



**CYFARFOD BWRDD PRIFYSGOL IECHYD
UNIVERSITY HEALTH BOARD MEETING**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 May 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Long-Term Agreement (LTA) Values and Process for 2023/24
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Daniel Binding, Senior Finance Business Partner Planned Care and Contracting Shaun Ayres, Deputy Director of Operational Planning and Commissioning

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

Long-Term Agreements (LTAs) during 2022/23 were subject to a hybrid arrangement between Health Boards in Wales having first been agreed and ratified via the Directors of Finance (DoF) forum. The commissioning arrangement has now been ratified for 2023/24 following the DOFs meeting in March 2023, recognises further work required over 23/24 to ensure future commissioning arrangement are in line with value based healthcare principles over the medium term.

In accordance with the Welsh Government (WG) Allocation letter regarding uplift funding for 2023/24, an uplift of 1.5% has been applied. Health Boards will pass on the commissioner share of the Pay Award funding once confirmed by WG.

The purpose of this report is to summarise for the Board the impact of the overall 1.5% uplift plus Investments contained within the LTAs.

While inflation runs significantly above this level, this agreement has been agreed amongst DOFS in Wales and provides a level of assurance of protection to commissioners. With the inflationary risk being borne by providers.

Cefndir / Background

The table below sets out the 2023/24 LTA contract values for expenditure:

Expenditure LTA Contract Values

Health Board	Description	Annual Value 23/24, £'000s	Start Date	End Date
Swansea Bay UHB	Provision of clinical services to Hywel Dda residents in and by SBUHB	£38,396	01-Apr-23	31-Mar-24

Aneurin Bevan UHB	Provision of clinical services provided to HDdUHB residents	£284	01-Apr-23	31-Mar-24
Betsi Cadwaladr UHB	Provision of clinical services provided to HDdUHB residents	£298	01-Apr-23	31-Mar-24
Cardiff & Vale UHB	Provision of clinical services provided to HDdUHB residents	£6,185	01-Apr-23	31-Mar-24
Cwm Taf Morgannwg UHB	Provision of clinical services provided to HDdUHB residents	£505	01-Apr-23	31-Mar-24
Powys Local Health Board	Provision of clinical services provided to HDdUHB residents	£203	01-Apr-23	31-Mar-24
Velindre NHS Trust	Provision of clinical services provided to HDdUHB residents	£1,438	01-Apr-23	31-Mar-24
WHSSC & EASC	Provision of clinical services provided to HDdUHB residents	£123,836	01-Apr-23	31-Mar-24

The above total quantum is (£000s) £171,145

Investments included in the Expenditure LTA tabled above:

SBU Investments 23/24	£'000s
2nd Stage Singleton Cancer PCB Contribution (Linacc C)	£31
Linacc D (4th Replacement) - Part yr 23/24	£37
Prostate hyperfractionation	£86
Metastatic Spinal Cord Compression	£60
Breast Cancer	£146
	£360

Velindre Investments 23/24	£'000s
NICE Drug Growth	£66
Hosting Fee for NWIS - Cost Pressure Split Across Commissioners	£11
Integrated Radiotherapy Solution - TCS planned requirement	£9
SACT Medicine Infrastructure Financial impacts (MIFs) 2023-24	£2
Radiotherapy Service Implementation	£5
	£93

WHSSC Developments 23/24	£'000s
M7 22/23 - Outturn Forecast	-£2,150
Reinstate Non Recurrent Writebacks	£2,140
Adjustments for Non Recurrent Performance	£1,870
NHS England Provider Inflation - 1.5%	£160
NHS Wales Provider Inflation - 1.5%	£960
Full Year Effect of Prior Approved Commitments	£630
Unavoidable New Growth & Cost Pressures	£620
Disinvestments & Re-Commissioning (VBC Workstreams)	-£1,370
CIAG & Prioritisation Schemes	£80
Strategic Specialist Priorities	£60
	£3,000

Income LTA Contract Values

Health Board	Description	Annual Value 23/24, £'000s	Start Date	End Date
Aneurin Bevan	Provision of clinical services to Aneurin Bevan residents	£379	01-Apr-23	31-Mar-24
Betsi Cadwaladr	Provision of clinical services to Betsi Cadwaladr residents	£4,884	01-Apr-23	31-Mar-24
Cardiff & Vale	Provision of clinical services to Cardiff & Vale residents	£389	01-Apr-23	31-Mar-24
Cwm Taf Morgannwg	Provision of clinical services to Cwm Taf Morgannwg residents	£467	01-Apr-23	31-Mar-24
Powys	Provision of clinical services to Powys residents	£8,634	01-Apr-23	31-Mar-24
Swansea Bay	Provision of clinical services to Swansea Bay residents	£4,826	01-Apr-23	31-Mar-24
WHSSC	Provision of clinical services to UHB residents by Hywel Dda	£1,758	01-Apr-23	31-Mar-24
Public Health Wales (Directorate)	Provision of clinical services to UHB residents by Hywel Dda	£875	01-Apr-23	31-Mar-24

