



PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 April 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Finance Report and Draft Outturn 2022/23
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Rebecca Hayes, 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 and accompanying presentation, at Appendix 1, is to outline the Health Board's financial position for the year against Hywel Dda University Health Board's (HDdUHB) Annual Plan.

Cefndir / Background

Month 12 2022/23

The Health Board's revised draft Financial Plan is to deliver a deficit of £62.0m, after savings of £13.9m; this recognises the inadequate level of assurance around the identification of a further £15.5m of savings schemes deliverable within the current financial year against our initial £25.0m deficit Plan, combined with an operational variation due to system pressures and continuation of COVID-19 activities within our core services. The forecast deficit is £59.0m, after recognising a further £5.0m of operational variation offset by £8.0m Accountancy Gains.

The Month 12 Health Board financial position is an overspend of £6.1m, which is made up of £4.0m operational variance and an original deficit plan of £2.1m; this is after recognising £0.3m of Welsh Government (WG) transitional funding for COVID-19. £1.1m of savings schemes were delivered in line with identified plans.

Of the £4.0m overspend in-month, £1.3m relates to undelivered savings plans against the original target and £2.7m relates to operational pressures. These pressures are mainly being experienced within our Unscheduled Care teams, but also within Primary Care Prescribing and in Oncology due to increased activity.

Asesiad / Assessment

The Health Board's key targets are as follows:

- Revenue: to contain the overspend within the Health Board's planned deficit
- Savings: to deliver savings plans to enable the revenue budget to be achieved

- Capital: to contain expenditure within the agreed limit
- PSPP: to pay 95% of Non-NHS invoices within 30 days of receipt of a valid invoice
- Cash: While there is no prescribed limit for cash held at the end of the month, WG encourages this to be minimised and a rule of thumb of 5% of monthly expenditure is used. For the Health Board, this is broadly £4.0m.

Month 12 2022/23

Key target		Annual limit	Actual delivery
Revenue	£'m	59.0	59.0
Savings	£'m	21.9	21.4
Capital	£'m	33.3	33.2
Non-NHS PSPP	%	95.0	95.5
Period end cash	£'m	4.0	3.7

The monthly reporting to WG is in the process of being compiled for submission on 25 April 2023; Audit Wales will complete the audit of the financial accounts by 31 July 2023. Until the conclusion of the audit and the below confirmations, there is a risk that the draft reported position of £59.0m could be amended.

The below confirmations are awaited and are assumed within the draft position:

- We have not yet received all revenue resource limit allocation letters;
- We are assuming match funding for the Non-consolidated 1.5% 2022/23 Pay Award arrears in respect of staff on maternity leave;
- We have not yet received the backing files supporting the Consolidated 1.5% 2022/23 Pay Award in order to validate this charge and respective match funding;
- Agreement of Balances has not yet been concluded.

Argymhelliad / Recommendation

The Sustainable Resources Committee is asked to note and discuss the financial position as at Month 12 2022/23.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	4.5 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, giving early warning on potential performance issues and making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	1199 (score 25) Achieving financial sustainability.

Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	5. Timely Care 7. Staff and Resources
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 2018-2019	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:	Contained within the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Finance Team Management Team Executive Team

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.

