

<b>Meeting Date</b>	<b>29 July 2025</b>	<b>Agenda Item</b>	<b>2.3</b>
<b>Name of Meeting</b>	<b>Performance and Finance Committee</b>		
<b>Report Title</b>	<b>Monthly Recovery and Sustainability Programme Update</b>		
<b>Report Author</b>	Brian Owens, Director Recovery and Sustainability		
<b>Report Sponsor</b>	Darren Griffiths, Executive Director Finance and Performance		
<b>Presented by</b>	Brian Owens, Director Recovery and Sustainability		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	The report is provided to update the committee on the current actions and work in progress of the Recovery & Sustainability programme.		
<b>Key Issues</b>	<p>The report covers: -</p> <ul style="list-style-type: none"> <li>• The savings plan has not delivered as required resulting in an increased deficit above the plan.</li> <li>• Variable Pay continues at comparable levels with earlier months, despite enhanced controls and scrutiny.</li> <li>• An overarching variable pay workforce group established.</li> <li>• Additional controls required to prevent a continuation of the current financial under performance.</li> </ul>		
<b>Specific Action Required</b> <i>(please choose one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Recommendations</b>	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• Receive the updated report for <b>ASSURANCE</b> of ongoing delivery associated with the Recovery and Sustainability Programme</li> </ul>		

# MONTHLY RECOVERY AND SUSTAINABILITY PROGRAMME UPDATE

## 1. INTRODUCTION

The paper provides the monthly formal update to the committee regarding the actions and progress within the Recovery and Sustainability programme.

## 2. BACKGROUND

The Recovery and Sustainability (R&S) board met on 9 July 2025, with the second monthly meeting set for 23 July 2025.

The meeting opened with a presentation by the Director of Finance setting out the month three position. There was a detailed discussion around the current run rate and the requirement that the variable pay expenditure must not continue into July at the same levels; month four must achieve a significant reduction and demonstrate progress towards delivering the variable pay cap of a maximum spend of £1.8 million to support the under delivery of the current savings schemes.

Table one shows the current variable pay expenditure for the first three months of this financial Year by pay type. Bank expenditure has continued to increase and despite the additional control processes in place the total variable pay cost remains resistant and continued at c.£5.1 million.

**Table one**

Sum of Cur Month Actual				
Row Labels	▼	P01-26	P02-26	P03-26
⊕ ADH		721,048	877,045	718,511
⊕ Agency		1,145,868	1,246,503	1,006,269
⊕ Overtime		838,940	653,941	716,995
⊕ WLI		329,101	289,777	358,042
⊕ Bank		2,052,096	2,239,172	2,288,482
<b>Grand Total</b>		<b>5,087,052</b>	<b>5,306,439</b>	<b>5,088,299</b>

Key: ADH – Additional Duty Hours  
WLI – Waiting List Initiative

The savings tracker currently identifies a gap of £35.69 million against the £55.44 million position: noting the requirement from Welsh Government to achieve an outturn no greater than -£42.4 million. Of the savings schemes identified, £19.75 million, £10.55 million are risk rated 'red'.