Asesiad / Assessment

The principles adopted are summarised below:

- Principle of avoiding destabilisation of providers or commissioners
- Straightforward to implement for provider monitoring and clear to identify difference between extant contract framework
- Merit in using the 2019/20 outturn as baselines, with arrangements in place to mitigate volatility updated from the historic LTA levels
- Reduction in the underperformance tolerance from 10% – 5% to minimise volatility and incentivise recovery

Argymhelliad / Recommendation

The Board is asked to **APPROVE** the contract values ahead of signature by the Chief Executive Officer before the end of June 2023.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	5. Timely Care 7. Staff and Resources

Amcanion Strategol y BIP: UHB Strategic Objectives:	3. Striving to deliver and develop excellent services 6. Sustainable use of resources
Amcanion Cynllunio Planning Objectives	1A NHS Delivery Framework targets
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Appendix 1 – Comparison 22/23 v 23/24
Rhestr Termiau: Glossary of Terms:	Contained in the Report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	All Wales Directors of Finance Sustainable Resources Committee

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Set out within the Paper
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

EXPENDITURE**Appendix 1**

Health Board	Description	Annual Value 23/24, £'000s	Annual Value 22/23, £'000s	Increase 22/23 - 23/24	Reason
Swansea Bay UHB	Provision of clinical services to Hywel Dda residents in and by SBUHB	£38,396	£37,574	£822	Inflation £462K (only applied to LTA not NICE) plus new developments £360K (Breast Cancer £146K, Prostate Hyperfractionation £86K, Metastatic Cord Compression £60K, Linacc C&D £69K
Aneurin Bevan UHB	Provision of clinical services provided to HDDUHB residents	£284	£280	£4	Inflation 1.5%
Betsi Cadwaladr UHB	Provision of clinical services provided to HDDUHB residents	£298	£294	£4	Inflation 1.5%
Cardiff & Vale UHB	Provision of clinical services provided to HDDUHB residents	£6,185	£6,097	£88	Inflation 1.5%
Cwm Taf Morgannwg UHB	Provision of clinical services provided to HDDUHB residents	£505	£497	£8	Inflation 1.5%
Powys Local Health Board	Provision of clinical services provided to HDDUHB residents	£203	£200	£3	Inflation 1.5%
Velindre NHS Trust	Provision of clinical services provided to HDDUHB residents	£1,438	£1,310	£128	Increase in HCD £66K (based on 22/23 outturn), DDRB (wage award) £28K, Hosting Fee NWIS (22/23 cost pressure) £11K, Inflation £8K
WHSSC & EASC	Provision of clinical services provided to HDDUHB residents	£123,836	£117,678	£6,158	Inflation £1.612m, Investments £2.542m, DDRB £2.004m

INCOME

Health Board	Description	Annual Value 23/24, £'000s	Annual Value 22/23, £'000s	Increase 22/23 - 23/24	Reason
Aneurin Bevan	Provision of clinical services to Aneurin Bevan residents	£379	£373	£6	Inflation 1.5%
Betsi Cadwaladr	Provision of clinical services to Betsi Cadwaladr residents	£4,884	£4,812	£72	Inflation 1.5%
Cardiff & Vale	Provision of clinical services to Cardiff & Vale residents	£389	£383	£6	Inflation 1.5%
Cwm Taf Morgannwg	Provision of clinical services to Cwm Taf Morgannwg residents	£467	£460	£7	Inflation 1.5%
Powys	Provision of clinical services to Powys residents	£8,634	£8,509	£125	Inflation 1.5%
Swansea Bay	Provision of clinical services to Swansea Bay residents	£4,826	£4,755	£71	Inflation 1.5%
WHSSC	Provision of clinical services to UHB residents by Hywel Dda	£1,758	£1,708	£50	Increase of Neonatal rates in 22/23
Public Health Wales (Directorate)	Provision of clinical services to UHB residents by Hywel Dda	£875	£862	£13	Inflation 1.5%