



CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

DYDDIAD Y CYFARFOD: DATE OF MEETING:	28 March 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial Performance Report – Month 11 2023/24
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	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 11 Health Board financial position is a overspend of £3.6m, which is made up of a £1.1m favourable variance against the planned deficit; the key drivers are summarised in the Financial Performance Report.

The original planned saving requirement of £19.5m has been met, with an additional £0.1m identified in Month 9; but this is before the additional £11.3m target control total was issued. Delivery is behind plan as outlined in the report.

The Health Board's Target Control Total from Welsh Government (WG) is to deliver a deficit of £44.8m, after savings of £30.8m. Following targeted improvements and internal reviews of key drivers, the annual forecast in Month 10 reduced to £66.0m, improving by £6.7m.

Asesiad / Assessment

Revenue

The current EoY forecast as at Month 11 is reported at £66.0m.

Driver (£'m)	Current month variance to breakeven	Year to Date variance to breakeven	End of Year forecast to breakeven
Planned Deficit / Target Control Total	4.7	51.7	44.8
Operational variation	(0.9)	6.3	5.4
Under / (Over) delivery against identified savings schemes	0.5	4.1	4.5
Unidentified / (Identified) savings gap / (improvement)	(0.7)	0.4	11.3
Gross Position	3.6	62.2	66.0
Mitigating actions required to deliver plan / control total	0.0	0.0	Gap of (21.2)
Reported Net Position	3.6	62.2	66.0

Driver (£m)	Prior month End of Year forecast to breakeven	Latest End of Year forecast to breakeven	Movement in Forecast
Target Control Total	44.8	44.8	0.0
Operational variation	5.2	5.4	0.2
Under / (Over) delivery against identified savings schemes	4.7	4.5	(0.2)
Unidentified savings gap	11.3	11.3	0.0
Gross Position	66.0	66.0	0.0
Mitigating actions required	Gap of (21.2)	Gap of (21.2)	0.0
Reported Net Position	66.0	66.0	0.0

Risks and Opportunities

Revenue	The Health Board will not be able to deliver the target control total and the Health Board's deficit position has remained at £66.0m. The forecast reflects anticipated industrial action in March but there remains some uncertainty due to activity levels although this is unlikely to materially impact the reported position. Work is progressing to mitigate the increased cost base, and is continually being reviewed, having reported a £6.7m improvement in the January 2024 cycle.
Cash	Strategic cash available from Welsh Government will now be reduced to reflect the forecasted deficit position £66.0m, however there will be an increase to the working capital cash to £14.3m. The Health Board will be able to maintain a balanced cash position through close management of the strategic cash and increased working capital balances. A consequential risk of this strategy could result in failure to achieve Public Sector Payment performance target next year. The ability to draw down cash as and when required during March will be crucial to maintain cash flow.
Savings	The original plan for £19.5m savings delivery has now been fully identified and slightly exceeded, however, forecast delivery against plans is under-performing. Of the additional £11.3m target control total, £6.7m opportunities have been identified, with the focus now being to convert these ideas into deliverable schemes.
Capital	Welsh Government have recently increased the Capital Resource Limit (CRL). There is now a risk of underspending because of the increased available capital with teams working through contingency plans with pace.
Underlying deficit	The reported underlying deficit is undergoing an assessment of how the in-year operational variation will impact future years, including the recurrent

gap within savings plans. This review will continue through the 2024/25 financial planning cycle during March 2024.

Argymhelliad / Recommendation

The Board is asked to:

- **Note** the financial position as at Month 11, the forecast for the year and the cash position.
- **Note** that the financial position is unacceptable, given that the outturn forecast of £66m is in excess of our control total of £44.8m.
- **Note** that the deficit in this financial year represents a challenge which will be carried forward into the next financial year and the financial plan. Within this, since the financial plan is based on our position at Month 9, further deterioration in our position in a small number of directorates will represent a further recovery challenge in the next financial year.
- **Note** that financial recovery to breakeven is a key requirement for the Health Board in order to meet our statutory breakeven duty, and that improvement to the £44.8m control total would be a first step in this journey.
- **Discuss** the consequences of the analysis included within this report on our financial position.

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 Termau: 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 MHLA – 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.









Financial Performance Report

Month 11 2023/24

February 2024

Public Board Meeting

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Executive Summary (1 of 3)

The Health Board's Target Control Total from Welsh Government (WG) is to deliver a deficit of £44.8m, after savings of £30.8m.
The Health Board's End of Year reported forecasted outturn is £66.0m.

Financial Management	The Health Board's forecast position for the year has remained at £66.0m. The Month 11 financial position is a overspend of £3.6m, which is made up of a £1.1m improvement against the planned deficit; the key drivers are summarised below, including the current end of year (EoY) forecast. The original planned saving requirement of £19.5m is over identified, before the additional £11.3m target control total was issued.					
	Driver (£'m)		Prior month variance to breakeven	Current month variance to breakeven	Year to Date variance to breakeven	Prior month End of Year forecast to breakeven
	Planned Deficit / Target Control Total		4.7	4.7	51.7	44.8
	Operational variation		(0.8)	(0.9)	6.3	5.2
	Under / (Over) delivery against identified savings schemes		0.6	0.5	4.1	4.7
	Unidentified / (Identified) savings gap / (improvement)		(0.4)	(0.7)	0.4	11.3
	Gross Position		4.1	3.6	62.2	66.0
	Mitigating actions required to deliver plan / control total		0.0	0.0	0.0	Gap of (21.2)
	Reported Net Position		4.1	3.6	62.2	66.0
Key Measures (Risk rating - Impact x Likelihood)	Revenue	Risk #1642 5 x 5 = 25	The Health Board will not be able to deliver the target control total and the Health Board's deficit position has remained at £66.0m. The forecast reflects anticipated industrial action in March but there remains some uncertainty due to activity levels although this is unlikely to materially impact the reported position. Work is progressing to mitigate the increased cost base, and is continually being reviewed, having reported a £6.7m improvement in the January 2024 cycle.			
	Cash		Strategic cash available from Welsh Government will now be reduced to reflect the forecasted deficit position £66.0m, however there will be an increase to the working capital cash to £14.3m. The Health Board will be able to maintain a balanced cash position through close management of the strategic cash and increased working capital balances. A consequential risk of this strategy could result in failure to achieve Public Sector Payment performance target next year. The ability to draw down cash as and when required during March will be crucial to maintain cash flow.			
	Savings		The original plan for £19.5m savings delivery has now been fully identified and slightly exceeded, however, forecast delivery against plans is under-performing. Of the additional £11.3m target control total, £6.7m opportunities have been identified, with the focus now being to convert these ideas into deliverable schemes.			
	Capital	Risk #1707 2 x 4 = 8	Welsh Government have recently increased the Capital Resource Limit (CRL). There is now a risk of underspending because of the increased available capital with teams working through contingency plans with pace.			
	Underlying Deficit	Risk #1199 5 x 5 = 25	The reported underlying deficit is undergoing an assessment of how the in-year operational variation will impact future years, including the recurrent gap within savings plans. This review will continue through the 2024/25 financial planning cycle during March 2024.			

Executive Summary (2 of 3)

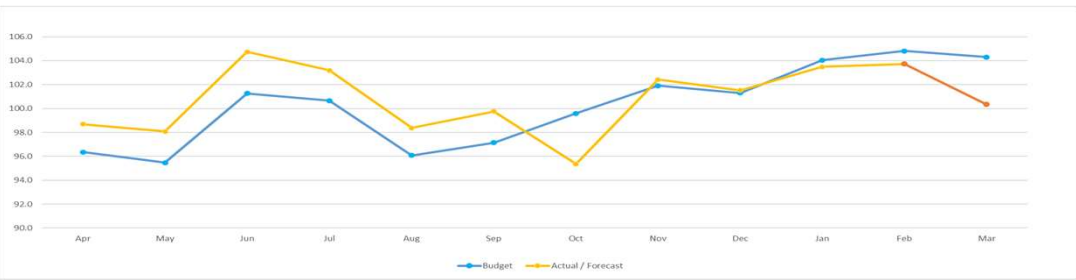
Key movements in forecast (£'m)

The original £19.5m plan requirement has now been achieved. Of the additional £11.3m target control total, £6.7m opportunities have been identified, awaiting assured delivery plans.

