



PWYLLGOR CYLLID FINANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	29 April 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Latest View FY22 and Committed COVID-19 Costs
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Andrew Spratt, Assistant Director of Finance

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 presentation accompanying this report (Appendix 1) provides the Committee with the latest financial appraisal of the 2021/22 financial year and describes the key operational and clinical commitments that have been made during the COVID-19 pandemic which will continue during the first half of the financial year.

Cefndir / Background

Following the completion of the Health Board's (HB) Financial Plan, which was presented to the Finance Committee meeting held on 23rd March 2021, Welsh Government has confirmed the generic funding allocation that Hywel Dda University Health Board will receive in respect of its ongoing response to COVID-19.

To compare the affordability of the HB's continued COVID-19 response, an exercise has been conducted to prepare a latest view of the costs that are being incurred in respect of both the HB's response and the normal provision of services. This exercise, when evaluated in its entirety, will highlight whether or not the HB's current decisions and response to the pandemic are affordable within the combined financial envelope available.

Asesiad / Assessment

Please refer to the accompanying presentation for details of the financial appraisal for 2021/22.

Argymhelliad / Recommendation

The Committee is asked to note this report and presentation.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.2 Provide assurance in respect of short, medium and long term financial performance and financial planning.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	646 (score 16) Ability to achieve financial sustainability over medium term
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives:	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Directorate decision making and finance business partnering assessment of current spending patterns and run rates.
Rhestr Termiau: Glossary of Terms:	Explanation of terms is included in the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	Not Applicable

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Included within the report
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable

First view of FY22 and Committed COVID-19 Costs

Finance Committee

Thursday 29th April 2021

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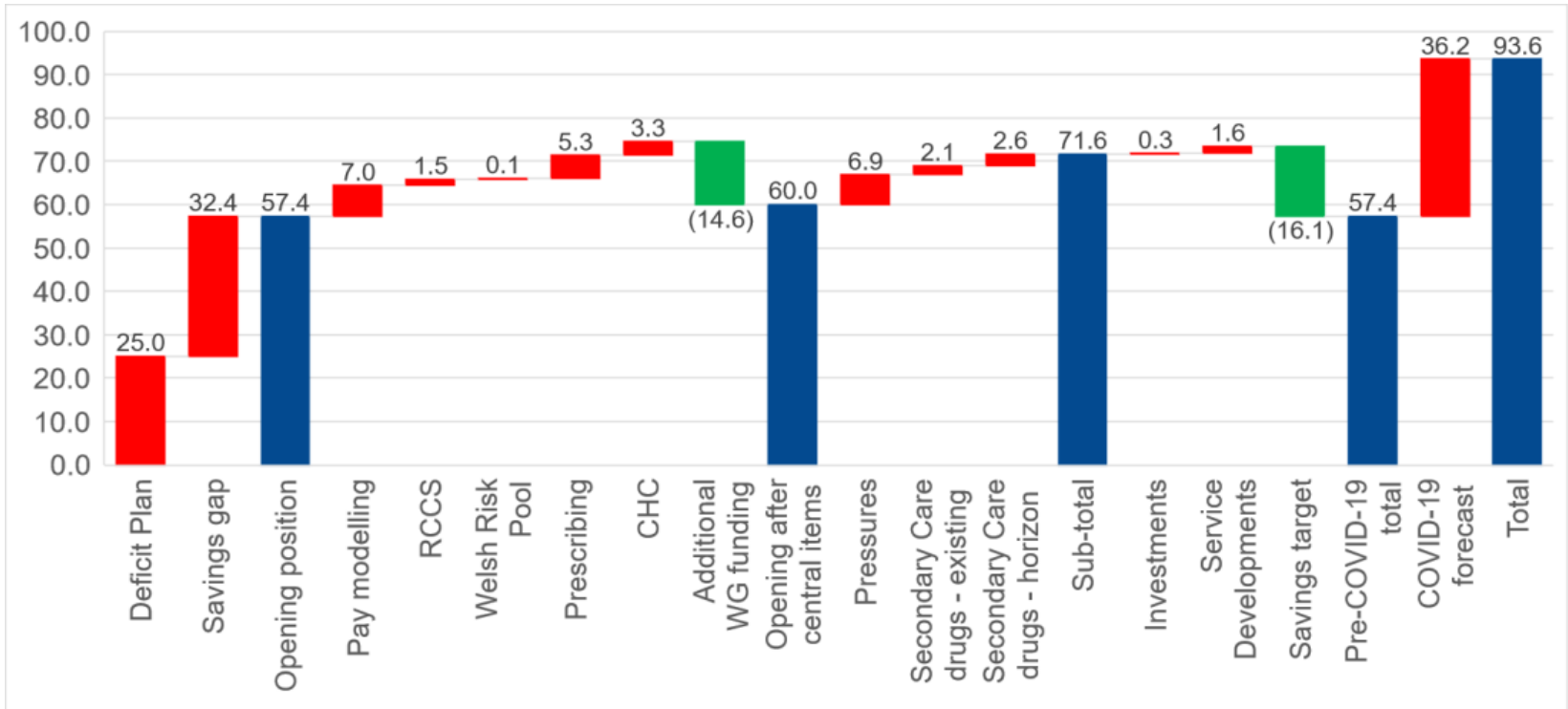
- COVID-19 costs incurred during 2020/21
- 2021/22 Finance Plan recap
- Latest view for 2021/22
- Understanding previously committed COVID-19 costs
- Insight to the main operational/clinical decisions that have incurred the additional resource/cost

