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Bwrdd Iechyd Prifysgol  
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Swansea Bay University  
Health Board



<b>Meeting Date</b>	<b>31 March 2022</b>	<b>Agenda Item</b>	<b>3.5</b>
<b>Report Title</b>	<b>2022-23 Long Term Agreements (LTAs) and Service Level Agreements (SLAs)</b>		
<b>Report Author</b>	Geraint Norman, Head of Strategic Financial Planning Chris Stevens, Head of Commissioning		
<b>Report Sponsor</b>	Darren Griffiths, Director of Finance and Performance		
<b>Presented by</b>	Darren Griffiths, Director of Finance and Performance		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	This paper outlines progress agreeing the 2022-23 LTAs and SLAs and requests approval as required by the Health Board's standing orders and the approach to revisit costs in 2022-23.		
<b>Key Issues</b>	Under Welsh Health Circular 2021/034 there is a requirement for all 2021-22 inter-Welsh NHS Long Term Agreement (LTAs) and Service Level Agreements (SLAs) to be approved by 30 June 2022.		
<b>Specific Action Required (please choose one only)</b>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
			<b>Approval</b>
			<input checked="" type="checkbox"/>
<b>Recommendations</b>	The Board are asked to approve the LTAs and SLAs set out in this report in line with WHC 2021/034 and the Health Board's standing orders.		

## **2022-23 Long Term Agreements (LTAs) and Service Level Agreements (SLAs)**

### **1. INTRODUCTION**

Under Welsh Health Circular 2021/034 there is a requirement for all 2022-23 inter-Welsh NHS Long Term Agreement (LTAs) and Service Level Agreements (SLAs) to be approved by 30 June 2022. This deadline is in line with previous years.

Under Standing Order Schedule 06 - Standing Financial Instructions, there is a requirement for LTAs and SLAs to be approved by the Board. This report sets out the current position across the LTAs, clinical SLAs and corporate SLAs which require approval by the Board.

For all LTAs and SLAs, monitoring and invoicing arrangements are in place between Swansea Bay UHB (SBUHB) and the various NHS bodies. Further 'disaggregation' of the clinical and corporate SLAs are being considered which will cover services, workforce and financial considerations.

The Board is requested to approve the LTAs and SLAs set out in this report.

### **2. BACKGROUND**

#### **LTAs**

As set out in Tables 1 and 2 below, the Health Board has a number of LTAs with Welsh NHS bodies for the provision of secondary healthcare services. All 2022-23 SLAs have been updated to include a 2.8% 'inflation' uplift and any other service developments. Welsh Government directed pay award funding has not been confirmed at the time of writing and will be added to LTAs in-year. A force majeure narrative has been included in all Welsh LTAs for 2022-23 to cover block or other arrangements that may be extended upon agreement by All Wales Directors of Finance, as a result of ongoing service disruption due to Covid-19. SBUHB also contracts with English NHS bodies and these agreements are not subject to the requirements of Welsh Health Circular 2021/034 so are not included in the table below.

**Table 1: SBUHB Provider LTAs**

<b>NHS body</b>	<b>2021-22 SBUHB Income</b>	<b>2022-23 SBUHB Income</b>	<b>Commentary</b>
Aneurin Bevan UHB	£860,411	£884,502	Pending final agreement
Cwm Taf Morgannwg UHB	£17,629,901	£17,717,440	Pending final agreement
Cardiff and Vale UHB	£4,043,094	£4,139,643	Pending final agreement
Powys Teaching UHB	£8,173,918	£8,399,974	Pending final agreement
Hywel Dda UHB	£36,188,293	£37,110,783	Pending final agreement
WHSSC	£116,801,808	£120,099,044	Pending final agreement
<b>TOTAL</b>	<b>£183,697,425</b>	<b>£188,351,387</b>	

**Table 2: SBUHB Commissioner LTAs**

<b>NHS body</b>	<b>2021-22 SBUHB Expenditure</b>	<b>2022-23 SBUHB Expenditure</b>	<b>Commentary</b>
Aneurin Bevan UHB	£196,597	£202,071	Pending final agreement
Cwm Taf Morgannwg UHB	£26,059,540	£26,784,714	Pending final agreement
Cardiff and Vale UHB	£3,518,025	£3,611,195	Pending final agreement
Powys Teaching UHB	£1,078,341	£1,108,535	Pending final agreement
Hywel Dda UHB	£4,575,468	£4,703,581	Pending final agreement
Velindre NHS Trust	£505,680	£513,830	Pending final agreement
<b>TOTAL</b>	<b>£35,933,622</b>	<b>£36,923,926</b>	