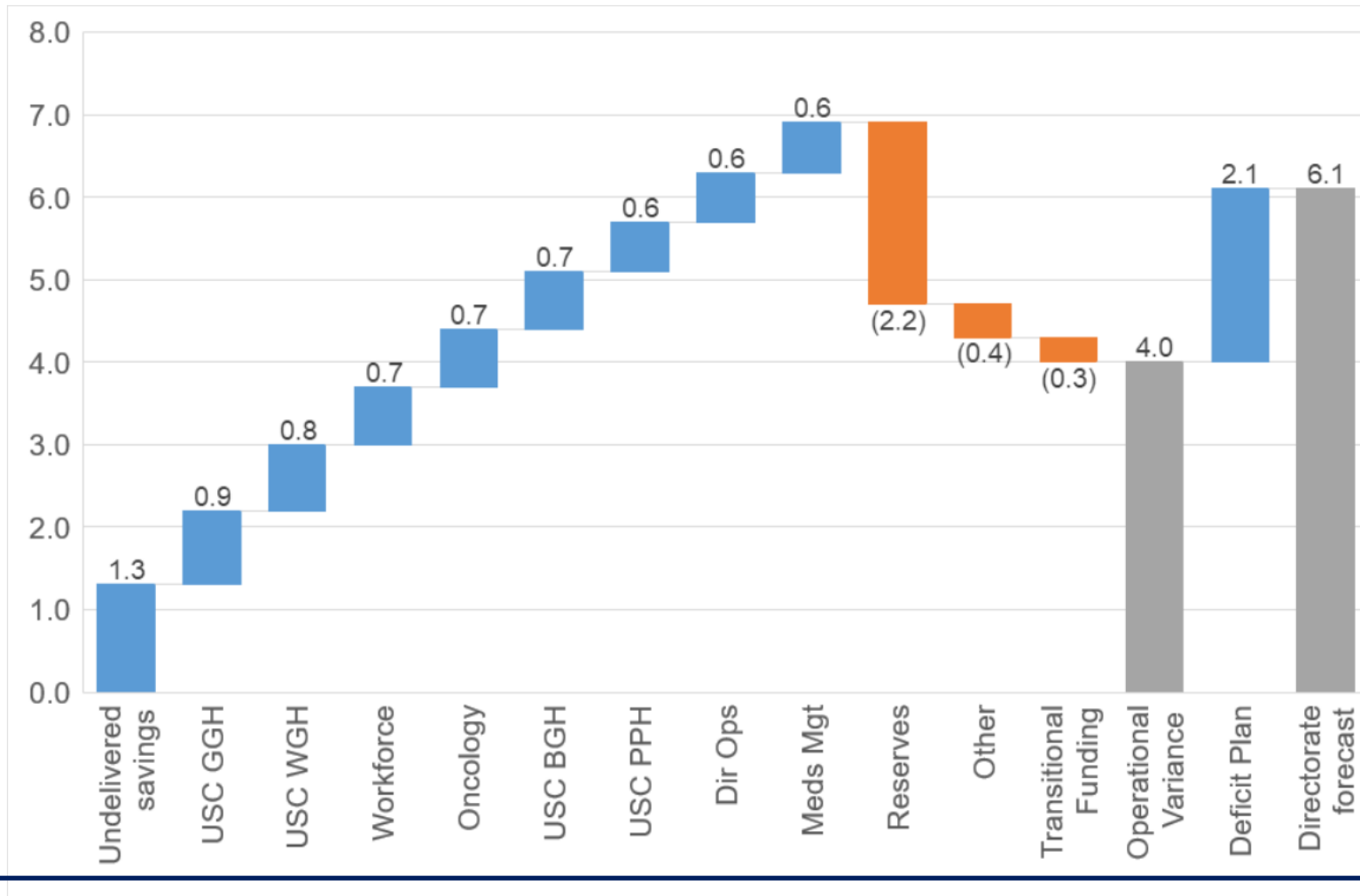
Enw Da: Reputational:	Adverse variance against HDdUHB's financial plan will affect its reputation with Welsh Government, Audit Wales, and with external stakeholders.
Gyfrinachedd: Privacy:	Not applicable.
Cydraddoldeb: Equality:	Not applicable.

Hywel Dda UHB

Month 12 FY23 Financial Briefing

Sustainable Resources Committee

Month 12 In-Month 2022/23: Key drivers (£'m)



The value of £0.3m is the Transitional funding allocation to match non-programme transitional COVID-19 costs incurred. £0.6m of funding has been utilised to match Exceptional Energy costs.

Operational variance excluding unidentified savings is 4.7m; underspends in non-USC not materialising to offset £2.8m of non-COVID-19 USC overspend.

Programme funding relates to the following in response to COVID-19 match-funded by WG:

- TTP
- COVID-19 mass vaccination programme
- PPE

£0.5m was released to match costs in Month 12.

