



CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 January 2022
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial Report – Month 9 2021/22
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Rebecca Hayes, Senior Finance Business Partner Rhian Davies, Assistant Director of Finance

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

The purpose of this report is to outline the Health Board's financial position to date against our Annual Plan and assess the key financial projections, risks and opportunities for the financial year.

Welsh Government (WG) provides cash assistance for organisations in deficit from existing budget resources. The process to request Strategic Cash support is for the Board to approve the requirement, be apprised on the cumulative cash assistance the Health Board has sought since April 2014 and the reasons behind the support and the actions taken to manage and mitigate the need for cash assistance.

Following approval at the Audit & Risk Assurance Committee meeting on 14th December 2021, the Board is asked to ratify changes to the Financial Scheme of Delegation.

Asesiad / Assessment

The Health Board's Financial Plan is to deliver a deficit of £25.0m, after savings of £16.1m. This is following Welsh Government (WG) issuing £32.4m of funding to non-recurrently offset the underlying position brought forward from 2020/21.

Month 9 Position

- The Month 9 Health Board financial position is an overspend of £0.1m against a deficit plan of £2.1m, after utilising £6.8m of WG funding for COVID-19, having offset £0.1m of cost reductions recognised due to reduced operational activity levels.
- The Health Board had received Elective Recovery funding of £21.5m; following discussions with Policy Leads, and the submission of an Accountable Officer letter in November, regrettably £10.1m will be handed back to Welsh Government due to an inability to either commission or deliver the additional capacity in order to fully commit the full level of funding. In arriving at £10.1m, we have identified a gross hand back from recovery funding of £13.8m and have considered mitigating spending plans to the

value of £3.7m. We will look to progress these plans in the first instance, to minimise the hand back of allocated funds.

Projection

- Following confirmation of COVID-19 stability and programme funding from WG, the Health Board is forecasting to deliver the planned deficit of £25.0m. The risk to the in-year delivery is considered to be Low, recognising that the Health Board has limited risk of any significant increase in Workforce expenditure given the restricted supply, however this is predicated on receiving confirmation of WG funding in line with current guidance.
- Of the identified savings schemes of £11.9m, a significant number (£7.3m) are currently assessed as non-recurrent. Discussions are on-going as regards the implications of this on our underlying deficit, given the significant risk of a deterioration from £57.4m in 2020/21 to £68.9m in 2021/22 if recurrent savings schemes of £11.5m are not identified in-year.

Savings

- Whilst the focus of the Health Board is on identifying and implementing recurrent schemes, the current combination of capacity and COVID-19 pressures being experienced operationally has diverted significant managerial resource. This has meant that, while the required £16.1m have been identified as a minimum on a non-recurrent basis, only £4.6m of these are recurrent plans.
- The opportunities framework has identified schemes in excess of the in-year savings requirement, however these have not yet been converted into Amber/Green operational plans due to the escalating pressures caused by a lack of access to Primary Care manifesting in A&E attendances and Domiciliary and Social Care fragility preventing the discharge of medically fit patients. The implementation of plans to reduce the number of acute beds in this climate is exceptionally challenging. The organisation recognises its inability to deliver these opportunities impactfully during this year, and therefore recognise that the opportunities will feed into the strategy to address the opening underlying deficit for the FY23 financial plan.
- In-month delivery of £1.1m is in line with the plan of identified savings schemes.

Next Steps

- Continue to engage with partner organisations to develop plans to address the issues within the Primary Care and Social Care sectors, whilst working with operational teams to develop robust and deliverable recurrent saving schemes in line with the Health Board's Strategy and roadmap to financial sustainability.

This paper outlines the:

- £16m request for Strategic Cash Support for 2021/22 within Appendix 1;
- Changes to the Financial Scheme of Delegation within Appendix 2.

Summary of key financial targets

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.

Key target		Annual limit	YTD limit	Actual delivery	Forecast Risk
Revenue	£'m	25.0	18.8	18.6	Low*
Savings	£'m	16.1	12.1	8.5	Low
Capital	£'m	58.6	16.2	16.2	Medium**
Non-NHS PSPP	%	95.0	95.0	94.6	Medium***
Period end cash	£'m	4.0	4.0	1.9	Low

* The Health Board recognises that the risk against delivery of financial balance is Low, recognising that the Health Board has limited risk of any significant increase in Workforce expenditure, given the restricted supply.

** The Capital Resource Limit (CRL) has now been fixed and it is the responsibility of the Health Board to manage any over or under spend against this resource limit. Whilst no specific risks have been identified yet linked to individual capital schemes, there are risks associated with issues in the supply chain (in particular for the supply of steel, glass, electrical components and medical and digital devices) which may impact upon our ability to fully utilise the CRL by the end of the financial year. There is a further risk in respect of the Demountable Theatre scheme, given the considerable timing risk and significant value; this risk is being closely managed.

*** The Health Board did not achieve its PSPP target of paying 95% of its non-NHS invoices within 30 days in Quarter 3 (94.6%), which continues to adversely affect the cumulative position (94.6%). This was caused by a large volume of delayed Pharmacy invoices; extra resources were obtained to resolve this and the backlog is now cleared, with an in-month compliance of 95.9%. There is a continued risk to the overall cumulative position due to the reliance on over-achievement over Q4.

Argymhelliad / Recommendation

The Board is asked to:

- Discuss and note the financial position for Month 9;
- Ratify the changes to the scheme of delegation approved by the Audit & Risk Assurance Committee on 14th December 2021;
- Ratify the strategic cash request approved by the Sustainable Resources Committee on 21st December 2021.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	1296 (score 16) Ability to deliver the Financial Plan for 2021/22 1297 (score 16) The underlying deficit increasing to a level not addressed by medium term funding 1199 (score 16) Achieving financial sustainability
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	5. Timely Care 7. Staff and Resources

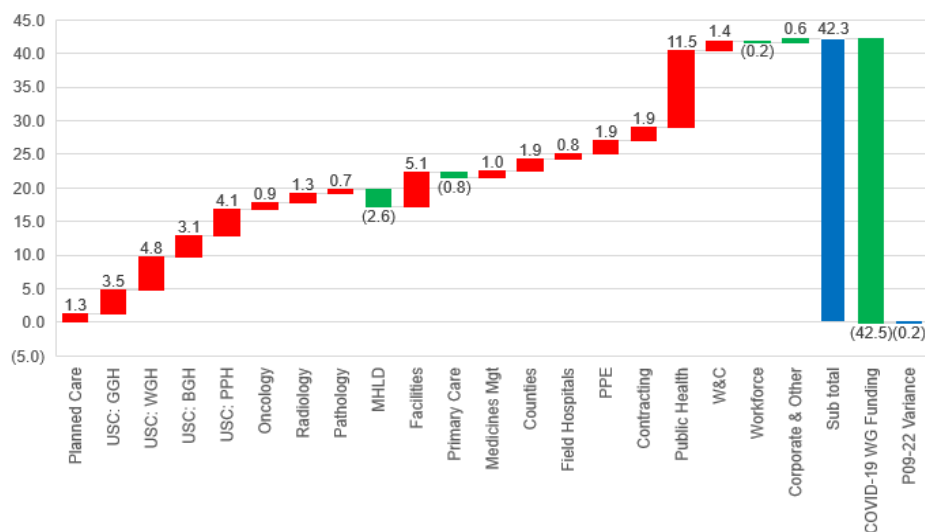
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Improve Population Health through prevention and early intervention

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Monitoring returns to Welsh Government based on the Health Board's financial reporting system.
Rhestr Termiau: Glossary of Terms:	<p>ADH – Additional Duty Hours</p> <p>BGH – Bronglais General Hospital</p> <p>CHC – Continuing Healthcare</p> <p>EHEW – Eye Health Examination Wales</p> <p>FYE – Full Year Effect</p> <p>GGH – Glangwili General Hospital</p> <p>GMS – General Medical Services</p> <p>LTAs – Long Term Agreements</p> <p>M&SE – Medical & Surgical Equipment</p> <p>MHLD – Mental Health & Learning Disabilities</p> <p>NICE – National Institute for Health and Care Excellence</p> <p>NOAC - Novel Oral Anti-Coagulant</p> <p>OOH – Out of Hours</p> <p>OPCS - Office of Population Censuses and Surveys</p> <p>PPE – Personal Protective Equipment</p> <p>PPH – Prince Philip Hospital</p> <p>PSPP– Public Sector Payment Policy</p> <p>RSV - Respiratory Syncytial Virus</p> <p>RTT – Referral to Treatment Time</p> <p>SDEC – Same Day Emergency Care</p> <p>TB – Tuberculosis</p> <p>WG – Welsh Government</p> <p>WGH – Withybush General Hospital</p> <p>WRP – Welsh Risk Pool</p> <p>WHSSC – Welsh Health Specialised Services Committee</p> <p>YTD – Year to date</p>
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to University Health Board:	Sustainable Resources Committee