**Clinical SLAs**

Following the Bridgend Boundary Change on 1 April 2019, 87 clinical SLAs between SBUHB and Cwm Taf Morgannwg UHB (CTMUHB) were created to ensure that patient services were not disrupted by the organisational change. Since the boundary change 36 clinical SLAs have ceased and 9 new clinical SLAs have been created. At 1 April 2022, 60 clinical SLAs remain with a number expected to cease during 2022-23 as notice of cessation is served, in particular in relation to the Neath Port Talbot Hospital clinical capacity SLAs; SBUHB will provide some £15,801,495 of services to CTMUHB in 2022-23 with £3,261,989 of services provided by CTMUHB to SBUHB. (\*figures subject to final confirmation)

The clinical SLAs listed in Appendix 1 and Appendix 2 have drafted in conjunction with service representatives, and financial information agreed by both parties. All service-type clinical SLAs include an overhead charge. Where

there have been changes to existing clinical SLAs, or creation of new SLAs, these have been approved by the relevant Heads of Service/Directors. There are some potential changes that have not yet been signed-off by both parties; in this scenario the 2021-22 arrangements remain as the default with discussions to continue in early 2022-23 regarding any possible amendments.

Any amendments can be made in-year following sign-off by the Joint Contracting and Commissioning Group which reports to the SBUHB/CTMUHB Joint Executives Group.

There will be considerable changes to these SLAs in 2022-23 as part of our strategic direction around the use of NPTH and our increase in capacity for recovery as well as the intention for CTMUHB to develop more locality services. These will be achieved through the Joint Executive Group (SBUHB and CTMUHB).

## **Corporate SLAs**

As a result of the Bridgend Boundary Change (BBC), in 2019-20 there were 21 corporate SLAs between SBUHB and CTMUHB. Twelve corporate SLAs remain in place for 2022-23. SBUHB will provide some £2.0m of services to CTMUHB with £1.5m of services coming the other way.

The corporate SLAs listed in the table below have been drafted by the services and are subject to final agreement - the financial information has been checked. All corporate SLAs include a 5% charge for overheads. The SLAs will be approved by the relevant Heads of Service/Directors and the Director of Finance & Performance. For a number of SLAs, further work is required and others have a variable cost element. Of particular note are the following SLAs:

- Digital Services – there is ongoing dialogue between SBUHB and CTMUHB to disaggregate this SLA. A plan is currently being developed and agreed but the work involved in disaggregating the SLA is significant, including the consideration of Transfer of Undertakings (Protection of Employment) (TUPE) for some staff. Any disaggregation presents a significant financial risk to SBUHB as it will be difficult to reduce expenditure in line with the reduction in income. Disaggregation of this SLA also requires significant resources from CTMUHB and presents a number of service risks. There is a joint working group set-up to agree an action plan and timescales.
- Estates - Utilities – this includes energy costs which are currently very difficult to predict. The actual cost of the SLA is likely to be significantly greater than that set out in the table below.

- Patient Registration – this SLA remains unsigned for 2020-21 and 2021-22 as CTMUHB have been unable to draft the document. We are in an implied contract due to the fact that the invoices have been paid without dispute and the service is being provided. This has been escalated to Executives.

There is a considerable financial risk of some £1.2m in the disaggregation of the Digital Services SLA as CTM’s current plan is to end this SLA on 31 March 2023. There is a need to recognise this risk and ensure it is managed.

