



Swansea Bay University Health Board

Financial Plan 2023/24

Board Briefing 25th April 2023





Revenue



- Movement in revenue position since last briefing
- Comparison of current plan to IMTP approved year 2 plan
- Waterfall for 2023/24
- Key plan components: -
 - Run rate profiling
 - COVID recovery
 - Savings
 - COVID response
 - Investment choices
 - Service pressures and choices
- Red line/Unacceptable options
- Risks and opportunities
- 3 year outlook
- Touchpoint governance
- Budget strategy
- Capital



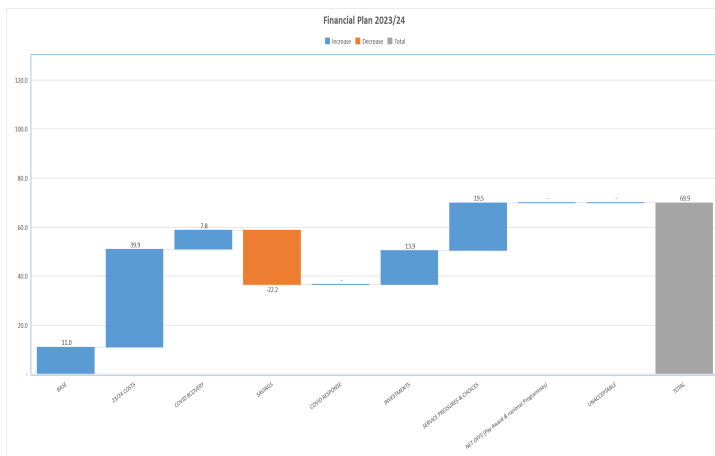
HEALTH BOARD FINANCIAL PLAN 2023/24 (MOVEMENT SINCE LAST UPDATE)

	End Feb £M	Movements £M	2nd March £M
Section 1: 2022/23 Impact Into 2023/24 (Underlying Issues)			
Savings = Prior year recurring gap	-	-	-
Run Rate = Prior Year recurrent overspend	11.0	-	11.0
COVID = Transitional Costs £32.6 + Cleanign Standards £1.9m	21.2	-	21.2
Total	32.2	-	32.2
Section 2: 2023/24 New Cost Pressures			
National	8.4	-	8.4
Inflation Opening	21.6		
Adjustment CHC (Note 1)		- 2.5	
Inflation Closing			19.1
Demand Growth Opening	15.2		
Adjustment CHC (Note 1)		- 1.5	
Adjustment CHC (Note 2)		- 0.6	
Demand Growth Closing			13.1
National Pay Award - Estimate	25.0	-	25.0
National COVID Programmes	11.5	-	11.5
Extraordinary Pressures (Energy & RLW) Opening	26.1		
Energy Forecast Update @ end Feb		- 3.7	
Extraordinary Pressures (Energy & RLW) Closing			22.4
Total	107.8	- 8.3	99.5

Section 3: Health Board Choices			
Choices Gross Opening	28.8		
Adjustment Following Risk Assessment of Choices		- 13.3	
Adjustment Following Assessment O/S Requests (£10.6m)		4.0	
Choices Gross Closing			19.5
Other Investments Opening	11.1		
Adjustment HASU		0.5	
Addtionla Surgical Capacity (above revoery)		0.8	
Service Delivery/Schemes		1.6	
Other Investments Closing			14.0
COVID Recovery Local Opening	15.2		
Adjustment for Assessed Recovery		7.8	
COVID Recovery Local Closing			23.0
COVID Recovery Regional	21.0	-	21.0
Total	76.1	1.4	77.5
Section 4: Savings			
New Year Savings Target	- 23.6	1.4	- 22.2
Total	- 23.6	1.4	- 22.2
Section 5: Allocations/Income Assumptions			
WG Allocation - core	- 11.6	-	- 11.6
WG Allocation - other Allocation Letter Adjustments	- 1.0	-	- 1.0
WG Allocation - pay award	- 25.0	-	- 25.0
Extraordinary pressures funding	- 10.5	-	- 10.5
COVID recovery costs Regional	- 21.0	-	- 21.0
COVID recovery costs - Local	- 15.2	-	- 15.2
COVID National Programmes - WG Funding	- 11.5	-	- 11.5
COVID Transition	- 21.2	-	- 21.2
Total	- 117.0	-	- 117.0
Gross Plan & Movements	75.5	- 5.5	69.9