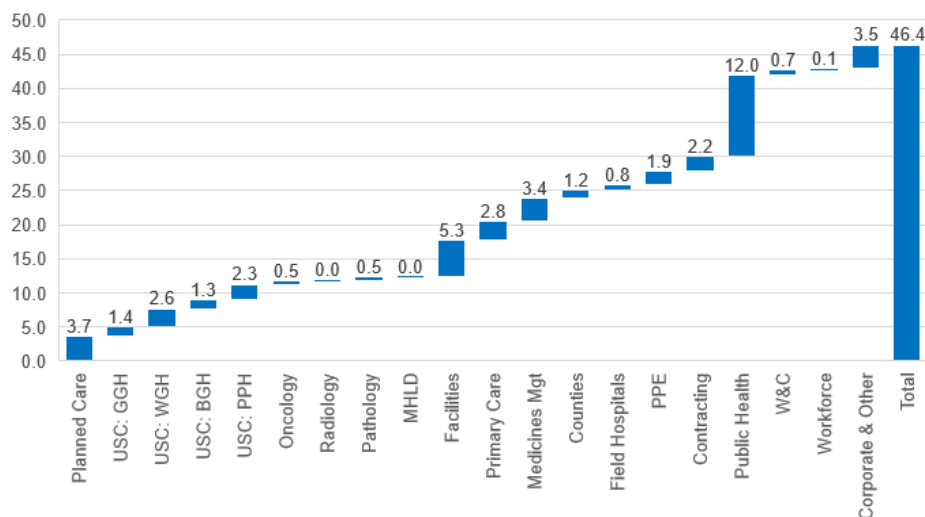
Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Financial impacts and considerations are inherent in the report.
Ansawdd / Gofal Claf: Quality / Patient Care:	These are assessed as part of our savings planning.
Gweithlu: Workforce:	The report discusses the impact of both variable pay and substantive pay.
Risg: Risk:	Financial risks are detailed in the report.
Cyfreithiol: Legal:	The Health Board 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 the Health Board's financial plan will affect our reputation with Welsh Government, Audit Wales, and with external stakeholders.
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable

Revenue Summary

YTD variance by Directorate (against Plan)



YTD actual by Directorate (COVID-19 only)

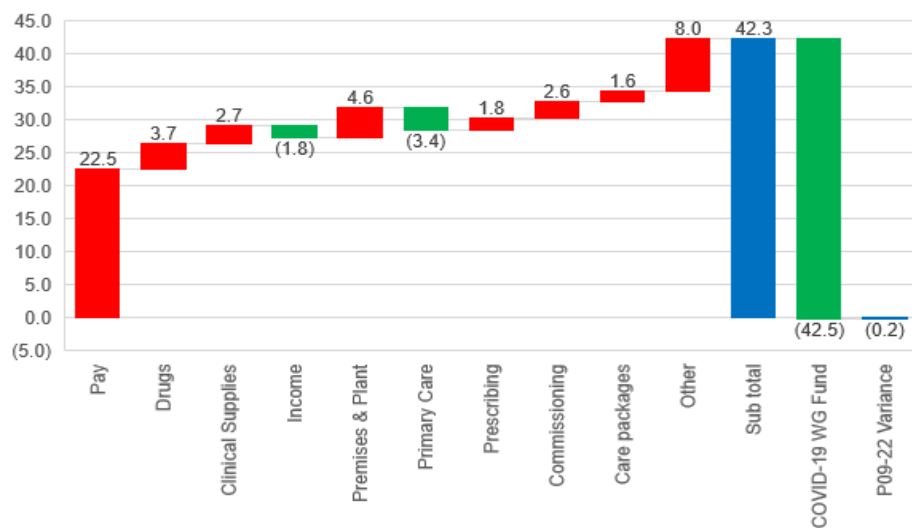


Key drivers of YTD position:

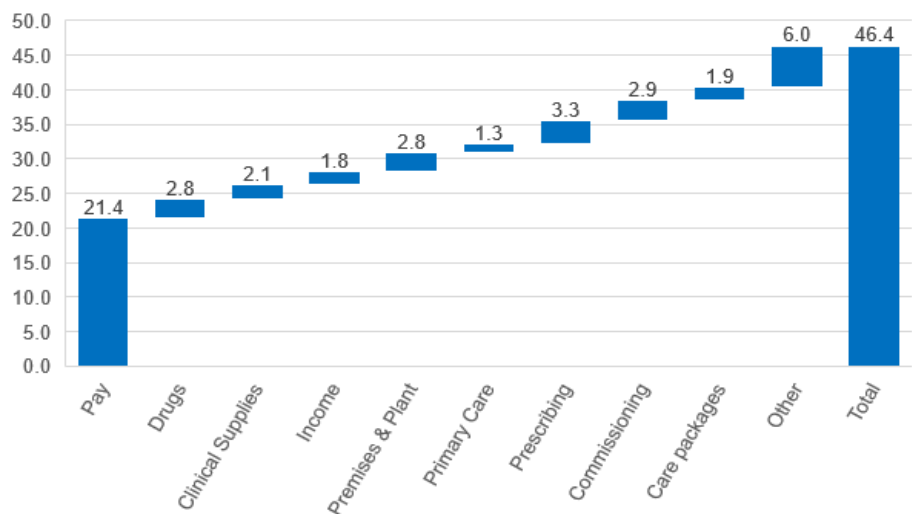
- **Planned Care £1.3m:** Elective recovery costs and Red COVID-19 pathway costs in PPH offset by reduced non COVID-19 elective activity;
- **Unscheduled Care (All sites) £15.6m:** Increased premium agency requirement due to a high volume of vacancies, self-isolation and sickness across Medical and Nursing posts throughout the Health Board's Acute sites, further exacerbated by pressures due to high demand in Emergency departments and difficulties in discharging medically fit patients due to the fragility of the Domiciliary and Social Care sectors;
- **Facilities £5.1m:** Additional Porters and Domestics recruited as part of the enhanced cleaning standards and additional front of house management and cleaning rosters introduced as part of the COVID-19 pandemic;
- **Primary Care £(0.8)m:** Costs associated with the COVID-19 Mass vaccination programme offset by slippage in Dental contract performance, OPCS and EHEW;
- **Medicines Management £1.0m:** Pressures continue in Primary Care Prescribing due to the overall increases in the cost per item for Category M and baseline drugs;
- **Contracting £1.9m:** A reduction in Non-Contracted Activity (NCA) and Road Traffic Accident (RTA) income as a consequence of the COVID-19 pandemic resulting in less tourism in the locality. Costs associated with Adult Social Care Provider Support;
- **Public Health £11.5m:** Costs associated with the COVID-19 Mass vaccination programme, Testing and Tracing included as part of the Health Board's response to the COVID-19 pandemic;
- **WG Funding £(42.5)m:** Funding has been received from WG to offset the cost of the Health Board's response to the COVID-19 pandemic. This excludes the WG funding to offset the underlying position brought forward from 2020/21 in relation to undelivered savings, which is £24.3m YTD.