**Table 3 - Corporate SLAs**

SLA	Summary of service	2022-23 CTM Income	2022-23 SBUHB
Digital Services	SBUHB provision of ICT services to CTMUHB.		£1,853,297*
Patient Registration	CTMUHB provision of patient registration services for NPT patients.	£70,910	
Estates - CTM buildings maintenance	CTMUHB provision of maintenance to CTMUHB buildings at Glanrhyd occupied by SBUHB.	£394,341	
Estates - SB buildings maintenance	CTMUHB provision of maintenance to SBUHB buildings at Glanrhyd occupied by SBUHB.	£128,313	
Estates – Utilities	CTMUHB recharge of utilities costs based on actual costs.	£360,055*	
Estates - Grounds Maintenance	CTMUHB provision of grounds maintenance at Glanrhyd.	£23,479	
Estates – Waste Management	CTMUHB provision of waste management for SBUHB services at Glanrhyd.	£22,974	
Facilities – Glanrhyd/ PoW services (5 SLAs)	CTMUHB provision of facilities services for SBUHB services at Glanrhyd.	£444,458	
Workforce – Occupational Health **	SBUHB provision of Occupational Health services for Bridgend locality (likely to end 30-9-22)	£19,883*	£45,204
Finance – Counter Fraud	SBUHB provision of Counter Fraud services to CTMUHB.		£155,509
Finance – Glanrhyd Cash Office	SBUHB provision of cash office services at Glanrhyd.		£1,507
<b>Total</b>		<b>£1,464,411</b>	<b>£2,055,516</b>

\*SLA value to be confirmed

\*\* SLAs expected to cease Sept 2022 but values quoted are FYE

### 3. ONGOING REVIEW OF SLA COSTS AND INCOME

SLAs have been subject to scrutiny during 2021-22, both at service level and through the Joint Contracting and Commissioning Group, to ensure that they continue to be fit for purpose, resulting in a number of SLA amendments and cessations for 2022-23.

This process will continue for 2022-23 with review of SLA costs and income to ensure SLAs are aligned with resources, demand and capacity. Any SLA amendments or cessations, following review, will feed into the 2023-24 SLA process.

#### **4. GOVERNANCE AND RISK ISSUES**

Under Welsh Health Circular 2021/034 there is a requirement for all 2022-23 inter-Welsh NHS LTA) and SLAs to be approved by 30 June 2022. The LTAs have been agreed within the all-Wales framework. The format and processes for agreeing the SLAs with CTMUHB was approved by the Joint Executive Group and legal advice was taken on the SLA template.

The risks within each LTA and SLA are managed through the services. Any significant service, workforce or finance risks will be raised with Contracting and Commissioning Group and the SBUHB Executive Team.

For 2022/23 there are currently two key risks which may impact on the IMTP linked directly to the SLA's:

- Financial risk of >£1.2m linked to the disaggregation of the Digital Services SLA as CTM's current plan is to end this SLA on 31 March 2023.
- Potential financial risk on CTM SLA's linked to the strategic direction around the use of NPTH and our increase in capacity for recovery.

Both of these will be reflected as a risk within the IMTP for 2022-2025.

#### **5. FINANCIAL IMPLICATIONS**

The financial implications of the 2022-23 LTAs and SLAs are set out in this report. In summary:

- For LTAs, as a provider SBUHB will receive £188,351,387 and as a commissioner will spend £36,923,926.
- For clinical SLAs, as a provider SBUHB will receive £15,801,495 and as a commissioner will spend £3,261,989. This all relates to CTMUHB and is subject to final confirmation.
- For corporate SLAs, as a provider SBUHB will receive £2.0m and as a commissioner will spend £1.5m. This all relates to CTMUHB and will be subject to change during the year.

The value of the LTAs and SLAs is subject to change during the year.

#### **6. RECOMMENDATION**

The Board are asked to approve the 2022-23 LTAs and SLAs set out in this report in line with WHC 2021/034 and the Health Board's standing orders.

