



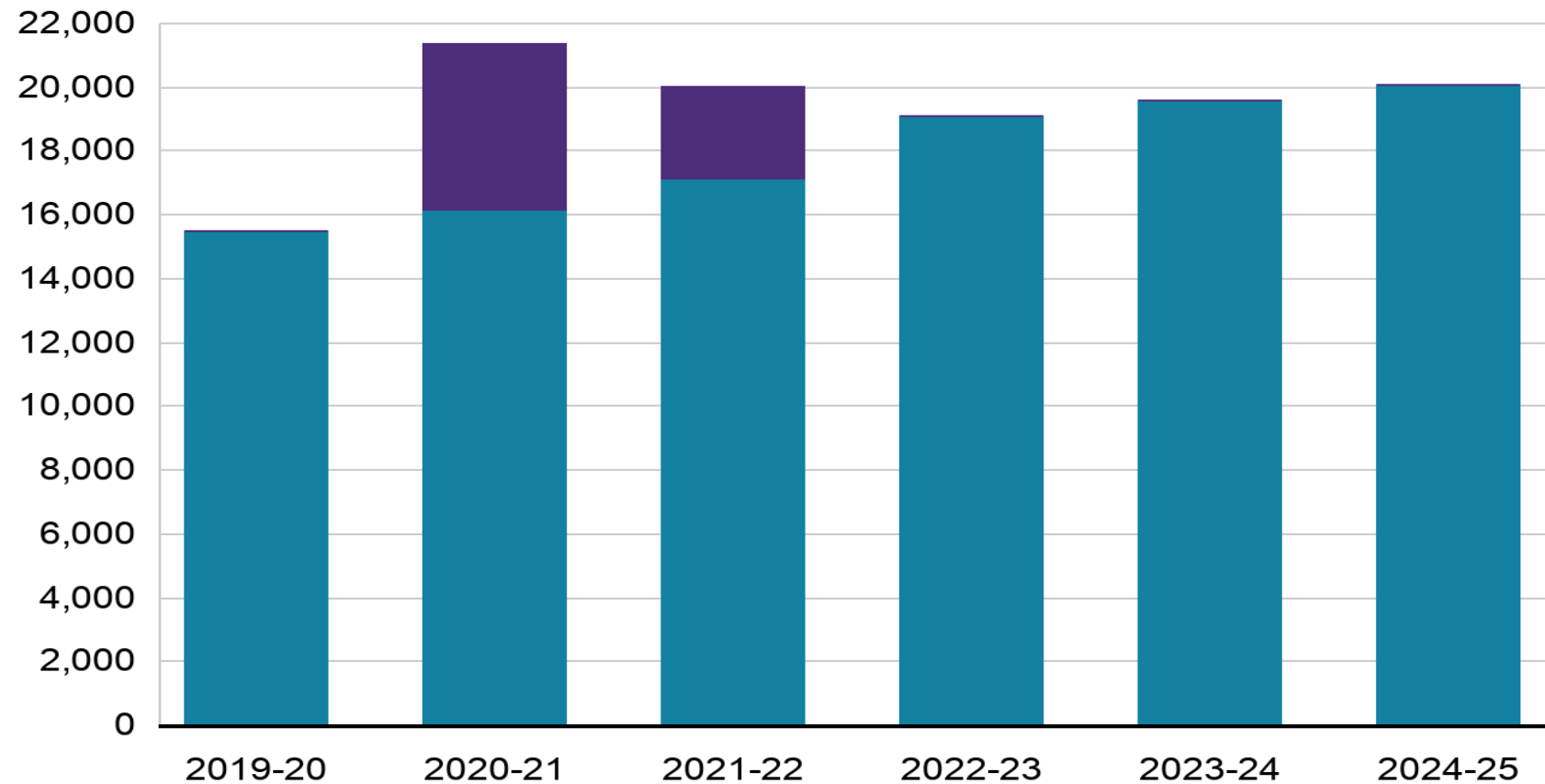
Swansea Bay UHB
2022/23 Revenue Allocation Letter
Issued 21/12/2021



Welsh government day-to-day funding

£million

■ Welsh Government funding for day-to-day spending ■ Covid-19 funding



Source: Cardiff University



- The Revenue Allocation letter for 2022/23 received on 21st December 2022.
- It sets out the initial allocation to Health Boards for 2022/23 to be used to develop plans to deliver against the priorities set out in the NHS Planning Framework.
- This is an initial allocation and additional funding for key priorities will be issued later.
- The core funding increase is to provide NHS organisations recurrent financial stability . Along with expected efficiencies (which as a minimum should be set at the level achieved in 2021/22) this increase should address the impact of the pandemic on underlying financial positions and provide support for new costs pressures which includes the increase in NI contributions.
- Funding provided for ongoing national COVID response programmes and for already confirmed COVID recovery allocations. Other COVID related costs will need to be met from the funding in this allocation.