Revenue Summary

YTD variance by Subjective (against Plan)



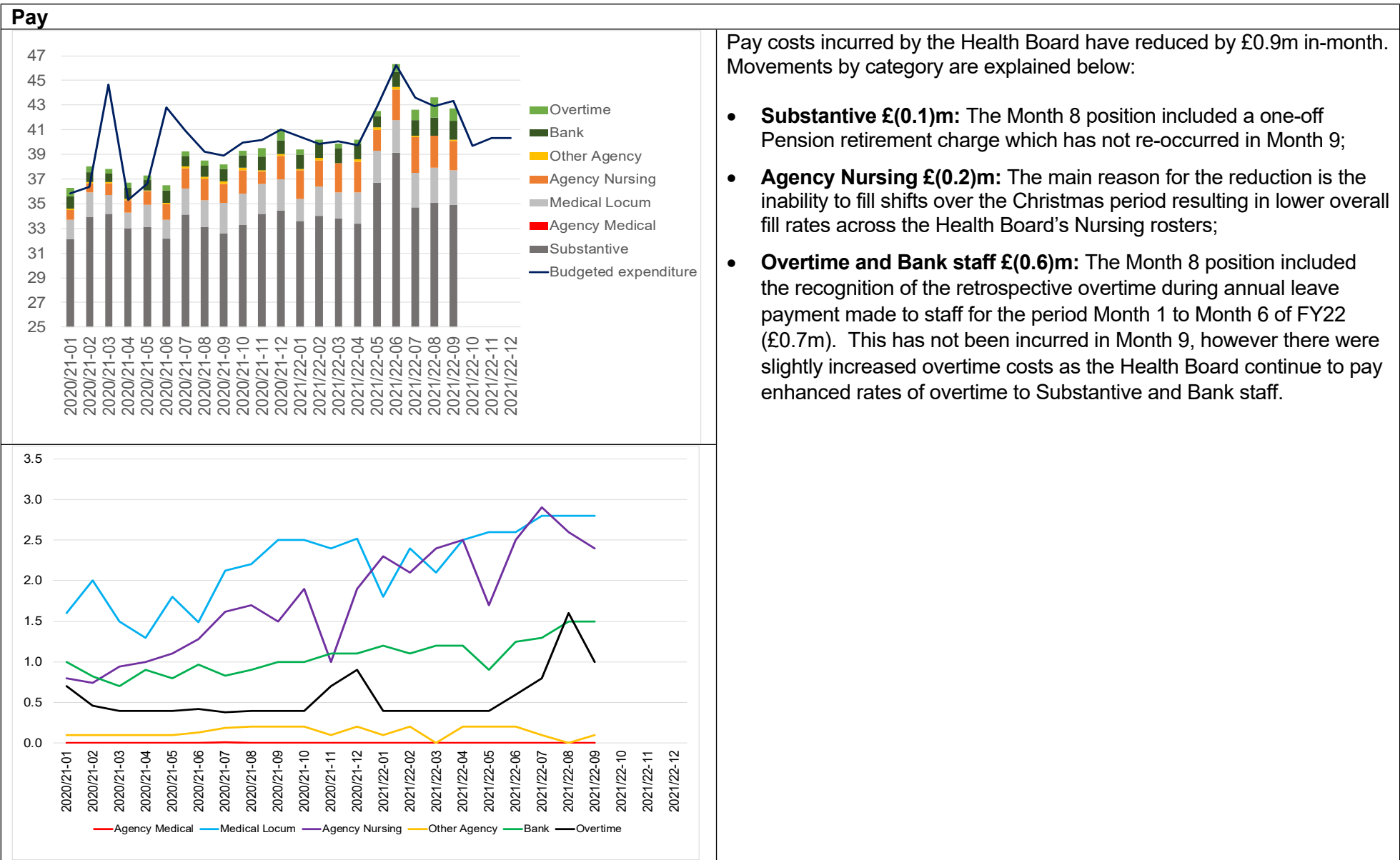
YTD actual by Subjective (COVID-19 only)



Key drivers of YTD position:

- **Pay £22.5m:** Primarily due to the fixed term staff recruited as part of the Health Board's response to COVID-19, but also the increased premium agency requirement due to a high volume of vacancies, self-isolation and sickness across Medical and Nursing teams and pressures on Emergency departments throughout the Health Board's Acute sites;
- **Drugs & Clinical supplies £3.7m:** The overspend is primarily driven by the costs of PPE expenditure, home care and sub-cutaneous to intravenous Cancer drug treatment regimes (as a consequence of COVID-19). In addition, other Medicines Management pressures are offset by reduced activity in elective services within Planned Care;
- **Primary Care £(3.4)m:** Costs associated with the COVID-19 Mass vaccination programme offset by slippage in Dental contract performance, OPCS and Enhanced Service claims;
- **Prescribing £1.8m:** Primary Care Prescribing continues to be impacted by the increase in the cost per item for Category M and baseline drugs from price increases in April 2020. This has been mitigated by a YTD reduction in the number of items issued;
- **Commissioning £2.6m:** Costs associated with commissioning additional activity from Private providers as part of the Health Board's COVID-19 Elective Recovery plans;
- **Care packages £1.6m:** Costs are primarily driven by the Adult Social Care Provider Support in response to COVID-19;
- **WG Funding £(42.5)m:** Funding has been received from WG to offset the cost of the Health Board's response to the COVID-19 pandemic. This excludes the WG funding to offset the underlying position brought forward from 2020/21 in relation to undelivered savings, which is £24.3m YTD.

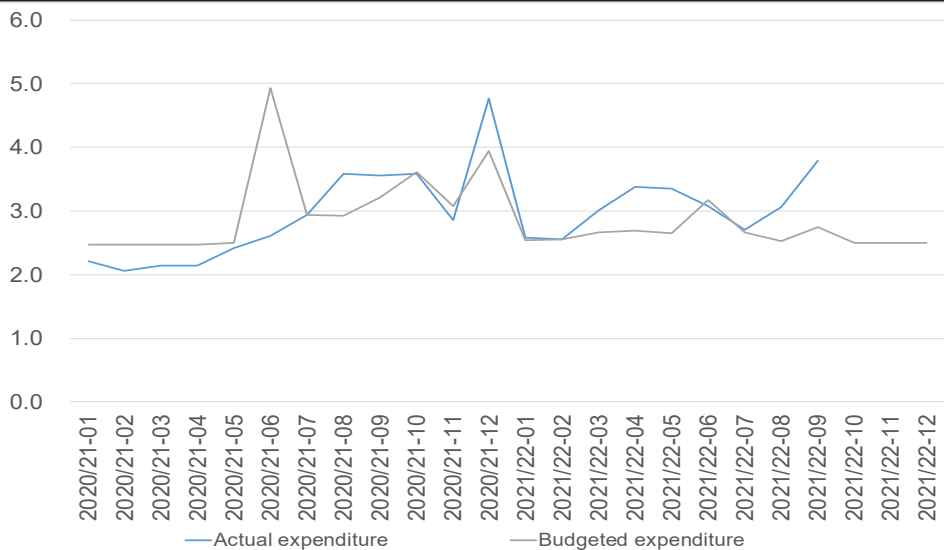
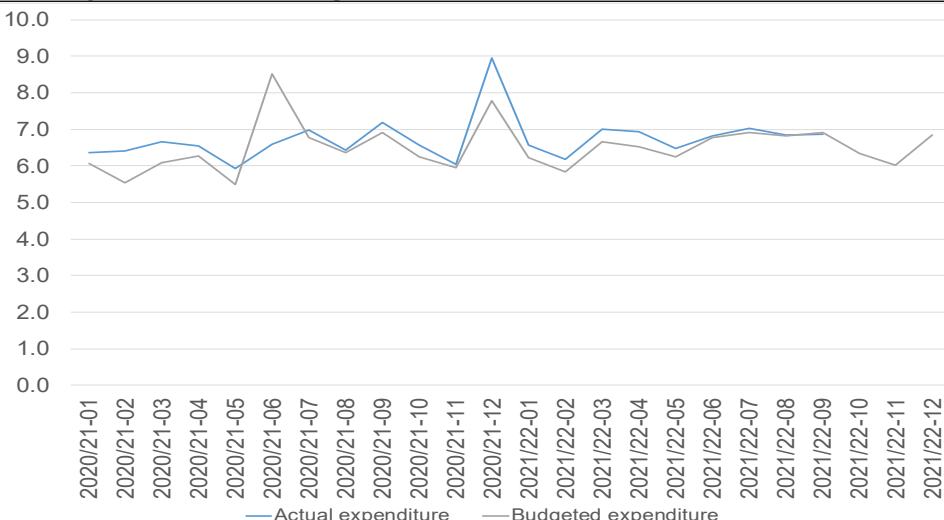
Subjective Summary