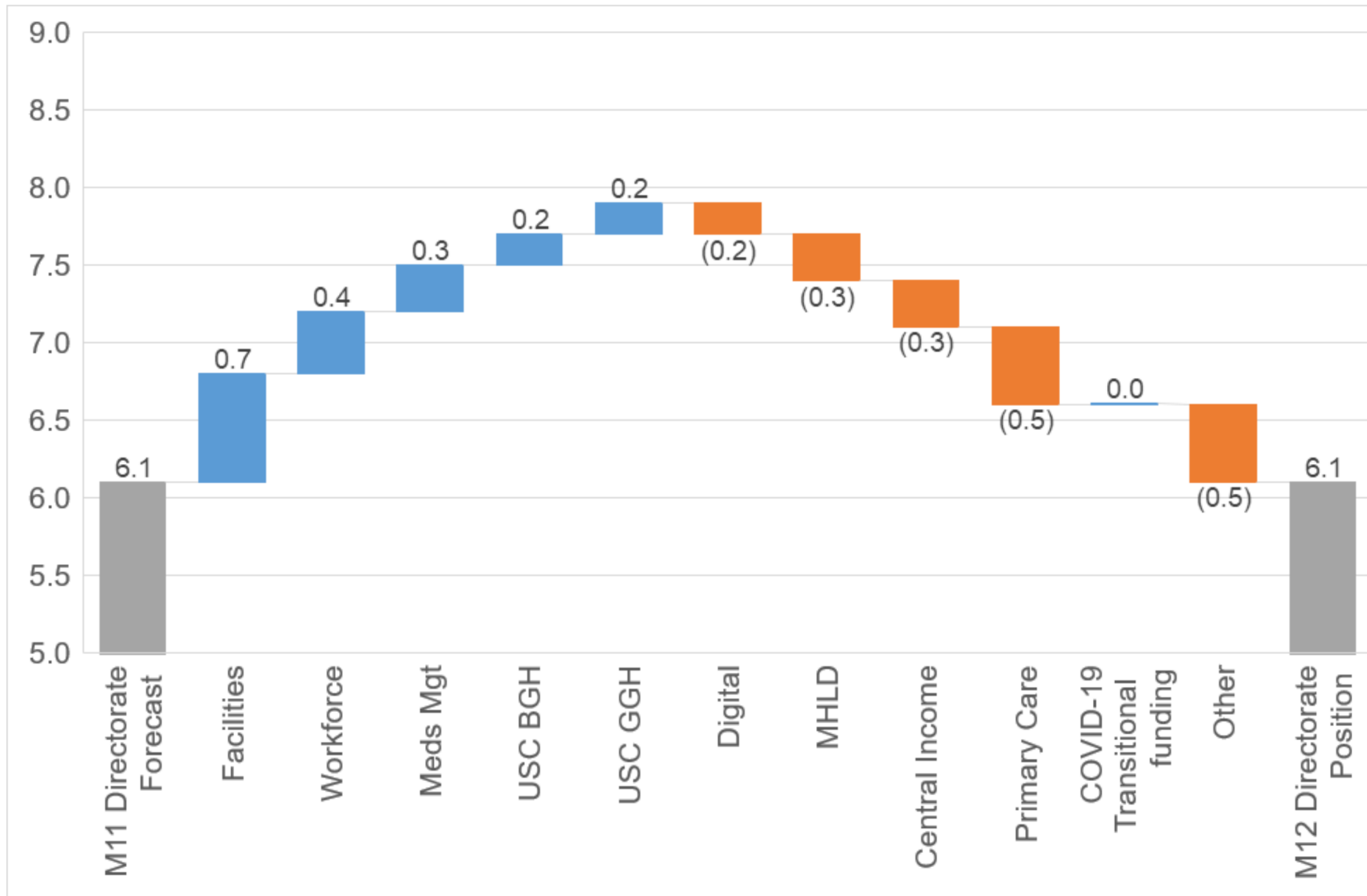
Month 12 In-Month 2022/23: Key drivers (£'m)

