Finance & Performance Committee

Wed 06 July 2022, 09:30 - 12:30

Microsoft Teams

Agenda

09:30 - 09:40
10 min

1. Preliminary Matters

1.1. Welcome and Introductions

Verbal *Chair*

1.2. Apologies for Absence

Verbal *Chair*

1.3. Declarations of Interest

Verbal *Chair*

09:40 - 09:55
15 min

2. Committee Governance

2.1. Finance & Performance Committee's Terms of Reference and Operating Arrangements, as approved by Board

Attachment *Head of Corporate Services, Risk & Assurance*

2.1 Finance & Performance Committee_March2022.pdf (12 pages)

2.2. Committee Priorities for 2022/23

Presentation- to follow *Head of Corporate Services, Risk & Assurance*

2.3. Committee Strategic Risk Report

Attachment *Head of Corporate Governance, Risk & Assurance*

2.3 Finance and Performance Committee Cover Risk Report Jul2022 V1.pdf (5 pages)
2.3a Finance Risks _ June 2022 update FPC.pdf (7 pages)

09:55 - 12:00
125 min

3. Assurance in Respect of Financial Management and Performance

3.1. Financial Performance Report at Month 2, 2022/23, including detailed savings analysis

Attachment *Interim Director of Finance, Procurement and Value/AFD Financial Planning*

3.1 FPC_Board Finance Report _m2_July 2022_final.pdf (26 pages)
3.1a Finance Report Appendices.pdf (20 pages)
3.1b Monitoring Return for Month 02 2022.23.pdf (25 pages)
3.1c Welsh Government Monthly Monitoring Return.pdf (11 pages)

3.2. ABUHB's Sustainability Approach for 2022/23

Attachment *Interim Director of Finance, Procurement and Value*

- 3.2 FPC_ Sustainability Approach 2022.23_July22.pdf (7 pages)

3.2.1. 11:00am- 10 MINUTE COMFORT BREAK

3.3. ABUHB's Efficiency Review and 'compendium' Presentation

Attachment *AFD Financial Planning/Head of Strategic Financial Planning*

- 3.3 F&PC Board report Efficiency Review 6th July 2022 .pdf (7 pages)
- 3.3a Board report July 22 Appendix 1 Opportunites by Theme vs 2.pdf (1 pages)
- 3.3b Board report July 22 Appendix 2 BM by specialty vs2.pdf (1 pages)
- 3.3c Board report July 22 Appendix 3 BM by Planning Priority vs 3.pdf (1 pages)

3.4. Value Based Healthcare Achievement Annual Report 21/22 & Efficiency Opportunities 2022/23

Attachment *Assistant Director of Value Based Health Care*

- 3.4 FPC _Value Achievements_ July 22 (1).pdf (10 pages)
- 3.4a Value-Based Healthcare Annual Report 2021-22 (1).pdf (69 pages)

3.5. 2021/22 Recovery Funding Utilisation Report

Attachment *AFD Hospital Divisions*

- 3.5 Recovery Impact - FPC Report 2022.07.06.pdf (5 pages)

3.6. Variable Pay Savings Plan (Agency Reduction)

Attachment *Director of Workforce & OD*

- 3.6 060722_Variable Pay Reduction June 22 v3.pdf (8 pages)
- 3.6a 060722_Appendix 1 Agency Reduction Action Plan May 2022v2.pdf (4 pages)

12:00 - 12:25
25 min

4. Assurance in Respect of Organisational Performance Management

4.1. Performance Management Dashboard

Presentation- to follow *Director of Planning, Performance, Digital & IT*

12:25 - 12:30
5 min

5. Other Matters

5.1. To confirm any key risks and issues for reporting/escalation to Board and/or other Committees

Verbal *Chair*

5.2. Date of the next Committee meeting is Wednesday 5th October 2022, at 09:30am via Microsoft Teams

Verbal *Chair*

GIG CYMRU NHS WALES

Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

Finance and Performance Committee

Terms of Reference – 2022/23

Version: Approved

Date: March 2022

Document Title:	Finance and Performance Committee Terms of Reference – 2022/23
Date of Document:	March 2022
Current version:	Approved
Previous version:	N/A
Approved by:	Board
Review date:	March 2023

1. INTRODUCTION

1.1 Section 2 of the Standing Orders of the Aneurin Bevan University Health Board (referred to throughout this document as 'ABUHB, the Board' or the 'Health Board') provides that:

"*The Board may and, where directed by the Welsh Government must, appoint Committees of the Health Board either to undertake specific functions on the Board's behalf or to provide advice and assurance to the Board in the exercise of its functions. The Board's commitment to openness and transparency in the conduct of its business extends equally to the work carried out on its behalf by committees*".

1.2 In-line with Standing Orders and the Board's Scheme of Delegation and Reservation of Powers, the Health Board has established a committee to be known as the **Finance and Performance Committee** (referred to throughout this document as 'the Committee'). The Terms of Reference and operating arrangements set by the Board in respect of this committee are set out below.

1.3 The scope of the Committee extends to the full range of ABUHB responsibilities. This encompasses the delivery and performance management of all directly provided and commissioned services.

2. PURPOSE

2.1 The purpose of the Finance & Performance Committee will be to provide advice and assurance to the Board on the achievement of the Board's aims and objectives as set out in its Integrated Medium-Term Plan, in accordance with the standards of good governance determined for the NHS in Wales. In doing so, the Committee will seek assurance that there is ongoing development of an improving performance culture which continuously strives for excellence and focuses on improvement in all aspects of the health board's business, in line with the Board's Performance Management Framework. The Committee will seek assurance that arrangements for financial management and financial performance are sufficient, effective and robust.

2.2 **ADVICE**

The Committee will provide accurate, evidence based (where possible) and timely advice to the Board and its committees in respect of the ongoing development of an improving performance culture which continuously strives for excellence and focuses on improvement in all aspects of the health board's business, in line with the Board's Performance Management Framework.

2.3 **ASSURANCE**

In respect of the achievement of the Boards' strategic aims, objectives and priorities, the Committee will seek assurances:

a. on timely and appropriate access to health care services to achieve the best health outcomes within agreed targets, for directly provided and commissioned services;
b. that services are improving efficiency and productivity and financial plans are being delivered;
c. risks are suitably identified, mitigated and residual risks controlled and corrective actions are taken as required to sustain or improve performance.