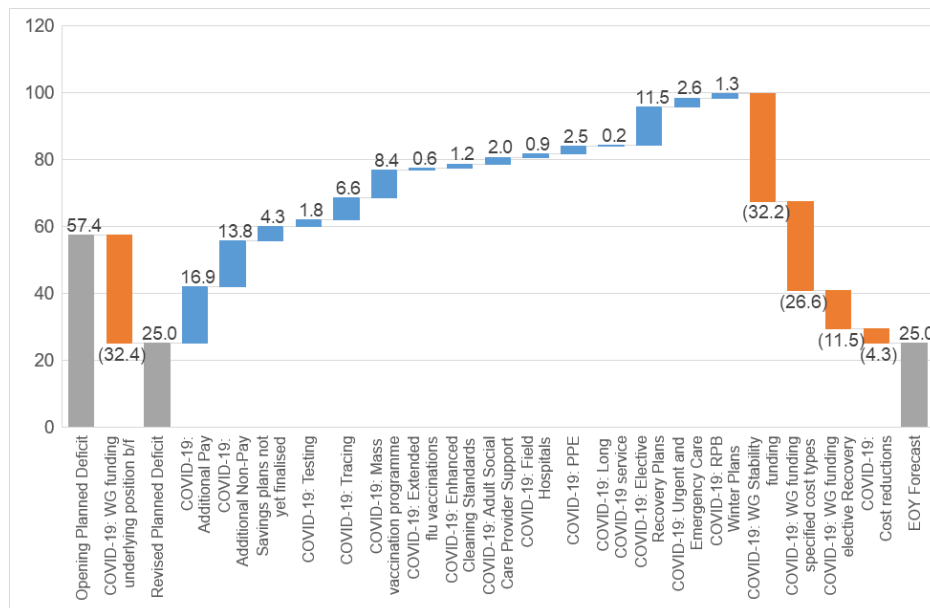
Subjective Summary

<h3>CHC</h3> <table><tr><th>Month</th><th>Actual expenditure</th><th>Budgeted expenditure</th></tr><tr><td>2020/21-01</td><td>4.8</td><td>4.2</td></tr><tr><td>2020/21-02</td><td>4.5</td><td>4.2</td></tr><tr><td>2020/21-03</td><td>4.3</td><td>4.2</td></tr><tr><td>2020/21-04</td><td>4.3</td><td>4.2</td></tr><tr><td>2020/21-05</td><td>4.2</td><td>4.2</td></tr><tr><td>2020/21-06</td><td>6.0</td><td>6.0</td></tr><tr><td>2020/21-07</td><td>6.3</td><td>6.3</td></tr><tr><td>2020/21-08</td><td>4.2</td><td>4.2</td></tr><tr><td>2020/21-09</td><td>4.5</td><td>4.5</td></tr><tr><td>2020/21-10</td><td>4.5</td><td>5.2</td></tr><tr><td>2020/21-11</td><td>4.8</td><td>5.2</td></tr><tr><td>2020/21-12</td><td>4.5</td><td>5.0</td></tr><tr><td>2021/22-01</td><td>4.2</td><td>4.2</td></tr><tr><td>2021/22-02</td><td>4.3</td><td>4.3</td></tr><tr><td>2021/22-03</td><td>4.8</td><td>4.8</td></tr><tr><td>2021/22-04</td><td>4.2</td><td>4.2</td></tr><tr><td>2021/22-05</td><td>4.2</td><td>4.2</td></tr><tr><td>2021/22-06</td><td>5.2</td><td>5.2</td></tr><tr><td>2021/22-07</td><td>4.5</td><td>4.5</td></tr><tr><td>2021/22-08</td><td>4.5</td><td>4.5</td></tr><tr><td>2021/22-09</td><td>4.6</td><td>4.5</td></tr><tr><td>2021/22-10</td><td>4.3</td><td>4.3</td></tr><tr><td>2021/22-11</td><td>4.0</td><td>4.0</td></tr><tr><td>2021/22-12</td><td>4.2</td><td>4.2</td></tr></table>		Month	Actual expenditure	Budgeted expenditure	2020/21-01	4.8	4.2	2020/21-02	4.5	4.2	2020/21-03	4.3	4.2	2020/21-04	4.3	4.2	2020/21-05	4.2	4.2	2020/21-06	6.0	6.0	2020/21-07	6.3	6.3	2020/21-08	4.2	4.2	2020/21-09	4.5	4.5	2020/21-10	4.5	5.2	2020/21-11	4.8	5.2	2020/21-12	4.5	5.0	2021/22-01	4.2	4.2	2021/22-02	4.3	4.3	2021/22-03	4.8	4.8	2021/22-04	4.2	4.2	2021/22-05	4.2	4.2	2021/22-06	5.2	5.2	2021/22-07	4.5	4.5	2021/22-08	4.5	4.5	2021/22-09	4.6	4.5	2021/22-10	4.3	4.3	2021/22-11	4.0	4.0	2021/22-12	4.2	4.2	<p>Continuing Health Care expenditure has increased by £0.1m in-month due to a net increase of four Mental Health & Learning Disability clients during the month.</p>
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Subjective Summary

<div><h3>Clinical Supplies and Services</h3><table><tr><th>Month</th><th>Actual expenditure</th><th>Budgeted expenditure</th></tr><tr><td>2020/21-01</td><td>2.2</td><td>2.5</td></tr><tr><td>2020/21-02</td><td>2.1</td><td>2.5</td></tr><tr><td>2020/21-03</td><td>2.2</td><td>2.5</td></tr><tr><td>2020/21-04</td><td>2.2</td><td>2.5</td></tr><tr><td>2020/21-05</td><td>2.5</td><td>2.5</td></tr><tr><td>2020/21-06</td><td>5.0</td><td>2.5</td></tr><tr><td>2020/21-07</td><td>3.0</td><td>2.5</td></tr><tr><td>2020/21-08</td><td>3.5</td><td>2.5</td></tr><tr><td>2020/21-09</td><td>3.5</td><td>2.5</td></tr><tr><td>2020/21-10</td><td>3.5</td><td>2.5</td></tr><tr><td>2020/21-11</td><td>3.0</td><td>2.5</td></tr><tr><td>2020/21-12</td><td>4.8</td><td>2.5</td></tr><tr><td>2021/22-01</td><td>2.5</td><td>2.5</td></tr><tr><td>2021/22-02</td><td>2.5</td><td>2.5</td></tr><tr><td>2021/22-03</td><td>2.5</td><td>2.5</td></tr><tr><td>2021/22-04</td><td>3.3</td><td>2.5</td></tr><tr><td>2021/22-05</td><td>3.3</td><td>2.5</td></tr><tr><td>2021/22-06</td><td>3.0</td><td>2.5</td></tr><tr><td>2021/22-07</td><td>2.5</td><td>2.5</td></tr><tr><td>2021/22-08</td><td>3.0</td><td>2.5</td></tr><tr><td>2021/22-09</td><td>3.8</td><td>2.5</td></tr><tr><td>2021/22-10</td><td>2.5</td><td>2.5</td></tr><tr><td>2021/22-11</td><td>2.5</td><td>2.5</td></tr><tr><td>2021/22-12</td><td>2.5</td><td>2.5</td></tr></table></div>	Month	Actual expenditure	Budgeted expenditure	2020/21-01	2.2	2.5	2020/21-02	2.1	2.5	2020/21-03	2.2	2.5	2020/21-04	2.2	2.5	2020/21-05	2.5	2.5	2020/21-06	5.0	2.5	2020/21-07	3.0	2.5	2020/21-08	3.5	2.5	2020/21-09	3.5	2.5	2020/21-10	3.5	2.5	2020/21-11	3.0	2.5	2020/21-12	4.8	2.5	2021/22-01	2.5	2.5	2021/22-02	2.5	2.5	2021/22-03	2.5	2.5	2021/22-04	3.3	2.5	2021/22-05	3.3	2.5	2021/22-06	3.0	2.5	2021/22-07	2.5	2.5	2021/22-08	3.0	2.5	2021/22-09	3.8	2.5	2021/22-10	2.5	2.5	2021/22-11	2.5	2.5	2021/22-12	2.5	2.5	<p>Actual expenditure increased by £0.7m in-month. The main drivers are:</p> <ul style="list-style-type: none">• An increased M&SE requirement due to higher in-month activity and acuity of patients on Acute sites;• Respiratory equipment replacement within Critical Care;• Pacemaker purchases within Unscheduled Care;• An increase in Insulin Pump purchases and associated consumables for both Adult and Paediatric patients.
Month	Actual expenditure	Budgeted expenditure																																																																										
2020/21-01	2.2	2.5																																																																										
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2021/22-11	2.5	2.5																																																																										
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<div><h3>Primary Care Prescribing</h3><table><tr><th>Month</th><th>Actual expenditure</th><th>Budgeted expenditure</th></tr><tr><td>2020/21-01</td><td>6.5</td><td>6.0</td></tr><tr><td>2020/21-02</td><td>6.5</td><td>5.5</td></tr><tr><td>2020/21-03</td><td>6.5</td><td>6.0</td></tr><tr><td>2020/21-04</td><td>6.5</td><td>6.0</td></tr><tr><td>2020/21-05</td><td>6.0</td><td>5.5</td></tr><tr><td>2020/21-06</td><td>8.5</td><td>6.0</td></tr><tr><td>2020/21-07</td><td>7.0</td><td>6.0</td></tr><tr><td>2020/21-08</td><td>6.5</td><td>6.0</td></tr><tr><td>2020/21-09</td><td>7.0</td><td>6.0</td></tr><tr><td>2020/21-10</td><td>6.5</td><td>6.0</td></tr><tr><td>2020/21-11</td><td>6.0</td><td>6.0</td></tr><tr><td>2020/21-12</td><td>9.0</td><td>6.0</td></tr><tr><td>2021/22-01</td><td>6.5</td><td>6.0</td></tr><tr><td>2021/22-02</td><td>6.0</td><td>6.0</td></tr><tr><td>2021/22-03</td><td>7.0</td><td>6.0</td></tr><tr><td>2021/22-04</td><td>7.0</td><td>6.0</td></tr><tr><td>2021/22-05</td><td>6.5</td><td>6.0</td></tr><tr><td>2021/22-06</td><td>7.0</td><td>6.0</td></tr><tr><td>2021/22-07</td><td>7.0</td><td>6.0</td></tr><tr><td>2021/22-08</td><td>7.0</td><td>6.0</td></tr><tr><td>2021/22-09</td><td>7.0</td><td>6.0</td></tr><tr><td>2021/22-10</td><td>6.5</td><td>6.0</td></tr><tr><td>2021/22-11</td><td>6.0</td><td>6.0</td></tr><tr><td>2021/22-12</td><td>7.0</td><td>6.0</td></tr></table></div>	Month	Actual expenditure	Budgeted expenditure	2020/21-01	6.5	6.0	2020/21-02	6.5	5.5	2020/21-03	6.5	6.0	2020/21-04	6.5	6.0	2020/21-05	6.0	5.5	2020/21-06	8.5	6.0	2020/21-07	7.0	6.0	2020/21-08	6.5	6.0	2020/21-09	7.0	6.0	2020/21-10	6.5	6.0	2020/21-11	6.0	6.0	2020/21-12	9.0	6.0	2021/22-01	6.5	6.0	2021/22-02	6.0	6.0	2021/22-03	7.0	6.0	2021/22-04	7.0	6.0	2021/22-05	6.5	6.0	2021/22-06	7.0	6.0	2021/22-07	7.0	6.0	2021/22-08	7.0	6.0	2021/22-09	7.0	6.0	2021/22-10	6.5	6.0	2021/22-11	6.0	6.0	2021/22-12	7.0	6.0	<p>Prescribing costs have remained consistent in-month, despite December having 1 more prescribing day than November.</p> <p>The increase in cost for the additional prescribing day has been offset in-month with the recognition of the reduction in national prices for October to December.</p>
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Financial Projection