Directorate	Non COVID-19	COVID-19	Total	Non-COVID-19: Operational Driver comments COVID-19: list scheme(s) and value
Undelivered Savings	1.3	-	1.3	Non COVID-19: Undelivered planned savings across the Health Board.
USC GGH	0.9	-	0.9	Non-COVID-19: With continued front door pressures site was on Red for 20 days with Surge beds on average 33 with highest at 40 beds. Pay £722k - Nursing & HCSW £591k over ,Substantive vacancies remain high, with continued high levels of agency shifts booked in month .Medical Staff £75k over due to Locum & Medacs usage in Gen Med & A&E covering vacancies and pilot scheme to improve discharges. Non Pay £156k overspent- With drugs £141k over, clinical services and supplies £93k over, offset by the release of the Atrial Fibrillation VBHC funding.
USC WGH	0.7	0.1	0.8	Non-COVID-19: Site pressures continue with 32 patients on discharge pathways, an average of 45 surge beds (42 in m11) with a peak of 51 (50 in m11) and an average of 24 patients in A&E needing a bed. As at 5th April we have 67 medically optimised patients against a bed base of 199. As a result, medical staffing is £259k overspent and nursing £278k overspend. Additionally, we have a 125k drugs overspend (driven by high cost gastro drugs), again as a direct result of site pressures. COVID-19: Driven by continued staffing of Puffin Ward through a mix of substantive and agency/bank staff.
Workforce	0.7	-	0.7	Non-COVID-19: Deviation to budget is due to International recruitment phase 2 costs £0.5m and additional tribunal costs.
Oncology	0.7	-	0.7	Non-COVID-19: Drugs £842k overspend - SACT activity increased 32% (includes 10% in year) since 19/20, far in excess of previously funded growth. This brings a prior year drugs growth cost pressure of 15% plus a further 20% pressure in year due to the activity growth, including transition of Enzalutamide patients to homecare (previously WP10s). Income (£149k) due to significant commercial access drug rebates received in month from Velindre. Pay vacancies improve position but offset by increased consumable spend, drug transport and Chemocare maintenance costs.

Month 12 In-Month 2022/23: Key drivers (£'m)

Directorate	Non COVID-19	COVID-19	Total	Non-COVID-19: Operational Driver comments COVID-19: list scheme(s) and value
USC BGH	0.7	-	0.7	Non-COVID-19: Continued pressure in March with 13 red days. Presence of COVID-19 remains the same. Average 9 unplaced in ED and average of 30 medically optimised patients with 14 ready to leave. Continued sickness in nursing and increased sickness in medical plus agency to fill vacancy gaps resulting in increased variable pay costs incurred in month. Clinical supplies & drugs cost pressure reflecting continued surge activity.
USC PPH	0.6	-	0.6	Non-COVID-19: Pay reduced to £184k over - Nursing & HCSW £92k overspent, with continued agency costs due to vacancies and sickness rates as previous months. Medical Staff £61k over due to continued locum usage in Gen Med & historical cost pressures. Non Pay £422k overspent - insulin pumps & consumables increased its overspend in Month to £260k & drugs are £101k overspent(increase of £60k due to homecare).
Director of Operations	0.5	0.1	0.6	Non-COVID-19: Income - £145k overachievement; due to receipt from 111 of Adastral money, this is offset in non pay for charge from Advance. Non pay - £806k overspent; Due to scanning work £500k, refurbishment of unit 3 £100k, Adastral charge £145k, WAST invoice and additional consumables in sterile services. Pay - (£138k) under budget; due to unfilled GP shifts and practitioner vacancies in OOH (£77k), vacancies in senior management posts and medical management sessions (£37k) and vacancies in Health recs (£16k) and various other directorate vacancies. COVID-19: Pay - Additional Clinical engineering agency costs for maintenance of new COVID equipment - £12k. Non-pay - £32k over; storage costs relating to accommodation for both Dura park and Owens.
Medicines Management	0.6	-	0.6	Non-COVID-19: Driven by items growth of 1.27% and a significant increase in cost per item to £8.06 seen in January data. Included within these figures is the significant increase in the number of drugs listed on the NCSO concession list YTD.
Reserves	(2.2)	-	(2.2)	Non-COVID-19: Release of central reserves and central release of items.