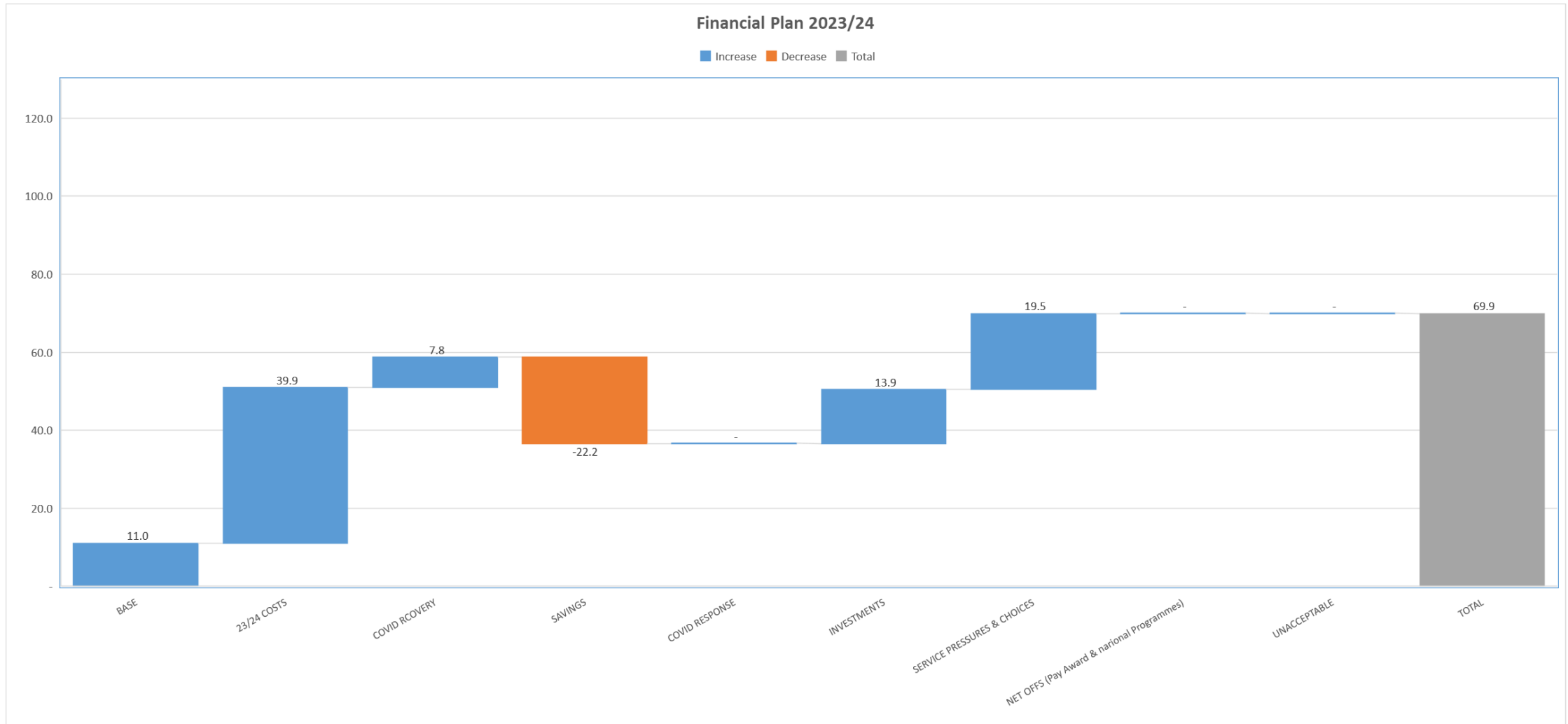


HEALTH BOARD FINANCIAL PLAN 2023/24 – SUMMARY

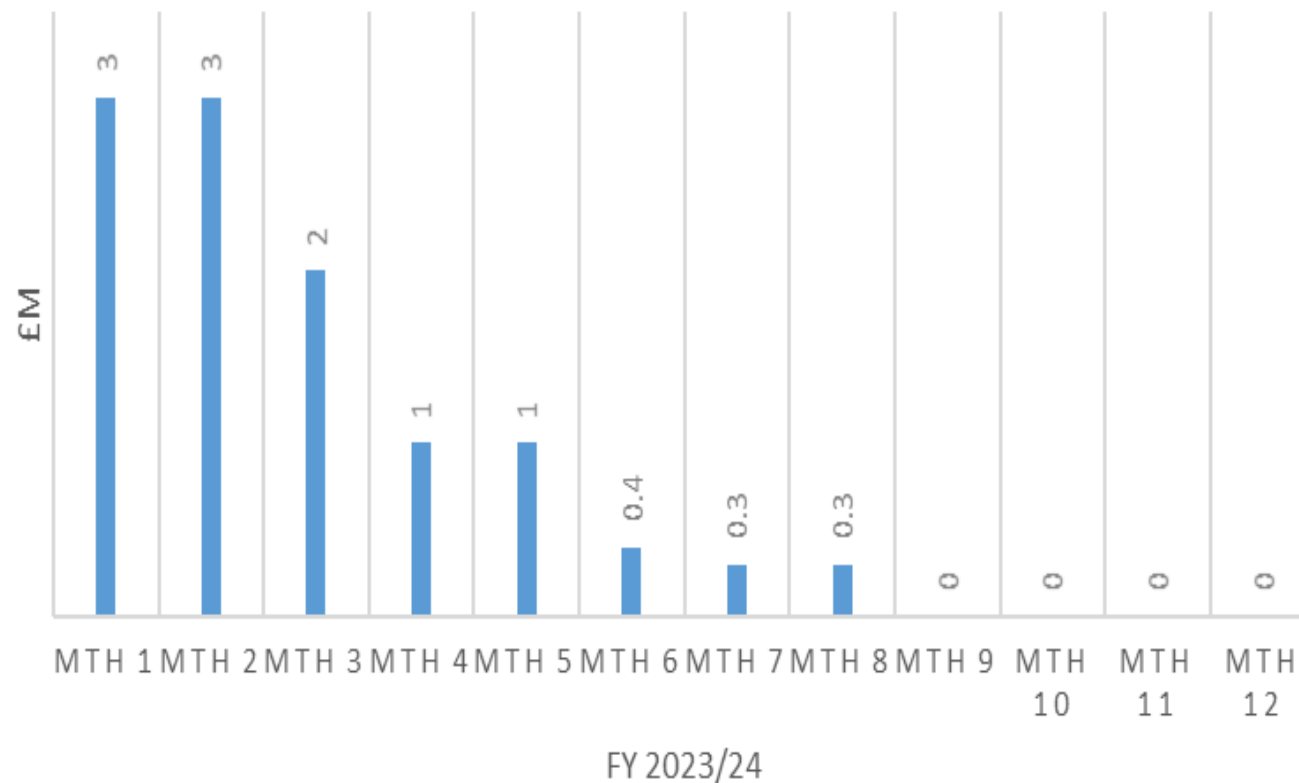


	Original £m	Current £m	Difference £m	Comments
BASE				
Underlying pressure	0.00	11.00	11.00	Fixed planning assumption
Sub total	0.00	11.00	11.00	
23/24 COSTS				
National	6.50	8.40	1.90	Fixed
Inflation	8.50	19.11	10.61	Fixed
Demand growth	7.40	13.19	5.79	Fixed
Extraordinary pressures (energy & RLW)	21.10	22.28	1.18	Fixed
Core allocation	(11.80)	(11.60)	0.20	Fixed
Other allocations	0.00	(1.00)	(1.00)	Fixed
Extraordinary pressures (energy & RLW) - funding	(21.10)	(10.48)	10.62	Unconfirmed
Sub total	10.60	39.90	29.30	
COVID RECOVERY				
COVID recovery costs	21.60	22.90	1.30	£18.8 requires further work/choice
COVID recovery income	(21.60)	(15.20)	6.40	Fixed
Sub total	0.00	7.70	7.70	
SAVINGS				
Planned Savings quantum	(16.30)	(22.20)	(5.90)	Fixed planning assumption
Sub total	(16.30)	(22.20)	(5.90)	
COVID RESPONSE				
COVID Response Costs	22.90	21.20	(1.70)	Fixed and realistically in baseline - could undergo further review
COVID Response Costs - assumed income	(22.90)	(21.20)	1.70	Unconfirmed
Orthopaedic Unit	0.00	21.00	21.00	Fixed planning assumption
Orthopaedic Unit - assumed income	0.00	(21.00)	(21.00)	Fixed planning assumption
Sub total	0.00	0.00	0.00	
INVESTMENTS				
Plans	5.50	13.93	8.43	Choice
Sub total	5.50	13.93	8.43	
SERVICE PRESSURES AND CHOICES				
Committed	0.00	14.50	14.50	Fixed and realistically in baseline
Choices	0.00	5.00	5.00	Choice
Sub total	0.00	19.50	19.50	
NET OFFS - NOT IN ORIGINAL PLAN				
Pay Award	0.00	25.00	25.00	Fixed planning assumption
Pay Award - funded	0.00	(25.00)	(25.00)	Fixed planning assumption
COVID Programmes	0.00	11.50	11.50	Fixed planning assumption
COVID Programmes - funded	0.00	(11.50)	(11.50)	Fixed planning assumption
Sub total	0.00	0.00	0.00	
TOTALS	(0.20)	69.83	70.03	

HEALTH BOARD FINANCIAL PLAN 2023/24 - WATERFALL (LINKED VALUES SLIDE 5)



TAPERED RUN RATE



Work to support the tapering of the run rate is already underway and includes:

1. Submissions from Service Groups in February 2023 outlining the following opportunities:

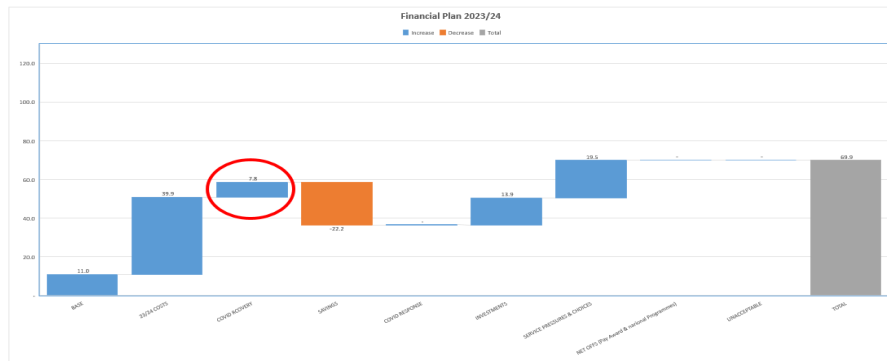
DELIVERY RUN RATES				
	Service Impacting EM	Non Service Impacting EM	Not Specified EM	Total EM
Service Group:				
-Morrison	5.15	11.67	-	16.82
-NPTS	3.22	0.30	-	3.52
-PCT			5.52	5.52
-MH/LD			6.70	6.70
Corporate				
-COO	1.15			1.15
-Estates			0.31	0.31
TOTAL	9.52	11.97	12.53	34.01

2. Workforce Improvement based on the outputs from the Independent Specialist Advisor in Morrison
3. Non Pay Reduction linked to Orthopaedic work with Gen Med
4. Non Pay Theatre Reduction programme 2023/24
5. Run Rate Workshops linked to 15th February and the 5 Clinical Programmes
 - Diabetes
 - MSK
 - Frailty
 - Respiratory
 - Heart failure
6. Bed Decommissioning Programme
7. Expansion of the Solar Farm



HEALTH BOARD FINANCIAL PLAN - COVID RECOVERY OPTIONS

- WG Allocation to support Planned Care Recovery = **£15.2m.**
- Financial assessment of Planned Recovery Costs provides 2 options.
- Option 2 currently within the Financial Plan but is still **£7.8m** over the WG allocation (after assuming the £21m for Regional Recovery)
- Any activity above that built into Scenario 3 will impact on the deficit position reported in the Financial Plan .



	Scenario 1 £M	Scenario 2 £M	Scenario 3 £M
Regional Orthopaedics Theatres	21.0	21.0	21.0
Stage 5	5.0	4.8	2.0
Stage 1	2.0	2.0	0.6
Regional Cataract Services	2.1	2.1	2.1
National Endoscopy Programme	3.7	3.7	3.7
Radiology	5.1	3.8	3.8
Pathology	2.5	0.7	0.7
Cardiac Diagnostics	0.6	0.6	0.6
Neurophysiology	0.2	0.1	0.1
Med Physics	0.3	0.1	0.1
Ophthalmology	0.6	0.6	0.6
Cancer	1.6	1.6	1.6
Critical Care	0.2	0.2	0.2
Alternative Pathways	1.8	0.7	0.7
Other	1.8	1.6	1.6
Commissioning	0.3	0.3	0.3
TOTAL COST	49.0	44.0	39.8
Funding Local Recovery	15.2	15.2	15.2
Funding Regional Recovery	21.0	21.0	21.0
TOTAL FUNDING	36.2	36.2	36.2
Shortfall	12.8	7.8	3.6
Variance Options	5.0	4.2	-