3. DELEGATED POWERS AND AUTHORITY

3.1 With regard to specific powers delegated to it by the Board, the Committee will play a key role in monitoring the achievement of the Board's strategic aims, objectives and priorities and will:

A. Seek assurance that arrangements for **financial management** and **financial performance** are sufficient, effective and robust, including:

- the allocation of revenue budgets, based on allocation of funding and other forecast income;
- the monitoring of financial performance against revenue budgets and statutory financial duties;
- the monitoring of performance against capital budgets;
- the monitoring of progress against savings plans, cost improvement programmes and implementation of the efficiency framework;
- the monitoring of budget expenditure variance and the corrective actions being taken to improve performance;
- the monitoring of activity and financial information for external contracts to ensure performance within specified contract terms, conditions and quality thresholds;
- the monitoring of arrangements to ensure efficiency, productivity and value for money, including delivery of the Health Board's Efficiency Framework; and
- the monitoring of delivery against the agreed Discretionary Capital Programme

B. Seek assurance that arrangements for the **performance management** and **accountability** of **directly provided** and **commissioned services** are sufficient, effective and robust, including:
    - the implementation of the Board's Performance Management Framework, enabling appropriate action to be taken when performance against set targets deteriorates, and support and promote continuous improvement in service delivery;
    - the monitoring of performance information against the Board's Priorities and Objectives and associated outcomes;
    - the monitoring of performance information against National Outcome Frameworks, including the NHS Wales Outcomes Framework, the Public Health Outcomes Framework and the Social Services Outcomes Framework, developed in-line with the Wellbeing of Future Generations Act and the Social Services Wellbeing Act;
    - the monitoring of performance information across directly provided services including scheduled care, urgent and emergency care, medicine, family and therapies, primary, community care and mental health services;
    - the monitoring of performance information across commissioned services including Primary Care Contractors, complex care, specialist mental health and CAMHS services, WHSCC, EASC and NHS Wales Shared Services Partnership;
    - the monitoring of poor performance through effective and comprehensive exception reporting, including trajectories for improved performance; and
    - the review of performance through comparison to best practice and peers and identifying areas for improvement.

C. Seek assurance that arrangements for **information management** are sufficient, effective and robust, including:
    - the monitoring of information related objectives and priorities as set out in the Board's IMTP and Annual Priorities;
    - the monitoring of the implementation and application of information related legislation, policies and standards, including GDPR and Freedom of Information;
    - the review of arrangements to protect the integrity of data and information to ensure valid, accurate, complete and timely data and information is available for use within the organisation;
    - the reporting of data breaches, incidents and complaints, ensuring lessons are learned;
    - the recommendations arising from national and local audits and self-assessments, including assessment against the Caldicott Standards; and

- the monitoring of arrangements to support the continued development of business intelligence and capacity.

D. Seek assurance that arrangements for the **performance management** of **digital and information management and technology (IM&T) systems** are sufficient, effective and robust, including:
   - the monitoring of digital related objectives and priorities as set out in the Board's IMTP and Annual Priorities; and
   - the monitoring of the annual business plan for IM&T.

E. Seek assurance that arrangements for the **performance management** of **capital**, **estates and support services related standards and systems** are sufficient, effective and robust, including:
   - the monitoring of capital and estates related objectives and priorities as set out in the Board's IMTP and Annual Priorities;
   - the monitoring of compliance with Health Technical Memorandums;
   - the monitoring of progress in delivery Board-approved capital business cases and programmes of work.

3.2 The Committee will consider and recommend to the Board for approval those policies reserved for the Board and delegated to this Committee for review, in-line with the Board's Policy Management Framework and Scheme of Delegation and Reservation of Powers.

3.3 The Committee will seek assurances on the management of strategic risks delegated to the Committee by the Board, via the Corporate Risk Register.

Authority

3.4 The Committee is authorised by the Board to investigate or have investigated any activity within its terms of reference. In doing so, the Committee shall have the right to inspect any books, records or documents of the Health Board relevant to the Committee's remit and ensuring patient/client and staff confidentiality, as appropriate.

The Committee may seek any relevant information from any:
- employee (and all employees are directed to cooperate with any reasonable request made by the Committee); and
- any other committee, sub committee or group set up by the Board to assist it in the delivery of its functions.

3.5 The Committee is authorised by the Board to obtain outside legal or other independent professional advice and to secure the attendance

of outsiders with relevant experience and expertise if it considers it necessary (subject to the Board's procurement, budgetary and any other applicable standing requirements).

Access

3.6 The Head of Internal Audit shall have unrestricted and confidential access to the Chair of the Committee.

3.7 The Chair of the Committee shall have reasonable access to Executive Directors and other relevant senior staff.

Sub Committees

3.8 The Committee may, subject to the approval of the Board, establish sub committees or task and finish groups to carry out on its behalf specific aspects of Committee business.

Committee Programme of Work

3.9 Each year the Board will determine the Committee's priorities for its annual programme of work, based on the Board's Assurance Framework and Corporate Risk Register. This approach will ensure that the Committee's focus is directed to the areas of greatest assurance needs. This will therefore mean that these Terms of Reference are provided as a framework for the Committee's annual programme of work and is not an exhaustive list for full coverage. This approach recognises that the Committee's programme of work will be dynamic and flexible to meet the needs of the Board throughout the year.

4. MEMBERSHIP

Members

4.1 Membership will comprise:

Chair	Independent member of the Board
Vice Chair	Independent member of the Board
Members	2 x Independent member of the Board
	The Committee may also co-opt additional independent 'external' members from outside the organisation to provide specialist skills, knowledge and expertise.

Attendees

4.2 In attendance: The following Executive Directors of the Board will be regular attendees:

- Director of Finance, Procurement and VBHC
- Director of Planning, Performance, Digital & IT

4.3 By invitation:
The Committee Chair extends an invitation to the ABUHB Chair and Chief Executive to attend committee meetings.

The Committee Chair will extend invitations to attend committee meetings, dependent upon the nature of business, to the following:

- other Executive Directors not listed above;
- other Senior Managers and
- other officials from within or outside the organisation to attend all or part of a meeting to assist it with its discussions on any particular matter.

Secretariat

4.4 The Office of the Director of Corporate Governance will provide secretariat services to the Committee.

Member Appointments

4.5 The membership of the Committee shall be determined by the Board, based on the recommendation of the Chair of ABUHB - taking account of the balance of skills and expertise necessary to deliver the Committee's remit and subject to any specific requirements or directions made by the Welsh Government.

4.6 Members shall be appointed to hold office for a period of one year at a time, up to a maximum of their term of office. During this time a member may resign or be removed by the Board.

4.7 Terms and conditions of appointment, (including any remuneration and reimbursement) in respect of co-opted independent external members are determined by the Board, based upon the recommendation of the Chair of ABUHB.

Support to Committee Members

4.8 The Director of Corporate Governance, on behalf of the Committee Chair, shall:

- arrange the provision of advice and support to committee members on any aspect related to the conduct of their role; and

- ensure the provision of a programme of development for committee members as part of the Board's overall Development Programme.

5. COMMITTEE MEETINGS

Quorum

5.1 At least **three** members must be present to ensure the quorum of the Committee, one of whom should be the Committee Chair or Vice Chair.

5.2 Where members are unable to attend a meeting and there is a likelihood that the Committee will not be quorate, the Chair can invite another independent member of the board to become a temporary member of the Committee.

Frequency of Meetings

5.3 The Chair of the Committee shall determine the timing and frequency of meetings, which shall be held no less than **Quarterly**, and in line with the Health Board's annual plan of Board Business.

5.4 The Chair of the Committee may call additional meetings if urgent business is required to be taken forward between scheduled meetings.

Openness and Transparency

5.5 Section 3.1 of ABUHB Standings Orders confirms the Board's commitment to openness and transparency in the conduct of all its business and extends equally to the work carried out on its behalf by Committees. The Board requires, wherever possible, meetings to be held in public. The Committee will:

- hold meetings in public, other than where a matter is required to be discussed in private (see point 5.6);
- issue an annual programme of meetings (including timings and venues) and its annual programme of business;
- publish agendas and papers on the Health Board's website in advance of meetings;
- ensure the provision of agendas and minutes in English and Welsh and upon request in accessible formats, such as Braille, large print, and easy read; and
- through ABUHB's website, promote information on how attendees can notify the Health Board of any access needs sufficiently in advance of a proposed meeting, e.g., interpretation or translation arrangements, in accordance with legislative requirements such as the Equality Act 2010 and

Welsh Language Standards 2018.