Month 12 In-Month 2022/23: Deviation from forecast (£'m)



Month 12 In-Month 2022/23: Deviation from forecast (£'m)

Directorate	Non COVID-19	COVID-19	Total	Non-COVID-19: Operational Driver comments COVID-19: list scheme(s) and value
Facilities	0.7	-	0.7	Non-COVID-19: Prior month forecast (£322k) underspent; actual this month £338k over; Reason for deviation is partly due to crystallisation of risks; laundry adjustment £120k instead of £50k; additional provisions spend £145k instead of £50k; Other elements include £160k worth of maintenance and repair costs. Additional design fees carbon project only part funded £30k increased staffing costs in month £50k, lower income across retail due to closures from staff shortages £30k; £60k on IT equipment, software licences and office equipment purchased in month.
Workforce	0.4	-	0.4	Non-COVID-19: Deviation to forecast is due to : additional international nurses being recruited as part of Phase 2, 48 now recruited against the original plan of 40, additional costs of OSCE training and accommodation also incurred, £200k. NWSSP legal charges for Employment matters £90k. Additional charge for Occupational health system due to change of contract at all Wales level £30k, Glien house additional charges for car parking and backdated Carms County council for alarm system £70k. Plus balance due to additional costs for training, OD.
Medicines Management	0.3	-	0.3	Non-COVID-19: Driven by a higher number of items seen in December and January data (+80k) than forecasted. Additionally, the cost per item for PARS increased to £8.06 in January. Mitigated slightly by an increased GMS transfer of £90k for December and January and a transfer of costs associated with Pharmacy Robots in WGH to Capital.
USC BGH	0.2	-	0.2	Non-COVID-19: Driven by nursing (£104k) - the shift fill rate increased to 87.2% which is the highest it's been over two years. Retrospective medical adhoc claims for February plus costs for a new gastro consultant at agency rates (£119k). Drug costs (£40k) increased activity plus significant drug costs for Fomepizole (treatment for antifreeze as per Royal College Guidance (£20k) ; One off (£10K)agency finder fee for a Dr recruited in month; mitigated by end of year pay creditors (-£22k).

Month 12 In-Month 2022/23: Deviation from forecast (£'m)

Directorate	Non COVID-19	COVID-19	Total	Non-COVID-19: Operational Driver comments COVID-19: list scheme(s) and value
USC GGH	0.2	-	0.2	Non-COVID-19: Pay deterioration of £28k - Increased Nurse Agency usage offset by reduction in Medical Locum costs . Non Pay £183k deterioration - Increased Homecare Drugs costs of £37k, additional costs of £58k against Clinical Services & Supplies(A&E, CDU, Derwen, Merlin & Preseli Wards in particular) and further one off costs relating to patient Air Transport, Dr's finders fees and furniture and fitting relating to the reopening of Preseli Ward.
Digital	(0.2)	-	(0.2)	Non COVID-19: Deviation to forecast is mainly due to additional income received from WG re DPIF programme £(0.14)m and WCCIS RRB adjustment as per agreement of balances £(0.13)m.
MHLD	(0.3)	-	(0.3)	Non-COVID-19: Income (£69K) Additional Income from SMAFF Slippage for Buvidal Drugs.Buvidal Accrual Release 21-22. Pay (£143K) Annual Pay Credit Accruals Posted in M12 net effect reversing 21-22 Accrual and 22-23 . Non Pay (£32K) Purchase of Healthcare (£32K) Over Accrual adjustment.
Central Income	(0.3)	-	(0.3)	Non-COVID-19: Increase in income compared to forecast due to WHSSC income increasing by £127k based on Neonatal care, £65k of addition income from WG for Afghan Refugees and an increase of £57k for CRU
Primary Care	(0.5)	-	(0.5)	Non-COVID-19: Driven by additional PADM's Drugs funding of £(761k) not expected. Offset by worsening in the GMS position as a result of increased Partnership Claims (including full year retrospective claims) and increase in Managed Practice locums and non pay costs.