Service Areas	CIP @ 3.5% £000
Nursing Director	83
Medical Director	32
Workforce & OD	259
Digital Services	508
Finance & Estates	739
Board Secretary	83
Chief Operating Officer	827
Director of Transformation	38
Director of Strategy	87
NPTS Service Group	4,919
Morrison Service Group	7,050
MH & LD Service Group	2,568
Primary Care & Community Service Group	2,728
Medicines Management	2,279
Public Health Wales	-
Total	22,200

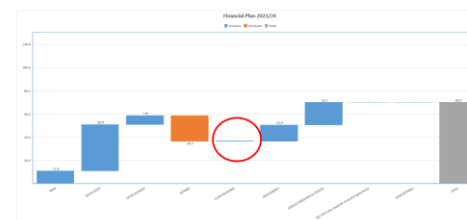


HEALTH BOARD FINANCIAL PLAN 2023/24 – SAVINGS & OPPORTUNITIES

CIP Pipeline Area	Areas of Focus	Potential Value £Ms
· Procurement Non Pay (inc theatres)	Framework V Off Framework, Non essential reviews, product standardisation, contract compliance,	4.00
· Prim care, Community, therapies Savings	Service change in PCCT, shift Left, Virtual Wards, Spirometry, Akeso/District N, WCCIS, reviewing IMTP	3.00
· Drugs / Prescribing	VAULT, Pharmacy Finance Group, Biosimilar, Pharmacy Reviews, National changes, NICHE guidance	3.00
· CHC (MHLD)	CHC Review? Packages of Care, CHS Review?, RB Forecasting £2.6m, Repatriate to Rehab £0.3m, potential Voids	2.90
· Non essential Non Pay Review	Grip and Control Non Pay, Non essential Review, Discretionary Spending, KPMG, Non Clinical review. Some will be NR	2.00
· Staff Pay - Nursing	Rostering, Unavailability reports, Agency, Bank, Skill Mix reviews, vacancy reviews, Agency budgets? (PH Paper £9m)	2.00
· Staff Pay - A+C review	Roll out of Digital Communications, A+C review, A+C Agency (£1.5m Agency YTD so far, £2.2m Last Yr) 50% Saving?	1.00
· Staff Pay - Medical	Job Planning, Rostering, Medic On duty, Locums, establishments, LOD roll out, limited cash releasing, (PH FIP £1.5m)	1.00
· Staff Pay (Other)	Optimal use of workforce, Skill mix review, Variable Pay, Establishment and Vacancy review, Recruitment	1.00
· Corporate Services	Benchmarking, HFMA toolkit. Finance Automation processes, Corp Services Structure review	0.50
· Theatres Utilisation	Benchmarking, Theatres Review, Activity modelling, HFMA and WAO Report (TPOT), NHS Wales CIPs Largest on Theatres	0.50
· Digital	Benefits realisation, Review all GMO's, Digital Plan IMTP, Automation, review DLG Programme.	0.50
· Transformation Projects - General	Transformation plans, Outpatient transformation (DNA's, F-Ups) review projects and GMO's, Project Board?	0.50
· Income Generation	Private Patients Review and Development, Commercial Review, Management of WHCCS Income, Income Strategy?	0.50
· Medical Equipment and Devices	Review Maintenance Contracts, Purchasing, Leasing, Procurement involvement, KPMG	0.30
· Process Automation – RPA	Automation Anywhere review, Digital Plans, Capital Investment? Invest to Save? Big Hand?	0.10
· Pathology	Review pathology requests, Care Sets, activity, benchmark? PMO reviewing with Path Leads	0.05
· Estates / Assets	Estates Review, Assets Review, IMTP, Strategy	-
TOTAL		22.85

HEALTH BOARD FINANCIAL PLAN 2023/24 – COVID RESPONSE COSTS

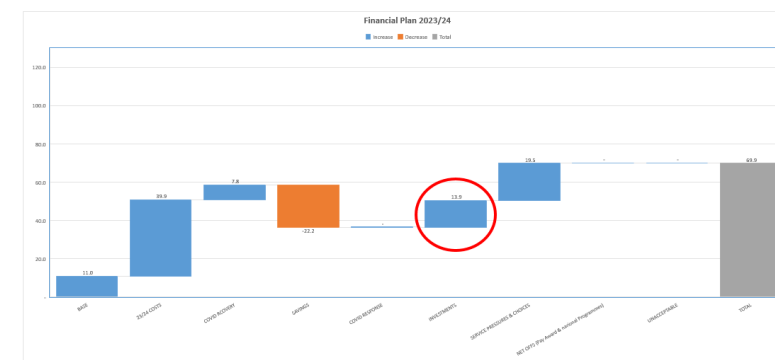
Service Area	Finance ref	Detail - Costs Classified As COVID (£21.2m)	£'000
Digital	fin-1	Cost pressures - data consumption increase	288
Digital	fin-2	Cost pressures - Mobilisation/Remote working	64
Digital	fin-6	Single Sign on	100
Digital	fin-18	Hybrid mail	30
Digital	fin-28	DHCW SLA - WNCR	157
COO	fin-73	Relief funding for COVID cleaning	120
COO	fin-74	british red cross invoice	424
MSG	fin-76	CEU department in ED - nursing costs partly funded by covid monies currently. BC in development.	1,099
MSG	fin-77	ED and CEU - Workforce paper - partly funded by covid monies Medical Cost	1,147
MSG	fin-89	ED admin staff, not funded with uplift for cover but needed 24/7.	160
MSG	fin-94	TOS Growth in Non-pay spend - Not activity - Mix/inflation/price banding	600
MSG	fin-103	Increased capacity in SDMU non recurrently funded. - COVID funding	1,249
MSG	fin-105	TAU - part funded through temporary Covid monies but no clear decision to reduce TAU capacity. Tied i	410
MSG	fin-119	Financial risk around Paediatric Burns Service - funding previously used for inpatient ward is now supp	750
MSG	fin-123	AMSR Development	2,700
NPTS	fin-184	COVID Response - Pathology Non Pay	396
NPTS	fin-207	Phlebotomy Rebanding	56
NPTS	fin-230	Cell Path Medical Staffing - 19/20 rebasing	390
NPTS	fin-231 a	Prescribing 22/23 (growth 23/24 in main plan)	500
NPTS	fin-260	Haematology Medical Staffing	172
NPTS	fin-263	Phlebotomy Investment Case - Fixed Terms	200
Nursing	fin-273	Overseas Nursing - likely increase to current 350 recruitment target in subsequent years	1,412
PCT	fin-300	Dental Contract - Parkway Ortho Agreement	200
PCT	fin-301	Fractured Neck of Femur Community Nursing Service green light 27/9/22	580
PCT	fin-306	Home First Pathway 5 - Transitional Beds (N070)	700
PCT	fin-335	Headroom Cover -for DN / Therapies currently being discussed. £2.8m is headroom at 26.9% on DN - th	500
Transformatio	fin-343	Clinical services plan - resource assessment - Phase 1 PMO team Stabilisation	509
WOD	fin-355	Additional OH medical resource, including speciality doctor to support substantive OH doctor in line w	95
Nursing	fin-376	Oversea Nursing above £1.335 within £99.6m	2,312
PCT	fin-384	Balance of Heart Failure BCAG Case (remained on PCT line)	233
HB Wide	fin-384b	Balance of Heart Failure BCAG Case (remained on PCT line)	283
MSG	fin-403	2 x Additional Consultants as per email from HM. Agreed by HB - Genral Surgery	250
PCT	fin-448	Develop mental health services to support targeted groups to prevent mental illness. from Star Chamb	300
MSG	fin-452	Clydach Ward	1,039
HB Wide	MP-In06	Nurs Staffing Investment Above NSA	1,800
Total			21,224



Investments	CURRENT ASSESSMENT
	£M
Cancer	2.0
Pathways	1.0
Population Health	1.0
Impact of CTM BBC SLA disaggregation	3.8
HASU/Stroke	0.5
Nursing Investments (Service Changes above NSA)	1.8
Service Delivery/Schemes	1.6
Additional SDEC	2.3
Total	13.9

Detail of £3.8M against CTM BBC SLA Disaggregation

SLA type	Service	SLA Reference	FYE figure at 22/23 prices £M	LTA Impact £M	Net Impact £M
Clinical	Breast Services @ NPTH	CC-SB-001	1.9	- 1.1	0.8
Clinical	Trauma and Orthopaedics @ NPTH	CC-SB-006	3.8	- 2.9	0.9
Clinical	Orthotics	SERVICE-SB-013	0.2	-	0.2
Clinical	Criminal Justice Liaison & Prison in reach	SERVICE-SB-018	0.3	-	0.3
Clinical	Criminal Justice Liaison	SERVICE-SB-019	0.2	-	0.2
Corporate	ICT - Informatics	CORP/001	1.5	-	1.5
TOTAL			7.8	- 4.0	3.8