Driver	Prior month End of Year forecast to breakeven	Latest End of Year forecast to breakeven	Movement in Forecast
Target Control Total	44.8	44.8	0.0
Operational variation	5.2	5.4	0.2
Under / (Over) delivery against identified savings schemes	4.7	4.5	(0.2)
Unidentified savings gap	11.3	11.3	0.0
Gross Position	66.0	66.0	0.0
Mitigating actions required	Gap of (21.2)	Gap of (21.2)	0.0
Reported Net Position	66.0	66.0	0.0

Monthly Actual and Forecasted Expenditure Run-Rate (£'m)

The forecasted revenue run-rate will not deliver the Target Control Total of £44.8m



Key breakdown of movements (£'m)

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

Operational Variation	Change
Continuing Healthcare	(1.1)
Primary Care	(0.3)
Nurse Agency	0.6
Medical Locum	0.5
LTAs	0.4
Other	0.1
Total	0.2

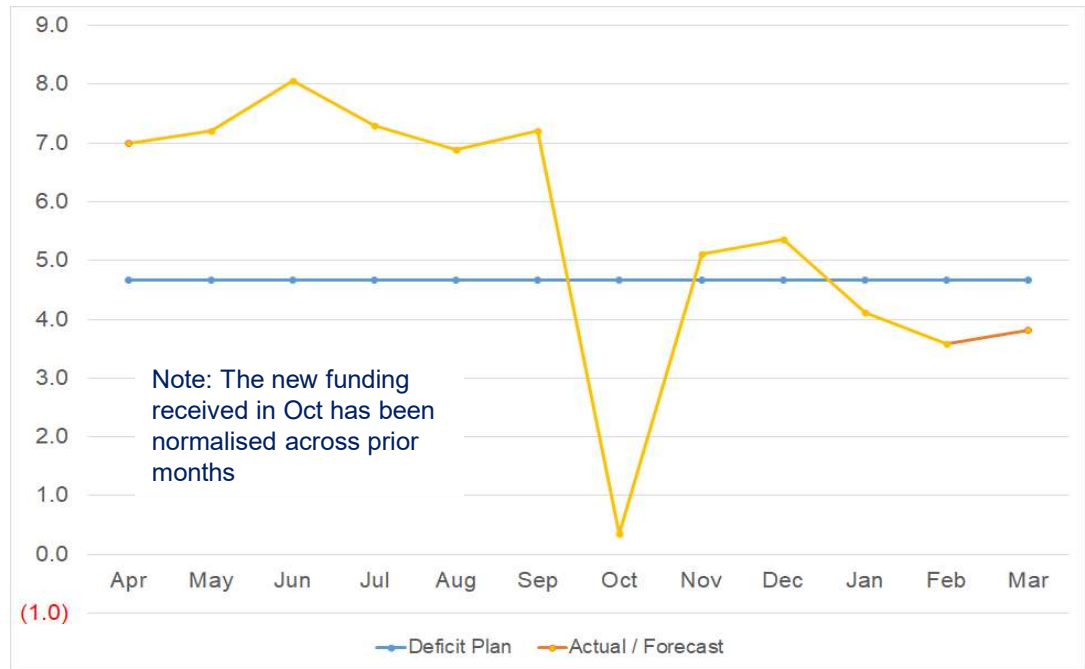
Under / (Over) delivery against identified savings schemes	Change
Oxygen VAT Savings scheme	(0.2)
Total	(0.2)

Unidentified savings gap	Change
No in month green & amber schemes against additional £11.3m	0.0
Total	0.0

Executive Summary (3 of 3)

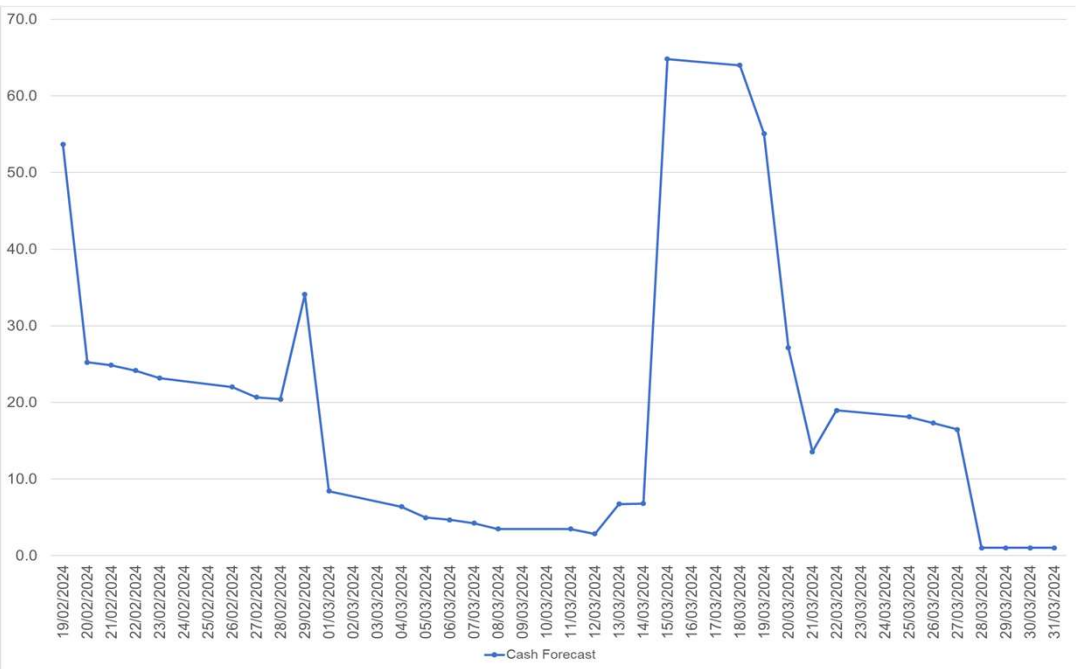
Revenue Deficit Trajectory (£'m)

In conclusion to the February assessment the Health Board's risks and opportunities, the target control total £44.8m will not be delivered. The final forecast assessment for the year is £66.0m.



Cash Deficit Trajectory (£'m)

Welsh Government has confirmed a reduction to strategic cash to £66.0m in line with the revised forecast deficit. The strategic cash together with increased working capital balances and close management of the cash position will allow the Health Board to maintain a balanced cash position to year end. Consequentially, next year may require deferment of payments beyond the PSPP target.