Withdrawal of individuals in attendance

5.6 There may be circumstances where it would not be in the public interest to discuss a matter in public, e.g., business that relates to a confidential matter. In such cases the Chair (advised by the Director of Corporate Governance where appropriate) shall schedule these issues accordingly and require that any observers withdraw from the meeting. In doing so, the Committee shall resolve:

That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest in accordance with Section 1(2) Public Bodies (Admission to Meetings) Act 1960 (c.67).

In these circumstances, when the Committee is not meeting in public session it shall operate in private session, formally reporting any decisions taken to the next meeting of the Committee in public session.

6. RELATIONSHIP & ACCOUNTABILITIES WITH THE BOARD AND ITS COMMITTEES/GROUPS

6.1 Although the Board has delegated authority to the Committee for the exercise of certain functions (as set out within these terms of reference), the Board retains overall responsibility and accountability for all matters relating to performance and resources.

The Committee is directly accountable to the Board for its performance in exercising the functions set out in these terms of reference.

6.2 The Committee will work closely with the Board's other committees, joint and sub committees and groups to provide advice and assurance to the Board through the:

- joint planning and co-ordination of Board and Committee business;
- sharing of appropriate information; and
- applicable escalation of concerns.

in doing so, this contributes to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.

6.3 The Committee shall embed the Health Board's agreed Values and Behaviours, as set out in the Board's Values and Behaviours Framework, through the conduct of its business.

7. REPORTING AND ASSURANCE ARRANGEMENTS

7.1 The Committee Chair shall:

- report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes verbal updates on activity, and the submission of Committee minutes and written reports;
- bring to the Board's specific attention any significant matters under consideration by the Committee;
- ensure appropriate escalation arrangements are in place to alert the Chair of ABUHB, Chief Executive or Chairs of other relevant committees/groups of any urgent/critical matters that may affect the operation and/or reputation of the Health Board.

7.2 The Board may also require the Committee Chair to report upon the Committee's activities at public meetings, e.g., Annual General Meeting, or to community partners and other stakeholders, where this is considered appropriate, e.g., where the committee's assurance role relates to a joint or shared responsibility.

7.3 The Director of Corporate Governance shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee's performance and operation including that of further committees established.

7.4 The Committee shall provide a written annual report to the Board on its activities. The report will also record the results of the Committee's self-assessment and evaluation.

8. APPLICABILITY OF STANDING ORDERS TO COMMITTEE BUSINESS

8.1 The requirements for the conduct of business as set out in ABUHB's Standing Orders are equally applicable to the operation of the Committee, except in the following areas:

- Quorum
- Issue of Committee papers

9. CHAIR'S ACTION ON URGENT MATTERS

9.1 There may, occasionally, be circumstances where decisions which would normally be made by the Committee need to be taken between scheduled meetings, and it is not practicable to call a meeting of the Committee. In these circumstances, the Chair of the Committee, supported by the Director of Corporate Governance as appropriate, may deal with the matter on behalf of the Committee - after first consulting with at least two other Independent Members of the Committee. The Director of Corporate Governance must ensure that any such action is formally recorded and reported to the next meeting of the Committee for consideration and ratification.

9.2 Chair's action may not be taken where the Chair has a personal or business interest in the urgent matter requiring a decision.

10. REVIEW

10.1 These Terms of Reference shall be reviewed annually by the Committee. The Committee Chair will report any changes to the Board for ratification.

GIG CYMRU NHS WALES Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board	Finance and Performance Committee 6th July 2022 Agenda Item: 2.3

Aneurin Bevan University Health Board

Finance and Performance Committee - Strategic Risk Report

Executive Summary

This report provides an overview of the profile of risks that are required to be reported to the Finance and Performance Committee. The risks reflect the sustained challenges of the financial context of the Health Board against a backdrop of continued disruption and delays caused by the COVID pandemic alongside restart and recovery of previously paused operational services.

The report also provides an update in respect of:

- Continued establishment of the Risk Management Strategy and associated delivery framework within operational, Divisional teams and at Executive level;
- Assurance that the organisational financial risks are used as intelligence to inform the Committee agenda and forward business programme.

The Finance and Performance Committee is asked to note this report for assurance.

The Committee is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	
Receive the Report for Assurance/Compliance	✓
Note the Report for Information Only	

Executive Sponsor:	Rani Mallison, Director of Corporate Governance
Report Author:	Danielle O'Leary, Head of Corporate Services, Risk and Assurance

Report Received consideration and supported by :

Executive Team	**N/A**	**Committee of the Board:**	• **Finance and Performance Committee**

Date of the Report: 23rd June 2022

Supplementary Papers Attached:
Appendix 1 – Detailed risk assessments for Financial Risks

Purpose of the Report

This report is provided for assurance purposes and seeks to provide a summary of the current key risks related to the Finance and Performance Committee, which also form strategic risk profiles for the Health Board and as such, feature on the Board Assurance Framework.

Background and Context

In conjunction with the Board Assurance Framework (BAF) and the Risk Management Approach, the Health Board is able to review and assess its strategic risks against achievement of objectives as set out in the revised IMTP.

This report provides the Finance and Performance Committee with an opportunity to review the organisational strategic risks pertinent to the Finance and Performance Committee and which also form part of the risks featured in the Board Assurance Framework.

The Health Board utilises the All-Wales Risk Matrix to assess the potential impact and likelihood of occurrence of all predicted risks to form an overall risk score. Risks may then be tolerated, treated, transferred or terminated in line with the Health Board Risk Management Strategy.

Assessment & Overview of Current Status

Revised Risk Management Approach and Update on National OfW Risk Module

The revised risk management approach remains in the embedding phase throughout the organisation. A plan for implementation and full realisation of the risk management strategy has been developed and is being actively monitored through the Audit, Risk and Assurance Committee.

Continued engagement throughout the organisation has taken place to strengthen the utilisation of the Health Board's internal electronic risk management system (DATIX). This is being driven, informed and underpinned by the National work being undertaken by Once for Wales to develop a dedicated and specific Risk Management module. It is anticipated that the electronic risk management system will form one of the key sources of business intelligence in respect of identification and escalation of operational risk, in conjunction with Executive level horizon scanning led risk identification.

Divisional and Operational Risk Management Development

Further development work alongside Divisions continues to be undertaken to ensure risks are being captured on the system appropriately and consistently in terms of scoring, risk assessment and descriptors. This work is underpinned and supported by Executive Team which provides an overarching position in relation to each risk area. In parallel to horizon scanning, strategic risk identification, the Health Board's risk management approach and infrastructure, is continually evolving.