COVID Costs 2020/21

- £121m was incurred during 2020/21 in relation to our response to the pandemic.
- Cost were covered by Welsh Government.
- A number of specific programme responses are included, i.e. TTP, PPE supplies, Field Hospitals and the start of the mass vaccination programme.
- A large proportion of the £121m can be classed as a one-off cost, and reduced expenditure relating to COVID should be expected in 2021/22, dependant on future waves.

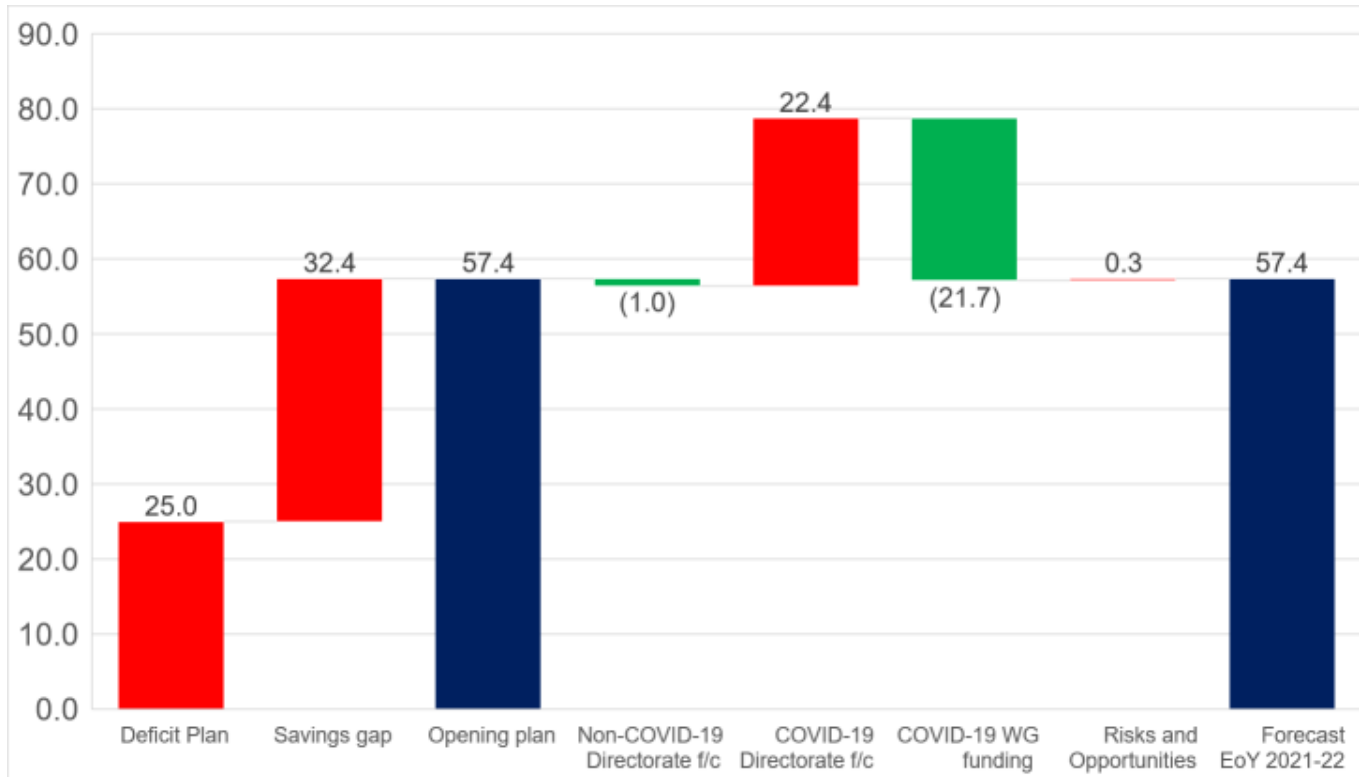
DIRECTORATE	ACTUAL
CARMARTHENSHIRE COUNTY	2,788,287
CENTRAL INCOME	2,044,355
CEREDIGION COUNTY	1,064,933
FACILITIES	6,008,969
FIELD HOSPITALS	21,205,708
FINANCE	5,600
MEDICAL	33,542
MEDICINES MANAGEMENT	5,006,419
MENTAL HEALTH & LEARNING DISABILITIES	3,005,464
NURSING	561,489