Key Performance Indicators



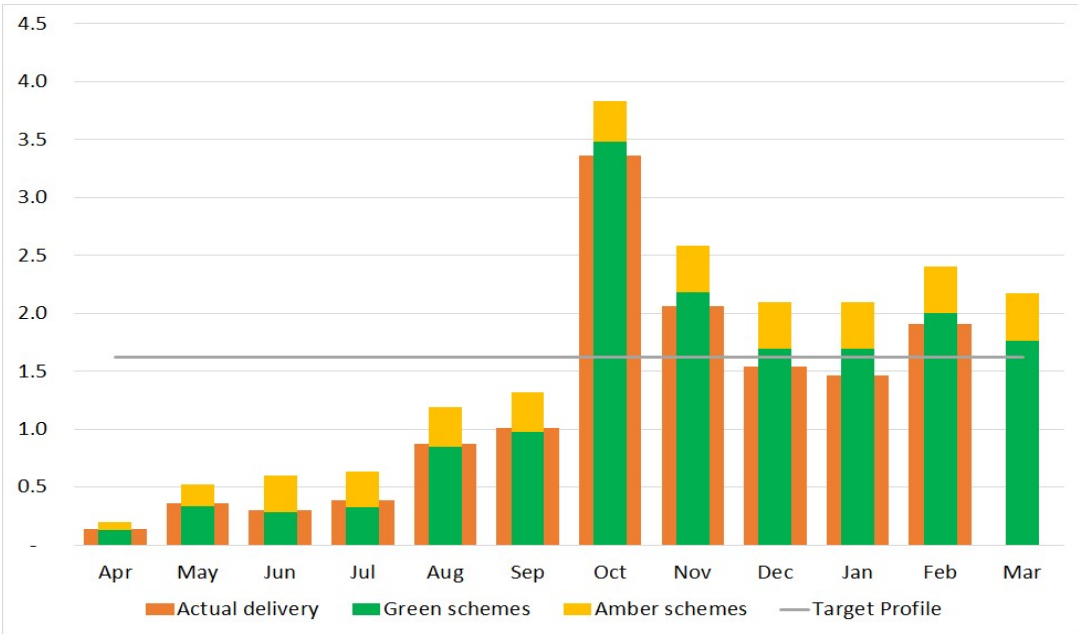
Savings Performance (assessed against the original Annual Plan of £19.5m, therefore excluding Control Total Target of £11.3m)

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

The original savings target of £19.5m has now been identified. Of the identified schemes, 67% are recurrent, and of their planned value of £13.2m, the annual forecast is currently assessed as £8.6m – this highlights significant risk approaching the 2024/25 planning cycle, as well as highlighting under-delivery against identified plans.

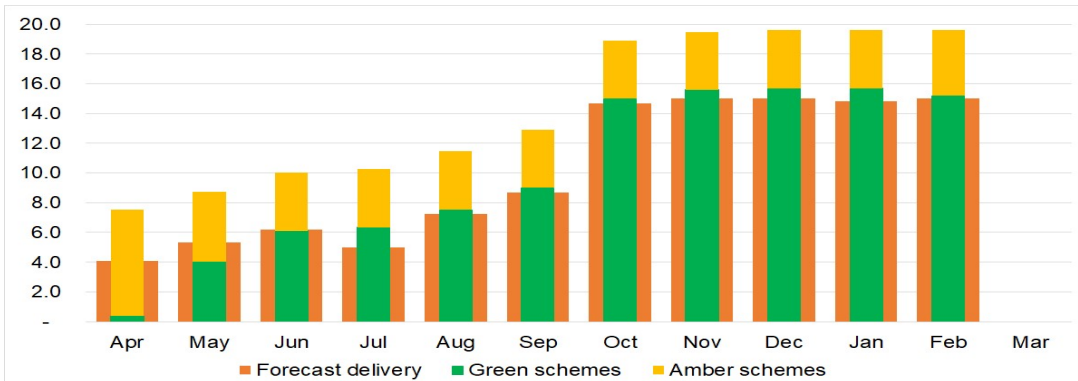
A live Power Bi Savings Tracker is presented to the Executive Team via the Core Delivery Group to retain sufficient strategic focus on key deliverables; the delivery of identified savings schemes and conversion of opportunities into deliverable plans is a priority.

The Opportunities Framework presents a significant range and size of opportunities to identify the additional £11.3m, of which £6.7m have been identified. The focus is to now convert these ideas into credible and deliverable schemes.



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

Since Month 10, no additional schemes have been identified.



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

The forecast delivery of identified schemes has increased from £14.8m to £15.0m as a result of Oxygen VAT forecast improvement. £4.6m of plans continue to signal under-delivery.

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

In-Month Actual Revenue Position

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

Theme	£'m	£'m	Operational Driver comments	
Planned Deficit	4.7			
Under / (over) performing savings schemes	0.5	(0.2)	USC GGH under-delivery in relation to Nurse Stabilisation and MHL D CHC scheme. The under-delivery has been partially offset by a switch to Biosimilar for Wet AMD patients in Planned Care	
Identified savings schemes	(0.7)		Over-identification of savings schemes in-month compared to 11/12th full-year target, due to the profiling of savings schemes being identified throughout the year.	
Medical Locum & Over Establishment	0.7	(0.9)	During the month BGH, PPH, WGH and W&C reported continuing trends with medical ad-hoc hours to cover vacancies, maternity and sickness and additional shadowing of shifts	
Other Non-Pay	0.6		Other Non-Pay costs spread across various Directorates.	
Nurse Agency & Over Establishment	0.4		Continuing agency, bank and overtime within Nursing & Midwifery across Directorates.	
Long Term Agreements (LTA)	0.3		Increased ITU bed days at Swansea Bay. 51% increase compared to prior year with 6 long stay patients (in excess of 28 days).	
Oncology drugs	0.2		High-cost drugs driving position due to demand of high SACT patient activities in month 15% above 22/23 average, patient price impact a further 17%.	
Primary Care Dental	(0.3)		Dental contract gross recoveries due to contract underperformance	
Income Overachievement	(0.6)		Overachievement of income across various Directorates, including Mental Health, Planned Care and Medical	
Vacancies	(0.7)		High level of vacancies across Allied Healthcare and admin particularly in Therapies, Public Health and Workforce Directorates	
HEIW Income	(0.7)		Increase to income funding for the HEIW junior doctor placements	
Primary Care prescribing	(0.8)		The Primary Care Drugs Cost average cost per item of £7.77 for April to October 2023. The average price from October onwards is £7.54 to reflect the most recent published data. Item Growth at -0.40%	
Operational variance	(1.1)			
Reported in-month position	3.6		Junior Doctor not yet processed awaiting final information. Likely to be c.£200k impact	

In-Month Revenue Position – Variance to Budget (£'000)

