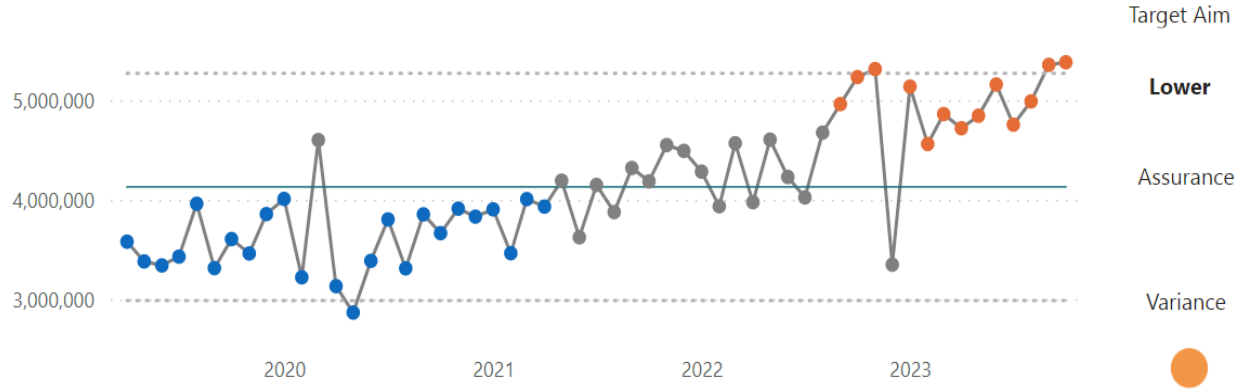
High-cost packages and increases in volume of packages across Women & Children, MHLD and Counties.

# Key Analysis (3 of 3)

## Secondary Care Drugs expenditure (£'m)

This indicator is showing a concerning trend.

Expected performance is between £2.9m and £5.3m

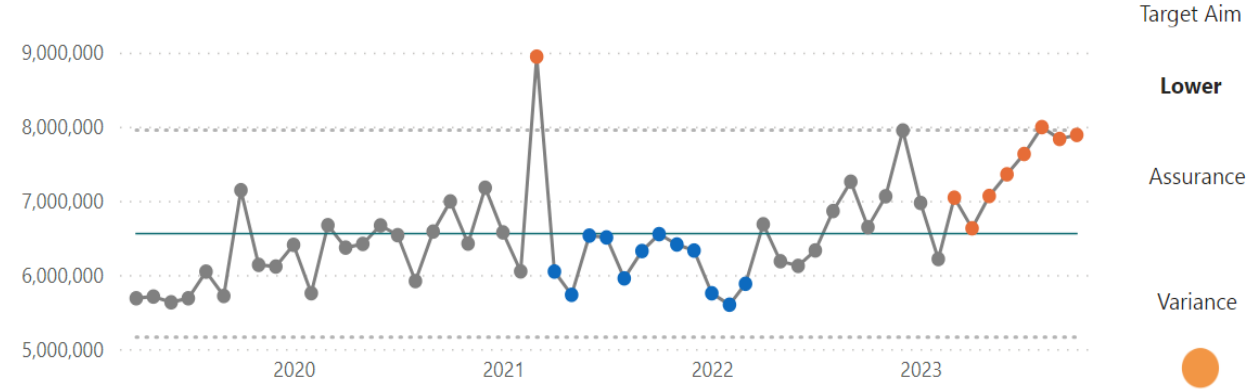


High-cost drugs, price increases and activity increases across other Acute services and within Oncology where SACT activity numbers within last quarter are 11% (10 patients per day) higher than average seen for 2022/23. Work has commenced with the Head of Service to develop an action plan to mitigate the concerning trend.

## Primary Care Prescribing expenditure (£'m)

This indicator is showing a concerning trend.

Expected performance is between £5.1m and £8.0m



The trend of increased baseline drug prices continues, partly offset by a reduction in growth largely due to the mix effect of the 56-day prescribing guidance. This continues to be benchmarked at a National level.