Current Status

There are currently **22** risks that form the Corporate Risk Register, of which **2** form Principal Risks within the remit of the Finance and Performance Committee. These risks score 15> therefore are also considered to be principal risks to achievement of the Health Board IMTP. The following tables provide a breakdown of the risks, level of severity and risk appetite assessment:

Risk ref and Descriptor	Current Score	Target Score (informed by Appetite level)	Risk Appetite Level	Managed to Agreed Level Y/N?	Risk Treatment	Date and Trend Since Last Reporting Period	Assurance/ Oversight Committee	Risk Owner
CRR016 Achievement of Financial Balance 2022/23	16	4	**Low** level of risk appetite in relation to the Health Board's financial statutory requirements. However, responding to COVID 19 implications and maintaining safe services take precedence.	**No**	**Treat** the potential impacts of the risk by using internal controls.	**(Mar 2022 Board)** 	**Finance & Performance**	**Director of Finance and Procurement**
CRR032 Failure to achieve underlying recurrent financial balance due to ongoing service pressures, under-achievement of recurrent savings and efficiency delivery and investments not supported with recurrent funding sources.	16	12	**Low** level of risk appetite in relation to the Health Board's financial statutory requirements.	**No**	**Treat** the potential impacts of the risk by using internal controls.	**(Mar 2022 Board)** 	**Finance & Performance**	**Director of Finance and Procurement**

Detailed risk profiles for which the Committee provides oversight (**2 profiles in total**), are appended to this report at ***Appendix 1***.

We will be actively working to review risk targets to ensure realistic and as far as possible; set within the context of the Board's appetite for risk.

Organisational risks that feature on the Corporate Risk Register and receive oversight from this Committee will be actively reviewed as part of the identification of the Committee's priorities and agenda setting process to ensure a risk focussed approach is taken to managing the business of the Committee. This will also strengthen assurance in relation to Committee priorities and ensure appropriate focus is placed on most significant areas. On the Committee's agenda, items related to efficiencies can clearly

be linked to CRR032 and reporting on financial position can be linked to CRR016. It is anticipated that these detailed reports provide a level of assurance to the Committee on the management of the risks identified within this paper.

Further Development of Risk Management

During the last 6 weeks, targeted support has been provided to the Scheduled Care Division to review current risks and encourage Divisional Management Teams to tailor the business of their meetings around themes emerging from the Divisional risk registers. This approach is the corporate approach and is expected to be incrementally rolled out to the wider organisation with the next Division for targeted support identified as Unscheduled Care.

Recommendation & Conclusion

The Committee is asked to:

- Note the content of this report for assurance purposes, recognising that there will be further iterative development work to embed the revised risk management approach across the organisation.
- Acknowledge the updates that have been received and reflected in the appendices for the last reporting period.
- Endorse the approach to utilising the risk profiles for this Committee to inform the Committee work plan throughout the year to ensure a risk-based approach is adopted to managing the business of the Committee.

Supporting Assessment & Additional Information

Risk Assessment (including links to Risk Register)	The monitoring and reporting of organisational risks are a key element of the Health Boards assurance framework.
Financial Assessment (including value for money)	This report has no financial consequence although the mitigation of risks or impact of realised risks may do so.
Quality, Safety & Patient Experience Assessment	This report has no QPS consequence although the mitigation of risks or impact of realised risks may do so.
Equality & Diversity Impact Assessment (including child impact assessment)	This report has no Equality and Diversity impact but the assessments will form part of the objective setting and mitigation processes.
Health & Care Standards	This report contributes to the good governance elements of the H & CS.
Linked to Integrated Medium Terms Plan & Corporate Objectives	The objectives will be referenced to the IMTP

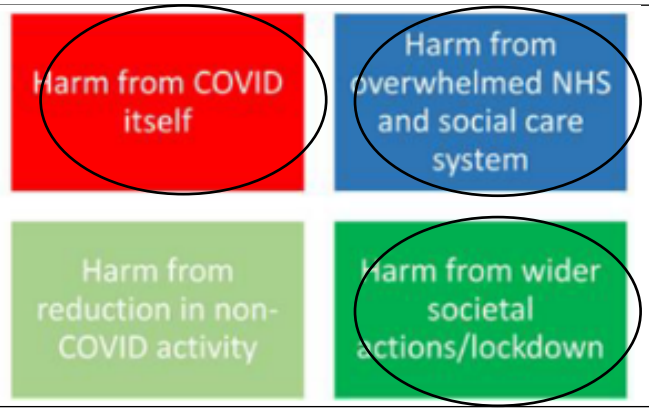
The Wellbeing of Future Generations (Wales) Act 2015 – 5 ways of working	Not applicable to the report, however, considerations will be included in considering the objectives to which the risks are aligned.
Glossary of Terms	None
Public Interest	Report to be published

<table>
<tr><th colspan="2">Applicable Strategic Priorities – IMTP 2022/23 – 24/25</th><th colspan="4">Risk Description, Appetite and Decision</th></tr>
<tr><td colspan="2">This is an enabler risk and therefore applies to all Health Board priorities</td><td colspan="4">CRR016 (Dec-2020)
Threat Cause: Due to the operational pressures and uncertainties due to -
• the COVID-19 Pandemic,
• acute emergency and urgent care pressures,
• delayed transfers of care
• the elective delivery targets
• and potential significant cost of the organisational response to the above key pressures and risks, above IMTP 22/23 – 24/25 planned levels.
Threat Event: Failure to achieve financial balance at end of 2022/2023.

TREAT</td></tr>
<tr><td>High Level Themes</td><td>• Reputational
• Public confidence
• Financial
• Patient Outcomes</td><td colspan="2">Risk Appetite</td><td colspan="2">Low level of risk appetite in relation to the Health Board's financial statutory requirements. However responding to COVID 19 and operational service pressures and their implications and maintaining safe services take precedence.</td></tr>
<tr><td>Committee Assurance</td><td>Internal Controls – Policies/Procedures</td><td colspan="4">Risk Score</td></tr>
<tr><td>Finance & Performance Committee</td><td>• Health Board IMTP 2022/23-24/25
• Standing Financial Instructions (SFIs)</td><td>Inherent Risk level before any controls/mitigations implemented, in its initial state.</td><td>Current Risk level after initial controls/mitigations have been implemented.</td><td colspan="2">Target Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.</td></tr>
</table>

	• Health Board Standing Orders • 22/23 savings plans & opportunities • Regular monitoring at Executive Team reviewing level of deliverable recurrent savings along with assessing cost avoidance and deferred investments. • Health Board financial escalation processes. • Health Board Pre-Investment Panel (PIP) process. • IMTP Delivery Framework and Divisional Assurance meetings in place which will incorporate implementation of savings plans and delivery of service and workforce plans within available resources. • Financial assessment and review (as agreed at Board, regular financial reports to Board, FPC and Welsh Government) to incorporate financial			

	impact of COVID-19 and other key costs. • Quarterly financial plan approach agreed.						
Action Plan *SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.*	**Due Date**	**Likelihood**	**Consequence**	**Likelihood**	**Consequence**	**Likelihood**	**Consequence**
		5	4	4	4	1	4
• IMTP Financial Plans submitted to Welsh Government include financial consequences of Core service delivery, COVID-19 response and exceptional national cost pressures (Energy) as part of ongoing discussions to secure additional funding. • Quarterly budget setting process established with Board. • Executive team agreed internal financial recovery turnaround focus to manage risks to achievement of financial balance. • As new priorities emerge service, workforce and financial plans developed to identify financial risks and support funding discussions with Welsh Government (e.g. mass vaccination programme).	Ongoing Ongoing Ongoing Ongoing	**20**		**16**		**4**	
Trend		**Executive Owner: Director of Finance, Procurement & Value**					
Mapping Against 4 Harms of COVID		**Update**					