DIREC TORATE	PAY				NON PAY				INCOME	GRAND TOTAL
	ADMINISTRATION AND ESTATES	ALLIED HEALTH, SCIENTISTS AND OTHER	MEDICAL AND DENTAL	NURSING AND CLINICAL SUPPORT	CLINICAL SERVICES AND SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS AND PRESCRIBING	OTHER NON-PAY		
CENTRAL INCOME	-	-	-	-	-	-	-	-	(745)	(745)
CHIEF EXECUTIVE	(7)	-	-	-	-	9	-	(4)	(9)	(12)
DIRECTOR OF FINANCE	(60)	7	11	-	-	(30)	-	360	98	386
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(11)	2	(5)	25	29	23	0	18	(30)	52
DIRECTOR OF OPERATIONS	(235)	40	523	535	(2)	(1,661)	684	322	(473)	1,540
ASST DIR OPS QUALITY & NURSING	(8)	(3)	-	(4)	(7)	-	(0)	(5)	-	(27)
FACILITIES	(95)	0	-	(7)	(1)	4	0	42	(143)	(199)
MENTAL HEALTH & LEARNING DISABILITIES	(138)	(47)	(8)	(207)	4	152	1	67	(174)	(351)
ONCOLOGY & CANCER SERVICES	3	5	(28)	26	12	(1)	248	5	4	276
OPERATIONS DIR MANAGEMENT	(12)	12	(43)	(52)	(7)	(3)	2	8	9	(86)
PATHOLOGY	(7)	28	(6)	0	44	(12)	87	(18)	(4)	112
PLANNED CARE	(30)	38	109	(134)	(77)	54	(29)	51	(66)	(84)
RADIOLOGY	(1)	(15)	(18)	5	(26)	4	9	7	(19)	(53)
UNSCHEDULED CARE BRONGLAIS	7	(14)	235	165	8	(1)	39	23	(14)	450
UNSCHEDULED CARE GLANGWILI	11	5	30	637	13	19	124	21	6	867
UNSCHEDULED CARE PRINCE PHILIP	3	(3)	(16)	34	25	2	101	15	(9)	152
UNSCHEDULED CARE WITHYBUSH	(3)	29	106	5	13	(1)	86	40	(51)	225
WOMEN & CHILDREN	34	5	161	67	(5)	(71)	15	66	(12)	260
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	11	58	154	(48)	41	(868)	(820)	(36)	117	(1,393)
CARMARTHENSHIRE COUNTY	5	4	(15)	64	21	(95)	5	35	8	32
CEREDIGION COUNTY	0	(3)	(1)	(51)	7	(29)	5	(29)	13	(88)
PEMBROKESHIRE COUNTY	(10)	(3)	(5)	(75)	36	(102)	1	18	17	(121)
MEDICINES MANAGEMENT	8	(32)	-	18	11	15	(789)	12	(90)	(846)
PRIMARY CARE	5	94	180	(30)	(37)	(666)	(41)	9	143	(344)
PRIMARY CARE MANAGEMENT	2	(3)	(5)	25	2	10	(0)	(82)	25	(26)
DIRECTOR OF PUBLIC HEALTH	(60)	(1)	1	(100)	(0)	2	9	(2)	(23)	(175)
DIRECTOR OF STRATEGY AND PLANNING	(36)	1	0	-	-	0	-	(87)	(9)	(130)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	3	(66)	(2)	(27)	31	(0)	(2)	(3)	(13)	(80)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(131)	(23)	(64)	(185)	(17)	31	(10)	164	(42)	(275)
EXECUTIVE MEDICAL DIRECTOR	27	42	264	10	1	-	0	(168)	(82)	93
HEALTH BOARD FINANCING	11	-	-	-	1	(588)	46	725	(81)	113
LTA'S WITH OTHER NHS PROVIDERS	9	-	-	-	(28)	257	0	(0)	-	238
DEFICIT RECOGNISED IN THE PLAN	56	89	1,810	3,169	45	-	44	(539)	-	4,675
UNIDENTIFIED SAVINGS GAP	-	-	-	-	-	-	-	(699)	-	(699)
Grand Total	(424)	148	2,694	3,378	101	(2,826)	(50)	53	(1,293)	3,588

Year to Date (YTD) Actual 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
Planned YTD Deficit	51.4		Excludes £11.3m Target Control Total additional savings
Underperforming savings schemes	4.1	4.5	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.
Identified savings schemes	0.4		Over-identification of savings schemes YTD compared to 11/12th full-year target, due to the profiling of savings schemes being identified throughout the year.
Nurse Agency & Over Establishment	4.4	6.3	Increased Agency rates of pay and fill rates
Medical Locum & Over Establishment	4.0		Continuation of premium rates paid across a number of Directorates over and above the Health Board rate Card, primarily in BGH, PPH & Women's & Children
CHC MHL D	3.1		MHL D additional high-cost packages.
Primary Care Prescribing	0.2		Continued recognition in month of Drugs items growth of 1.05% and cost per item of £7.84 against a planned growth of 1.0% and cost per item of £7.55.
Other Non-Pay	0.1		Other Non-Pay costs spread across various Directorates.
Vacancies MHL D & Other	(3.3)		High vacancies partly offset with use of bank to cover both vacancies and sickness. Highest vacancy numbers in Nursing and Midwifery.
Primary Care Dental	(1.4)		Underspend in GMS (PADMS prescribing and dispensing) and Dental (reduction in contracts) partly offset by Managed Practice overspends (Locum expenditure).
Long Term Agreements (LTA)	(0.9)		WHSCC risk share reduction to spend as a result of slippage to in year developments
Operational variation	10.8		
Reported YTD Position	62.2		

Year to Date (YTD) Revenue Position – Variance to Budget (£'000)

DIRECTORATE	PAY				NON PAY				INCOME	GRAND TOTAL
	ADMINISTRATION AND ESTATES	ALLIED HEALTH, SCIENTISTS AND OTHER	MEDICAL AND DENTAL	NURSING AND CLINICAL SUPPORT	CLINICAL SERVICES AND SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS AND PRESCRIBING	OTHER NON-PAY		
CENTRAL INCOME	-	-	-	-	-	-	-	-	(1,000)	(1,000)
CHIEF EXECUTIVE	(193)	0	-	-	1	75	-	145	(92)	(64)
DIRECTOR OF FINANCE	(269)	75	(41)	1	-	(792)	0	1,769	(518)	224
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(139)	44	(46)	15	34	137	0	387	(149)	283
DIRECTOR OF OPERATIONS	(258)	(1,071)	6,529	3,511	189	6,001	2,718	2,826	(3,730)	16,715
ASST DIR OPS QUALITY & NURSING	(56)	(18)	-	(87)	(73)	-	(0)	(8)	-	(242)
FACILITIES	(303)	1	-	(57)	29	6	5	1,797	(1,203)	275
MENTAL HEALTH & LEARNING DISABILITIES	(283)	(1,434)	461	(3,176)	128	5,262	176	158	(660)	631
ONCOLOGY & CANCER SERVICES	66	25	(276)	166	100	(9)	985	12	(28)	1,042
OPERATIONS DIR MANAGEMENT	(147)	(100)	(258)	(462)	(23)	(67)	40	(435)	(86)	(1,537)
PATHOLOGY	(94)	229	(33)	5	372	351	3	(70)	(320)	443
PLANNED CARE	(31)	(54)	547	(803)	(884)	386	(332)	455	(530)	(1,248)
RADIOLOGY	(35)	144	156	117	203	113	(85)	41	(175)	478
UNSCHEDULED CARE BRONGLAIS	158	(94)	2,744	1,241	126	7	103	105	(103)	4,288
UNSCHEDULED CARE GLANGWILI	180	25	681	5,400	(37)	(5)	833	21	(6)	7,092
UNSCHEDULED CARE PRINCE PHILIP	50	(45)	824	396	106	2	211	176	(66)	1,654
UNSCHEDULED CARE WITHYBUSH	(41)	177	592	492	127	34	747	170	(330)	1,966
WOMEN & CHILDREN	278	75	1,091	279	14	(78)	33	403	(225)	1,870
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	195	433	2,011	277	368	(6,817)	972	773	705	(1,083)
CARMARTHENSHIRE COUNTY	101	24	(37)	688	140	(454)	27	143	0	631
CEREDIGION COUNTY	21	(19)	(30)	100	97	(170)	50	(62)	(67)	(79)
PEMBROKESHIRE COUNTY	(30)	(26)	(63)	(735)	283	(547)	36	355	298	(430)
MEDICINES MANAGEMENT	40	(318)	-	139	138	133	698	144	(710)	264
PRIMARY CARE	157	793	2,110	(165)	167	(6,044)	161	10	1,208	(1,604)
PRIMARY CARE MANAGEMENT	(94)	(20)	31	249	(456)	265	-	183	(23)	135
DIRECTOR OF PUBLIC HEALTH	(157)	(41)	(85)	(367)	1	(143)	185	(33)	(350)	(990)
DIRECTOR OF STRATEGY AND PLANNING	(140)	5	19	-	0	5	-	(283)	(139)	(534)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	116	(1,207)	(23)	(47)	71	24	(25)	220	(524)	(1,395)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(1,298)	(106)	(621)	(1,465)	50	358	(9)	2,327	(687)	(1,450)
EXECUTIVE MEDICAL DIRECTOR	255	238	333	148	49	-	1	(874)	(828)	(678)
HEALTH BOARD FINANCING	214	-	0	(131)	17	(5,408)	451	6,810	(551)	1,403
LTA'S WITH OTHER NHS PROVIDERS	105	-	-	-	(146)	(983)	0	(5)	(17)	(1,045)
DEFICIT RECOGNISED IN THE PLAN	621	976	19,915	34,863	494	-	482	(5,927)	-	51,424
UNIDENTIFIED SAVINGS GAP	-	-	-	-	-	-	-	369	-	369
Grand Total	(949)	(655)	27,991	36,805	1,128	(7,544)	4,776	8,506	(7,880)	62,179

