Strategic Development Committee

2024/25 Programme Budget Report

Eitem yr Agenda / Agenda Item	6.1
Dyddiad y Cyfarfod / Date of Meeting:	10/11/2026
Statws Cyhoeddi / Publication Status:	Open/Public. Not Applicable.
Adroddiad wedi'i baratoi gan / Report Prepared by:	Andrew Jones, Interim Deputy Director of Finance
Cyflwynydd yr Adroddiad / Report Presenter:	Sally May, Executive Director of Finance
Noddwr Gweithredol yr Adroddiad / Report Executive Sponsor	Sally May, Executive Director of Finance
Diben yr Adroddiad / Report Purpose:	For Noting
Camau Gweithredu / Penderfyniad Angenrheidiol / Action / Decision Required:	For Noting
Cyd-destun Strategol: *Mae'r adroddiad hwn yn cyd-fynd â'r Pileri Strategol canlynol* ***Strategic Context:*** *This report aligns to the following Strategic Pillars*	Sustaining Our Future If more than one applies please list below:
Nodwch sut mae hyn yn cyd-fynd â'r Cynllun Tymor Canolig Integredig / Cynllun Cyflawni Blynyddol *(Cyfeiriad blaenoriaeth berthnasol)* **Please indicate how this aligns to the Integrated Medium Term Plan / Annual Delivery Plan** *(Reference relevant priority)*	Reports the distribution of resources and how this has changed over periods.

Crynodeb Gweithredol o'r hyn y mae'r adroddiad yn ei ddisgrifio:
Dechreuwch drwy **grynhoi'r wybodaeth bwysicaf yn fyr**. Dylai hyn roi dealltwriaeth gadarn o'r pwyntiau allweddol yn erbyn y 3 phennawd canlynol heb ddarllen yr adroddiad llawn:
Executive Summary of what the report is describing:
Start by **summarising briefly** the most critical information. This should provide a firm grasp of the key points against the following 3 headings without reading the full report:

Beth *(crynodeb o'r sefyllfa / mater cyfredol a pham ei fod yn bwysig a thystiolaeth i gefnogi'r safbwynt hwnnw ac ati)* **What** *(summary of current position / issue & why it matters and evidence to support that position etc)*	Programme Budgets demonstrate how the Health board utilises its resources to nationally agreed disease categories.
Felly, beth *(darparu dadansoddiad ystyrlon gan dynnu allan, fel y bo'n briodol, oblygiadau yn erbyn Strategaeth / Cynlluniau Cyflawni / risgiau Strategol neu Reoleiddiol CTMUHB ac ati ac unrhyw opsiynau ar gyfer mynd i'r afael â'r rhain)* **So, what** *(provide meaningful analysis drawing out as appropriate implications against CTMUHB Strategy / Delivery Plans / Strategic or Regulatory risks etc and any options for addressing these)*	Comparisons of Programme support the delivery of strategic directions by demonstrating that resource is moving to areas of intended investment. Comparisons with other Health Boards allow us to compare if there are consistent themes and allows comparison of total cost per head and weighted population.
Beth Nesaf *(crynodeb o'r camau gweithredu a fwriadwyd a'r manteision sy'n cefnogi'r dewisiadau a'r argymhelliad(au) sy'n cael eu gwneud)* **What Next** *(summary of intended action and benefits supporting the choices and recommendation(s)being made)*	Programme budgets are an annual reporting exercise, the report will be updated following the next submission for 2025/26 and presented to the Strategic Development Committee.

Argymhelliad *(Wedi'i gysylltu â'r adran "Beth Nesaf" uchod).* **Recommendation** (Linked to the "What Next" section above).	To Note

1. Background / Context

The Programme Budget Return is an annual exercise which aims to apportion costs incurred during the financial year to a national list of disease groups and conditions. This exercise is a commissioner-based report which identifies how our residents access healthcare regardless of the provider organisation, and includes costs incurred by the NHS Wales Joint Commissioning Committee and Public Health Wales along with other Health Boards and NHS Trust providers plus providers from outside of NHS Wales.

By comparing annual expenditure by these national groups, it is possible to determine which clinical areas are experiencing growth and which are not, and whether planned investments are materialising. Programme Budgets can also be used to compare variation between Health Boards on the distribution of resources by conditions and the level of resource incurred per head of population.

The annual programme budget reports are published on the Stats Wales website following approval by Welsh Government and are accessible to the general public.

It should be noted that identification of patients activity to disease groups/conditions is determined by pre-defined national set of conditions using clinical coding or other national indicators and may not reflect local service definitions.