Key Assumptions

- The direct impact of COVID-19, including programme expenditure (in respect of mass vaccination programmes, Testing, Tracing, Enhanced Cleaning Standards, PPE, Adult Social Care Provider Support, Long COVID-19 Service and Extended Flu) is modelled up to a twelve-month scenario within the current forecast;
- The COVID-19 Stability WG funding allocations are expected to be fully utilised in future months to offset the impact of COVID-19;
- Existing Services modelling assumes incremental reinstatement of elective services, approved Recovery Plans and Urgent and Emergency Care (being Urgent Primary Care and SDEC).
- Funding has been fixed from Month 8; any costs associated with any expedited vaccination booster programme will be contained within current allocations.

Assurance

- Improved assurance methods have been established, aligning to managers across the Health Board and the Regional Partnership Board.
- Performance monitored monthly through System Engagement meetings, including Performance and Improving Together.
- Following WG confirmation of COVID-19 funding and funding to offset the underlying position brought forward from 2020/21, the Health Board is forecasting to deliver the planned deficit of £25.0m. The risk to the in-year delivery is considered to be Low, recognising that the Health Board has limited risk of any significant increase in Workforce expenditure given the restricted supply.

Concerns

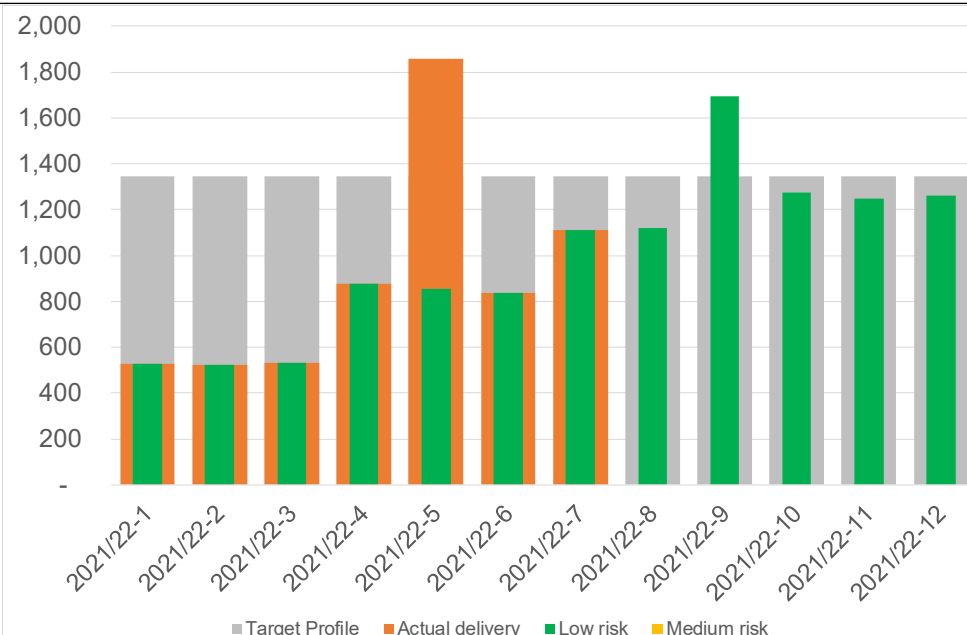
- The Health Board has received Elective Recovery funding of £21.5m; discussions with Policy Leads are expected to conclude in November, however there is a significant risk that the Health Board will be unable to either commission or deliver the additional capacity in order to fully commit the full level of funding; risk-based forecasts prepared for the Month 6 submission predict c.£6.2m of expenditure reductions against funding. This forecast will be refined imminently.
- Discussions are on-going on the implications of the significant risk of a deterioration in the underlying deficit from £57.4m in 2020/21 to £68.9m in 2021/22 if recurrent savings schemes of £11.5m are not identified in-year.

Next Steps

- Clarify with Policy Leads the next steps to be undertaken in respect of Elective Recovery Plans.
- Continue to engage with partner organisations to develop plans to address the issues within the Primary Care and Social Care sectors, whilst working with operational teams to develop robust and deliverable recurrent saving schemes in line with the Health Board's Strategy and roadmap to financial sustainability.

Savings and turnaround actions

Risk-assessed directorate savings profile, delivery and forecast



Assurance

- The in-year gap between the savings target and identified savings schemes of £4.3m is fully mitigated by cost reductions resulting from COVID-19. The identified schemes of £11.9m, are assessed as low risk of non-delivery. The Health Board has now identified schemes to deliver the full requirement of £16.1m, as a minimum on a non-recurrent basis.
- In-month delivery of £1.1m, which is in line with the plan of identified savings schemes.

Concerns

- The unprecedented circumstances mean that operational focus is diverted to the organisation's response to COVID-19, and therefore not on the delivery or identification of the required level or of recurrent savings schemes that are not supportive of the response to the pandemic. Further, the escalating pressures caused by a lack of access to Primary Care manifesting in A&E attendances and Domiciliary and Social Care fragility preventing the discharge of medically fit patients. The implementation of plans to reduce the number of acute beds in this climate is exceptionally challenging.
- Discussions are on-going for additional funding to support the non-delivery of the Health Board's brought forward savings target from FY21 on a recurrent basis, having received non-recurrent support in-year (subject to validation at this stage).

Next Steps

- The opportunities framework has identified schemes in excess of the in-year savings requirement, however these have not yet been converted into Amber/Green operational plans, due to the operational pressures, mostly within Acute sites.
- The continued operational pressures within Unscheduled Care has affected our ability to identify plans for the full £16.1m of recurrent savings (FYE) by 30th September 2021 as planned. We are working with our Directorates to develop plans wherever possible based on the revised planning objective given to the Director of Operations.