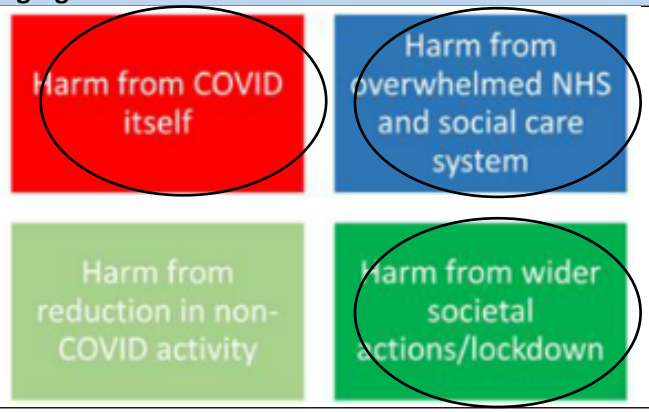
	June 2022: Following the Month 2 financial performance assessment, there is an extreme risk to financial balance achievement for 2022/23. An internal financial recovery 'turnaround' status has been agreed by the Executive team to improve short term delivery and acceleration of savings to support break even for 2022/23. Proposed actions are being actively considered and will be evaluated for patient and target impact as well as financial improvement by the Executive team. Proposals will be shared with the Board for consideration.

<table>
<tr><td colspan="2">Applicable Strategic Priorities – IMTP 2022/23 – 24/25 and Clinical Futures Strategy</td><td colspan="3">Risk Description, Appetite and Decision</td></tr>
<tr><td colspan="2">This is an enabler risk and therefore applies to all Health Board priorities</td><td colspan="3">CRR032 –
Threat Cause: Failure to achieve underlying recurrent financial balance due to ongoing service pressures, under-achievement of recurrent savings and efficiency delivery and investments not supported with recurrent funding sources.

Threat Event: Non-achievement of the Health Board’s long-term financial strategy.

TREAT</td></tr>
<tr><td>High Level Themes</td><td>• Reputational
• Public confidence
• Financial
• Patient Outcomes</td><td>Risk Appetite</td><td colspan="2">Low level of risk appetite in relation to the Health Board's financial statutory requirements.</td></tr>
<tr><td>Committee Assurance</td><td>Internal Controls – Policies/Procedures</td><td colspan="3">Risk Score</td></tr>
<tr><td>Finance and Performance Committee</td><td>• Health Board IMTP 2022/23-24/25
• Standing Financial Instructions (SFIs)
• Health Board Standing Orders
• 22/23 savings plans & opportunities
• Regular monitoring at Executive Team reviewing</td><td>Inherent Risk level before any controls/mitigations implemented, in its initial state.</td><td>Current Risk level after initial controls/mitigations have been implemented.</td><td>Target Risk level after all controls/mitigations have been implemented and taking into consideration the risk appetite/attitude level for the risk.</td></tr>
</table>

	level of deliverable recurrent savings along. • Health Board financial escalation processes. • Health Board Pre-Investment Panel (PIP) process. • Focus in IMTP planning process							
Action Plan *SMART actions that will positively impact on the risk and help achieve the target risk score or maintain it.*		**Due Date**	**Likelihood**	**Consequence**	**Likelihood**	**Consequence**	**Likelihood**	**Consequence**
			5	4	4	4	3	4
• IMTP Financial Plans submitted to Welsh Government include financial plan for 3 years and recurrent improvement of underlying position. • Transformation Programme approach to long term financial recovery and sustainability. • Executive team agreed internal financial recovery turnaround focus to manage risks to achievement of financial balance – including recurrent opportunities. • As new priorities emerge service, workforce and financial plans need to demonstrate efficiency and value improvement for future sustainability. • Prioritisation process being developed for investment decisions.		Ongoing monthly review Ongoing monthly review	**20**		**16**		**12**	
Trend	⟷		**Executive Owner: Director of Finance, Procurement and Value**					

Mapping Against 4 Harms of COVID	Update
	June 2022: The 2022/23 Health Board IMTP describes the programme priority approach to sustainability, performance improvement and service re-design, using a Value-Based approach to sustainability and improved patient outcomes and efficiency. The actions of this work will need to be accelerated to deliver the 22/23 closing underlying position.

Aneurin Bevan University Health Board
Finance & Performance Committee

Finance Report – May (Month 2) 2022/23

Executive Summary

This report sets out the financial performance of Aneurin Bevan University Health Board, for the month of May 2022 (month 2) and the year-to-date performance position for 2022/23.

The 2022/23 financial performance is measured by comparing the expenditure with the budgets as delegated in the Budget Delegation papers agreed at the March 2022 Board meeting and updated during the year. The Health Board has statutory financial duties and other financial targets which must be met. The table below summarises these and the Health Board's performance against them.

May-22
Performance against key financial targets 2022/23
+Adverse / () Favourable

Target	Unit	Current Month	Year to Date	Trend	Year-end Forecast
Revenue financial target To secure that the HB's expenditure does not exceed the aggregate of it's funding in each financial year. *This confirms the YTD and forecast variance.*	£'000	3,211	4,884	↑	**0**
Capital financial target To ensure net Capital Spend does not exceed the Capital Resource Limit. *This confirms the curent month and YTD expenditure levels along with the % this is of total forecast spend.*	£'000 £41,712	1,971 4.7%	3,341 8.0%	↔	**0**
Public Sector Payment Policy To pay a minimum of **95%** of all non NHS creditors within 30 days of receipt of goods / invoice (by Number)	%	93.1%	94.8%	↓	**>95%**

Performance against requirements 21/22		**19/20**	**20/21**	**21/22**	**3 Year Aggregate (19/20 to 21/22)**
Ensure the aggregate of the HB's expenditure does not exceed the aggregate of its funding in a 3 year period - Revenue	✓	**(32)**	**(245)**	**(249)**	**(526)**
Ensure the aggregate of the HB's expenditure does not exceed the aggregate of its funding in a 3 year period - Capital	✓	**(28)**	**(13)**	**(50)**	**(91)**
Prepare & Submit a Medium Term Plan that is signed off by Welsh Ministers	✓				

Underlying Financial Position (Brought Forward ULP)	**19/20**	**20/21**	**21/22**
This represents the recurrent expenditure commitments and the recurrent income assumptions that underpin the financial position of the HB moving into future years.	**£11.405m Deficit**	**£16.261m Deficit**	**£20.914m Deficit**

Note: The Health Board has submitted an IMTP for 2022/23 – 2024/25, the last approved 3 year IMTP was 2019/20-2021/22. The Health Board submitted an Annual Plan for 21/22 in place of a 3 year IMTP, as directed by WG.

Key points to note for month 2 include:

- A reported year to date position of **£4.9m deficit**, (the IMTP plan forecast at month 2 expected position was £3.4m deficit),
- Income - includes anticipated Covid-19 and exceptional cost pressure funding,
- Pay Spend – has increased (by c.£2m), due to increased enhancement costs as well as medical variable pay costs. Both medical and nursing variable pay remain high due to elective recovery activity, continued use of additional surge capacity linked to Covid-19 and on-going operational pressures such as enhanced care.
- Non–Pay Spend (excluding capital adjustments) - has increased by £1.2m in comparison to April due to the increased costs in specific funded areas such as Regional Integration Fund (RIF) (£2.2m). This is offset by in-month energy and CHC cost reduction compared to April.
- Savings – overall achievement is above plan for month 2 however there are now significant risks with delivery of a number of savings opportunities where achievement is assumed after quarter 1.