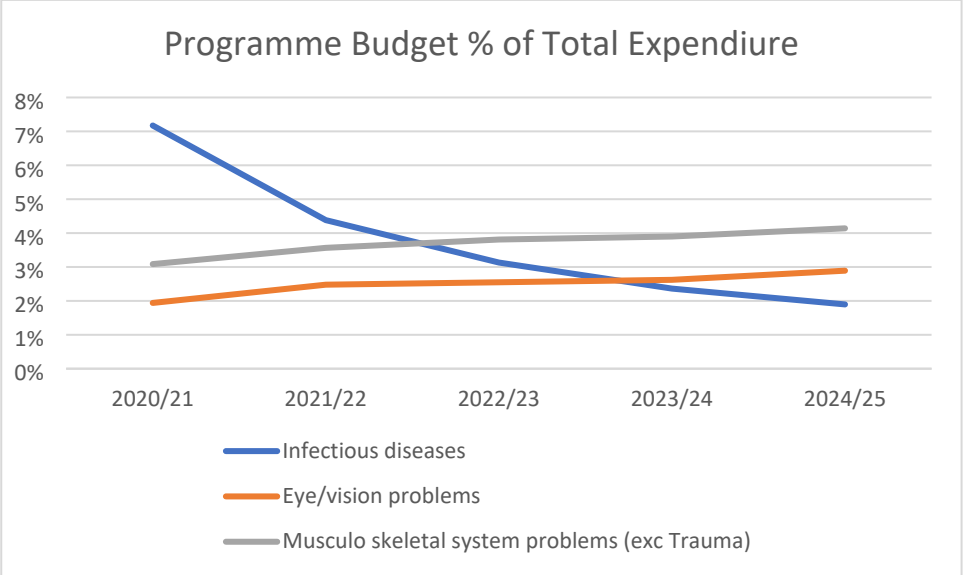
Due to the Pandemic the programme budget returns for 2020/21 and 2021/22 were significantly impacted by the temporary changes in service provision to support the pandemic and although these provide insights and indications of the change in services during that period, they are specific to the circumstance at the time and are not suitable for benchmarking changes over time. This report has been prepared on a five-year basis, where the latter three years show the Health Board's gradual departure from the COVID-19 period.

At the time of this report being produced, the 2024/25 Programme Budget Returns had not been published by Welsh Government and therefore the data in this report remains Draft for 2024/25 and could be subject to change.

2. Strategic Insights

2.1 CTM Resource utilisation 2020/21 to 2024/25

The Programme Budget Returns for Cwm Taf Morgannwg UHB residents from 2020/21 to 2024/25 has been summarised in Annex A.



The Programme budget returns chart the impact the years 2020/21 and 2021/22 had on the health board, with elective expenditure in some specialties continuing to recover but not necessarily having returned to pre-pandemic levels.

As noted above that identification of patients access to disease groups/conditions is determined by pre-defined national set of conditions using clinical coding. If clinical coding is not recorded in a timely manner, it can have an impact upon the Programme Budget returns. As can be recognised within Annex A, the level of Invalid/Uncoded data (Category 23D) has improved compared to 2020/21 (2.4% reducing to 1.5%) but showing a slight uptick compared to 2022/23 and 2023/24 (1.1% in both years). This needs to be considered when comparing annual changes in expenditure.

The increase in resource allocation between 2020/21 and 2024/25 is £352.9m (28.8%). This increase recognises the increase in Inflation, Pay Settlements, demand/Growth and investments and compares to an increase during the same period of 27.1% in the consumer price index or 35.1% in the retail price index.

Excluding the Other Category, the most significant areas of resource allocation are:

- Mental Health (11.7% 2024/25)
- Trauma & Injury (9.3% 2024/25)
- Gastro intestinal problems (7.9% 2024/25)
- Cancers & Tumours (7.1% 2024/25)
- Circulation Problems (6.5% 2024/25)
- Respiratory Problems (6.5% 2024/25)
- Endocrine and metabolic problems (5.3 2024/25)

These categories account for over 54% of the total expenditure

Mental Health

Mental Health includes Adult Mental Health Services, Older Persons Psychiatry, Child & Adolescent Mental Health and Substance Misuse Services. Overall Mental Health Expenditure has increased by £18.2m (28%) compared to 2022/23. This has mainly been experienced with Adult Mental Health Services.

The majority of the mental health expenditure is delivered by CTM secondary care services, with expenditure of £109.2m in 2024/25 this is an increase of £12.0m (12%) compared with 2022/23.