ONCOLOGY & CANCER SERVICES	601,852
OPERATIONS DIR MANAGEMENT	2,879,637
PARTNERSHIPS & CORPORATE SERVICES	65,280
PATHOLOGY	538,923
PEMBROKESHIRE COUNTY	2,188,909
PLANNED CARE	3,344,366
PLANNING, PERFORMANCE & INFORMATICS	123,197
PRIMARY CARE	4,381,858
PRIMARY CARE MANAGEMENT	246,365
PUBLIC HEALTH	5,809,835
RADIOLOGY	83,930
THERAPIES	409,000
UNSCHEDULED CARE BRONGLAIS	1,862,988
UNSCHEDULED CARE GLANGWILI	4,896,734
UNSCHEDULED CARE PRINCE PHILIP	3,656,989
UNSCHEDULED CARE WITHTYBUSH	3,603,765
WOMEN & CHILDREN	1,610,988
WORKFORCE & ORGANISATIONAL DEVELOPMENT	5,758,166
DIRECTORATE COVID-19 SUB TOTAL	83,787,547
CENTRAL ITEMS	
INTERMEDIATE CARE FUND	833,179
SAVINGS	30,892,714
PPE	1,519,816
PROVIDER OF ADULT SOCIAL CARE	3,565,219
TOTAL COVID SPEND (EXC CENTRAL COST CENTRE)	120,598,475