Headlines

- £1.3bn increase in direct funding over the next 3 years.
- £0.9bn extra for core NHS services in 2022/23. An increase of 10.7% on this years baseline budget, 7.8% real term growth when inflation is taken into account. Total funding of £10.3bn.

Sustainability Funding (recurrent)

- £180m – equivalent of 2.8% core funding uplift which excludes the wage award (1.5% year 2 and 0.75% year 3). £170m to Health Boards (of which £20m ring fenced for Mental Health). £10m for PHW, DHCW, HEIW
- This funding is included in the 2022/23 allocation letter.
- Assumed pass through to provider organisations e.g Velindre Trust, X border flows
- This funding is to support system sustainability (e.g underlying positions, new year cost pressures)

Pay Award (recurrent)

- Funding is not part of the 2022/23 allocation letter
- A provision is being held at WG for 3 years costs
- Organisations are to assume wage award growth and off-setting funding as aprt of their 2022/23 plans

Planned & Unscheduled Care Sustainability Funding (recurrent)

- £170 allocation as per previously notified recurrent allocations – £150m recovery and £20m for planned care
- Consolidated into 2022/23 allocation letter
- Focus on effective utilisation and outcomes as part of ongoing monitoring

COVID-19 Response (non recurrent)

- Provision has been made to fund the national COVID-19 programmes
- Organisations to assume funding for PPE, mass vaccination and test trace protect **only**
- Funding will be made on an actual cost basis during the year and is not included in the 2022/23 allocation letter

Other Funding (recurrent)

- Urgent / Emergency Care - £25m announced in 2021/22 is recurrent with WG policy leads)
- £20m to support value based healthcare (£15m to LHBs)
- £31m to support education and training
- Establishment of a £132m Regional Integration fund (formed by merging ICF and Transformation) funding)

Hospital and Community Health Services and Prescribing Allocation

- £19.59m core uplift (approx. 2.8%)
- Less £0.238m for top sliced services (paramedic bandings and 111 service)
- £2.495m uplift for Mental Health services (approx. 3%)
- £21.6m recovery funding
- UHB allocation share has increased from 12.7% to 13.06%. This applies to new allocations
- Funding is being held centrally for NICE mandated Advanced Therapeutic Medicinal Products

Primary care allocations

- £0.385m (2%) increase for the community pharmacy contract
- GMS and GDS are currently based on 2021/22 levels as contract negotiations are still ongoing.

	21/22 Allocation Letter £m	22/23 Allocation Letter £m	Movement £m
HCHS & Prescribing Discretionary Allocation	616.924	646.906	29.982
HCHS Ring Fenced Allocation	161.11	195.866	34.756
Directed Expenditure	5.857	9.754	3.897
Total HCHS and Prescribing Allocation	783.891	852.526	68.635
GMS Contract	65.069	65.069	0
Community Pharmacy Contract	21.482	21.867	0.385
Dental Contract	21.476	22.497	1.021
Total Revenue Resource Limit	891.918	961.959	70.041

- The Health Board Revenue Allocation has increased by £70.041m.
- Much of this increase reflects in-year allocations in 2021/22 being made recurrent.
- There is an uplift of £22.085m to support 2021/22 price and demand increases, less £0.238m top slice to support All Wales priorities.
- The key movements are explored on following slides

HCHS & PRESCRIBING DISCRETIONARY ALLOCATION

	2022/23 £m	
HCHS & Prescribing Discretionary Allocation 2021/22	616.924	
<i>Baseline Adjustments :</i>		
MPK for civilians	0.087	Actioned non-recurrently in 2021/22
Local Optometric Advisor role	0.013	Actioned non-recurrently in 2021/22
Junior Doctor Rota Management	0.051	Funding to enable pass through
DCHW SLA Hosting income loss	0.091	Funding to enable pass through
Shared Services	-0.255	Currently managed through invoices
21/22 Pay Award	10.642	Actioned non-recurrently in 2021/22
<i>Top Slicing :</i>		
Paramedic Banding	-0.204	
111 Service	-0.034	
<i>Additional Recurrent Funding :</i>		
Core Uplift 22/23 (2.8%)	19.590	
HCHS & Prescribing Discretionary Allocation 2022/23	646.905	

