

Cyfrifon blynyddol 2023/24

Annual Accounts 2023/24

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Content

- Performance against Financial Targets
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- Summary and next steps

Note 2.1 (Page 27)

1. Revenue Resource Performance (Statutory)

From 1 April 2014, the Health Board is required to ensure that expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years.

Target Not achieved in 2023/24

The Health Board received £66m strategic cash only support in 2023/24 (£52.3m in 2022/23).

	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Revenue Resource Allocation	1,069,956	1,098,379	1,200,554	3,368,889
Total Operating Expenses	1,094,956	1,157,423	1,266,369	3,518,748
Under / (Over) spend against Allocation	(25,000)	(59,044)	(65,815)	(149,859)

Note 2.2 (Page 27)

2. Capital Resource Performance (Statutory)

From 1 April 2014, the Health Board is required to ensure that expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years.

Target achieved in 2023/24

	Year 1 2021/22 £'000	Year 2 2022/23 £'000	Year 3 2023/24 £'000	Total £'000
Capital Resource Allocation	61,113	33,653	46,919	141,685
Charge against Capital Allocation	61,051	33,584	46,886	141,521
Under / (Over) spend against Allocation	62	69	33	164

Note 2.3 (Page 28)

3. Duty to prepare a 3 Year Plan (Statutory)

The submission of a three-year Integrated Medium Term Plan (IMTP) to Welsh Government (WG) is a statutory obligation. Hywel Dda UHB has not had an approvable plan to date. The UHB has been in ‘targeted intervention’ for planning and finance since September 2022.

The UHB wrote to WG in February 2023, to provide formal notification through an accountability letter that unfortunately it would not be in a position to submit a financially balanced IMTP and instead would produce an Annual Plan for 2023/24. The Annual Plan was predicated on no additional workforce and/or further investments (outside of the nursing workforce stabilisation) and set out how its key priorities and revised Planning Objectives aligned to the national priorities and the key opportunities and challenges facing Mid and West Wales. This approach was expected to support improved and sustainable operational performance and equally be the basis of a revised roadmap to financial sustainability.

However, due to WG concerns on the lack of sustained progress over a period of time on integrated planning, finance and delivery, on 23 January 2024, WG increased the escalation status to ‘targeted intervention’ for the entire organisation.

Target Not achieved in 2023/24

Note 2.4 (Page 28)

4. Creditor Payment

The Welsh Government requires that Health Boards pay their trade creditors in accordance with the **CBI Prompt Payment Code (PSPP)** and Government Accounting rules. The financial target is to pay 95% of these non NHS invoices (number, not financial value) within 30 days of delivery.

This service is provided to all Health Boards by NWSSP Accounts Payable Services

Target achieved in 2023/24

Non-NHS Invoices	2023/24	2022/23
Total number of Invoices Paid	274,952	282,778
Total number paid within Target	263,402	270,188
% of Invoices Paid within Target	95.8%	95.5%

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Key movement

- Expenditure on healthcare from other providers – Note 3.2 (Page 29)
- Expenditure on Hospital & Community Health Services – Note 3.3 (Page 30)
- Balance sheet – Page 4
- Provisions – Note 20 (Page 57)

Expenditure on healthcare from other providers

	2023/24 £'000	2022/23 £'000
Goods and services from other NHS Wales Health Boards	52,017	47,949
Goods and services from other NHS Wales Trusts	5,826	9,423
Goods and services from Welsh Special Health Authorities	0	0
Goods and services from other non Welsh NHS bodies	2,156	1,612
Goods and services from WHSSC / EASC	129,262	121,541
Local Authorities	19,143	20,059
Voluntary organisations	4,515	4,003
NHS Funded Nursing Care	3,410	3,325
Continuing Care	54,226	49,203
Private providers	4,381	2,473
Other	89	40
Total	275,025	259,628

Increase in SBU LTA of £3m due to inflation increase of 1.5%, over performance and new investments.

Reclassification of costs relating to DHCW in 2023/24 to Hospital and Community Health Services

£7m additional in year investments, funded by Welsh Government. Increase in risk share of £738k in year.

CHC – uplifts in packages along with increase in costs for Garreglwyd and mental health costs.