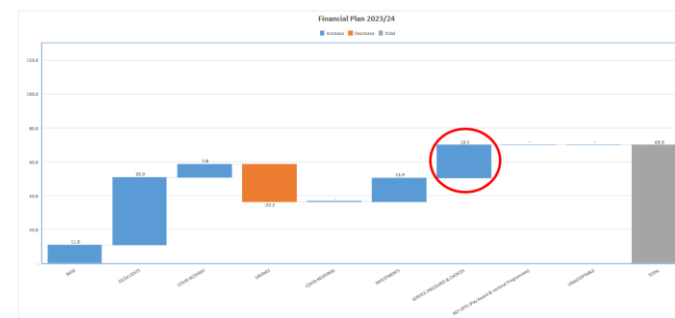
Type	£'000	£'000
Fully Committed:		
1. Primary Care Prescribing Drugs	8,100	
2. CHC General & Mental Health	4,274	
3. Learning Disability Direct Allocation	2,078	
Total		14,452
Other		
1. Digital to Support Service Change	2,525	
2. Service Developments Underway	1,097	
3. Service Developments 2023/24	583	
4. Rebanding Staff In Progress	239	
5. Budget Adjustments required to Support Services	578	
Total		5,022
Total		19,474

Fully Committed:

- Since 2020/21 the Health board has funded £5.6m of PC Prescribing via COVID. In 2022/23 this was disputed by WG and was funded through the release of the Annual Leave Accrual. In addition the Health Board also supported a further £3m of funding in 2022/23 to support growth which will be needed in 2023/24, in addition to the 2023/24 inflation and demand growth.
- CHC costs listed here will continue to be incurred in 2023/24 and the £4.2m is to provide a recognition in the budget for this growth in cost pressures.
- The Health Board is given direct funding from other Health Boards who commission Learning Disability services from SBUHB. Where historically the service has underspent the funding has not been returned to the commissioners. However from 2023/24 if we do not spend the specific funding it will need to be returned. Therefore either way will require funding of £2m.

Other:

- Of the remaining £5m which is not within the fully committed category this is either partly committed or is required to support work already in progress.
- Whilst some of this spend may be 'choices' further work would be required by the service to understand in full the impact of not providing the financial support.



HEALTH BOARD FINANCIAL PLAN 2023/24 – UNACCEPTABLE OPTIONS

	Area	Original £M	Likely £M	Impact
Health Board	1. Stop All Variable Pay (OT / Agency / Bank / WLI / ADH) less element within Run Rate Reduction assumptions	56.00	18.00	Severely reduced bed capacity, reduced theatre activity and no Waiting List initiatives. Failure to meet targets Could be sub options. Would result in emergency, urgent and cancer care only potentially
	2. NICE – reduction in implementation of new NICE drugs	2.50	-	Slower access to drug therapies for patients. Criticism for not complying with national guidance
	3. Limit Growth in Primary Care Prescribing to remain within 22/23 expenditure	3.00	-	Potential reduced access to drug therapies for patients. Practical problems with implementation
	4. Reduce access to CHC placement to limit growth	2.10	-	Reduced quality of care for patients
	5. Reduce general consumable spend by capping spend with Theatre Non Pay and specialist implants (assume 10% reduction in actual spend linked to reduction in Variable Pay Costs)	1.50	1.58	Longest waiting patients will wait longer with consequential deterioration in clinical condition
	6. COVID Recovery planned care funding utilised to support deficit (£18.8m less Q1 costs £6m)	12.80	12.80	Significantly reduced access to diagnostic, OP, IP and DC treatment – failure to meet targets
	7. Apply Savings Target to all Primary Care Contracts	4.00	-	Break ring fence rules, difficult to implement, reduced patient access to some services passing reliance on to secondary care and likely to be resisted
	8. All TTP funding utilised to support deficit	2.40	1.89	Contrary to national guidance, risk of lack of tracking of affected individuals
	9. 50% Mass Vaccination funding utilised to support deficit	2.80	1.84	Contrary to national guidance and would reduce level of health protection across the population and vulnerable groups
	10. No Investments (slide 12 £13.9 less CTM SLA) or Recurrent NSA (£2m)	12.10	7.15	NSA contrary to NHS duties and reduced investments could increase risk in key service areas and result in higher costs in more expensive part of the care system
	11. Change Headroom Ward Establishments from 26.9% to 21%	3.70	2.78	26.9% Headroom made up of 17.8% for annual leave; 4.8% study leave; 4.3% sickness. Removal of 5.9% need to taken sickness and study leave down by 65% for value within 26.9%. Given sickness in HB is at 8% this would be an 5.2% reduction in sickness.
WG	12. Re-instatement of Income from Prescriptions (based on Items Issues) - part year effect from 01/10/23	21.69	10.85	
	13. Re-instatement of Car Parking Charges - part year effect from 01/10/23	1.03	0.52	
	14. Charging for DNA/Missed Appointments in Primary & Secondary Care	TBC	TBC	
	TOTAL	125.63	57.40	

Risks & Opportunities				
	Optimistic £M		Pessimistic £M	
Opening Deficit Plan Value		69.9	-	69.9
<u>Expenditure</u>				
WHSSC	-		4.6	
LTA Varaince Commissioniner/Provider Net Impact	-	2.6	4.5	
2023/24 Non Delivery over 2.5%	-		6.3	
Prescribing above plan	-		2.4	
Slippage on Investment	-	3.0	-	
CHC Growth Above Plan	-		3.0	
Operational Pressures Not Retained within Planning Assumptions	-		13.9	
2019/20 Budget Setting Impact on PC Contract Funding	-		1.7	
Transitional Beds Pathway 5 (further 3 months)	-		0.5	
Waste Legislation	-		1.0	
Increase Overseas Nursing Above December Requirements of £3.7m	-		1.0	
Reduction in Inflation / Energy	-	3.0	-	
Sub Total		- 8.6		39.0
Deficit Plan After Expenditure Risks & Opportunities		61.3		108.8
<u>Income</u>				
COVID Response 23/24 Not Funded	-		21.2	
Sub Total		-		21.2
Deficit Plan After Income & Expenditure Risks & Opportunities		61.3		130.0

HEALTH BOARD FINANCIAL OUTLOOK – YEAR 1-3

	£M	£M	£M
Section 1: 2022/23 Impact Into 2023/24 (Underlying Issues)			
b/f Underlying Deficit From Previous FY	-	69.9	71.6
Savings = Prior year recurring gap	0.0	-	-
Run Rate =Prior Year recurrent overspend	11.0	-	-
COVID = Transitional Costs £32.6 + Cleanign Standards £1.9m	21.2	-	-
Total	32.2	69.9	71.6
Section 2: 2023/24 New Cost Pressures			
National	8.4	2.9	2.8
Inflation	19.1	8.6	10.6
Demand Growth	13.2	12.3	12.3
Annual National Pay Award - Estimate	25.0	25.0	25.0
National COVID Programmes	11.5	-	-
Extraordinary Pressures (Energy & RLW)	22.3	- 5.3	- 5.0
Total	99.5	43.4	45.7
Section 3: Health Board Choices			
Net Impact Assessment Cost Pressures & Investment Decisions Phase 1	19.5	- 5.7	-
Investment Decisions FYE 22/23 & New 23/24 Phase 2	13.9	3.5	3.5
COVID Recovery Local	22.9	- 7.7	-
COVID Recovery Regional	21.0	-	-
Total	77.3	- 9.9	3.5
Section 4: Savings			
New Year Savings Target (set 3.5% each year)	- 22.2	- 22.2	- 22.2
Total	- 22.2	- 22.2	- 22.2
Section 5: Allocations/Income Assumptions			
WG Allocation - core	- 11.6	- 5.8	- 5.8
WG Allocation - other Allocation Letter Adjustments	- 1.0	-	-
WG Allocation - Annual National Pay Award	- 25.0	- 25.0	- 25.0
Extraordinary pressures funding	- 10.5	-	-
COVID recovery costs Regional	- 21.0	-	-
COVID recovery costs - Local	- 15.2	-	-
COVID National Programmes - WG Funding	- 11.5	-	-
COVID Transition	- 21.2	21.2	-
Total	- 117.0	- 9.6	- 30.8
Deficit/(surplus) for year	69.9	71.6	67.8