Financial Plan 2021/22



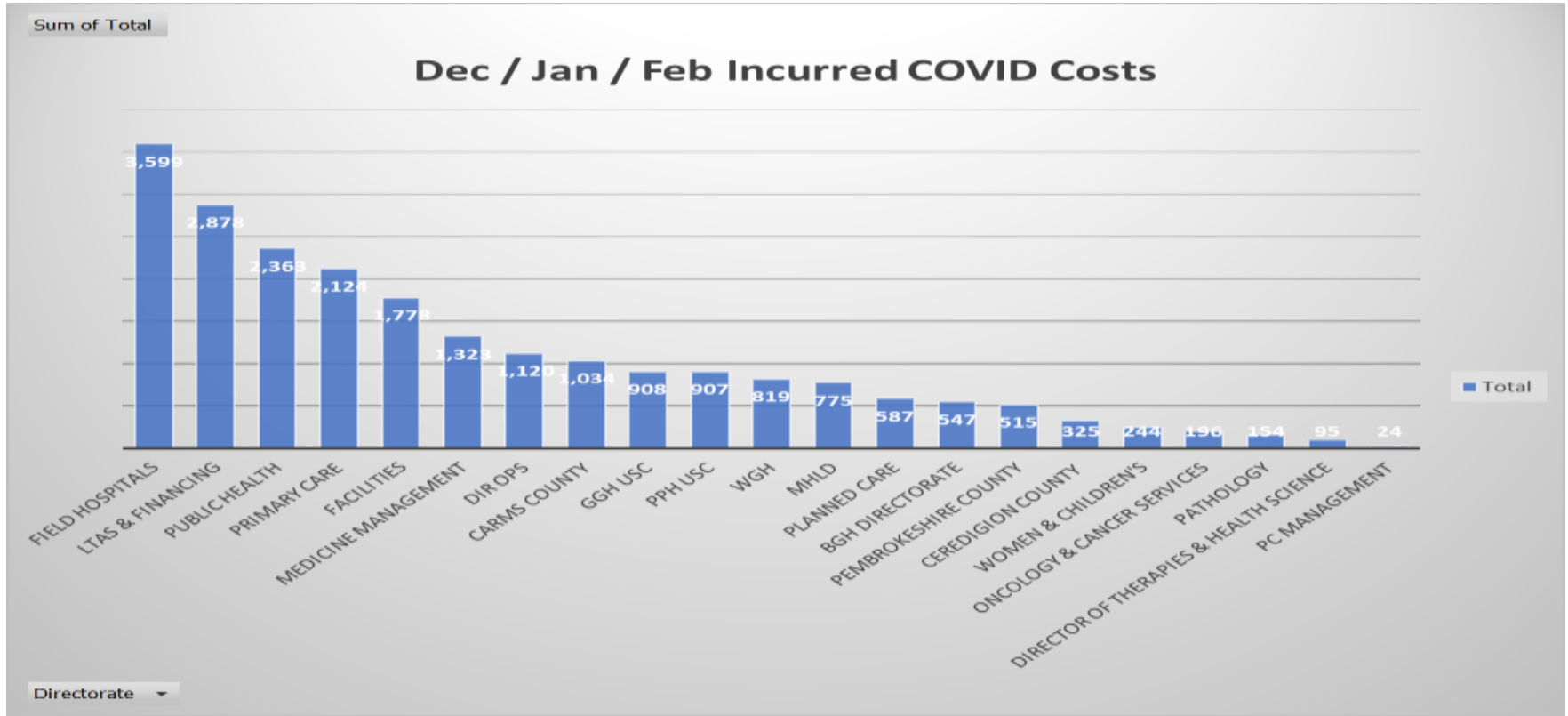
- Health board position under significant financial pressure with a proposed deficit plan of £57.4m, with no current plan for financial balance, however, priorities are being discussed to transform our service sustainability in line with our Healthier Mid and West Wales strategy.
- Underlying position is a deficit of £57.4m. Largely driven up from £25m by the unidentified / undelivered savings carried forward from 2020-21, but is predicated on an additional savings target of £16.1m.
- COVID-19 costs anticipated to be £36m (including ringfenced funded items, c.£2.5m per month for directorates)
- Any costs we can avoid will directly contribute to the delivery of our financial plan.

Latest Financial View for 2021/22



- The latest view from mid April 2021, highlights a largely balanced position, that supports the financial plan
- The above excludes:
 - Both the costs and associated WG funding in relation to COVID-19 programme responses (being Tracing, Testing, COVID-19 mass vaccination programme, Extended Flu vaccination programme and Cleaning Standards);
 - Assessment of the likely costs associated with the Recovery Plan, Urgent Primary Care, Mental Health enhanced services and Digital Transformation, for which the Health Board will be submitting funding bids to WG.