Appendix 1: Strategic Cash Assistance 2021/22

Strategic Cash Support

Welsh Government (WG) provides cash assistance for organisations in deficit from existing budget resources.

The process to request Strategic Cash support is for the Board to approve the requirement, be apprised on the cumulative cash assistance the Health Board has sought since April 2014 and, the reasons behind the support and the actions taken to manage and mitigate the need for cash assistance.

The formal notification by the Health Board's Chief Executive to the Chief Executive NHS Wales was required by 16th December 2021. As there was no Board meeting available beforehand to discuss, a copy of the letter from the Chief Executive setting out the Health Board's strategic cash request was circulated to Board Members prior to submission. The request was reviewed and approved by the Sustainable Resources Committee at its meeting on 21st December 2021, prior to onward ratification by the Board in January 2022.

The response from Judith Paget, Chief Executive NHS Wales was received on 20th December 2021 and confirmed the requested funding would be available, subject to discussion and agreement by the Board at its next meeting on 27th January 2022.

The request for Strategic Cash Support is £16m for 2021/22.

This figure represents the current forecast deficit of £25m reduced by £9m due to management of year end creditors. This process is in line with 2020/21, please see table below.

	2021/22	2020/21
	£'m	£'m
Forecast deficit	25	25
Management of year end creditors – trade payables	(3)	(3)
Management of year end creditors – Non NHS payables	(3)	(3)
Management of year end creditors – Local Authorities	(3)	(3)
Strategic cash request	16	16

A review of creditor types has been undertaken to identify different payment policies that could be adopted should strategic cash assistance not be made available. Priority creditors would need to be paid to maintain service levels. If no strategic cash assistance is

Appendix 1: Strategic Cash Assistance 2021/22

made available and restrictions on creditor payments is not undertaken, the Health Board will fully utilise its approved cash resource limits on the 1st March 2022.

Adopting the above measures is not without risk as follows:

Suppliers would not supply goods and services – this would mean services would have to be curtailed

- Local Authorities / other bodies not paying the Health Board invoices
- Breach of contract leading to legal action
- Removal of credit facilities and difficulty in opening credit facilities with new suppliers
- Potential interest charge for late payments
- Increased costs where discounts will not be realised from early payments
- Impact of the prompt payment policy
- Reputation

Clearly, given the level of cash assistance required, any shortfall will impact services.

Since April 2014, the cumulative cash support received up to 2020/21 is £201.9m.

Board Members are asked to ratify the strategic cash request of £16m.

Copies of the request letter and approval letter are attached as Appendix 3 and 4 respectively.

Appendix 2: Changes to Financial Scheme of Delegation

Scheme of delegation changes

Following approval at the Audit & Risk Assurance Committee meeting on 14th December 2021, the Board is asked to ratify the following changes to the financial scheme of delegation:

Change to capital requisition approval limit

An increase to the limit of the Assistant Director of Finance (Financial Planning & Statutory Reporting) from £0.5m to £1.0m for the approval of capital requisitions. This is only for schemes that have already been agreed via the Capital approval process and will be pre-approved by the Head of Capital Planning for assurance of their validity.

These requisitions currently default to the Chief Executive for approval. All requisitions in excess of £1m will continue to require one-off limit increase approval by the Director of Finance.

Proposal to require sign-off of funding bid requests by Director/Deputy Director of Finance

The scheme of delegation focus is on commitment of expenditure with specified limits set for types of spend and the officers who can approve that spend. There is currently no formal requirement for funding bids to be approved prior to submission either to Welsh Government or other organisations. Whilst the Health Board welcomes additional sources of funding to help deliver services and improve patient care, this needs to be managed. Good governance would suggest that bids should be reviewed by the relevant Finance Business Partners in the first instance and that all bids for funding are forwarded for review by the Director/Deputy Director of Finance for sign-off before submission.

These changes are formalised by amendment to the scheme of delegation attached as Appendix 5.



To: Judith Paget

Dear Judith

Strategic Cash Assistance 2021/22

I refer to Technical update Note 02 from Welsh Government dated 3rd December 2021, that requests Chief Executives, as Accountable Officers, to formally notify the Chief Executive of NHS Wales of requests for repayable Strategic Cash assistance by the 16th December 2021.

Hywel Dda University Health Board is requesting strategic cash assistance for 2021/22 of £16m. This request is based on the Health Board achieving its forecast deficit of £25m.

A review of creditor types has been undertaken to identify different payment policies that could be adopted should strategic cash assistance not be made available. Priority creditors would need to be paid to maintain service levels. If no strategic cash assistance is made available and restrictions on creditor payments is not undertaken, the Health Board will fully utilise its approved cash resource limits on the 1st March 2022.

Adopting the above measures is not without risk. Given the level of cash assistance required, any shortfall will impact services.

The Board has not met formally during December but have been circulated a copy of this letter prior to submission. The matter will be discussed at the Board meeting on 27th January 2022.

I look forward to receiving confirmation that strategic cash assistance as set out above will be made available to the Health Board.

Yours sincerely

Steve Moore
Chief Executive

cc Jaqueline Salmon, Welsh Government
cc Steve Elliott, Welsh Government

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group

Mr Steve Moore
Chief Executive
Hywel Dda University Health Board



Llywodraeth Cymru
Welsh Government

Our Ref: JP/JS/SB

20 December 2021

Dear Steve

Strategic Cash Support to Hywel Dda UHB

Further to your letter dated 15 December 2021, advising Welsh Government of the year-end cash pressures arising as a consequence of your forecast deficit position of £25m, I am writing to confirm that subject to discussion at and with the agreement of your board in January, Welsh Government will provide a maximum of £16m strategic cash only support to Hywel Dda UHB to support your management of this position.

On the 8th July 2020 the Minister for Health and Social services announced that the accumulated strategic cash only support previously provided by Welsh Government was no longer repayable. The 2021-22 strategic cash assistance must be disclosed in your financial accounts.

A cash allocation will be provided in February 2022, and funds will be available to draw in March 2022. This is to ensure that the actual support provided reflects the cash support required, not simply the forecast position. Hywel Dda UHB is expected to continue actions to seek to manage its cash position, to mitigate the level of cash support requested. The Health & Social Services Group does not receive additional cash to support these requests, all such support impacts upon the overall cash resources available to NHS Wales.

Please ensure all future monthly monitoring returns provide updates on the actual strategic cash assistance required.

If strategic cash assistance will need to be drawn prior to March 2022, please advise Jacqueline Salmon, Financial Accountant in writing of your requirement and the circumstances.

Your request for working capital allocations for capital and revenue have been approved in separate correspondence.

Yours sincerely

Judith Paget CBE



BUDDSODDWYR | INVESTORS
MEWN POBL | IN PEOPLE

Parc Cathays • Cathays Park
Caerdydd • Cardiff
CF10 3NQ

Ffôn • Tel 0300 025 1182
judith.paget001@gov.wales
Gwefan • website: www.wales.gov.uk

What are SFIs and why do you need to know about them?

Local Health Boards in Wales must agree Standing Financial Instructions (SFIs) for the regulation of their financial proceedings and business. Designed to achieve probity, accuracy, economy, efficiency, effectiveness and sustainability in the conduct of business, they translate statutory and Welsh Government financial requirements for the NHS in Wales into day to day operating practice.

Together with the adoption of Standing Orders (SOs), a Scheme of decisions reserved to the Board and a scheme of delegations to officers and others, they provide the regulatory framework for the business conduct of the LHB.

All LHB Board members and officers must be made aware of these Standing Financial Instructions and, where appropriate, should be familiar with their detailed content. The Director of Finance will be able to provide further advice and guidance on any aspect of the Standing Financial Instructions. The Board Secretary will be able to provide further advice and guidance on the wider governance arrangements within the LHB.

How to use the Financial Scheme of Delegation

Description - sets out the area of responsibility where the authority has been delegated via the Board to Committees, Executive Directors or other officers to undertake certain actions on behalf of the Board. In some instances the authority is reserved by the Board.

Specific - provides more detail about the area for which delegated authority is given and what other considerations may need to be taken into account.

More information - provides links to associated policies and procedures.

The remaining columns set out at which level decisions can be made/expenditure committed. It is a cumulative process and should be read from right to left with limits progressively increasing until the final decision rests with approval from the Board. WG approval will also be required in some circumstances.