At Month 2, the year to date reported revenue position is a £4.9m deficit and the reported capital position is break-even. The forecast position for both is break-even, however, the revenue position has extremely significant risks to be mitigated in order to achieve this forecast. To support mitigation the Executive team have agreed to implement an internal financial recovery 'turnaround' approach.

The underlying financial deficit coming into 2022/23 (£20.9m) will need to be addressed to support financial sustainability and recurrent balance in future years. The IMTP assumes recurrent savings opportunities will be achieved to reduce the underlying financial deficit for 2023/24 (to £8m).

The Board has approved the 2022/23 – 2024/25 IMTP and the initial Budget delegation plan for 2022/23.

The Board is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	
Receive the Report for Assurance/Compliance	√
Note the Report for Information Only	

Executive Sponsor: Rob Holcombe – Interim Director of Finance, Procurement & VBHC

Report Author: Suzanne Jones – Interim Assistant Director of Finance

Report Received consideration and supported by:

Executive Team		**Committee of the Board**	√

Date of the Report: 23rd June 2022

Supplementary Papers Attached:

1. Glossary
2. Appendices
3. Month 2 WG Monitoring Returns

Purpose of the Report

This report sets out the following:

- The financial performance at the end of May 2022 and forecast position – against the statutory revenue and capital resource limits,
- The savings position for 2022/23,
- The significant level of risk to the current financial position and forecast,

- The revenue reserve position at the 31st of May 2022,
- The Health Board's underlying financial position,
- The Health Board's cash position and compliance with the public sector payment policy.

Assessment & Conclusion

- **Revenue Performance**

  The month 2 position is reported as a **£4.884m deficit,** with a forecast **year-end out-turn reported as break-even**. A summary of the financial performance is provided in the following table.

Summary Reported position - May 2022 (M02)	Full Year Budget £000s	YTD Reported Variance £000s	Prior month reported variance £000s	Movement from prior month £000s
Operational Divisions:-				
Primary Care and Community	257,465	2,114	854	1,260
Prescribing	99,190	961	463	498
Community CHC & FNC	63,411	1,461	469	992
Mental Health	101,461	826	1,298	(473)
Director of Primary Community and Mental Health	321	11	6	5
Total Primary Care, Community and Mental Health	**521,849**	**5,373**	**3,090**	**2,283**
Scheduled Care	219,787	4,988	2,499	2,488
Medicine	98,729	5,595	2,577	3,017
Urgent Care	33,452	2,793	1,138	1,655
Family & Therapies	117,027	157	56	102
Estates and Facilities	78,205	2,481	1,408	1,073
Director of Operations	5,450	309	143	166
Total Director of Operations	**552,651**	**16,322**	**7,820**	**8,502**
Total Operational Divisions	**1,074,500**	**21,695**	**10,911**	**10,784**
Corporate Divisions	113,197	(892)	(606)	(286)
Specialist Services	171,680	51	25	26
External Contracts	82,276	(167)	(12)	(155)
Capital Charges	46,840	(0)	(0)	(0)
Total Delegated Position	**1,488,494**	**20,687**	**10,318**	**10,369**
Total Reserves	85,157	(15,803)	(8,646)	(7,158)
Total Income	(1,573,651)	(0)	(0)	(0)
Total Reported Position	**0**	**4,884**	**1,673**	**3,211**

The month 2 overspend is £1.4m higher than forecast in the submitted IMTP. The position has been underpinned by appropriately releasing part of the annual leave accrual, maximising available non-recurrent opportunities and assuming an increased level of funding for Covid to match appropriate increased costs. Current service pressures being experienced are incredibly challenging, presenting a significant risk to the Health Board's ability to meet its statutory requirement to break-even. The Health Board reaching a break-even position in 2022/23 is predicated on:

- Achieving savings of at least £26m,
- Managing the £19m risks included in the IMTP through cost avoidance,
- Managing any new in year cost pressures,
- WG funding for Covid-19, exceptional cost pressures and wage award.

The Health Board Executive Team has agreed to implement an internal financial recovery turnaround approach in order to recover the financial position. If this is not achieved there is a risk to achieving break-even for 2022/23.

To ensure delivery of the IMTP service, workforce and financial plans, progress must be made to deliver transformational change to support value driven efficiency improvement and financial sustainability. While transformation is the preferred sustainable solution for long term efficiency and value gain, short term actions need to be invigorated to support 2022/23 balance.

Financial impact of service and workforce pressures

- During May 2022, pay expenditure increased significantly compared to April mainly due to additional enhancements paid in May. Variable pay costs increased compared to April due to surge capacity, service recovery plans and operational pressures. Significant operational pressures remain due to vacancies, enhanced care hours and sickness. Non-pay expenditure has increased by £1.2m in comparison to April due to the increased costs in specific funded areas such as RIF (£2.2m). This is offset by in-month energy and CHC cost reductions compared to April. The expected energy price increases have resulted in an additional cost of £1.2m for the year to date.

- The number of Covid-19 positive patients in hospital has decreased in May, however, the total number of patients is at a similar level to early December 2021. There remains a significant number of patients recovering from Covid-19 across several wards in the Health Board. The temporary staffing cost to operate these areas remains significant.

- Demand for emergency and urgent care across all services, including primary care, mental health, acute and community hospitals, remains in many cases above the levels seen pre-pandemic. In May the numbers of delayed discharges coupled with the levels of patients deemed ready for discharge increased notably. There are in the region of 335 patients who could be discharged as at the end of May. There have been 5,410 beds days blocked for social care reasons for the year to date. The surge capacity required for this as well as the increased Covid measures in place continues to result in overspends across the UHB. There also remain challenges in terms of demand and flow across the UHB. The challenge is now to reduce the requirement for this capacity to achieve a safe and sustainable service, workforce and financial plan across the UHB.

- The operational factors above coupled with enhanced care as well as increasing elective activity, result in significant financial pressures. The Covid de-escalation response should result in cost reductions to some of the operational factors currently in place.

Additional Covid-19 transitional costs are being incurred due to the following:

- Additional services implemented to deal with exceptional emergency pressures across all sites,
- 'green' patient pathways to minimise infection,
- GUH ward A1 urgent care temporary ward,
- additional bed capacity across hospital sites,
- the number of patients requiring enhanced care,
- delayed discharges for patients waiting for social care support and packages of care, and
- service models being flexed to respond to service pressures faced.

To mitigate, key areas of focus for the Health Board are:

- System level working - updating bed capacity forecasts & additional capacity requirements
- Urgent care and elective care re-design,

- Demand and flow management, - reviewing the social care community actions,
- Workforce efficiency, reducing variable pay where possible, and
- Other actions to underpin the operational management and leadership to support clinical teams e.g. Medicines Management, non-pay and training/support.

These areas for mitigation aligned with turnaround actions need to be invigorated and implemented as soon as possible, whilst maintaining patient safety, in order to support achievement of financial balance.