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
Planned Deficit	56.1		
Underperforming savings schemes	4.6	4.5	USC GGH under-delivery in relation to Nurse Stabilisation and MHL D CHC scheme. The under-delivery has been offset by a switch to Biosimilar for Wet AMD patients in Planned Care
Identified savings schemes	(0.1)		Savings schemes identified over and above the original savings target of £19.5m
Medical Locum	6.2	5.4	Premium rates paid across Directorates over and above the Health Board rate Card. Additional expenditure also incurred to cover roster vacancies, sickness/ annual leave across sites and industrial action.
Nurse Agency	4.3		Increased Agency rates of pay and fill rates
Continuing Healthcare	2.9		Overspend driven by additional growth, patient acuity and price inflation in MH&LD and a high cost CHC package in W&C £5.7m offset by locally agreed reduction to package costs
Oncology Activity	0.5		Increased patient activity (6%) and an increase to the average cost of drugs (6%)
Primary Care Prescribing	(0.3)		The Primary Care Drugs Cost average cost per item of £7.80 for 4 April to September 2023. The average price from October onwards is £7.55 to reflect the most recent published data with item growth at 1.05% for FY24.
Long Term Agreements (LTA)	(0.9)		WHSCC risk share reduction to spend as a result of slippage to in year developments offset by increased patient activity with Swansea Bay.
Primary Care	(1.8)		Dental underspends driven by 2022/23 contract underperformance recovery, offset by overspend on managed practices
Mental Health & Other vacancies	(5.5)		High vacancies partly offset with use of bank to cover both vacancies and sickness. Highest vacancy numbers in Nursing and Midwifery and Administration and Clerical
Operational variance	9.9		
EoY Forecast	66.0		

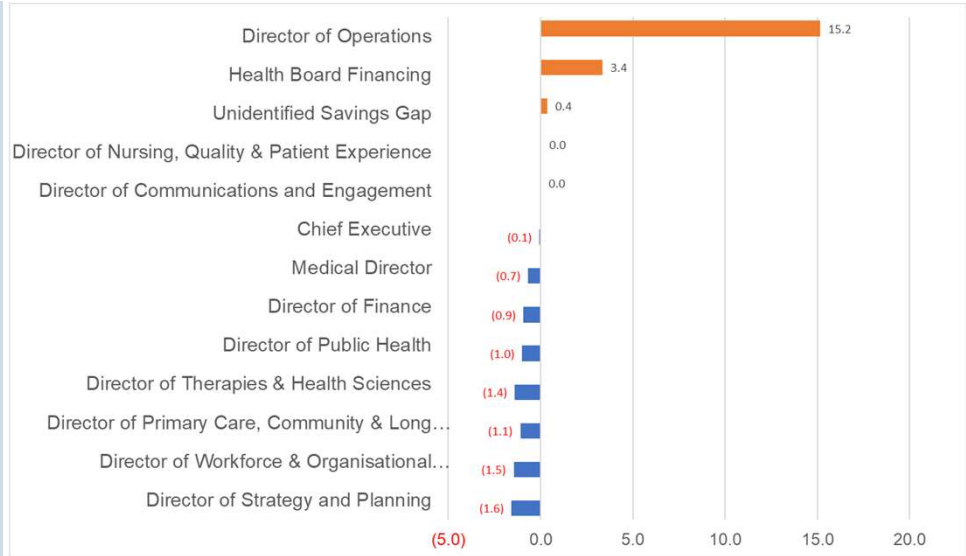
End of Year (EoY) Forecast Gross Revenue Position – Variance to Budget (£'000)

DIRECTORATE	PAY				NON PAY				INCOME	GRAND TOTAL
	ADMINISTRATION AND ESTATES	ALLIED HEALTH, SCIENTISTS AND OTHER	MEDICAL AND DENTAL	NURSING AND CLINICAL SUPPORT	CLINICAL SERVICES AND SUPPLIES	COMMISSIONED HEALTHCARE SERVICES	DRUGS AND PRESCRIBING	OTHER NON-PAY		
CENTRAL INCOME	-	-	-	-	-	-	-	-	(1,041)	(1,041)
CHIEF EXECUTIVE	(209)	0	-	-	1	76	-	130	(97)	(99)
DIRECTOR OF FINANCE	(212)	82	(31)	1	-	(1,141)	0	2,013	(647)	64
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	(151)	45	(50)	98	64	137	0	(15)	(93)	34
DIRECTOR OF OPERATIONS	(271)	(1,180)	8,053	4,030	253	4,751	3,219	1,983	(2,995)	17,843
ASST DIR OPS QUALITY & NURSING	(64)	(20)	-	(88)	(69)	-	(0)	21	-	(221)
FACILITIES	(385)	1	-	(65)	28	-	5	220	(0)	(196)
MENTAL HEALTH & LEARNING DISABILITIES	(425)	(1,529)	499	(3,299)	138	3,736	192	172	(929)	(1,445)
ONCOLOGY & CANCER SERVICES	69	30	(304)	192	109	(8)	1,149	14	(32)	1,220
OPERATIONS DIR MANAGEMENT	(95)	(88)	(268)	(514)	0	(272)	42	185	(122)	(1,131)
PATHOLOGY	(101)	266	(51)	5	379	393	34	(73)	(317)	535
PLANNED CARE	88	(130)	870	(1,049)	(1,027)	421	(378)	450	(569)	(1,324)
RADIOLOGY	(36)	129	168	122	187	116	(86)	47	(183)	464
UNSCHEDULED CARE BRONGLAIS	165	(108)	3,124	1,423	137	6	142	110	(106)	4,893
UNSCHEDULED CARE GLANGWILI	191	30	905	5,987	(25)	(5)	945	36	(36)	8,028
UNSCHEDULED CARE PRINCE PHILIP	52	(48)	1,135	450	190	4	312	191	(82)	2,203
UNSCHEDULED CARE WITBYBUSH	(44)	206	802	529	145	35	827	189	(370)	2,318
WOMEN & CHILDREN	313	81	1,174	337	63	324	36	421	(247)	2,501
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	188	481	2,209	323	728	(7,068)	46	59	833	(2,200)
CARMARTHENSHIRE COUNTY	100	28	(42)	763	161	(163)	32	(225)	7	660
CEREDIGION COUNTY	21	(23)	(31)	105	105	(162)	55	(100)	(68)	(97)
PEMBROKESHIRE COUNTY	(40)	(29)	(56)	(793)	315	(301)	36	120	322	(427)
MEDICINES MANAGEMENT	43	(349)	-	162	159	140	(62)	159	(742)	(490)
PRIMARY CARE	157	876	2,307	(187)	144	(6,584)	(14)	113	1,338	(1,849)
PRIMARY CARE MANAGEMENT	(94)	(22)	30	274	(155)	2	-	(7)	(23)	4
DIRECTOR OF PUBLIC HEALTH	(218)	(38)	(83)	(470)	1	(136)	205	(51)	(374)	(1,165)
DIRECTOR OF STRATEGY AND PLANNING	(127)	6	20	-	0	5	-	(249)	(138)	(484)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	118	(1,310)	(25)	(40)	81	14	(28)	225	(567)	(1,531)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	(1,359)	(129)	(685)	(1,650)	52	563	(8)	2,562	(723)	(1,377)
EXECUTIVE MEDICAL DIRECTOR	281	(133)	577	158	50	-	1	(603)	(832)	(502)
HEALTH BOARD FINANCING	231	-	0	(131)	14	(1,741)	451	3,099	(561)	1,363
LTA'S WITH OTHER NHS PROVIDERS	115	-	-	-	(158)	(802)	0	(6)	(17)	(868)
DEFICIT RECOGNISED IN THE PLAN	677	1,065	21,725	38,033	539	-	526	(6,465)	-	56,100
UNIDENTIFIED SAVINGS GAP	-	-	-	-	-	-	-	(138)	-	(138)
Grand Total	(938)	(1,110)	31,709	40,351	1,625	(5,342)	4,413	2,544	(7,251)	66,000