Description	Specific	More information	Welsh Government	Board (following CEO/ET approval)	Charitable Funds Committee	Charitable Funds Sub-Committee	Capital Estates and IM&T Sub-Committee	Chief Executive (and Executive Team)	CEO (or Deputy CEO) and DoF	Chief Executive Officer (CEO)	Director of Finance (DoF)	Executive Directors	Other Officers as delegated by Executive Directors	Notes
		Budgetary Control Procedure	Any expenditure approval must be within funding limits of approved budgets. Budget holders are responsible for providing services within the available financial resources delegated to them and are held accountable for managing within the budget.											
Budget Changes	Transfers between budget managers	Budgetary Control Procedure		>£1m				>£0.5m≤£1m		≤£0.5m	≤£0.5m			
General Non -pay Expenditure	The values refer to individual orders / requisitions (for the total life of the contract) Goods or services should be sourced from the approved catalogue or if this is not possible via a public sector contract framework. Where an item is not on catalogue or framework Procurement Services should be requested to undertake quotation / tendering exercise. All orders for goods and services must be accompanied by an official order number in accordance with the No PO, No Pay policy.	Purchase to Pay Procedure	> £1m	> £1m				>£0.5m≤£1m	>£0.5m≤£1m	≤£0.5m	≤£0.5m	≤£0.1m	Refer to Cost Centre Structure Purchasing Approval	In addition to delegated limits competition requirements apply when procuring goods. Advice should be sought from Procurement before entering into or extending existing contracts as the ability to extend is not automatic.
Healthcare agreements	NHS - These are agreements that the UHB will enter into to commission healthcare services for its resident population from other NHS providers.	New contract or variation to existing contract		>£10m (below £10m retrospectively reported)				>£0.5m≤£10m	>£0.5m ≤£5m	≤£0.5m	≤£0.5m			
Healthcare agreements	Private sector For contracts >£1m WG must approve before contract is awarded	New contract or variation to existing contract	> £1m	> £1m				>£0.5m≤£1m		≤£0.5m	≤£0.5m			
Healthcare agreements	Primary Care Contracts (General Medical Services and Community Pharmacy) Dental follows competitive procurement process	via the Primary Care Applications Committee		✓										
Leases	Property or equipment leases			>£0.5m (plus any that need signing under seal) Reservation of power				>£0.25m≤£0.5m		>£0.1m≤£0.25m	>£0.1m≤£0.25m			
Consultancy	External consultancy	Use of Consultancy Financial Procedure	> £1m	>£0.025m≤£1m				>£0.025m≤£1m		≤£0.025m	≤£0.025m	≤£0.025m		
Special (ex-gratia) payments	Ex-gratia payments are payments which a Health Body is not obliged to make or for which there is no statutory cover or legal liability. These limits are for ex gratia payments for personal property claims relating to both patients and staff.	Losses and Special Payments Procedure	>£0.05m								>£250≤£0.05m		Directorate Managers ≤ £100 General Managers ≤ £250	
Losses/special payments	Different limits apply dependent on category of claim with approval required from WG For Personal Injury/Clinical Negligence refer to the Claims Management Policy	Losses and Special Payments Procedure	✓					>£0.5m≤£1m			≤£0.5m			Terminations to £50k DW&OD else to WG; VERS RATS Committee Limits relate to items below referral to WG thresholds
Single Tender/Quotation Action	Goods and services should be procured through fair and open competition to secure value for money and ensure propriety and regularity. However, there may be situations where it is more appropriate to approach a single provider through the use of a single tender/quotation action (STA/SQA). A STA/SQA should only be undertaken when there is no feasible alternative and due process is followed.	Single tender action procedure						>£0.025m			≤£0.025m			Single Tender Action must be approved by DoF (and CEO for spend >£25k) following scrutiny by Board Secretary. Retrospective Reporting to Audit Committee
Staffing	Increase in establishment									Can approve posts across HB	Can approve posts within own structure in line with delegated budget and limits			
	Agency and waiting list initiatives									Can approve posts across HB	Must be agreed in advance within the limit of their approved budget and funded establishment unless authorised to do so by the Chief Executive			
Charitable Funds	Expenditure from charitable funds is exclusively for charitable purposes. The expenditure shall satisfy both the objects of the relevant registered charity and the deed of trust of the specific fund. A 'Request for charitable funds expenditure' form needs to be completed in the first instance detailing the item of expenditure and justification for spend, ensuring spend is eligible. All items of expenditure, will need to be approved prior to the expenditure being incurred by the appropriate authorisation level. The procedure for requisitioning any items or service using money held in charitable funds is identical to that for exchequer funds, therefore all procurement policies apply equally.	Charitable Funds Policy and Procedure		>£0.1m	>£0.05m<£0.1m	>£0.01m<£0.05m							Refer to Charitable Funds authorised signatory list	Expenditure over £0.1m will be approved by the Board acting as the Corporate Trustee
Capital	Property, Plant and Equipment should be capitalised if the cost of the item is ≥ £5,000. This includes assets which individually may be less than £5,000 but together form a single collective asset (grouped asset) with a group value of ≥ £5,000 (including VAT where this is not recoverable) that fulfil the following criteria - the items are functionally interdependent; the items are acquired at about the same date and are planned for disposal at about the same date; the items are under single managerial control; and each individual asset thus grouped has a value of at least £250, however this de minimus value does not apply in dealing with the initial equipping of hospitals. IT Assets - IT hardware may be considered interdependent if it is attached to a network, even if capable of stand-alone use. In effect all IT equipment purchases, where the final three criteria above apply, will be capitalised.	People, Planning & Performance Assurance Committee consider proposals from the Capital, Estates and IM&T Sub Committee on the allocation of capital and agree recommendations to the Board.	Approval required for projects outside Discretionary Capital Programme on the allocation of (DCP) and schemes >£1m in DCP	Overall Strategy and schemes >£1m			Capital projects/schemes must be approved by the Sub-Committee before sign off via the Scheme of Delegation.	>£0.5m≤£1m			≤£0.5m		Refer to Capital Cost Centre Structure Purchasing Approval	Requisitions up to £1m for schemes that have already been agreed via the Capital approval process and pre-approved by the Head of Capital Planning for assurance of their validity will be approved by the Assistant Director of Finance (Financial Planning & Statutory Reporting). All requisitions in excess of £1m require one-off limit increase approval by the Director of Finance.
Income	All funding bids to Welsh Government or other organisations require approval by the Director/Deputy Director of Finance prior to submission.										All			The Health Board welcomes additional sources of funding to help deliver services and improve patient care. Good governance would suggest that bids should be reviewed by the relevant Finance Business Partners in the first instance and that all bids for funding are forwarded for review by the Director/Deputy Director of Finance for sign-off before submission.

10.3 Duties of Budget Holders and Managers

10.3.1 Budget holders and managers must ensure that they comply fully with the Scheme of Delegation, guidance and limits specified by the Chief Executive and Director of Finance, and that:

- a) All contracts (except as otherwise provided for in the Scheme of Delegation), leases, tenancy agreements and other commitments which may result in a liability are notified to the Director of Finance in advance of both any commitment being made and NWSSP Procurement Services being engaged;
- b) Contracts above specified thresholds are advertised and awarded, through NWSSP Procurement Services, in accordance with EU and HM Treasury rules on public procurement;
- c) Contracts above specified thresholds are approved by the Welsh Ministers prior to any commitment being made;
- d) goods have been duly received, examined and are in accordance with specification and order,
- e) work done or services rendered have been satisfactorily carried out in accordance with the order, and, where applicable, the materials used are of the requisite standard and the charges are correct,
- f) No requisition/order shall be issued for any item or items to any firm which has made an offer of gifts, reward or benefit to Board members or LHB officers, other than:
 - (i) Isolated gifts of a trivial character or inexpensive seasonal gifts, such as calendars,
 - (ii) Conventional hospitality, such as lunches in the course of working visits;

This provision needs to be read in conjunction with Standing Order 8.5, 8.6 and 8.7.

- g) No requisition/order is placed for any item or items for which there is no budget provision unless authorised by the Director of Finance on behalf of the Chief Executive;
- h) All goods, services, or works are ordered on official orders
- i) Requisitions/orders are not split or otherwise placed in a manner devised so as to avoid the financial thresholds;
- j) Goods are not taken on trial or loan in circumstances that could commit the LHB to a future uncompetitive purchase;

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11.11 Procurement Thresholds

11.11.1 The following table summarises the minimum thresholds for quotes and competitive tendering arrangements. The total value of the contract, whole life cost, over its entire period is the qualifying sum that should be applied (except in specific circumstances relating to aggregation and contracts of an indeterminate duration) as set out below, and in Procurement Regulations and EU Directives and UK Regulations.