Workforce

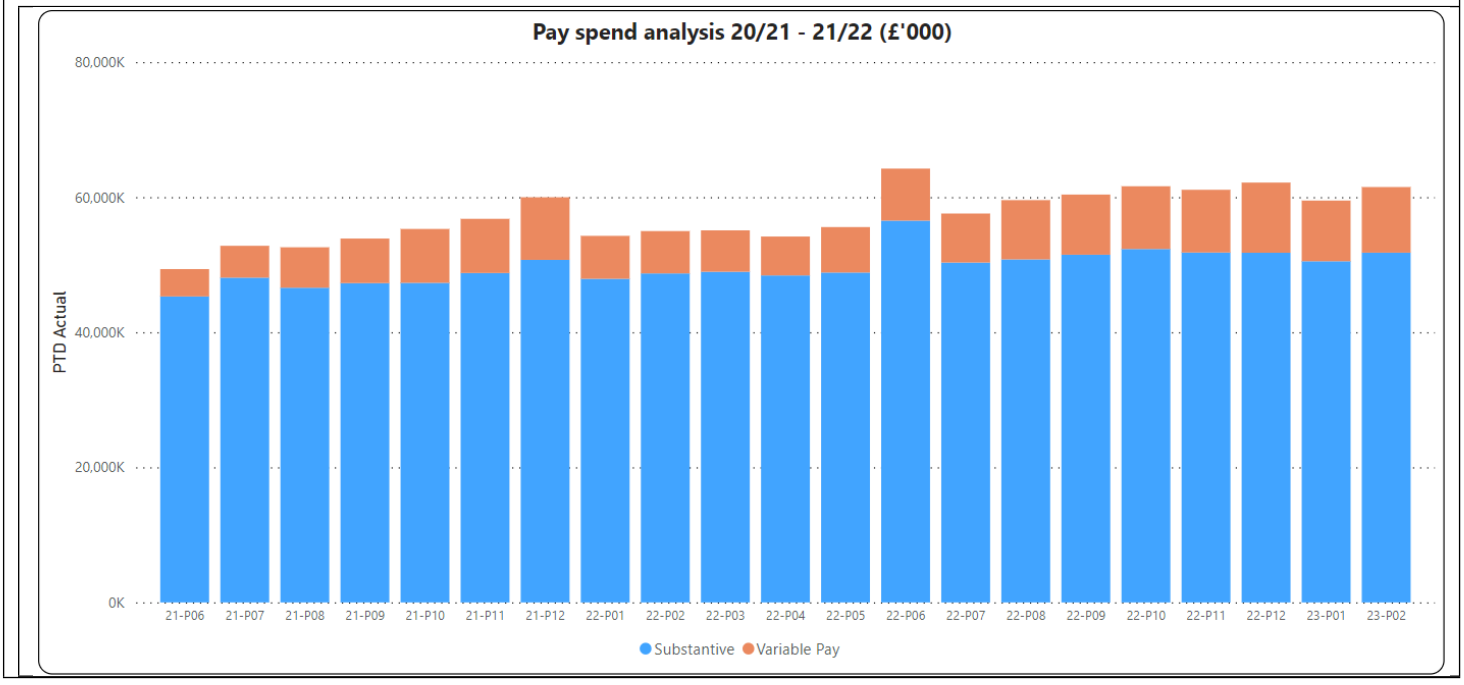
The Health Board spent £61.5m on workforce in month 2 22/23 (21/22 monthly average of £58.3m).

Substantive staffing costs (excluding the increased annual leave provision and notional 6.3% pension costs in March) have increased by £1.3m (2.5%) compared to April. Monthly enhancement payments have increased by £0.8m plus nursing appointments.

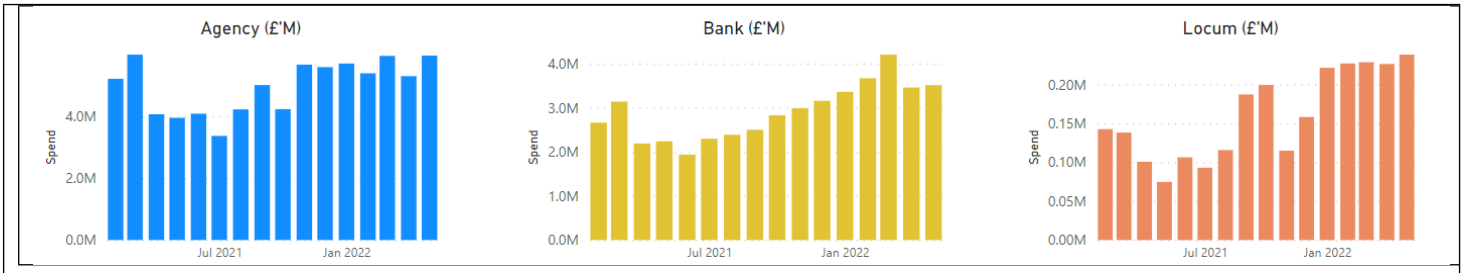
Overtime, additional hours and on-call payments all increased slightly in May (£0.05m in total increase). Compared to month 1 bank costs have increased by £0.1m (1.6%) and agency costs have significantly increased by £0.66m (12.6%). The increase is linked to increased facilities agency costs for Covid and enhanced cleaning, medical pressures to cover staff unable to undertake ward clinical work and cover for vacancies both linked to Covid measures as well as core staffing requirements. There also remain on-going high levels of enhanced care provision across the UHB.

There is still a continued and significant reliance on the use of agency and bank staff.

Workforce expenditure is shown below differentiating between substantive and variable pay[1]:



[1] *To enable useful comparisons and trends all references to 21/22 pay expenditure exclude the month 12 expenditure for: Covid-19 annual leave provision (£2m), and Additional employer pension contributions (6.3%/£27m).*



Substantive staff
Substantive pay was £50.4m in May (exc. pension related adjustments) – an increase of £1.3m compared with April. Substantive pay has increased by £0.5m for registered nursing, £0.3m for medical staff, and £0.4m for additional clinical services. The majority of these changes relate to additional weekly and bank holiday enhancements paid in May.

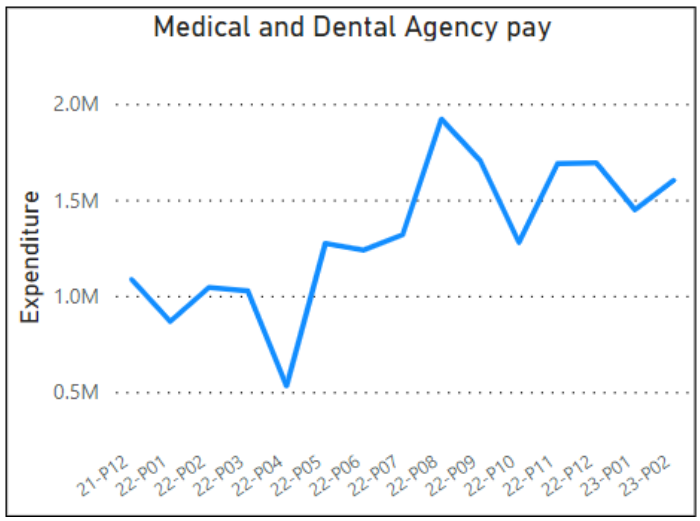
Variable pay
Variable pay (agency, bank and locum) was £9.7m in May – an increase of £0.7m compared to April.

The Executive Team have agreed a variable pay programme which is aimed at reducing high cost variable pay and developing alternative solutions.