Table two provides a summary position of the savings as at month three

**Table two**

Service Area	Annual Plan Target	Planned Schemes					Actual Delivery					End of Year Forecast	Shortfall in Forecast
		Red Schemes	Amber Schemes	Green Schemes	Total	Gap / (Surplus) to Target	Mth 3	Total YTD	YTD Target	YTD Gap / (Surplus) to Target			
		£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m	£'m			
Morrison	16.08	5.43	0.71	1.46	7.59	8.49	0.33	0.53	4.02	3.49	2.16	(13.92)	
NPTS	16.12	2.21	0.57	3.23	6.01	10.11	0.63	1.36	4.03	2.67	3.79	(12.33)	
PCT	12.98	0.37	0.90	0.30	1.57	11.41	0.03	0.06	3.25	3.18	1.21	(11.78)	
MH/LD	5.70	1.54	0.25	0.70	2.49	3.20	0.05	0.13	1.42	1.29	0.88	(4.82)	
Nursing Director	0.04	0.00	0.00	0.04	0.04	(0.00)	0.00	0.01	0.01	(0.00)	0.04	0.00	
Medical Director	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Workforce & OD	0.36	0.00	0.00	0.00	0.00	0.36	0.00	0.00	0.09	0.09	0.00	(0.36)	
Digital Services	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Estates	1.39	0.00	0.00	0.63	0.63	0.76	0.08	0.17	0.35	0.18	0.63	(0.76)	
Finance, Capital Planning, CF & R&S	0.13	0.00	0.00	0.13	0.13	(0.00)	0.00	0.02	0.03	0.01	0.13	(0.00)	
Board Secretary	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Chief Operating Officer	1.98	0.00	0.00	0.27	0.27	1.70	0.02	0.05	0.49	0.45	0.27	(1.70)	
Dir Therapies	0.13	0.00	0.00	0.00	0.00	0.13	0.00	0.00	0.03	0.03	0.00	(0.13)	
DICE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Director of Strategy	0.01	0.00	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.01	(0.00)	
Public Health Wales	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	
Central Budget N/R Opportunities	0.51	1.00	0.00	0.00	1.00	(0.49)	0.00	0.00	0.13	0.13	0.00	(0.51)	
<b>TOTAL</b>	<b>55.44</b>	<b>10.55</b>	<b>2.43</b>	<b>6.77</b>	<b>19.75</b>	<b>35.69</b>	<b>1.14</b>	<b>2.34</b>	<b>13.86</b>	<b>11.52</b>	<b>9.12</b>	<b>(46.32)</b>	

**a. Recovery & Sustainability Priorities**

The committee previously recommended that the R&S programme aligned its focus to facilitate and support the delivery of the five executive led themes: -

- Workforce Variable Pay – the head count reduction is being led outside of the R&S programme via the executive
- Procurement
- Medicines Management
- Continuing Health Care (CHC)
- Urgent and Emergency Care (UEC)

**b. Variable Pay Overarching steering group**

The variable pay overarching steering group has been established; Tina Ricketts is the Senior Responsible Officer (SRO). The programme is the largest of the five priority programmes and has multiple objectives spanning all staffing groups.

The steering group core membership are the executive leaders that support the individual staffing groups incurring variable pay. See appendix one for the terms of reference. The group plans to deliver the £32.3 million opportunity created by supporting the delivery of the variable pay cap, £1.8 million.

To date, despite the controls and scrutiny process the actual variable pay spend has proven resistant. This is also a key area that our external support to focusing on.

The following table is an extract from the slides presented to R&S Board setting out the next steps for discussion within the board. There has not yet been a consensus agreement on the blanket ban on overtime as further

assessment is required around the impact on service delivery for some key areas.

## Next Steps

### Nursing

- Workshop – nursing variable pay Friday this week
- Review next 6 week booking and unbook
- Approval for bank, agency and overtime now taken off matrons and sisters and elevated to heads of nursing
- Twice daily meetings for approvals
- Moving staff across wards but meeting with resistance

### Medical staff

- Review of possible system workarounds being undertaken
- Job plan baseline now needs redesign to maximise productivity and value for money
- Need to get all medics on E-Rostering
- Approvals outside of process – Deloitte to review as well
- New rate card needed and will be developed

### Other

- All exec leads to blanket ban overtime in their areas
- Workforce redesign and workforce planning needed in pathology

### Variable Pay Steering Group

- First meeting 2 July 2025
- Next meeting 15 July 2025
- 10 workstreams
- 10 plans on a page next Tuesday

### External Support

- Preliminary data this week
- 1.5 hour detailed briefing Thursday this week
- Deloitte on the ground next Monday
- Focus on pay controls and run rate reduction

### **c. Procurement**

A procurement board has been established by the SRO Darren Griffiths, since the start of the year. The procurement team have a clear savings trajectory to achieve this year. Reviews are currently underway to assess further opportunities, and the programme is being supported by the R&S team.

### **d. CHC& UEC**

The SROs are Marie Davies (CHC) and Deb Lewis (UEC), both programmes already have existing boards and currently the executive lead executives have indicated they have appropriate support to deliver their programmes. Further work is required to understand the savings delivery trajectories of both work streams. This is work in progress and needs clarifying as they remain within the top five priorities, identified by the Performance and Finance Committee.