- The 2022/23 HCHS & Prescribing Discretionary Allocation has increased by £29.981m.
- The key allocation changes are :
 - Core Uplift for price and demand pressures £19.59m. The impact of pay uplifts will be centrally funded.
 - Recurrent support for 2021/22 pay award above the 1%.
 - Additional Top-slice for national priorities (£0.238m)
 - A number of other non-recurrent allocations have been made recurrent within the allocation which is positive in terms of service sustainability.
 - Allocation transfers have also been actioned to allow commissioner pass through of costs.

	21/22 £m	22/23 £m	Movement £m
Learning Disabilities	22.904	22.904	0.000
Mental Health Services	92.500	96.850	4.350
Renal Services	8.662	8.662	0.000
Palliative Care Funding	0.377	0.377	0.000
ICF - Older People	5.224	0.000	-5.224
ICF - LD & Complex Needs	2.590	0.000	-2.590
ICF - Children	1.942	0.000	-1.942
ICF - Autism	0.398	0.000	-0.398
Top Sliced - Paramedic Banding	0.926	1.130	0.204
Top Sliced - Clinical Desk Enhancements	0.064	0.064	0.000
Top Sliced - Genomics	0.723	0.723	0.000
Critical Care Funding	1.572	1.572	0.000
Treatment Fund	2.033	2.033	0.000
Depreciation	21.196	21.196	0.000
Planned & Unscheduled Care Sustainability		21.601	21.601
VBHC		1.959	1.959
Regional Integration Funding		16.796	16.796
Total Ring Fenced Allocation	161.111	195.867	34.756

- The 2022/23 HCHS Ring Fenced Allocation has increased by £34.756m.
- The key allocation changes are :
 - Mental Health Services £4.035m. This increase comprises of £2.495m 3% core uplift for prices and demand and 21/22 allocation for MH Improvement Fund, Crisis Care and Specialist CAMHS made recurrent.
 - Top Slice £0.204m. This is simply an alignment of some of the top sliced services which form part of the ring fenced allocation.
 - Critical Care funding has not increased to reflect the funding allocated in 2021/22 for PACU. This will be reviewed with WG.
 - ICF funding has been removed from the allocation and replaced with the Regional Integration Fund, which also incorporates Transformation funding. The potential impact of this is explored in more detail on subsequent slides.
 - Planned & Unscheduled Care Sustainability (formally Recovery Funding) has been issued recurrently.
 - VBHC funding has been provided to support high value interventions to improve outcomes.

	21/22 £m	22/23 £m	Movement £m
Infrastructure SIFT	4.245	4.245	0
SIFT, PHLS, R&D & PGDME Depreciation	0.304	0.304	0
Blood Borne Virus treatment	0.11	0.11	0
Assistive Technology	0.035	0.035	0
All Wales Specialist Paediatric Lymphoedema Nurse	0.06	0.06	0
National Lymphoedema Funding	0.4	0.4	0
PH&W Co-ordinators	0.124	0.124	0
Endomitriosis	0.051	0.051	0
Quality & Care	0.525	0.525	0
Velindre COO and other support	0.001	0.001	0
Cancer Network SLA transfer		1.143	1.143
Swansea Graduate Entry		2.296	2.296
Swansea Clinical Medical School		0.459	0.459
Total Directed Expenditure	5.855	9.753	3.898

- The 2022/23 Directed Expenditure Allocation has increased by £3.898m.
- This increase relates to services that were previously actioned via invoice being moved to allocation.

	2021/22 £m	2022/23 £m	Movement £m
GMS Contract	65.069	65.069	0
Community Pharmacy Contract	21.482	21.867	0.385
Dental Contract	21.476	22.497	1.021

- The majority of the increase in the Primary Care contract allocations related to prior year adjustments.
- The Community Pharmacy Contract increase reflects the 2021/22 additional contract funding of 2%.
- The Health Board anticipates supplementary allocations would be issued to support the 2021/22 contractual uplifts.