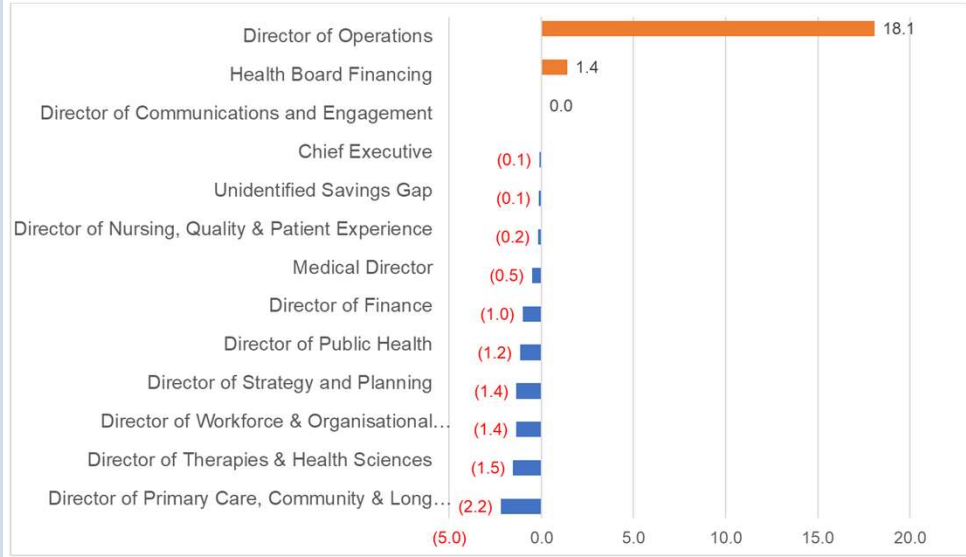
Summary Financial Performance by Portfolio (£'m)

Delegated Officer Performance

Year to Date

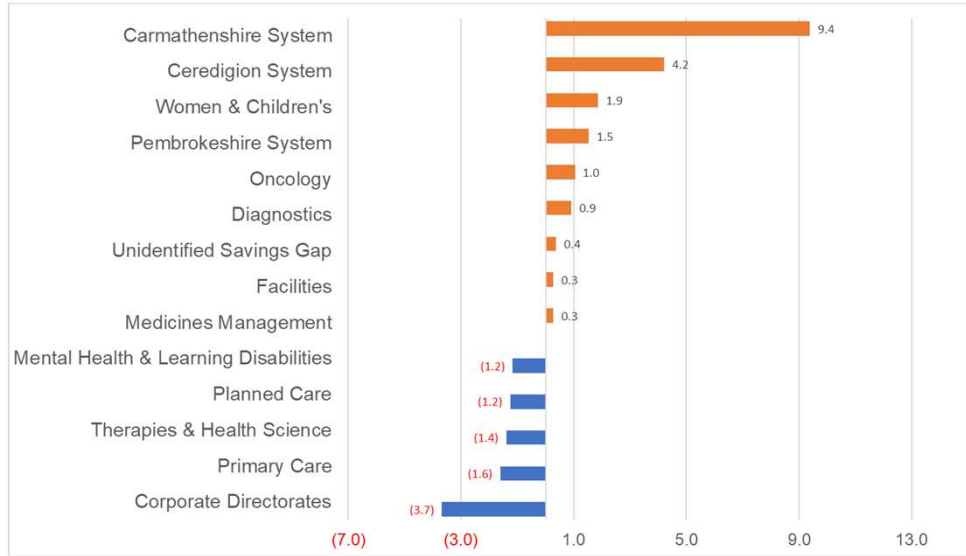


End of Year

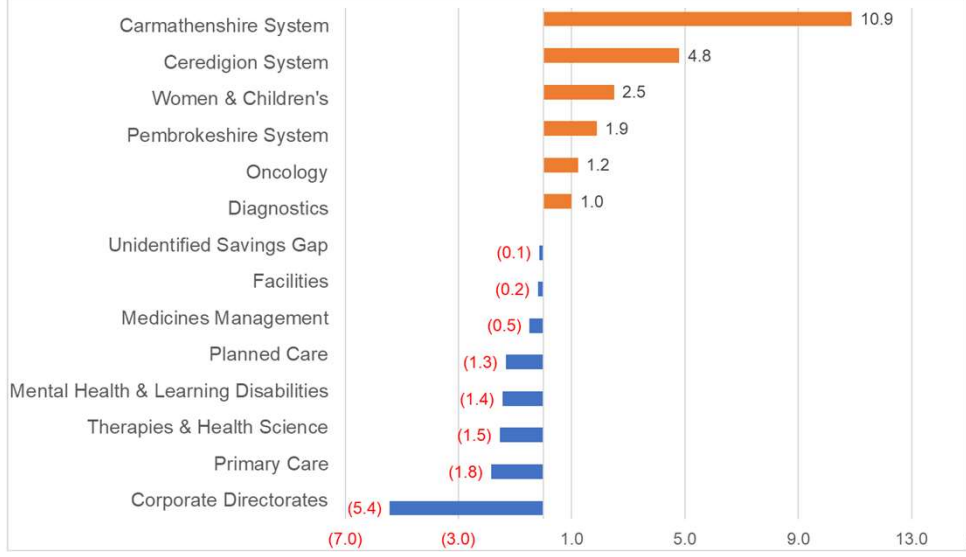


Service Portfolio Performance

Year to Date



End of Year



Key Analysis (1 of 5)

Continuing Healthcare expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £3,530,876 and £5,390,147

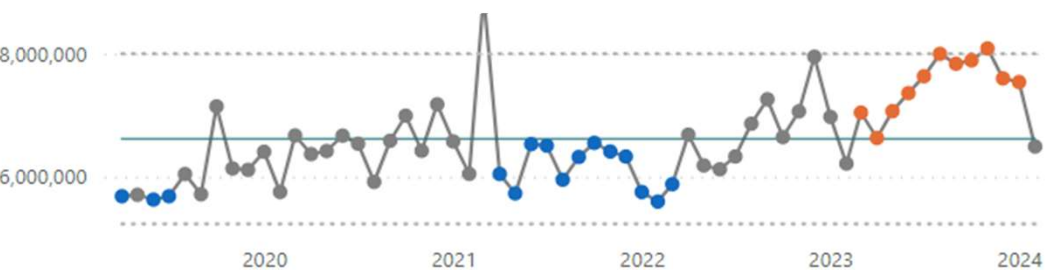


In month reduction due to the number of Continuing Healthcare patients, predominantly within Mental Health

Primary Care Prescribing expenditure (£'m)

This indicator is showing expected (common cause) variation.

Expected performance is between £5,235,337 and £7,997,823

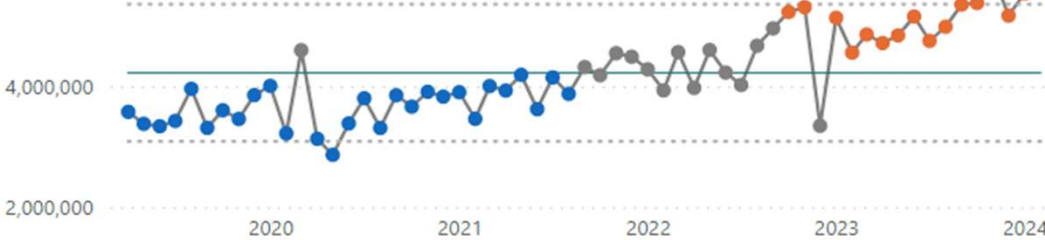


The Primary Care Drugs Cost average cost per item of £7.80 from April to September 2023. The average price from October onwards is £7.55 to reflect the most recent published data with item growth at 1.05% for FY24.