WORKINGS				
	Year 1	Year 2	Year 3	
	£m	£m	£m	£m
National Cost Pressures - core				
Microsoft Licence additional contribution	1.1	1.3	1.5	
NWSSP Workforce Systems	0.3	-	0.5	
NWSSP SLE additional contribution	-	-	-	
NWSSP WRP additional contribution	3.4	0.2	0.5	
NWSSP Scan4Safety Recharge	0.3	0.0	0.0	
NWSSP Oracle	0.0	0.0	0.0	
LINC/RISP/Digital - all Wales business cases	1.3	1.3	1.3	
Nurse Staffing Act - Paediatrics	-	-	-	
Nurse Staffing Act - Mental Health	-	-	-	
Nurse Staffing Act - Other	2.0	-	-	
Total	8.4	2.9	2.8	
Inflation Cost Pressures				
General Non Pay Inflation	7.9	- 2.0	-	
GP Prescribing	1.0	1.0	1.0	
NICE inflation	1.0	1.0	1.0	
Secondary Care Drugs	3.0	3.0	3.0	
PCT (CHC & FNC)	2.1	2.0	2.0	
MH Packages of Care	2.5	2.0	2.0	
External Providers – WHSSC @ 1.5%	1.2	1.2	1.2	
External Providers – EASC @ 1.5%	0.4	0.4	0.4	
External Providers – Local contracts @ 2.8% - net provider so assume neutral	-	-	-	
Total	19.1	8.6	10.6	
Growth Cost Pressures				
GP Prescribing	3.2	3.2	3.2	
NICE drugs growth	3.7	3.7	3.7	
NICE drugs NPTS	1.5	-	-	
PCT (CHC & FNC)	1.3	1.3	1.3	
MH Packages of Care	0.8	1.4	1.4	
External Providers – WHSSC new developments	2.0	2.0	2.0	
External Providers – EASC new developments	0.5	0.5	0.5	
External Providers – Velindre Trust new developments	0.1	0.1	0.1	
Total	13.2	12.3	12.3	
National Cost Pressures - extraordinary				
Energy/fuel increases - extraordinary	11.5	- 5.0	- 5.0	
NWSSP Laundry Recharge	0.3	- 0.3	-	
Real Living Wage - Care Homes and Dom Care 2022/23	3.0	-	-	
Real Living Wage - Care Homes and Dom Care 2023/24	7.5	-	-	
Total	22.3	- 5.3	- 5.0	
Investment				
Remove AMSR	-	- 2.7	-	
Remove OSN	-	- 3.0	-	
Total	-	- 5.7	-	



Following the submission of the AO letter on the 28th February a reply has been received from WG:

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

Mark Hackett
Chief Executive
Swansea Bay University Health Board

mark.hackett@wales.nhs.uk



Llywodraeth Cymru
Welsh Government

Our Ref: JP/BS/SB

16 March 2023

Dear Mark

Swansea Bay University Health Board - Annual Plan 2023/24

Thank you for your Accountable Officer letter, dated 28 February, which sets out a range of financial, strategic planning and savings delivery risks. I note that the Board has been unable to develop a three-year Integrated Medium Term Plan (IMTP) that satisfies its statutory duties under the NHS Finance (Wales) Act 2014. You will be required to submit an annual plan by 31 March 2023.

Your letter reflects an assessment at a point in time and your Board will be aware that the level of financial deficit is not an acceptable position and further progress will be expected. I recognise the challenges of the current operating environment and context which are translating into the current planning landscape, including industrial action, operational pressures, social care challenges, the inflationary pressures and impact of COVID. Given this prevailing outlook organisations will be considering a range of difficult choices and the Board will need to set out and understand those choices and decision points as part of the plans going forward. It is crucial that the Board is clear on what plans will deliver and the choices that will be made to deliver the required financial improvement.

Financial plans are also a reflection of the service and workforce challenges at a point in time. It is essential that there is clarity on what are certain and definite issues and what represent risks that could be mitigated or tackled with different solutions.

The Finance Delivery Unit (FDU) and Welsh Government Officials have undertaken touchpoints with all organisations to consider draft financial positions. Detailed feedback has been provided and included issues related to variation and consistency where further progress is expected prior to final plan submissions.

The Board will need to be fully apprised of the implications of the plans presented to them, in terms of whether they are able to approve the plan, and if not, what is the Board proposing to do. The Board should be clear on their statutory position and understand the significance of submitting an IMTP or an annual plan.

As leaders we have set out the expectation and support for greater system working across organisations. Chief Executives have a clear determination to deliver change on a wider regional and national basis. I welcome this commitment and look forward to seeing the progress and impact of that work when your plans are submitted on 31 March.

Yours sincerely

Judith Paget CBE

cc: Nick Wood, Deputy Chief Executive NHS Wales
Samia Edmonds, Planning Programme Director

The last paragraph on the first page refers to the feedback provided following the Touchpoint meeting held in February. The comments received from the FDU and the progress against these are provided in Appendix 1 of this paper.

1

The management of the Financial Plan into the 2023/24 Budgets will be clearly articulated in the **Budgetary Management Revenue Resource Limit & Plan 2023/24** document, which is summarised on the next 3 slides. The full paper will be shared with the organisation at Management Board in May 2023.

1. Overarching Principle

Core principle for 2023/24 is where possible all funding will be issued to the Service Groups/Budgets Holders to ensure they are clear from 1st April what funding they are accountable for, against which they will need to **deliver a balance position**. Therefore with the exception of some items listed in section 3 all elements of the plan will be issued.

A letter to each of the Service Directors and Corporate Directors will be issued prior to the closedown of Month 1 in w/c 1st May, which will articulate the following:

- Principles of the plan for 2023/24;
- Recurrent Budget c/f from 2023/24 for each area;
- Funding allocated to the service area linked to national growth and inflations as agreed by the Board;
- Funding agreed by the Board on cost pressures and choices;
- Savings target for 2023/2024;
- Copy of the Budgetary Management Revenue Resource Limit & Plan

2. Deficit

To allow the approved funding to be issued to the Service Groups/Directorates the Health Board will need to create a deficit budget to offset the funding within the Financial Ledger. This deficit will equal the finally agreed plan. The deficit plan will then be phased across the year to reflect the planned tapering of run rate and the balance remaining as per below:

	Run Rate £M	Plan £M	Trajectory 2023/24 Based on Plan £M
Mth 1	3.0	4.9	7.9
Mth 2	3.0	4.9	7.9
Mth 3	2.0	4.9	6.9
Mth 4	1.0	4.9	5.9
Mth 5	1.0	4.9	5.9
Mth 6	0.4	4.9	5.3
Mth 7	0.3	4.9	5.2
Mth 8	0.3	4.9	5.2
Mth 9	-	4.9	4.9
Mth 10	-	4.9	4.9
Mth 11	-	4.9	4.9
Mth 12	-	4.9	4.9
Total	11.0	58.9	69.9

3. Management of 2022/23 Impact Into 2023/24

- Savings – Anticipated that no unmet brought forward savings and all budgetary actions to ensure this is correctly reflected in the ledger. Therefore, adjustments to these budgets must be actioned prior to the finalisation of the Month 1 position in early on 9th May 2023.
- Run Rate – A central budget of £11m will be created to reflect the agreed overspend on a reducing basis in the first 8 months of 2023/24. This will be issued as part of the opening budget on a non recurrent basis to support the tapered run rate profile as per the Board approved Financial Plan. From Month 9 onwards this will then be balanced.
- COVID Transition – please refer to Section 7 below.

4. 2023/24 New Cost Pressures

- **National** – these will be allocated prior to Month 1 closedown to the areas where the funding will be incurred up to the maximum reflected in the plan.
- **Inflation** - these will be allocated prior to Month 1 closedown to the areas where the funding will be incurred up to the maximum reflected in the plan, with the exception of following areas which will be allocated as per below:
 - **General** – the total set aside in the plan will be allocated prior to Month 1 closedown based on the 2022/23 non-pay at Month 11.
 - **Secondary Care Drugs** - the total set aside in the plan will be allocated prior to Month 1 closedown based on the 2022/23 secondary care drugs outturn at Month 11 (excluding NICE).
 - **NICE Drugs** – both Growth investment and inflation as per the plan will be allocated to the central NICE Reserve. From here all NICE funding will be issued each month based on actual usage. The latter two points above may result in a notional NICE ‘savings’, which will be part of the overall NICE forecast to the end of the Financial Year.
- **Growth** - these will be allocated prior to Month 1 closedown to the areas where the funding will be incurred up to the maximum reflected in the plan (for NICE please refer to NICE in section above).
- **Extraordinary Pressures** – each area will be treated differently depending on funding source:
 - **Energy** – this will be allocated to the relevant Budget areas based on the planning figures from Month 1. However, where there is a material reduction in the cost of energy the funding will be withdrawn and offset against the wider Health Board Deficit position on a recurrent basis.
 - **Real Living Wales (RLW)** – this is to be funded by WG and the funding will be issued to the Service Groups based on their assessment on the impact on a monthly basis for 2023/24. With budgets allocated offset by an anticipated allocation from WG each month.

4. 2023/24 New Cost Pressures Continued:

- **National COVID Programmes**
 - Vaccination & Health Protection – This will be managed in the same manner as all WG in year funding/allocations for projects (refer to section 7).
 - PPE – assumed at this point the same process will be put in place in 2023/24. With budgets allocated offset by an anticipated allocation from WG each month.
 - Long COVID/Nosocomial Funding - This will be managed in the same manner as all WG in year funding/allocations for projects (refer to section 7).