Continuing Healthcare is the next most significant area of expenditure which has increased from £40.4m to £51.0m an increase of £10.6m (26%).

Specialist Commissioning (NHSWJCC) has decreased slightly from £11.9m to £10.3m a decrease of £1.6m (13%).

Primary Care Prescribing has decreased slightly from £6.2m to £5.6m, a £0.6m decrease (10%).

Trauma & Injury

Trauma & Injury includes Accident & Emergency services and Trauma but excludes Burns or Skin conditions. Overall Trauma & Injury Expenditure has increased by £37.2m (34%) compared to 2022/23.

The majority of the Trauma & Injury expenditure is delivered by CTM secondary care services, with expenditure of £116.7m in 2024/25 this is an increase of £33.9m (41%) compared with 2022/23.

Services provided by other Health Boards has decreased from £6.6m to £5.2m, a decrease of £1.4m (21%).

Specialist Commissioning (NHSWJCC) has only slightly increased from £18.4m to £23.1m an increase of £4.7m (26%).

Circulation Problems

Circulation Problems includes Coronary Heart Disease, Cerebrovascular Disease, Problems with Rhythm and other circulatory issues. Overall Circulation Problems Expenditure has increased by £3.8m (4%) compared to 2022/23.

The majority of the circulation problems expenditure is delivered by CTM secondary care services, with expenditure of £57.3m in 2024/25 this is an increase of £3.7m (7%) compared with 2022/23.

Primary Care Prescribing has decreased from £15.7m to £12.9m, a decrease of £2.8m (18%).

Services provided by other Health Boards have decreased from £7.4m to £7.2m, a decrease of £0.2m (3%).

Specialist Commissioning (NHSWJCC) has increased from £15.2m to £18.0m an increase of £2.8m (18%).

Gastro Intestinal

Overall Gastro Intestinal Problems Expenditure has increased by £30.1m (32%) compared to 2022/23.

The majority of the gastro intestinal problems expenditure is delivered by CTM secondary care services, with expenditure of £92.1m in 2024/25 this is an increase of £24.2m (36%) compared with 2022/23.

Primary Care Prescribing has increased from £11.5m to £12.6m, an increase of £1.1m (10%).

Services provided by other Health Boards has marginally increased from £3.6m to £3.8m, an increase of £0.2m (6%).

Specialist Commissioning (NHSWJCC) has increased from £6.2m to £9.1m an increase of £2.9m (47%).

Cancer & Tumours

Overall Cancer & Tumour Expenditure has increased by £21.0m (23%) compared to 2022/23.

CTM secondary care services delivers the single largest proportion of cancer & tumour expenditure, with expenditure of £52.5m in 2024/25 this is an increase of £14.4m (20%) compared with 2022/23.

Velindre NHS Trust is the next most significant with expenditure of £33.8m and increase of £13.4m (66%) compared with 2022/23.

Specialist Commissioning (NHSWJCC) has decreased from £13.8m to £11.4m a decrease of £2.4m (17%).

Services provided by other Health Boards had slightly increased from £9.3m to £10.3m, an increase of £1.0m (11%).

Respiratory Problems

Respiratory Problems includes Obstructive Airway Disorders, Asthma, and other respiratory issues. Overall Respiratory Problems Expenditure has increased by £14.4m (16%) compared to 2022/23.

The majority of the respiratory problems expenditure is delivered by CTM secondary care services, with expenditure of £69.1m in 2024/25 this is an increase of £8.9m (15%) compared with 2022/23.

Primary Care Prescribing has slightly increased from £15.8m to £16.7m, an increase of £0.9m (6%).

Specialist Commissioning (NHSWJCC) has increased from £3.2m to £5.1m an increase of £1.9m (59%).

Endocrine, Nutritional and Metabolic Problems

Endocrine, Nutritional and Metabolic Problems includes Diabetes, Endocrine and other endocrine, nutritional and metabolic problems. Overall expenditure has increased by £18.2m (28%) compared to 2022/23.

CTM secondary care services provided £24.1m of expenditure in 2024/25 compared to £15.1m in 2022/23, an increase of £9.0m (60%).

Specialist Commissioning (NHSWJCC) has marginally increased from £12.1m to £12.3m an increase of £0.2m (2%).

Primary Care Prescribing has increased from £25.3m to £29.3m, an increase of £4m (16%).

2.2 2024/25 CTM comparison with All Wales

The Programme Budget Returns for 2024/25 for Cwm Taf Morgannwg UHB and the All Wales consolidated position has been summarised in Annex B.