## Appendix 1

### 2022/23 Clinical SLA values – Swansea Bay provider / Cwm Taf Morgannwg commissioner

Service	SLA ref	2021/22 SLA value £	2021/22 Amended SLA value £	2022/23 SLA - FYE figure with 2.8% uplift £
Breast Services	CC-SB-001	1,814,444	1,814,444	1,865,248
Cardiology	CC-SB-002	455,389	455,389	468,140
General Surgery	CC-SB-003	754,401	754,401	775,524
Gynaecology	CC-SB-004	726,699	726,699	747,047
Ophthalmology	CC-SB-005	56,508	56,508	58,090
Trauma and Orthopaedics	CC-SB-006	3,657,680	3,657,680	3,760,096
Urology	CC-SB-007	11,504	3,845	-
Neurology	MS-SB-001	33,192	33,192	34,122
General Medicine	MS-SB-002	16,991	16,991	17,467
Gynaecology	MS-SB-003	66,385	66,385	68,243
Rheumatology	MS-SB-004	49,788	22,644	-
Neonatal consultant 2 sessions - clinical lead role	MS-SB-005	33,192	33,192	34,121
Neonatal consultant 2 sessions - POWH	MS-SB-006	-	20,825	34,121
Cellular pathology / cytology / histology / Immunohistochemistry	PATH	4,524,904	4,524,904	4,651,601
Chronic Pain	SERVICE-SB-001	50,369	50,369	51,779
Substance Misuse	SERVICE-SB-002	11,176	11,176	-
Radiology	SERVICE-SB-003	130,159	130,159	133,804
GP OOH	SERVICE-SB-004	1,626,787	741,092	-
Nuclear Medicine	SERVICE-SB-005	272,727	272,727	280,363
Radiation Protection	SERVICE-SB-007	46,055	46,055	47,345
CDS Special Needs	SERVICE-SB-008	6,431	6,431	6,611
Lymphoedema	SERVICE-SB-009	292,144	292,144	300,324
Nutrition & Dietetic Services (generic)	SERVICE-SB-011	54,522	54,522	-
Podiatry - community	SERVICE-SB-012	358,982	358,982	369,034
Orthotics	SERVICE-SB-013	204,930	204,930	210,668
Neuro-Physiology	SERVICE-SB-014	110,186	110,186	113,271
Attention deficit/hyperactivity disorder (ADHD) and Autistic spectrum disorder (ASD)	SERVICE-SB-015	17,795	17,795	18,293
PUPIS	SERVICE-SB-016	21,324	21,324	21,921
Tier 3 Eating Disorder Service (MH/LD)	SERVICE-SB-017	22,150	22,150	22,771
Criminal Justice Liaison & Prison in reach	SERVICE-SB-018	270,082	270,082	277,644
Criminal Justice Liaison	SERVICE-SB-019	148,281	148,281	152,433

<b>Service</b>	<b>SLA ref</b>	<b>2021/22 SLA value £</b>	<b>2021/22 Amended SLA value £</b>	<b>2022/23 SLA - FYE figure with 2.8% uplift £</b>
Paediatrics - NDD	SERVICE-SB-022	158,974	158,974	163,425
Rehab Engineering	SERVICE-SB-025	22,516	22,516	23,147
Pulmonary rehabilitation	SERVICE-SB-026	659,821	659,821	678,296
Pharmacy - aseptic/WAST supplies/homecare/medical gas testing	SERVICE-SB-027	49,969	49,969	12,842
Physiotherapy - Shockwave	SERVICE-SB-029	2,524	2,524	2,594
Neonatal Bayleys clinics	SERVICE-SB-036	6,895	6,895	7,088
Post vasectomy semen analysis	SERVICE-SB-037	14,412	14,412	14,815
Sexual health	SERVICE-SB-038	215,050	215,050	221,071
Rheumatology DMARDS and Biologics monitoring	SERVICE-SB-039	-	18,733	-
Chemocare Maintenance	SERVICE-SB-040		-	7,491
Local audiology service	STAFF-SB-001	28,657	28,657	29,459
Vestibular Assessment	STAFF-SB-002	8,597	8,597	8,838
Obstetrics/maternity services (NPT)	STAFF-SB-003	17,194	17,194	17,675
Neonatal unit	STAFF-SB-005	24,306	24,306	24,986
Radiology - Mammography sessions from NPTH provided at POWH	STAFF-SB-008	61,115	61,115	62,826
Pharmacy (generic) Blood Bourne Virus	STAFF-SB-010	6,674	6,674	6,861
Cardiology - MINAP	STAFF-SB-015	2,695	1,301	-
	<b>TOTAL</b>	<b>17,124,575</b>	<b>16,242,240</b>	<b>15,801,495</b>