### **e. Medicines management**

SRO Richard Evans has established the medicine management programme. Initially focusing on ensuring the full delivery of the value and sustainability opportunities, identified by the Wales value and sustainability (V&S) group. The Health Board has already made good progress in most of the areas, 8 out of 10 with the savings being reported as part of the Neath, Singleton service group achievements. Moving forwards the R&S team will support the work stream to agree a savings trajectory related to the remaining V&S opportunities.

### **f. Actions from R&S Board**

The following table captures the actions from the last R&S Board on 9<sup>th</sup> July 2025

ITEM No.	Action	Lead
1	Implement cap on variable pay expenditure (target £1.8m/per month) using Equal distribution model, (Option A).	SGD's
2	MHLD still awaiting on finalisation of their Variable Pay target.	DG
3	Service Groups to distribute nursing variable pay cap down to Ward level in line with Morriston.	SGD's
4	Send out communications to staff setting out the agreed processes for booking agency usage	TR,RE,LR
5	Quantifying risk, definitions on risk levels in terms of nursing variable pay required.	TR
6	Older People Services Modernisation – in order to progress this, it will require a separate discussion outside of this group. Need to work through the communication to other organisation and SG's regarding this scheme.	DN/AH
7	JCC – funding linked to Mother & Baby Unit, DN requested separate discussion outside of this group to progress this further.	DN/DG
8	Gorseinon beds, we need to review Length of Stay in order to try and reduce the bed footprint.	CW
9	Workforce Dashboard – to review and provide comments back to TR in relation to the information linked to the AfC Variable Pay Tab that has been created.	All
10	Improve internal communications and staff engagement. Work closely with Social HB Partnership Forum.	TR / Comms & Execs
11	CHC programme to report on potential savings identified for this workstream.	Planning & Partnership Exec

The actions were shared at the informal additional Performance and Finance Committee Member update which was held on 21 July 2025

### **g. R&S Team**

The Head of Recovery and Sustainability commenced in post at the start of June. The individual is an experienced project manager. The appointed individual was already a substantive employee of the health board who had recently completed an external secondment. Additionally, within the finance team an Organisational Change Process (OCP) has been successfully completed that has transferred the former programme management office (PMO) into the R&S programme. The transfer enables a different approach to be adopted that builds on the programme governance and project approach.

Additionally, the R&S team has successfully recruited into three vacant posts that were originally with the former PMO team. These individuals commence in post during July and August. Therefore, the team will be at full complement for the first time since the introduction of the R&S programme.

### **3. GOVERNANCE AND RISK ISSUES**

Significant gaps remain within the savings plans; additionally variable pay has not decreased despite the enhance controls and processes. Urgent action is required to reduce the size of the savings deficit and to reduce the variable pay expenditure.

The external support has commenced with the expectation that they will be able to support enhanced governance and controls whilst helping to identify and deliver additional savings.

### **4. FINANCIAL IMPLICATIONS**

The financial implication of this report are included within its contents.

### **5. RECOMMENDATION**

Members are asked to:

- Receive the updated report for **ASSURANCE** of ongoing delivery associated with the Recovery and Sustainability Programme

<b>Governance and Assurance</b>		
<b>Link to Enabling Objectives</b> <i>(please choose)</i>	<b>Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities</b>	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	<b>Deliver better care through excellent health and care services achieving the outcomes that matter most to people</b>	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
<b>Health and Care Standards</b>		
<i>(please choose)</i>	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input checked="" type="checkbox"/>
	Effective Care	<input checked="" type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input checked="" type="checkbox"/>
	Individual Care	<input checked="" type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
<b>Quality, Safety and Patient Experience</b>		
No implications		
<b>Financial Implications</b>		
No direct implications		
<b>Legal Implications (including equality and diversity assessment)</b>		
No implications		
<b>Staffing Implications</b>		
No direct implications		
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>		
No implications		
<b>Report History</b>	Routine report to Performance and Finance Committee	
<b>Appendices</b>	Variable Pay Terms of Reference	

# Appendix one

## Swansea Bay University Heath Board Recovery and Sustainability Board

### Variable Pay Steering Group

#### Draft Terms of Reference

#### 1.0 Context

The health board needs to achieve a minimum of £55.4m in savings in 2025/6 if it is to meet its financial plan. A Recovery and Sustainability Programme Board has been established to achieve the required savings with 12 overarching workstreams as follows:

Overarching Workstreams for the Recovery and Sustainability Programme 2025/25		
<p><b>Variable Pay – R&amp;S monitored</b></p> <ul style="list-style-type: none"> <li>- Agency Reduction 30% plan / monitoring, SG's to develop financial reduction trajectories</li> <li>- Bank Reduction plans / monitoring, SG's to develop reducing trajectories to within new expected maximum levels of usage</li> <li>- Vacancy control, non recurrent spending reduction plan monitoring, Agree minimum monthly spending reductions linked to vacancy control, develop trajectories and monitor delivery</li> </ul>	<p><b>Workforce – WOD</b></p> <ul style="list-style-type: none"> <li>- Development of enhanced bank - achieving 95% fill rate for all requests including HCSW, A&amp;C and Estates staffing ??develop medical bank</li> <li>- Implementation and monitoring of absence reduction action plan to achieve 5% max absence</li> <li>- Enhance the establishment dashboards &amp; process to ensure they always reflect the funded budgets</li> </ul>	<p><b>Estates Review – Capital Estates</b></p> <ul style="list-style-type: none"> <li>- Develop an estate rationalisation programme to reduce the number of leased / rented properties by consolidating onto existing premises</li> <li>- Reduce the number of health board properties across the 'foot print'</li> </ul>
<p><b>Enabling Actions – Strategy / SG's</b></p> <ul style="list-style-type: none"> <li>- Monitor delivery against all of the Cab Sec #enabling actions' in the 2025/26 planning guidance</li> <li>- Managed and reported via dashboard at SG level</li> </ul>	<p><b>Head Count Reduction – WOD</b></p> <ul style="list-style-type: none"> <li>- In conjunction with the service groups and corporate teams develop a head count reduction plan to reduce staff costs and numbers to a comparable position when the health board was larger i.e. ABMU or provide evidence that the increased head count has improved outcomes</li> </ul>	<p><b>Value &amp; Sustainability – TC finance</b></p> <ul style="list-style-type: none"> <li>- Implement financial trajectories evidencing delivery against all five national V&amp;S programmes Pharmacy, CHC, Workforce, procurement and clinical variation, needs monthly expected financial values to evidence delivery</li> </ul>
<p><b>Staffing Unavailability – led by nursing</b></p> <ul style="list-style-type: none"> <li>- Living within 'headroom' plans &amp; monitoring delivery Where no head room develop plan to manage safety within funding resources &amp; monitoring delivery against reducing trajectory</li> <li>- Roster compliance and reporting metrics, evidencing compliance within head room, establish KPI's within policy</li> <li>- Process for managing surge/ 1:1 / acuity within over arching funding resources, monitor and evidence of delivery</li> <li>- Implement and evidence process for ensuring all requests for temporary staffing reflect the correct reason code and produce accurate reports on requests .</li> </ul>	<p><b>Pathway Redesign – Deputy Med Dir</b></p> <ul style="list-style-type: none"> <li>- Redesign hospital inpatient respiratory pathway to achieve LOS comparable with England's average</li> <li>- Agree top clinical pathways requiring redesign in the next 12 months and implementation plan</li> </ul>	<p><b>Investment Scrutiny – Finance / BCAG</b></p> <ul style="list-style-type: none"> <li>- Develop and implement process to review and evidence benefit of previous investments, demonstrating return on investment and delivery of key performance indicators</li> </ul>
<p><b>Theatre Consumables – R&amp;S with theatres</b></p> <ul style="list-style-type: none"> <li>- Commission final Omnicell cabinets</li> <li>- Evidence wastage reduction from control of out of date stock</li> <li>- Develop cost per case using Omnicell data</li> <li>- Implement robust inventory control processes</li> </ul>	<p><b>Benchmarking / Other Opportunities – PMO</b></p> <ul style="list-style-type: none"> <li>- Identify from existing repositories other areas for redesign based on benchmarking data</li> <li>- CHKS / NHSBN ???</li> <li>- ** needs further thoughts **</li> <li>- Evidence that daily ward / board rounds are completed by senior doctor with discharging authority</li> <li>- review ward stock control processes to ensure minimum stock held and reduction in wastage - led by procurement and SG's</li> </ul>	<p><b>Theatre Efficiency – Planned Care Group</b></p> <ul style="list-style-type: none"> <li>- Management and control of variable pay costs within Anaesthetics</li> <li>- Evidence of delivery against theatre performance framework , via planned care group</li> </ul>

#### 2.0 Scope

It is proposed that a steering group is set up to oversee the delivery of the following workstreams that are linked to variable pay:

- Variable Pay
- Staffing Unavailability
- Workforce

By bringing these workstreams together we will be able to set an overall savings target, avoid a double count and will ensure all interdependencies are managed.