Code/Category/Market	Minimum competition	Form of Contract
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Goods/Services/Works Whole Life Cost Contract value (excl. VAT)	Minimum competition ¹	Form of Contract
<£5,000	Evidence of value for money has been achieved	Purchase Order
>£5,000 - <£25,000	Evidence of 3 written quotations	Simple Form of Contract/Purchase Order
>£25,000 – Prevailing OJEU threshold	Advertised open call for competition. Minimum of 4 tenders received if available.	Formal contract and Purchase Order
>OJEU threshold	Advertised open call for competition. Minimum of 5 tenders received if available or appropriate to the procurement route.	Formal contract and Purchase Order
Contracts above £1 million	Welsh Government approval required ²	Formal contract and Purchase Order

¹ subject to the existence of suitable suppliers

² in accordance with the requirements set out in SFI 11.6.3.

11.11.2 Advice from the Procurement Services must be sought for all requirements in excess of £5,000.

11.11.3 The deliberate sub-dividing of contracts to fall below a specific threshold is strictly prohibited. Any attempt to avoid these limits may expose the Board to risk of legal challenge and could result in disciplinary action against an individual[s].

11.11.4 Deliberate re-engagement of a supplier, where the value of the individual engagement is less than £5,000, must not be undertaken where the total value of engagements taken as a whole would exceed £5,000 and require competition.

11.17 Extending and Varying Contracts

11.17.1 Extending, modifying or varying the scope of an existing contract is possible, if the provision to do so was included as an option in the original awarded contract, e.g. scope of requirement, further expenditure due to unforeseen circumstances e.g. change in regulatory requirements etc.

11.17.2 If there is no such provision, the Public Contract Regulations (2015) defines such limitations.

11.17.3 The Public Contract Regulations 2015 provide further constraints in this matter, under which modifications/variations/extensions are capped at 50% of the original award value.

11.17.4 Further approval is not required to extend an agreement beyond the original term/scope where prior approval was granted as part of the procurement process.

11.17.5 If there was no provision to extend, further approvals are required from the Health Board budget holder and the local Head of Procurement. Budget holders must also be mindful of the threshold under which the original contract was awarded. Any increase in the contract value may require a more senior level of approval in line with the Scheme of Delegation.

11.17.6 This ensures an appropriate identification and assessment of potential risks to the Health Board compliance of approvals being granted within the Scheme of Delegation and assurance that value for money continues to be delivered from public funds.

11.17.7 The budget holder must seek advice from NWSSP Procurement Services in advance of committing further expenditure to ensure the contract is reflective of requirements. The budget holder must assess there is sufficient evidence to support the justification and the budget is available to support the additional

support the justification and the budget is available to support the additional requirements.

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12. HEALTH CARE AGREEMENTS AND CONTRACTS FOR HEALTH CARE SERVICES

12.1 Health Care Agreements

12.1.1 The Health Board will commission healthcare services for its resident population both internally, from its own LHB provided services, and externally, from other LHBs, Trusts and other providers. The Chief Executive is responsible for ensuring the LHB enters into suitable Health Care Agreements (or Individual Patient Commissioning Agreements, where appropriate) for the provision of health care services from external providers.

12.1.2 All Health Care Agreements should aim to implement the agreed priorities contained within the Integrated Medium Term Plan and wherever possible, be based upon integrated care pathways to reflect expected patient experience. In discharging this responsibility, the Chief Executive should take into account:

- The standards of service quality expected;
- The relevant quality, governance and risk frameworks and plans;
- The relevant national service framework (if any);
- The provision of reliable information on quality, volume and cost of service; and
- That the agreements are based on integrated care pathways.

12.1.3 All agreements must be in accordance with the functions conferred on the LHB by the Welsh Ministers.

12.2 Statutory provisions

- The NHS (Wales) Act 2006 (C.42), sets out the responsibilities of LHBs in establishing contracts for healthcare services and in particular Section 7 which sets out the definition of an NHS contract being the arrangement between one health service body and another and the definitions of such bodies;
- Section 9 which sets out arrangements to be treated as NHS contracts for ophthalmic and pharmaceutical services;
- Sections 32 and 33 in relation to services provided by or jointly with local authorities;
- Part 4 in relation to primary medical services;
- Part 5 in relation to primary dental services;
- Part 6 in relation to general ophthalmic services;
- Part 7 in relation to pharmaceutical services;
- Section 188 which sets out the arrangements with the prison service;
- Section 194 which sets out the powers to make payments towards expenditure on community services; and
- Section 195 which sets out arrangements with voluntary organisations.

12.3 Reports to Board on Health Care Agreements (HCAs)

12.3.1 The Chief Executive will need to ensure that regular reports are provided to the Board detailing performance, quality and associated financial implications of all health care agreements with external providers. These reports will be linked to, and consistent with, other Board reports on commissioning and financial performance.

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APPENDIX 1 - DELEGATED LIMITS

The delegated limits relate to the requirement for NHS Wales health bodies to obtain approval for write-off of the loss or special payment.

CATEGORY OF LOSS/SPECIAL PAYMENT

**DELEGATED
LIMITS (£)**

Losses (except in respect of primary care provider services)

- | | |
|--|---------|
| 1) Loss of cash due to: | |
| a. theft, fraud, etc | 50,000 |
| b. overpayment of salaries, wages, fees and allowances | 50,000 |
| c. other causes, including un-vouched or incompletely vouched payments, overpayments other than those included under 1(b); physical losses of cash and cash equivalents e.g., stamps due to fire (other than arson), accident and similar causes | 50,000 |
| 2) Fruitless payments (including abandoned capital schemes) | 250,000 |
| 3) Bad debts and claims abandoned: | |
| a. private patients (Sections 65 and 66 NHS Act 1977) | 50,000 |
| b. overseas visitors (Section 121 NHS Act 1977) | 50,000 |
| c. cases other than a-b | 50,000 |
| 4) Damage to buildings, their fittings, furniture and equipment and loss of equipment and property in stores and in use due to: | |
| a. culpable causes eg, theft, fraud, arson or sabotage whether proved or suspected, neglect of duty or gross carelessness | 50,000 |
| b. other causes | 50,000 |

Special payments (except in respect of primary care provider services)

- | | |
|--|---|
| 5) Compensation payments made under legal obligation | FULL * |
| 6) Extra contractual payments to contractors | 50,000 |
| 7) Ex-gratia payments | |
| a. to patients and staff for loss of personal effects | 50,000 |
| b. for clinical negligence (negotiated settlements following legal advice) where the guidance relating to such payments has been applied | 1,000,000 including plaintiff's costs * |
| c. for personal injury claims involving negligence where legal advice obtained and relevant guidance has been applied | 1,000,000 including plaintiff's costs * |
| d. other clinical negligence cases and personal injury claims | 50,000 * |

- | | |
|---|--------|
| e. other, except cases for maladministration where there was <u>no</u> financial loss by claimant | 50,000 |
| f. maladministration where there was <u>no</u> financial loss by claimant | NIL |
| g. patient referrals outside the UK and EEA guidelines | NIL |

*** For all clinical negligence and personal injury cases (including court cases) the use of periodical payments should be considered for any settlement (exclusive of legal costs) involving costs to the NHS of £250,000 or more, or for lower awards when this represents good value for money. Proposed out of Court periodical payment awards require approval from the WG DHSS&C D&D&FD [WHC(97)7 refers].**

- | | |
|--|-----|
| 8) Extra statutory and extra regulatory payments | NIL |
|--|-----|

Losses and special payments in respect of provision of primary care provider services

Losses

**Limit
£**

- | | |
|--|--|
| 9) a. Losses due to overpayments to practitioners of fees, | |
|--|--|

	allowances or salary	
	i. involving fraud	1,000
	ii. other	1,000
	b. unvouched or incompletely vouched payments	1,000
10)	Claims abandoned	1,000
Special Payments		
11)	Ex gratia payments	1,000
12)	Extra statutory and extra regulatory payments	
	a. to pharmacist contractors for drugs supplied in good faith in respect of forged, etc, prescriptions forms	1,000
	b. excusal of statutory charges for replacement dentures in certain circumstances	up to appropriate maximum statutory charge
	c. other	NIL
Losses: Fraud cases under investigation		
13)	a. Losses in cases investigated by the health body in respect of prescription fraud.	1,000
	b. Losses in cases investigated by the health body in respect of dental fraud.	1,000
	c. Losses in cases investigated by the health body in respect of ophthalmic fraud.	1,000

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