\* subject to final confirmation

## Appendix 2

### 2022/23 Clinical SLA values – CwmTaf Morgannwg provider / Swansea Bay commissioner

Service	SLA Category	Signed 2021/22 SLA value £	Amended SLA value for 2021/22 £	2022/23 SLA - FYE figure with 2.8% uplift
Cardiology	CC-CTM-001	84,838	84,838	87,214
Rheumatology	CC-CTM-002	598,444	272,169	-
Clinical Haematology	CC-CTM-003	208,569	208,569	214,409
Renal	CC-CTM-004	82,360	82,360	84,666
Neurology	CC-CTM-005	120,766	120,766	124,147
Ophthalmology	CC-CTM-006	174,424	174,424	179,308
Oral and maxillofacial Surgery	CC-CTM-007	489,805	489,805	503,519
MCAS	CC-CTM-008	89,536	89,536	92,043
Restorative Dentistry	CC-CTM-009	339,215	339,215	348,713
Vascular Surgery	CC-CTM-010	174,624	174,624	179,513
Anaesthetics	MS-CT-002	922,112	922,112	947,931
Midwifery Service (generic)	MS-CT-003	33,192	33,192	34,122
Cardiology	MS-CT-004	66,385	66,385	68,243
Radiology	MS-CT-006	210,772	149,919	148,430
Colposcopy and Hysteroscopy	MS-CT-008	24,894	27,208	27,970
Paediatrics Consultant - Neurodevelopment service	MS-CT-009		34,575	85,304
Radiology	SERVICE-CT-001	38,535	38,535	39,614
Cardiology	SERVICE-CT-002	1,413	747	-
Medical cover for ward A in NPT	SERVICE-CT-003	52,242	52,242	53,705
Mental Health Family Therapy	SERVICE-CT-004	5,603	5,603	-
Cardiac physiology	SERVICE-CT-006	232,742	136,457	-
CDS Taith Newydd / Caswell Clinic	SERVICE-CT-007	13,165	13,165	13,534
Radiology	STAFF-CT-003	32,551	29,110	29,603
Dermatology - McMillan nurse and cancer tracking	STAFF-CT-010	5,731	-	-
	<b>Total</b>	<b>4,001,918</b>	<b>3,545,556</b>	<b>3,261,989</b>

\* subject to final confirmation

<b>Governance and Assurance</b>		
<b>Link to Enabling Objectives</b> <i>(please choose)</i>	<b>Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities</b>	
	Partnerships for Improving Health and Wellbeing	<input checked="" type="checkbox"/>
	Co-Production and Health Literacy	<input checked="" type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input checked="" type="checkbox"/>
	<b>Deliver better care through excellent health and care services achieving the outcomes that matter most to people</b>	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input checked="" type="checkbox"/>
	Excellent Staff	<input checked="" type="checkbox"/>
	Digitally Enabled Care	<input checked="" type="checkbox"/>
Outstanding Research, Innovation, Education and Learning	<input checked="" type="checkbox"/>	
<b>Health and Care Standards</b>		
<i>(please choose)</i>	Staying Healthy	<input checked="" type="checkbox"/>
	Safe Care	<input checked="" type="checkbox"/>
	Effective Care	<input checked="" type="checkbox"/>
	Dignified Care	<input checked="" type="checkbox"/>
	Timely Care	<input checked="" type="checkbox"/>
	Individual Care	<input checked="" type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
<b>Quality, Safety and Patient Experience</b>		
Quality, safety and patient experience factors have been considered as part of the SLAs and management of the LTAs and SLAs by services will monitor outcomes during 2022-23. The Commissioning & Contracting Group is in place to review overall performance and this reports to the Joint Executive Group.		
<b>Financial Implications</b>		
The financial implications of the LTAs and LTAs are set out in Tables 1-3 and Appendix 1 and 2. A summary is set out in Section 4.		
<b>Legal Implications (including equality and diversity assessment)</b>		
Under Welsh Health Circular 2021/034 there is a requirement for all 2022-23 inter-Welsh NHS LTAs and SLAs to be approved by 30 June 2022. The LTAs have been agreed within the all-Wales framework. The format and processes for agreeing the SLAs with CTMUHB was approved by the Joint Executive Group and legal advice was taken on the SLA template.		
<b>Staffing Implications</b>		
During 2022-23 elements of the Digital Services corporate SLA will transfer to CTMUHB. This transfer involves the TUPE transfer of staff and this process is being managed by the Director of Workforce and OD.		
<b>Long Term Implications (including the impact on the Wellbeing of Future Generations (Wales) Act 2015)</b>		
The LTAs and SLAs are driven by the Health Board's Clinical Services Strategy and supporting strategy and planning processes. The LTAs and SLAs are reviewed annually so there are no longer term implications at this stage.		
<b>Report History</b>	-	
<b>Appendices</b>	Appendix 1 – 2022-23 Clinical SLA values – SB provider Appendix 2 – 2022-23 Clinical SLA values – SB commissioner	