Secondary Care Drugs expenditure (£'m)

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

Expected performance is between £3,089,246 and £5,363,276



High-cost drugs, price increases and activity increases across Acute services and specifically within Oncology where SACT activity higher than the average seen for 2022/23.

Total (WTE)

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

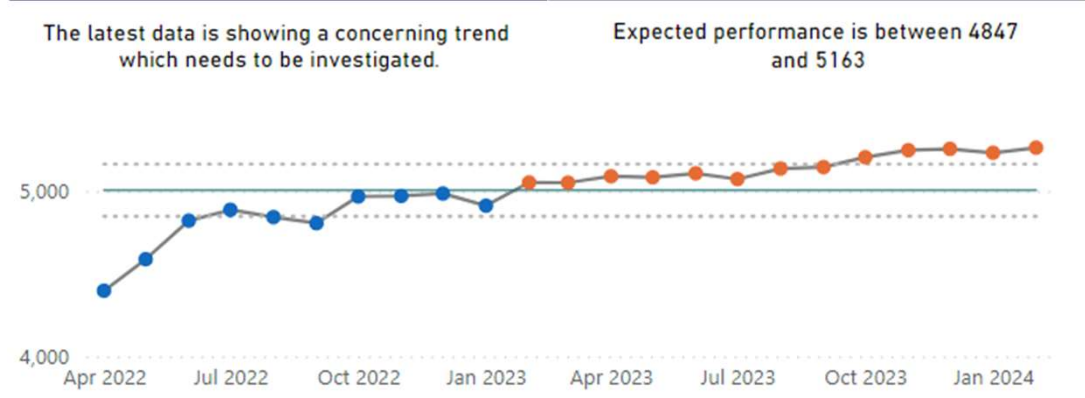
Expected performance is between 5528 and 5809



This total WTE, inclusive of Substantive staff, Bank, Overtime & Agency has increased by 562 WTE since April 2022.

Key Analysis – Nursing & Additional Clinical Services (2 of 5)

Substantive (WTE)



There has been an increase of c.865 in the number of Substantive WTEs since April 2022.

Overtime (WTE)



The number of Overtime WTE's has remained constant throughout recent months, without significant deviation from the Mean Average of 125 WTE's

Bank (WTE)



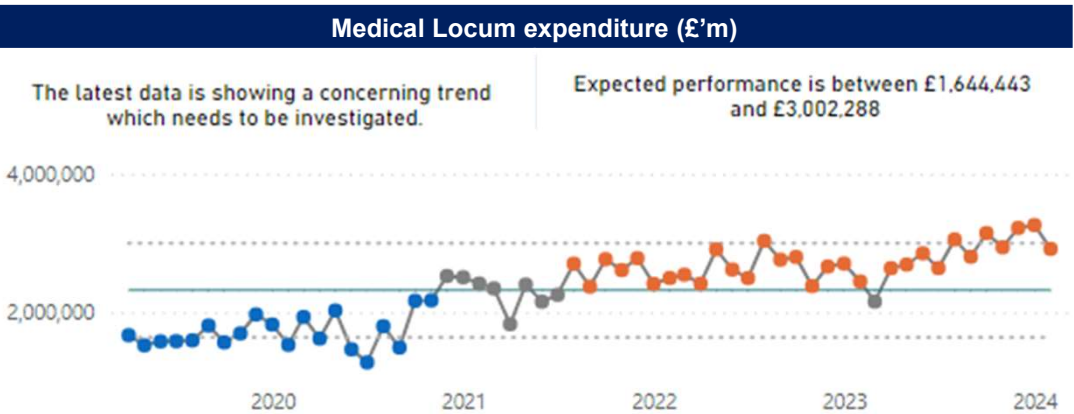
There has been an increase of c.26 in the number of Bank WTEs since April 2022.

Agency (WTE)

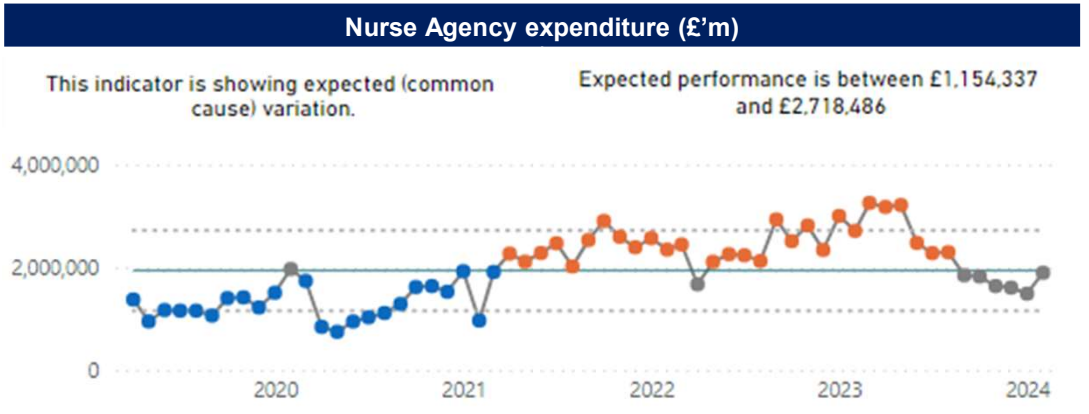


Between July & December 2023 there was a reduction to the number of Agency Nursing WTE used, c. 111. In February the number has increased by c.23 WTE's

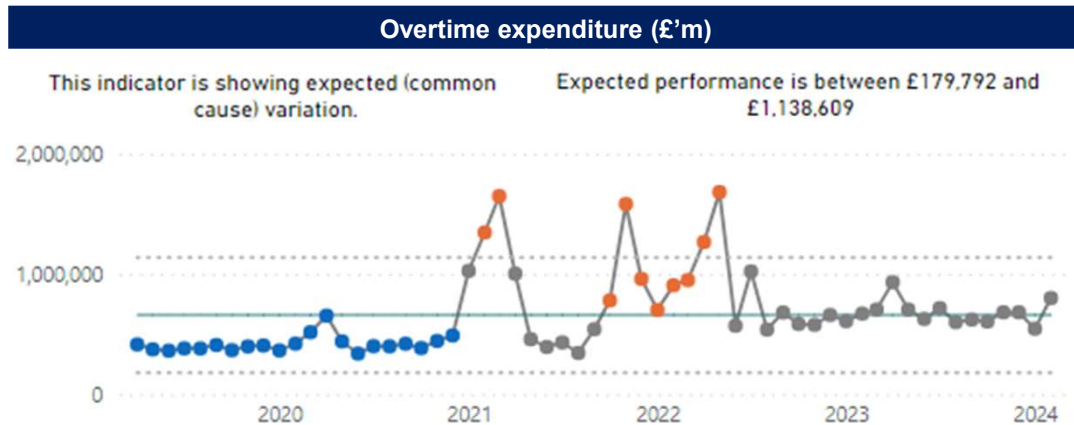
Key Analysis (3 of 5)



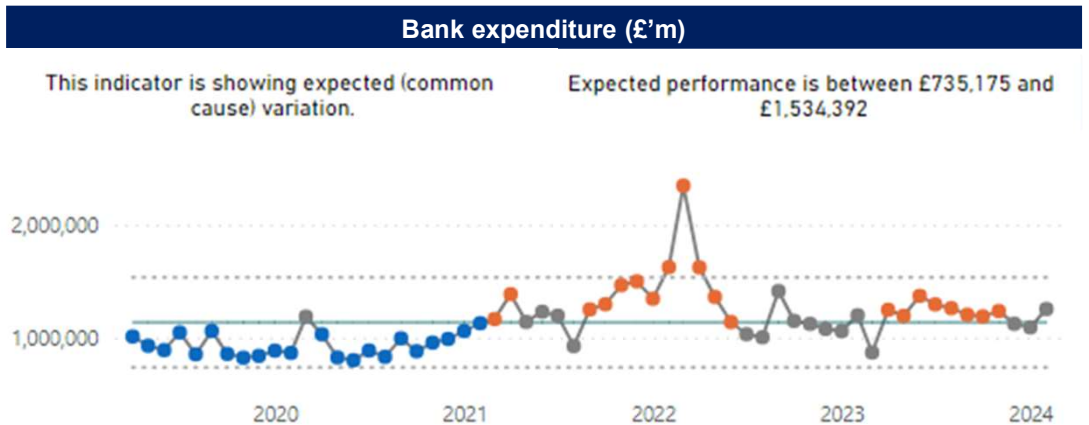
On-call cover for junior doctors and cover for sickness absence and fragile services continue to be of concern with the use of premium cost locums.