There are a number of areas where the allocation of resources within CTM differs to that of the All Wales average. This could highlight where CTM residents have a differential need to that of the All Wales average or where CTM provides services in a different way to others.

Areas where CTM expenditure is materially proportionally greater than the Welsh Average:

- Gastro Intestinal problems – CTM is reporting 7.9% of resources are attributed to Gastro Intestinal problems compared to a Welsh Average of 6.6%. This differential is the equivalent of £20.8m of additional expenditure. This is consistent with higher than deprivation rates in CTM compared to the Welsh average.
- Trauma and Injuries (excluding burns) – CTM is reporting 9.3% of resources are attributed to Trauma and Injuries compared to a Welsh average of 8.0%. This differential is the equivalent of £20.5m of additional expenditure.

Areas where CTM expenditure is materially proportionally lower than the Welsh Average:

- Learning Disabilities – CTM is reporting 1.0% of resources are attributed to Learning Disabilities compared to a Welsh Average of 2.4%. This differential is the equivalent of £22.4m of lower expenditure.

2.3 **CTM Cost per Head Comparison with All Wales**

The cost per head of population (mid-year population estimates 2024) has been provided at Annex C.

	Cost per Head	Ratio to Welsh Average
HB 1	3,127	96
HB 2	3,314	102
HB 3	2,932	90
Cwm Taf Morgannwg	3,339	103
HB 4	3,352	103
HB 5	3,501	107
HB 6	3,523	108
Wales	**3,257**	**100**

The average cost per head of population across Wales is £3,257 per person. The Cwm Taf Morgannwg cost per person is slightly above this average at £3,339, being 3% higher than average.

It is important to note that this represents a raw population count and does not reflect the needs of the population.

Further comparisons of key areas of expenditure are shown below:

Cancer & Tumour	Cost per Head	Ratio to Welsh Average
HB 1	256	97
HB 2	269	102
HB 3	239	91
Cwm Taf Morgannwg	239	91
HB 4	290	110
HB 5	226	86
HB 6	310	118
Wales	**263**	**100**

The average cost of Cancer & Tumours per head of population across Wales is £263 per person. The Cwm Taf Morgannwg cost per person is below this average at £239, being 9% lower than average. The data indicates there are clear regional differences with South East Wales reporting lower costs than South West Wales and North Wales.

Maternity	Cost per Head	Ratio to Welsh Average
HB 1	102	100
HB 2	96	94
HB 3	99	97
Cwm Taf Morgannwg	118	116
HB 4	102	100
HB 5	72	71
HB 6	109	106
Wales	**102**	**100**

The average cost of Maternity Care per head of population across Wales is £102 per person. The Cwm Taf Morgannwg cost per person is above this average at £118, being 16% higher than average.

Neonatal	Cost per Head	Ratio to Welsh Average
HB 1	23	90
HB 2	34	133
HB 3	23	88
Cwm Taf Morgannwg	31	119
HB 4	27	104
HB 5	9	35
HB 6	17	68
Wales	**26**	**100**

The average cost of Neonatal Care per head of population across Wales is £26 per person. The Cwm Taf Morgannwg cost per person is above this average at £31, being 19% higher than average.

Respiratory	Cost per Head	Ratio to Welsh Average
HB 1	171	92
HB 2	201	108
HB 3	156	84
Cwm Taf Morgannwg	218	117
HB 4	191	102
HB 5	185	99
HB 6	186	100
Wales	**187**	**100**

The average cost of Respiratory care per head of population across Wales is £187 per person. The Cwm Taf Morgannwg cost per person is above this average at £218, being 17% higher than average.

Circulatory	Cost per Head	Ratio to Welsh Average
HB 1	200	89
HB 2	259	115
HB 3	169	75
Cwm Taf Morgannwg	218	97
HB 4	258	115
HB 5	267	119
HB 6	242	107
Wales	**225**	**100**

The average cost of Circulation Problems per head of population across Wales is £225 per person. The Cwm Taf Morgannwg cost per person is slightly above this average at £218.

2.4 CTM Weighted Cost per Head Comparison with All Wales

The cost per head of population (mid-year population estimates 2024) weighted to recognise the Welsh Government needs based formula for resource allocations has been provided at Annex D.