Expenditure on Hospital and Community Health Services

	2023/24 £'000	2022/23 £'000
Directors' costs	2,628	2,351
Operational Staff costs	610,185	552,152
Single lead employer Staff Trainee Cost	16,539	14,882
Supplies and services - clinical	105,366	92,113
Supplies and services - general	10,925	7,160
Consultancy Services	410	1,629
Establishment	11,872	8,631
Transport	1,626	1,410
Premises	31,385	28,108
External Contractors	28	498
Depreciation, Amortisation & Fixed asset impairment	41,641	35,723
Depreciation & Fixed asset impairment (RoU Assets)	2,263	1,932
Audit fees	418	412
Losses, special payments and irrecoverable debts	1,778	1,030
Expense relates to short-term leases	171	178
Expense related to low-value asset leases	493	583
Other operating expenses	2,126	(5)
Total	839,854	748,787

Pay awards of £43m (with WG allocation funding)

Increased drugs costs £8.7m and M&SE General £1.4m

Increase in travel & subsistence of £0.5m
 Increase in postage and printing costs of £0.5m
 Due to digitalisation project microfilming has increased by £0.7m
 Leased cars has increased by £0.8m and mobile phones by £0.4m

Gross book value of fixed assets have increased in year due to the impact of fixed asset additions and indexation which has led to higher depreciation and amortisation costs

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Movement in the Balance Sheet

	31/3/2024 £'000	31/3/2023 £'000
Property, plant and equipment	369,729	358,516
Right of Use Assets	8,967	9,285
Intangible assets	2,422	2,096
Trade and other receivables	54,664	77,539
Other financial assets	974	1,121
Total non-current assets	436,756	448,557
Inventories	11,616	11,542
Trade and other receivables	76,429	57,188
Other financial assets	147	145
Cash and cash equivalents	2,141	3,944
Total current assets	90,333	72,819
Total assets	527,089	521,376
Trade and other payables	(180,188)	(186,627)
Provisions	(27,370)	(14,923)
Total current liabilities	(207,558)	(201,550)
Net current assets/(liabilities)	(117,225)	(128,731)
Trade and other payables	(7,798)	(8,401)
Provisions	(53,014)	(78,359)
Total non-current liabilities	(60,812)	(86,760)
Total assets employed	258,719	233,066

PPE has increased by £11m. The increase is due to £45m Fixed Asset additions, indexation increase of £7m and a decrease due to depreciation of (£25m) and impairment (£16m).

The movement on trade and other receivables is due to the movement on the Welsh Risk Pool debtor.

Trade and other payable have decreased by £6m. The main reasons for this decrease are a (£15m) reduction in non-NHS accruals which include (£9m) reduction in CHC accruals, (£3m) reduction in facilities accruals and (£2m) reduction in nurse agency accruals. Other creditors decreased by (£4m), this is due to a (£7m) reduction in the RIF creditor, the impact of which has been reduced by small increases in other creditors. Non-NHS payables have however increased by £12m, including £8m increase in CHC payables and £4m increase in general trade payable invoices.

The main movement on provisions is due to clinical negligence - more detail on next slide

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	2023/24 £'000	2022/23 £'000
Clinical negligence:-		
Secondary care	73,473	85,944
Primary Care	771	161
Redress Secondary care	954	1,013
Personal injury	2,168	3,801
Defence legal fees and other administration	1,685	1,611
Pensions relating to other staff	0	6
2019/20 Scheme Pays - reimbursement	633	604
Other	700	142
Total	80,384	93,282

The decrease in Clinical Negligence Secondary Care relates largely to one case where a £13m provision has been transferred to WRP for settlement. £11m of new provisions arose in the year which were offset by the provisions utilised, reversed, and transferred to creditors in the year.

Cases summary	2023/24			2022/23		
	Number of cases	Provision £'000	Avg/case £'000	Number of cases	Provision £'000	Avg/case £'000
Clinical Negligence	351	75,198	214	294	87,118	296
Personal Injury	64	2,168	34	62	3,801	61

Next Steps

- Audit Wales currently auditing the accounts
- Final Accounts to be presented to the Audit Committee on 9 July 2024
- Final Accounts to Board 11 July 2024 and onward submission to WG by 15 July 2024