## Next Steps and Mitigating Actions

- In month, there were several positive actions which identified further recurrent and non-recurrent savings of £6.0m, which reduced the unidentified savings gap (before the additional £11.3m) to £0.6m, there are further plans being pursued to close the gap.
- The Executive Team have agreed and cascaded a directorate level control total to target improvements for the additional £11.3m savings requirement. Whilst this has been issued, no assurance can be taken at this time for robust delivery plans being in place.
- Nurse stabilisation schemes, supported with national and international recruitment, have curtailed agency costs being incurred, allowing for significant increases in fill rates to provide more consistent and appropriate care.
- Further work is ongoing with the increased cost of supporting junior doctors and wider medical absences that continue to impact.
- 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, Core Delivery Group (CDG) and Board. The following tables summarised the actions taken to date, and the further work scheduled for deep dives:

What has been delivered	Impact £'m
39 bed reduction in Pembrokeshire	1.6
Travel and accommodation ban for agency nurses	1.2
Removal of all Thornbury Nursing Services provided agency nurses	3.0
Obstetrics and Gynaecology rota reassessment	0.4
HCSW agency cessation – achieved last year, but delivered this year	0.0
Pause of International Nurse Recruitment	0.5
Delay of projects to the next financial year	0.5

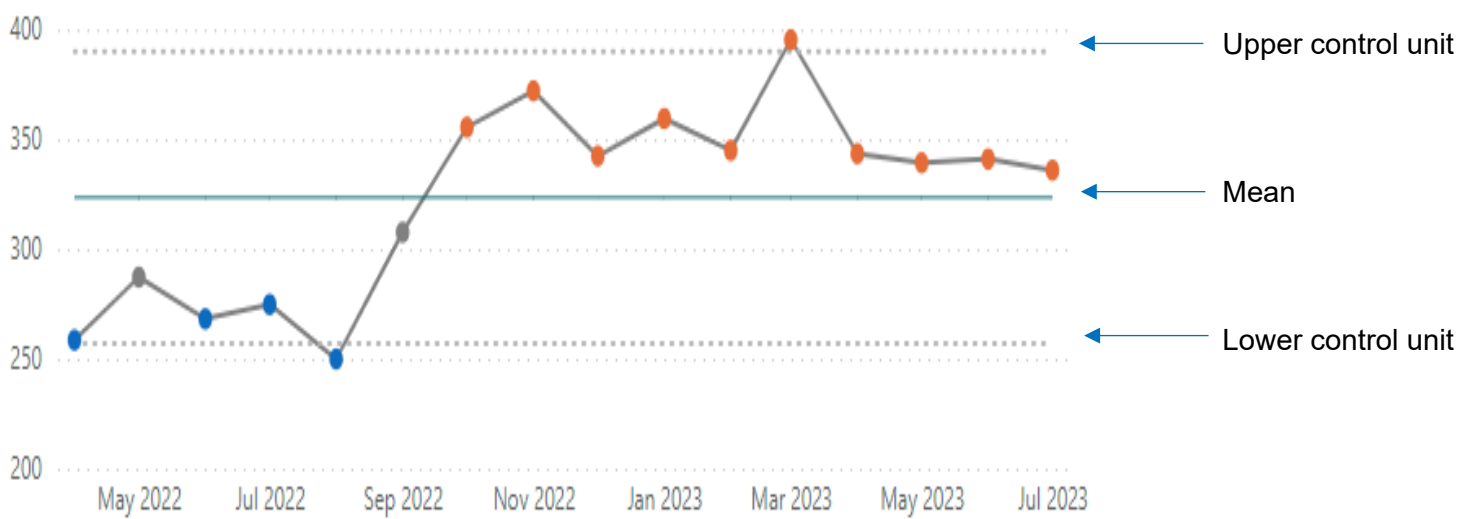
Further work plan deep dives	Owner
Exploration of 100 additional virtual beds	Andrew Carruthers
Nursing establishment in 25a areas	Mandy Rayani
Review acute models of care	Andrew Carruthers
Configuration of our Mental Health s.136 unit	Andrew Carruthers
Reducing secondary and tertiary demand on Acute Kidney Injury	Andrew Carruthers
Planned Care Programme to address service fragility	Andrew Carruthers
Continued roll-out of generics in Medicines Management	Jill Paterson
TUEC impact on bed base	Andrew Carruthers
Admin and Clerical review of services	Lisa Gostling
Procurement improvements	Huw Thomas



## 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



- 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.

## 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).

## 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