	Cost per Weighted Population	Ratio to Welsh Average
HB 1	3,131	96
HB 2	3,216	99
HB 3	3,480	107
Cwm Taf Morgannwg	3,187	98
HB 4	3,176	98

HB 5	3,483	107
HB 6	3,363	103
Wales	**3,257**	**100**

The average cost per head of population across Wales is £3,257 per person. The Cwm Taf Morgannwg cost per weighted population is below this average at £3,187, being 2% lower than average, and is the third lowest cost per weighted population compared to the other Health Boards.

The table below illustrates the difference between actual expenditure and the Welsh average using weighted populations. A positive figure illustrates that the Welsh average cost is greater than the actual costs incurred whereas a negative figure illustrates that actual costs are above Welsh average costs.

	Welsh Average Cost £'000	**Actual Cost £'000**	**Difference £'000**
HB 1	2,052,119	1,972,818	79,301
HB 2	2,400,162	2,369,899	30,263
HB 3	1,486,785	1,589,358	-102,573
Cwm Taf Morgannwg	1,608,948	1,574,271	34,677
HB 4	1,379,886	1,345,943	33,943
HB 5	465,213	496,324	-31,111
HB 6	1,370,685	1,415,185	-44,500
Wales	**10,763,797**	**10,763,797**	**0**

It should be recognised that this is a simplistic approach to assessing expenditure levels. Each Health Board provides and commissions services through Long Term Agreements (LTA), those long term agreements have been in place for many years and may not reflect fair contributions for the activity being delivered which could be a contributory factor for the scale of difference.

3. Risks and Opportunities

It is key to understand that these reports use historical data to compare how resource utilisation is changing and will not reflect the current financial year.

As this data is related to 2024/25 and prior periods, it only partially reflects the changes following the POW roof critical incident and does not reflect the reinstatement of services following the return to POW.

This data remains Draft until Welsh Government approve the publication of the reports.

6. Conclusion

Cyswllt â Risg(iau) Strategol ar Fframwaith Sicrwydd y Bwrdd *(Nodwch pa risg(iau) strategol y mae'r mater hwn yn effeithio arnynt a beth yw'r effaith ar y risg)* **Link to Strategic Risk(s) on the Board Assurance Framework** (Identify which strategic risk(s) this matter impacts on and what the impact is to the risk)	Strategic Risk 9 Financial Sustainability (Revenue)
	If more than one applies please list below:

Dolen i Ddeddf Llesiant Cenedlaethau'r Dyfodol – Nodau Llesiant / **Link to Wellbeing of Future Generations Act – Wellbeing Goals**	A More Equal Wales
	If more than one applies please list below:

Dolen i Hwyluswyr Ansawdd / Link to Enablers of Quality	Not Applicable
	If more than one applies please list below:

Effaith Amgylcheddol/ Cynaliadwyedd (5R) / Environmental Sustainability Impact (5Rs)	No - Not Applicable
	If more than one applies please list below:

Asesiad Effaith **Impact Assessment**

Canlyniad Asesiad Effaith ar Gydraddoldeb a'r Gymraeg *(Ysgrifennwch ddatganiad cryno, os na wneir hynny, rhowch reswm o'r rhestr ostwng a llofnodwch y Weithrediaeth.)* **Equality & Welsh Language Impact Assessment Outcome** *(Please write summary statement, if not undertaken provide reason from dropdown and Executive sign off.)*	Outcome for Equality (delete as appropriate): POSITIVE/NEUTRAL/NEGATIVE Summary of impact: Outcome for Welsh Language (delete as appropriate): POSITIVE/NEUTRAL/NEGATIVE Summary of impact:	If no, please select a reason below. Does not impact people Named Executive/Board member sign off for no EWLIA completion:
Canlyniad Asesiad Effaith Ansawdd *(Cadarnhewch y canlyniad, os na chynhaliwyd ef, esboniwch yn fyr pam nad oedd ei angen)* **Quality Impact Assessment Outcome** *(Please confirm outcome, if not undertaken briefly explain rationale for why it was not required)*	Not required	
Cyfreithiol / Legal	There are no specific legal implications related to the activity outlined in this report	
Enw da / Reputational	There is no direct impact on the reputation of the Health Board as a result of the activity outlined in this report	
Effaith Adnoddau *(Pobl /Ariannol) /* **Resource Impact** *(People / Financial)*	There is no direct impact on resources as a result of the activity outlined in this report	

Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/Group)		
Committee / Group / Individuals	**Date**	**Outcome**
(Insert Details)	Click or tap to enter a date.	

Acronyms / Glossary of Terms	
WG	Welsh Government
CTM	Cwm Taf Morgannwg
NHSWJCC	NHS Wales Joint Commissioning Committee
HB	Health Board