5. Choices, Investments & Service Pressures

- **Phase 1 Bottom Up Assessment Choices** - these will be allocated to the relevant Service Group/Directorate as part of budget upload process to be managed by the relevant Budget Holder.
- **Phase 2** - these will be allocated to the relevant Service Group/Directorate as part of budget upload process to be managed by the relevant Budget Holder with the exception of:
 - **CTM SLA** – this will be only be allocated as the SLA disinvestment commences.
 - **Cancer** – this will be passed to NPTS Service Group for the Cancer Board to manage.
 - **Population Health and Pathways** – will be retained and updates on utilisations provided to the Performance & Finance Committee;
 - **COVID Recovery** – this will be held centrally and allocated out as required each month up to the maximum of the funding within the plan and updates on utilisations provided to the Performance & Finance Committee each month.
 - **Additional Operating Capacity & Service Delivery Schemes** – this will be held centrally until the capacity or service is up and running later in 2023/24.

6. Savings

Target set for 2023/24 (slide 9) will be issued out to areas as part of the opening budgets and it is expected this will be apportioned equally in 12ths over the financial year.

7. In Year Allocations

The Health Board will receive allocations once the Financial Year has commenced, referred to as In-Year Allocations. The basic principles for the management of these allocations are summarised below:

- **Historic In Year Allocation** – where WG allocate funding on an annual but non recurrent basis, such as Substance Misuse, the annual budgets are already committed. In these instances, the allocation is treated as an anticipated income in the starting plan and the budget are already allocated to the Budget Holder(s). Therefore, on receipt of the In-Year allocation the income within the plan moves from anticipated to received and is added to the Health Board Revenue Resource Limit.
- **Additional Uplifts for Primary Care Contracts** – where national uplifts are agreed for GMS, GDS and Pharmacy contracts these uplifts are allocated directly to the PCT Service Group.
- **Additional Allocations Non-Recurrent** – where new funding is received from WG this will initially be held in Main reserve. Before being passed to the relevant service area in the next available closedown period for the Service Group to manage.
- **Additional Allocation Recurrent** – as per Non-Recurrent but will only be issued recurrently once the funding is confirmed in the annual allocation letter received December each year.

8. Pay Award

- **2023/24 pay uplift** will be allocated to budget holders once both the pay deal has been agreed. The principles to be adopted in the Health Board will be a transparent and equitable across all Budget Holder areas but the total quantum allocated remaining within the funding envelope provided by WG.
- **2022/23 recurrent element pay award** - issued at the start of the following financial year once the value is confirmed in the annual allocation letter. The principle will be to allocate the funding to budgets holders on an equitable basis up to the maximum funding provided by WG.

9. Central Reserves

For transparency and to maintain integrity over the plan with the exception of specific funding listed below there is NO further funding held within central reserves as all funding will have been issued with the exception of:

- NICE (refer Section 4)
- In Year WG Funding (refer Section 7)
- Choices, Investments & Service Pressures Phase 2 (refer Section 5)

10. Additional funding requests above Plan

As detailed in section 9 there will be no central reserves to support ad hoc investments that will arise in year, funding from central finance can only be released to service areas through increasing the Health Board's deficit position. Therefore, to ensure compliance with Health Board Standing Financial Instructions and maintain strong governance and accountability any requests for ad hoc investments outside of the agreed plan due to urgent in year issues **MUST** be approved by the Board. This approval will recognise the need to for a formal increase in the deficit, either in year or recurrently.

For noting, until Central Finance has received formal confirmation directly from the Board on the agreement to increase the Health Board deficit no funding will issued to the Service Groups/Directorates.

Budgetary Management Revenue Resource Limit & Plan 2023/24 – Appendix 1 sets out the full process for requesting additional funding above that allocated in the plan.

11. Financial Recovery

The deficit within the Plan is significant and presents a high risk to the Health Board. The Deficit Plan has not been approved by WG and so every effort must be made to reduce spend and the deficit. Where this is achieved funding may be clawed back, via agreement with the Budget Holders, to reduce the centrally held deficit.



CAPITAL



Bwrdd Iechyd Prifysgol Bae Abertawe

TÎM CYLLID

FINANCE TEAM

Swansea Bay University Health Board



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board

Financial context:

- Financial balance is required over 3 years for our IMTP to be approved – this was achieved for our 2022-2025 IMTP.
- We are aiming for breakeven in 2022-23 The pressure to retain a balanced capital position remains fragile as there is very little remaining flexibility in the programme to manage emerging service and infrastructure risks.
- Updating our 2023-24 financial plan, and the forecast spend estimates for the All Wales Capital Programme (AWCP) has been completed. Further work on prioritisation of major capital schemes linked to the Estate Strategy is being undertaken by a Board led Task & Finish Group. Initial meetings held 22 February and 14 March. Two further meetings will be held to finalise work for Board approval in May 2023.
- Contains a high level assessment of year 1 capital requirements from GMO T1 priorities.

Key financial challenges:

- Significant national capital funding constraints.
 - 2022/23 national reduction in core capital funding 24%/£100m. Local impact £2.7m reduction. Plans from Welsh Government will provide a 50% reduced impact in 2023/24, local impact £1.3m reduction.
 - Additional national slippage funding provided during Q3 2022/23 was much lower than expected from previous years, meaning little headway made with high-risk backlog equipment replacement as would normally have been expected.
- Additional discretionary contributions to support key strategic enablers during 2022/23 (AMSR Enfys, Fracture Clinic and NPT Orthopaedic theatres) will continue to have an adverse impact on the 2023/24 programme. £1.8m national funding for the replacement Morryston SPEC-CT (Gamma Camera) utilised to mitigate these local discretionary contributions during 2022/23, need to be repaid to the project in 2023/24.
- Continuing upward price inflation across the market for all aspects of capital spend, including building schemes, medical and digital equipment.

CAPITAL PLAN – INITIAL 2023/24 DISCRETIONARY (SUMMARY)

Allocation	Opening Plan	Less Funding Provided 2022-23	Less Approved National Funding	Less Charitable Funds Available	Less Potential National Funding	Updated Plan	Option 1	Option 2	Option 3	Final Draft Proposed Plan
							Less Potential Adjustments (Risk Score 16 & below)	Less Revenue Funding Option available via lease (IFRS 16) / Short-Term Lease	Less Temporary On-Hold	
£000										
A Revised discretionary funding	-9,832	0	0	0	0	-9,832	0	0	0	-9,832
B Income Adjustments	-2,416	0	0	0	0	-2,416	0	0	0	-2,416
C Commitments	35,130	-202	-25,136	0	0	9,793	0	0	0	9,793
D Refresh & Other Allocations	10,665	-897	-173	-63	-290	9,243	-5,822	-946	-727	1,748
E IMTP Choices	3,415	0	0	0	-434	2,981	0	0	-2,274	707
Total -Under / Over Commitment	36,962	-1,099	-25,309	-63	-724	9,768	-5,822	-946	-3,001	-0

- **Section A.** Initial draft discretionary income £9.8m includes 50% uplift to 2022/23 national 25% reduction.
- **Section B.** Income adjustments, include recovery of previously expended business case fees from the AWCP and potential disposal proceeds.
- **Section C.** Commitments fairly certain and include fixed contractual element for NPT PFI contract £2.5m [note: starts to reduce significantly from 2025/26 and ends 2027/28].
- **Section D.** Refresh allocations for the existing fixed asset base include risk assessed bids provided by the services units and corporate departments with oversight provided by the Capital Prioritisation Group. Also refresh programmes for major programmes (digital services infrastructure & devices, estates backlog maintenance, imaging equipment). Options provided for revenue leases and temporary hold related to service expansion.
- **Section E.** IMTP choices. Contains a high level assessment of year 1 capital requirements from GMO T1 priorities.
- Draft position without any adjustments **£9.7m over allocated resources.**
- **Options to provide a balanced position;**
 - 1] Removal of risk score 16 £5.8m,
 - 2) Revenue funding lease options £0.9m
 - 3) Temporary hold on service expansion requests £3m (includes c£1m OR1s to NPT, is also a possible lease option).
 - Overall position would be extremely fragile as only provides a £75k contingency.