Dec 20 - Feb 21 COVID Cost Analysis



- The December to February quarter in 2020-21 is felt as being representative of the ongoing COVID-19 cost base
- The costs have been articulated in the following slides to provide an understanding of what is driving the costs, to support informed decision making as we move through the first half of 2021-22 and understand the prevalence of COVID-19 in our region, whilst safeguarding against the potential of a third wave
- Programme costs have been excluded from the above in the following analysis to inform the internal choices taken



Committed COVID-19 Cost Forecast

Directorate	Avg Month	Classification	Avg Month
Facilities	584	Drugs/Prescribing – Activity	437
Medicine Management	441	Housekeeping and Cleanliness Standards	424
USC WGH	253	Acute Surge Bed Capacity	421
USC PPH	220	Pathway Duplication	333
Field Hospitals	220	Field Hospital Bed Capacity	220
USC GGH	194	Loss of Income	160
Primary Care	121	Drugs/Prescribing – Change to Treatment Regime	142
Planned care	118	Staff Shielding / Sickness Backfill	103
Director of Operations	75	Maintenance Increase	91
USC BGH	65	Community Surge Bed Capacity	71
Oncology & Cancer Services	63	Patient Transport	40
Women & Children's	61	Infrastructure Increase	38
Pembrokeshire County	60	Pathway Increase	35
Ceredigion County	33	Non-Pay Consumables	17
Pathology	21	Primary Care Services	5
Carms County	6	Staff Regrading	5
Director of Therapies & Health Science	4		
Grand Total	2,540	Grand Total	2,540

- Q1 and Q2 anticipated costs are circa £15.2m, coupled with the need to deliver £8m of savings, gives a total COVID-19 impact of £23.2m, which reduces to £22.4m when factoring in the assumed WG funding for Cleaning Standards in Facilities and the lost income of £680k from out of area patients.
- Ring fenced programme funded items and recovery costs via outsourcing/ insourcing are excluded.
- The following slides distil the nature of the decisions taken that have incurred additional cost.

COVID-19 Decisions (£ per month)



- Drug cost increases £579k
 - Prescribing activity
 - Significant price increase in primary care drugs April '20 with step-up deemed to be Covid-19. All Wales approach to the recharge of the step up in costs to Covid-19. £437k
 - Acute changes to treatment regime
 - Cancer patients switched from intravenous to sub cutaneous £79k
 - PPH switched drug treatment from hospital to home setting £65k
- Cleanliness standards £424k
 - Enhanced cleaning standard (likely WG funding to follow) £233k
 - Increased Porter cover across sites £110k
 - Specific Red areas cleaning and associated cleaning equipment £52k
- Acute hospital bed capacity £421k (work is ongoing with regard to the impact of additional capacity, compared to the reduction of established beds due to ongoing resourcing constraints)
 - WGH Puffin ward 14 beds £232k
 - PPH and GGH various beds £94k
 - BGH Annex Y Banwy ward 6 beds £47k
 - Planned care - Fulfilled rosters due to critical care surge demand £42k



COVID-19 Decisions (£ per month)

- Field hospital bed capacity £220k
- Pathway duplication £333k
 - Acute sites – resource for a red pathway (Variable pay) £214k
 - Acute sites – resource for a red pathway (Fixed term) £77k
 - Planned care – General surgery doctors to support Green PPH pathway £41k
- Loss of income £160k
 - Primary care – Reduced dental income levels £100k
 - Operations – Reduced income shops / creche / canteen £60k
- Staff shielding/ backfill £103k
 - Costs incurred as a consequence of staff absence and isolation associated with latest national guidance £74k
- Maintenance increases for continued use of additional equipment £91k
- Community hospital bed capacity £71k
 - South Pembrokeshire hospital additional 12 beds £50k (Phase 1 only)
 - Ceredigion Tregaron additional 7 beds £21k