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



No significant variation.



No significant variation.

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

DIRECTORATE	Non-Ward Staffing Level - All Staff Groups Excluding Medical							
	Total Fill Rate	Total WTE	Substantive WTE	Substantive WTE Vacancy	Bank WTE	Overtime WTE	Agency WTE	Total Over/(Under) Staffed
CHIEF EXECUTIVE	94.1%	92	92	(6)	-	-	-	(6)
DIRECTOR OF FINANCE	94.6%	296	295	(18)	-	1	-	(17)
DIRECTOR OF NURSING, QUALITY AND PATIENT EXPERIENCE	97.3%	203	203	(6)	-	-	-	(6)
DIRECTOR OF OPERATIONS	97.0%	4,593	4,425	(313)	74	87	7	(144)
ASST DIR OPS QUALITY & NURSING	74.8%	15	15	(5)	-	-	-	(5)
FACILITIES	99.4%	961	892	(74)	43	26	-	(5)
MENTAL HEALTH & LEARNING DISABILITIES	89.2%	912	904	(119)	7	2	-	(110)
ONCOLOGY & CANCER SERVICES	101.3%	101	97	(3)	3	1	-	1
OPERATIONS DIR MANAGEMENT	94.5%	264	259	(21)	3	3	-	(15)
PATHOLOGY	98.9%	238	229	(12)	-	9	-	(3)
PLANNED CARE	96.9%	864	814	(77)	7	35	7	(28)
RADIOLOGY	94.4%	247	243	(18)	1	3	-	(15)
UNSCHEDULED CARE BRONGLAIS	102.9%	101	99	1	1	1	-	3
UNSCHEDULED CARE GLANGWILI	104.9%	187	177	(1)	7	3	-	9
UNSCHEDULED CARE PRINCE PHILIP	96.8%	113	112	(4)	-	1	-	(4)
UNSCHEDULED CARE WITHYBUSH	121.8%	129	126	20	2	1	0	23
WOMEN & CHILDREN	101.0%	463	459	1	1	2	-	5
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	97.5%	1,177	1,161	(45)	13	2	0	(30)
CARMARTHENSHIRE COUNTY	106.0%	298	289	8	7	2	-	17
CEREDIGION COUNTY	95.7%	161	159	(9)	2	0	-	(7)
MEDICINES MANAGEMENT	103.6%	240	240	8	-	0	-	8
PEMBROKESHIRE COUNTY	81.8%	221	216	(54)	4	0	0	(49)
PRIMARY CARE	97.5%	154	153	(5)	1	0	-	(4)
PRIMARY CARE MANAGEMENT	105.3%	104	104	5	-	-	-	5
DIRECTOR OF PUBLIC HEALTH	80.5%	114	114	(28)	-	-	-	(28)
DIRECTOR OF STRATEGY AND PLANNING	93.6%	33	33	(2)	-	-	-	(2)
DIRECTOR OF THERAPIES AND HEALTH SCIENCE	95.0%	592	591	(32)	-	2	-	(31)
DIRECTOR OF WORKFORCE AND ORGANISATIONAL DEVELOPMENT	85.2%	266	266	(46)	-	0	-	(46)
EXECUTIVE MEDICAL DIRECTOR	106.8%	97	97	6	-	-	-	6
Grand Total	95.0%	7,465	7,278	(490)	88	92	8	(303)

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

DIRECTORATE	Ward Staffing Level - Nursing and HCSW Only							
	Total Fill Rate	Total WTE	Substantive WTE	Substantive WTE Vacancy	Bank WTE	Overtime WTE	Agency WTE	Total Over/(Under) Staffed
DIRECTOR OF OPERATIONS	104.8%	2,656	2,138	(397)	205	83	229	121
MENTAL HEALTH & LEARNING DISABILITIES	99.2%	275	221	(56)	36	5	13	(2)
PLANNED CARE	103.3%	178	150	(22)	16	4	8	6
UNSCHEDULED CARE BRONGLAIS	104.3%	300	208	(79)	18	10	63	12
UNSCHEDULED CARE GLANGWILI	112.9%	677	529	(70)	55	29	64	77
UNSCHEDULED CARE PRINCE PHILIP	102.3%	438	361	(68)	40	14	23	10
UNSCHEDULED CARE WITHYBUSH	101.9%	477	383	(85)	32	12	50	9
WOMEN & CHILDREN	102.8%	311	286	(16)	8	8	9	8
DIRECTOR OF PRIMARY CARE, COMMUNITY AND LONG TERM CARE	102.5%	159	132	(23)	12	3	11	4
CARMARTHENSHIRE COUNTY	102.1%	77	67	(8)	3	3	4	2
CEREDIGION COUNTY	94.0%	23	21	(4)	2	0		(1)
PEMBROKESHIRE COUNTY	106.7%	59	44	(11)	8	0	7	4
Grand Total	104.6%	2,815	2,270	(420)	217	87	240	125

Next Steps and Mitigating Actions

The following next steps and mitigating actions are being pursued across Executive Director portfolios, with ongoing reviews in place via a weekly Core Delivery Group cycle to establish progress and impact updates:

- The Health Board notes the letter received from the Director General on 23 January 2024 setting out the further escalation measures being placed on the whole organisation.
- Prior to receipt of the letter, the forecasted end of year deficit position of the Health Board was reported as £72.7m. Following targeted improvements and internal reviews of key drivers, the annual forecast in Month 10 reduced to £66.0m, improving by £6.7m. It is with regret, however, that this improvement has not gone further towards the target control total and will not materially change before the end of this financial year.
- The Health Board has a comprehensive opportunities framework, which has been shared with the organisation and the NHS Executive Financial Planning & Delivery team and is under on-going review. Key outstanding actions relating to the programme management and delivery frameworks are reviewed as part of the quarterly Targeted Intervention escalation with Welsh Government.
- The Health Board has an active in-year savings tracker which has been shared with the NHS Executive Financial Planning & Delivery team, including dashboards for active opportunities progressing from Black and Red into Amber and Green statuses.
- Further arrangements are being enhanced to implement a tiered escalation framework internally for executive portfolios linked to multi-faceted performance criteria, with a view of these being implemented in readiness for the start of the new financial year.
- Annual plan development for the forthcoming financial year is now in its latter stages, including an assessment of the choices the Health Board will have to make. At this stage there is insufficient assurance to achieve the target control total for the 2024/25 financial year with this is being communicated as part of the annual plan, including an anticipated delivery trajectory. The Health Boards focus in the coming six months is summarised as:
 - Quarter 1 – de-risking the delivery trajectory of the annual plan to achieve the savings expectation that is set out within it; and
 - Quarter 2 – de-risking to further reduce the planned deficit towards the target control total, as a minimum.