CAPITAL PLAN – INITIAL 2023/24 DISCRETIONARY (DETAILED HEADINGS)

	Opening Plan	Less Funding Provided 2022-23	Less Approved National Funding	Less Charitable Funds Available	Less Potential National Funding	Updated Plan	Option 1	Option 2	Option 3	Final Draft Proposed Plan
							Less Potential Adjustments (Risk Score 16 & below)	Less Revenue Funding Option available via lease (IFRS 16) / Short-Term Lease	Less Temporary On-Hold	
£000										
Refresh & Other Allocations										
<i>Digital Services</i>										
Infrastructure & Cyber Security (High)	358					358				358
Infrastructure & Cyber Security (Medium)	100					100	-100			0
Infrastructure & Cyber Security (Low)	300					300	-300			0
Digital Devices (High)	900	-560				340			-240	100
Digital Devices (Medium)	700					700	-700			0
Digital Devices (Low)	1,000					1,000	-1,000			0
<i>Estates</i>										0
Estates Infrastructure (High & Significant Risks)	820					820	-320		-150	350
<i>Clinical Area Works - CPG Risks</i>										0
Clinical Area Works - Risk 25	0					0				0
Clinical Area Works - Risk 20	790				-290	500				500
Clinical Area Works - Risk 16	286	-25	-173	0	0	88	-88			-0
Clinical Area Works - Risk 9 to 15	10	0	0	0	0	10	-10			0
<i>Medical Equipment Replacement - CPG Risks</i>										0
Medical Equipment Replacement - Risk 25	225	0	0	-63	0	162				162
Medical Equipment Replacement - Risk 20	1,639	-153	0	0	0	1,485	0	-946	-337	203
Medical Equipment Replacement - Risk 16	2,938	-159	0	0	0	2,779	-2,779			0
Medical Equipment Replacement - Risk 9 to 15	525	0	0	0	0	525	-525			-0
<i>Others</i>						0				0
Cefn Coed Disposals Costs	0					0				0
Facilities	0					0				0
Imaging	0					0				0
Contingency	75					75				75
D Sub Total	10,665	-897	-173	-63	-290	9,243	-5,822	-946	-727	1,748
Total -Under / Over Commitment	33,548	-1,099	-25,309	-63	-290	6,787	-5,822	-946	-727	-707

Section D. Refresh Allocations, £9.2m

- Refresh allocations for the existing fixed asset base include risk assessed bids provided by the services units and corporate departments with oversight provided by the Capital Prioritisation Group (CPG).
- Further work commissioned by CPG to assess bids with risk score 25 and 20.
- Also refresh programmes for major programmes (digital services infrastructure & devices, estates backlog maintenance, imaging equipment).
- As in previous years, options to adjusting for risk score 16 and 15 and short-term lease and longer terms lease (implications for IFRS 16 Lease accounting standard), **reduces requirement to £1.7m**



CAPITAL PLAN – INITIAL 2023/24 DISCRETIONARY (DETAILED HEADINGS)

	Opening Plan	Less Funding Provided 2022-23	Less Approved National Funding	Less Charitable Funds Available	Less Potential National Funding	Updated Plan	Option 1 Less Potential Adjustments (Risk Score 16 & below)	Option 2 Less Revenue Funding Option available via lease (IFRS 16) / Short-Term Lease	Option 3 Less Temporary On-Hold	Final Draft Proposed Plan
£000										
IMTP Choices										
<i>Digital Services</i>						0				0
Health Records Scanning Project	874					874			-874	-0
Health Records Centralisation	150					150			-150	0
WCCIS	701				-334	367				367
BI Strategy - CDR -national requirement	150					150			-150	0
Discretionary - Feasibility Remote Monitoring	50					50			-50	0
Discretionary - Feasibility e-observations	50					50			-50	0
<i>GMOs Tier 1 Priorities</i>										0
Urology Services NPT - Development of OR1 in NPT to support the transfer of Urology activity to NPT from Morriston.	1,000					1,000			-1,000	0
Development/Refurbishment of Paediatric wards inc HDU and paed's burns facilities Morriston Hospital - discretionary capital scheme (DESIGN FEES ONLY)	100				-100	0				0
<i>Other Choices</i>										0
Morriston Land Flood Alleviation	340					340				340
E Sub Total	3,415	0	0	0	-434	2,981	0	0	-2,274	707
Total -Under / Over Commitment	36,962	-1,099	-25,309	-63	-724	9,768	-5,822	-946	-3,001	-0

Section E. IMTP Choices £0.7m

- Contains a high level assessment of year 1 capital requirements from GMO T1 priorities.
- Digital services business cases to support local and national requirements.
- Morriston land flood alleviation to avoid claim for flooding to residential accommodation.

- The combination of significant equipment backlog maintenance, continuing ambitious service change/recovery projects and national funding constraints, mean difficult choices are likely to be required to achieve a balanced opening 2023/24 capital plan.
- Further work required to assess additional GMO requests.
- Overall draft position without any adjustments **£9.7m over allocated resources**. Potential adjustments for risk score 15s and 16s and other funding sources could reduce over commitment to a balanced position, but with significant risk of the plan moving to an unbalanced position during the year without additional WG funding.



Appendices



APPENDIX 1 – SUMMARY FDU FEEDBACK & ACTIONS TAKEN TO DATE



No.	Areas	Question	Response & Mitigating Actions
1.	No areas of reduced spend have been recognised.	Are there any projects due to come to an end? Were there any areas of higher than anticipated costs in 2022/23 that are non-recurrent? E.g. The cost of the additional bank holiday.	Any reductions in spend will have been recognised through the assessment of the Long List and netted off the initial requirements. Areas like the additional bank holiday for which there was N/R funding will not have been captured in future years.
2.	Clarity on the additional activity since 2019/20	I have attached a spreadsheet setting out the changes in certain service drivers since 2019/20 as reported nationally. It would be helpful to have a clear picture of the additional activities that are driving the increase in Health Board spend since 2019/20.	Further work is required through 2023/24 to understand the correlation between activities, LTA Performance and expenditure.
3.	Appendix 2 indicates that the £11m underlying deficit is organisation is proposing to have a £3m per month underlying deficit in M01 reducing to £0m per month by month 8.	My understanding of Appendix 2 is that the monthly spend in relation to the Non-COVID underlying deficit is £3m per month in M01, reducing to £0m per month by month 8. Is my understanding correct? What processes and controls have / will be put in place to deliver the reduction in the excess run rate to £0m by month 8?	There are a number of actions in place to support the required Run Rate Reduction: <ul style="list-style-type: none"> • Health Board Run Rate Workshop 15th February with senior clinical and non-clinical staff from across the Health Board. • Appointment of further support for Morrision Service Group to deliver the opportunities identified by the Independent Financial Specialist in place since September 2023. • Establishment of 5 Clinical Work Streams led by Clinicians to deliver efficiencies and run rate reductions by 30% with first round meetings to be held in March/April. • External Consultants to focus on Non Pay in Theatre including Orthopaedics. • Development of an Unacceptable List of options to improve the deficit position being developed by the Executive Team.
4.	Inflation levels	There is significant variation in inflation assumptions across Wales. What evidence base supports the inflation assumptions used by the Health Board? Have procurement colleagues provided any evidence from contract renewals or annual updates?	Level of inflationary uplift agreed on an all Wales basis and applied to the current financial plan.
5.	Volume growth	There is significant variation in growth assumptions across Wales. What evidence base supports the inflation assumptions used by the Health Board? Have procurement colleagues provided any evidence from contract renewals or annual updates?	There has been an assessment of the growth items for CHC and PC Prescribing using trend analysis over the last 3 financial years to make an assessment of the values. Where necessary these have been amended. For NICE an assessment is undertaken jointly between Finance and Pharmacy to look at horizon scanning both in new drugs and also changes in current drugs both volume and pricing. This is built into the NICE costs for 23/24.



APPENDIX 1 – SUMMARY FDU FEEDBACK & ACTIONS TAKEN TO DATE CONT.

6.	CHC	The combined volume and price growth are at the higher end of the assumptions made across Wales. <i>(Assumes that Mental Health Packages of Care are included as part of the CHC spend line)</i> What is the basis for the inflation and growth rates used?	As per comments above. Value of CHC has been reduced following work mentioned above which has been undertaken post the Touchpoint review in February.
7.	Secondary care drugs	The increase in secondary care drugs costs are towards the higher end of the assumptions across Wales. What is the basis for the inflation and growth rates used?	This is based on an inflationary increase and pressures within the wider budgets.
8.	SB have identified a significant level of in year investments, which is higher than other organisations. Appreciate this is a point in time view and there will be further scrutiny of these items.	How does the Board consider the affordability criteria and their statutory duty to deliver a balanced plan as part of their decision making process? Does the Return on Investment / Expected value of the avoided risk justify the spend? What assumptions are made regarding the speed of recruitment, procurement and delivery of these investments? Can the investment be delayed?	Since the Touchpoint meeting the list of investments have been reduced further following a number of reviews and demonstrated in the reconciliation provided to the Board in the paper on 22 nd March. There will also be further work undertaken as per point number 3 above.
9.	The presentation identifies £17.5m of unavoidable changes.	Is it possible to have a breakdown of any of these items (if still included)? Why are these changes unavoidable?	The list has been refined considerably since the Touchpoint meeting and the HB can provide WG with details on any item of the plan as required once the plan and choices have been finalised at the end of March 2023.
10.	The presentation identifies £21.7m of Further Review and HB Choices	Is it possible to have a breakdown of any of these items (if still included)?	As per comments above
11.	The explanations for the increase includes £11m for sickness cover and £10m for other embedded service changes and beds.	The sickness cover pressure is higher than reported by other Health Boards and accounts for c. 3% of the spend on Medical and Dental and Nursing and Midwifery. Which staff groups will be covered by agency / bank in the event of COVID-19 sickness? What are the assumptions regarding sickness rates for 2023/24 made by the Workforce team?	Further work will be required with WG on the assessment of the £212m of costs attributed to long term impact of COVID. With the risk of not receiving that income included as a Risk in the plan.
12.	SB note that there are an additional 195 beds open while the data submitted by SB to DHCW suggests that SB have fewer beds available in 2022/23 than in 2019/20.	Can you reconcile the additional beds open to the data provided to DHCW. Does this change the bed base pressure calculation?	Linked to point 11 above



APPENDIX 1 – SUMMARY FDU FEEDBACK & ACTIONS TAKEN TO DATE CONT.