The headcount reduction workstream will be delivered separately through the Organised for Success Programme (see separate terms of reference).

The programmes of work in scope are set out in the following table:

No	Theme	Programme of work	Staff Group	Executive Sponsor	Programme of work Leads
1	Variable Pay	<i>Agency reduction plan</i> - with a target to reduce our agency usage by 30% from a 2024/5 baseline  Including agreed SOP to ensure correct coding for reason for agency usage	a) Medical & Dental b) Nursing & Midwifery c) AHP & Clinical Scientists d) Support Services e) Admin & Clerical	a) Medical Director b) Director of Nursing & PE c) Director of AHP & HS d) Director of Finance & Performance e) Director of workforce & OD	tbc
2	Variable Pay	<i>Bank reduction plan</i> - with a target to reduce our agency usage by a minimum of 15% from a 2024/5 baseline  Including agreed SOP to ensure correct coding for reason for bank usage	a) Medical & Dental b) Nursing & Midwifery c) AHP & Clinical Scientists d) Support Services e) Admin & Clerical	a) Medical Director b) Director of Nursing & PE c) Director of AHP & HS d) Director of Finance & Performance e) Director of workforce & OD	tbc
3	Variable Pay	<i>Vacancy control plan</i> - to reset the vacancy factor target based on an updated trajectory	All staff group – through budget review meetings	Director of Finance & Performance	tbc
4	Staffing Unavailability	<i>Headroom establishment reset</i> – to reset how the 26.08% headroom is apportioned between WTE and £ pay budget	a) Nursing & Midwifery b) Healthcare Support Workers	Director of Nursing & PE	tbc
5	Staffing Unavailability	<i>Roster compliance and reporting</i> – to ensure staff templates are within funded establishment and that annual leave is scheduled appropriately across the year	a) Nursing & Midwifery b) Healthcare Support Workers	Director of Nursing & PE	tbc
6	Staffing Unavailability	<i>Surge/ 1:1 care resource management</i> – to develop and embed an agreed standing operating procedure for the approval and management of additional staffing requested for surge and 1:1 care	a) Nursing & Midwifery b) Healthcare Support Workers	Director of Nursing & PE	tbc

No	Theme	Programme of work	Staff Group	Executive Sponsor	Programme of work Leads
7	Workforce	<i>Temporary Staffing Model</i> – to undertake an options appraisal to ensure current model is fit for purpose for all staff groups	All staff groups	Director of Workforce & OD	Sarah Jenkins
8	Workforce	<i>Sickness Absence Management</i> – to support each budget holder to meet the sickness absence target of >5.08%. To set improvement trajectories and supporting action plans.  Initial focus on budgets areas with >5% 12 month rolling sickness absence rate.	All service groups through monthly performance review meetings All corporate directorates through quarterly review meetings	Director of Workforce & OD	Sarah Jenkins
9	Workforce	<i>Establishment Control</i> - develop policy and SOP to agree how future changes to establishment (recorded on financial ledger) must be agreed and actioned. Agree SOP to align establishment across ledger, ESR and e-rostering	All staff groups	Director of Workforce & OD	Sarah Jenkins
10	Workforce	<i>Time to hire</i> – to review and streamline time to hire process from resignation to new joiner in post	All staff groups	Director of Workforce & OD	Emma Owen



**GIG**  
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Bwrdd Iechyd Prifysgol  
Bae Abertawe  
Swansea Bay University  
Health Board

### **3.0 Steering Group**

#### **Membership**

The steering group membership will consist of the executive sponsors:

- Medical Director
- Director of Nursing and Patient Experience
- Director of Allied Health Professional & Healthcare Scientists
- Director of Finance & Performance
- Director of Workforce & OD

Programme of work leads will attend each steering group to provide an update on their programme of work.

#### **Meeting Frequency**

The steering group will meet fortnightly initially and will report to the Recovery and Sustainability Board.