13.	SB highlight other Service Change pressures that may not be related to beds (below)	<p>In particular in relation to the largest areas:-</p> <ul style="list-style-type: none"> • Children’s Emergency Department (Nursing & medical) £3.5m • Additional Staffing Medical & Nursing ED £2.0m • SDEC Surgical/SDMU £1.5m <p>What are the service drivers for the costs? What is the additional activity being undertaken by the additional staff members?</p>	<p>The values included in the plan relate to the additional pay costs to support the establishment of these service areas on a permanent basis, which have arisen as a consequence of actions put in place to support COVID. They will provide additional clinical space to support patient flow across the Morriston site. The costs relate primarily to medical and nursing staff.</p> <p>The aim of CEU and SDEC is provide a better patient experience and improved flow via the front door, whilst providing treatment in an appropriate setting. Plus SDEC will also allow for a reduction in LOS and admissions also linked to the HB strategic programme on the Acute Medical Services Redesign which centralises medical admission to Morriston.</p>
14.	A wide ranging opportunities framework has been presented but a limited number of saving schemes have been identified to date.	<p>What is the current confidence level that the planned savings can be achieved? Is there appropriate ownership for delivering the opportunities spread across the leadership team?</p> <p>Is the organisation confident that it has a robust programme management arrangements in place to manage the delivery?</p>	<p>SB is currently on track to deliver £29m of savings in 2022/23. This is the second year in a row the HB has achieved delivery of this level. This is linked to the continued focus by the Board on the need to achieve savings which is supported by the Saving PMO Team who are driving the delivery through reporting, engagement and workshops with the service.</p> <p>For 2023/24 the approach will be strengthened further with improved governance around the Savings Programme.</p> <p>Therefore, the Board can take a level of confidence in the ongoing work programme which has achieved £60m in the last 2 years.</p> <p>Whilst the Plan will not have the full programme of savings schemes identified by 31st March the programme in 2022/23 and been a steady identification of schemes throughout the year.</p> <p>Of note there is recognition on the level already delivered and so the savings target has reduced from £27m to £23.6m in 2023/24.</p>
15.	Limited choices have been reported by the organisation so far.	Is the organisation making progress in identifying any further areas where non-core operational activity may be scaled back?	The detail provided in point 3 above should provide the detail on the work being undertaken to reduce Run Rates and look at disinvestments across the Health Board.
16.	WHSSC have identified £7.6m of pathway savings target to be delivered jointly with Health Boards and providers.	Will SB be contributing to this saving delivery?	Work on delivering savings will be undertaken in collaboration with WHSSC overseen by the Joint Management Board.

APPENDIX 2A CAPITAL PLAN – INITIAL 2023/24 DISCRETIONARY (DETAILED HEADINGS)

	Opening Plan	Less Funding Provided 2022-23	Less Approved National Funding	Less Charitable Funds Available	Less Potential National Funding	Updated Plan	Option 1 Less Potential Adjustments (Risk Score 16 & below)	Option 2 Less Revenue Funding Option available via lease (IFRS 16) / Short-Term Lease	Option 3 Less Temporary On-Hold	Final Draft Proposed Plan
£000										
Allocation										
Discretionary Funding	-8,496					-8,496				-8,496
50% Uplift to 22-23 baseline reduction	-1,336					-1,336				-1,336
A Revised discretionary funding	-9,832					-9,832	0		0	-9,832
Income Adjustments										
Disposal Income (Review Garngoch)	-200					-200				-200
Recovery of Business Case Fees - Already with WG	-1,143					-1,143				-1,143
Recovery of Business Case Fees - Morriston Access Road (City Deal)	-960					-960				-960
Recovery of Business Case Fees - Morriston Mngt Centre (City Deal)	-14					-14				-14
Burns /ICU Phase 1 (Shower Tempest)	-100					-100				-100
B Sub Total	-2,416	0	0	0	0	-2,416	0	0	0	-2,416
Total -Under / Over Commitment	-12,248	0	0	0	0	-12,248	0	0	0	-12,248

Section A National funding allocation £9.8m.

- Initial draft discretionary plan 2023/24 £8.5m includes 50% uplift to 2022/23 national reduction.

Section B. Income Adjustments £2.4m

- Potential disposal income £200k
- Recovery of business case fees previously expended through the AWCP £1.143m.
- Assumed mixed funding model £2.3m from the AWCP and the City Deal Campuses business case to support the design of the Morriston access road will provide a repayment to expended design fees of £960k.

APPENDIX 2B CAPITAL PLAN – INITIAL 2023/24 DISCRETIONARY (DETAILED HEADINGS)

	Opening Plan	Less Funding Provided 2022-23	Less Approved National Funding	Less Charitable Funds Available	Less Potential National Funding	Updated Plan	Option 1	Option 2	Option 3	Final Draft Proposed Plan
							Less Potential Adjustments (Risk Score 16 & below)	Less Revenue Funding Option available via lease (IFRS 16) / Short-Term Lease	Less Temporary On-Hold	
£000										
Commitments										
<i>All Wales Capital Programme (AWCP)</i>										
All Wales Capital Programme (AWCP) Repayments & Contractual Commitments	28,373		-23,241			5,132				5,132
Estates Funding Advisory Board (EFAB)										
(EFAB) Backlog Maintenance Project Costs	2,707	-202	-1,895			610				610
<i>Other Commitments</i>										
PFI Lifecycle Contractual Commitment	2,511					2,511				2,511
Project Managers Capital Planning	120					120				120
Project Managers Digital	1,420					1,420				1,420
C Sub Total	35,130	-202	-25,136	0	0	9,793	0	0	0	9,793
Total -Under / Over Commitment	22,883	-202	-25,136	0	0	-2,455	0	0	0	-2,455

Section C Commitments £9.7m

- AWCP repayments include SPEC-CT, Morrison £1.8m, Enfys Void £0.6m, Cladding, Singleton £0.3m & national imaging replacement programme £0.8m. [see next slide for detail of £5.132m]. Some schemes incurred slippage in 2022/23 which needs to be reprovided from the discretionary programme in 2023/24, whereas others such as Cladding and Void above Enfys are overspends against the allocated WG funding.
- EFAB. 30% local and 70% national contribution to support approved WG estates backlog maintenance programme / £7.7m over 2023/24 & 2024/25
- NPT PFI fixed contractual element for lifecycle replacement £2.5m [note: starts to reduce significantly from 2025/26 and ends 2027/28.

All Wales Capital Programme & Discretionary Commitments 2023/24

Project	Funding Source	Approved National Funding	Committed Costs	Discretionary Requirement
Anti-Ligature Funding	WG - AWCP	225	249	24
Cefn Coed Disposals Phase 3	Disc	0	20	20
EMRTS	Disc	0	74	74
Estates Morryston 22-23	Disc	0	150	150
HEPMA - Mental Health & LD	Disc	0	185	185
JIT Theatre Stock Management System	Disc	0	18	18
Morryston Hospital Infrastructure Modernisation – Phase 2 Stage 2	WG - AWCP	12,496	12,926	430
Morryston Server Room	Disc	0	23	23
National Imaging – CT Scanner, NPT	WG - AWCP	740	284	-456
National Imaging – CT Scanner, Singleton	WG - AWCP	-180	470	650
National Imaging – DR Room 3, NPT	WG - AWCP	30	37	7
National Imaging – Gamma Camera, Morryston	WG - AWCP	30	1,848	1,818
National Imaging – MRI Scanner, Morryston	WG - AWCP	-20	644	664
Open Eyes Ophthalmology System	Disc	0	21	21
Proposed Elective Orthopaedics Theatres, NPT	Disc	0	126	126
Reconfiguration/Refurbishment of Learning Disabilities, Dan-y-Deri	Disc	0	362	362
Extension of Solar Farm and Mega Watt Battery Storage	WG - Refit	3,300	3,300	0
Regional Pathology Centre	WG - AWCP	2,206	2,140	-66
Singleton Cladding - Main Works	WG - AWCP	4,414	4,685	271
Void Above Enfys	Disc	0	656	656
WEDCIMS	Disc	0	84	84
Tonna, Older Persons / Roof	Disc	0	70	70
Total		23,241	28,373	5,132