It should be noted that the number of unfilled registered nursing shifts remains at a high level throughout the HB. If all these shifts were filled through variable pay the cost impact would be significant.

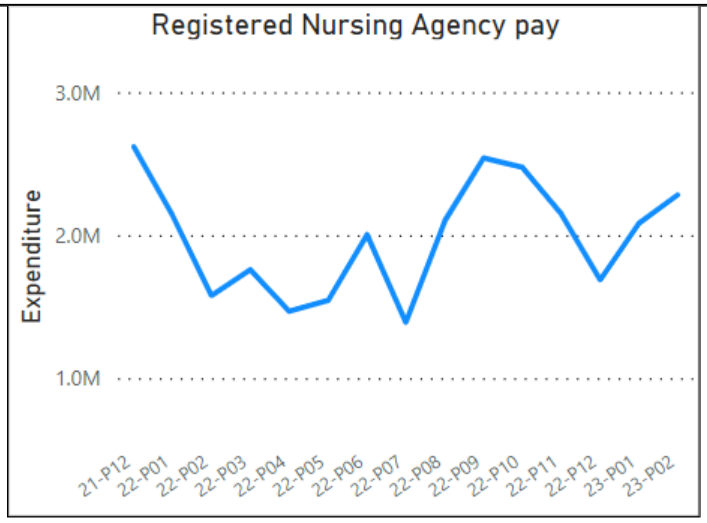
Bank staff
Total bank spend in May was £3.5m – a similar level to April. There remains continued high usage of enhanced care shifts. Areas where bank usage continues to be significant are the medical wards for YYF and NHH which are linked to recovering Covid-19 patients and those with on-going Covid-19 additional support requirements.

Agency
Total agency spend in May was £6.0m – an increase of £0.7m compared with April. Estates and facilities costs due to Covid, enhanced cleaning and cover of vacancies is the largest increase. Increased costs in frailty, medicine wards across the UHB due to Covid recovery and enhanced care continue to increase.

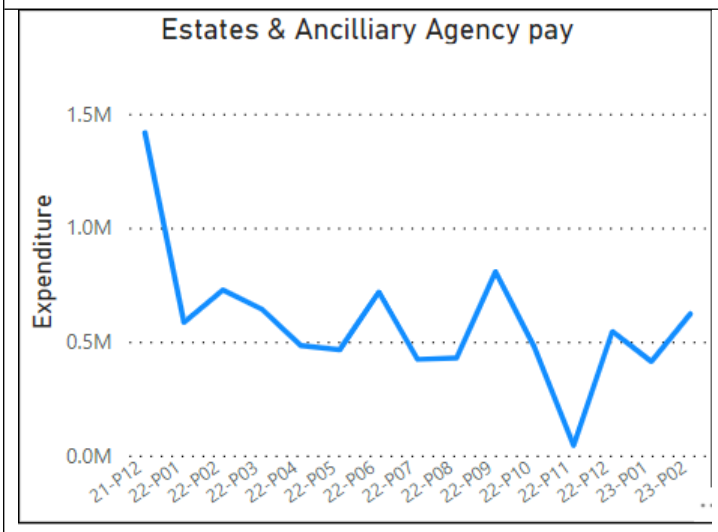


- In-month spend of £1.6m, a £0.1m increase compared to April.
  - Continued pressures in GUH ED and RGH Medical wards as well as COTE and YYF medical staff backfilling a number of staff who are still non-patient facing and numerous vacancies.
  - Increase in frailty costs linked to cover of vacancies.
  - Increased costs for managed practices (£0.11m in May, increase of £0.034m).

- Medical agency spend averaged c.£1.3m per month in 2021/22.



- In-month spend of £2.3m an increase of £0.2m compared to April.
- Reasons for use of registered nurse agency include:
  - Additional service demand including opening additional hospital beds, support for recovering Covid-19 patients,
  - Enhanced care and increased acuity of patients across all sites,
  - On-going sickness and international recruitment costs,
  - vacancies, and
  - enhanced pay rates.
- Registered Nursing agency spend averaged c.£1.9m per month in 2021/22.

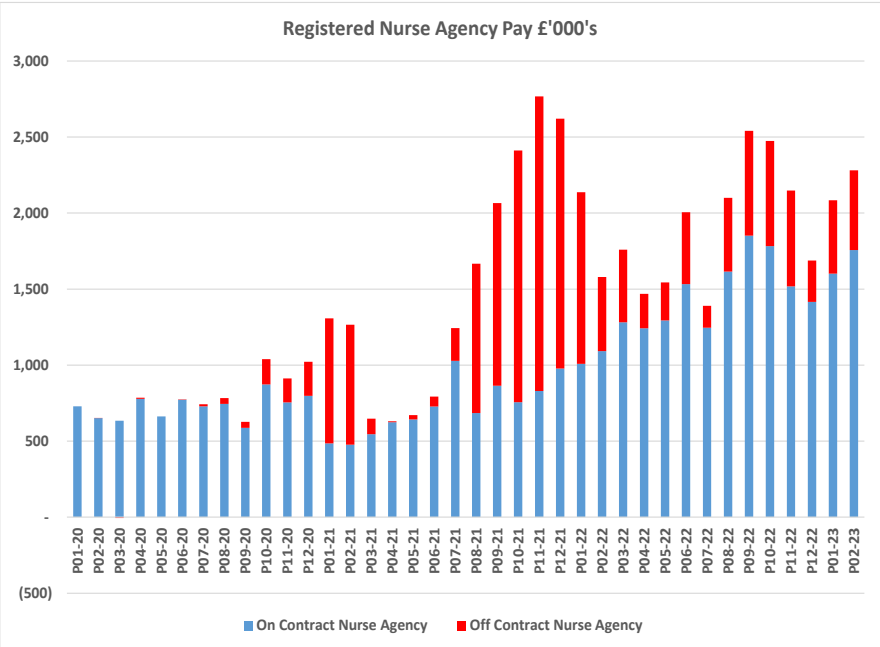


- In month spend of £0.6m on Estates & Ancillary (£0.2m increase from April), which is primarily within GUH and related to Covid.
- Reasons for use of agency include:
  - Meeting enhanced cleaning standards,
  - Enhanced care and increased acuity of patients,
  - Sickness,
  - Vacancies and
  - Supporting the Mass Vaccination Programme.
- Estates and Ancillary agency spend averaged c.£0.5m per month 2021/22.

Registered Nurse Agency

Registered nurse agency spend totalled £22.8m in 2021/22, £18.1m in 2020/21 and £10.2m in 2019/20.

Health Board spend for the year to date is £4.4m on nurse agency, if this level of use continues throughout the financial year it would cost £26.4m in 2022/23. The use of "off-contract" agency – not via a supplier on an approved procurement framework – usually incurs higher rates of pay and remains significant in month.



The Health Board spent £0.53m on 'off' contract RN agency in May which is higher than April (£0.525m cost in May) and reflects the increased vacancy hours used and an increase in enhanced care hours. The main reasons for its usage are:

- Enhanced care,
- Additional capacity,
- Nursing vacancies,
- Patient safety,
- Covid-19 responses (especially for recovering patients), and
- Increased sickness and cover for staff in isolation.

As part of the new Variable Pay savings programme for 2022/23, the Nurse Agency Reduction Plan will form a key part of delivering efficiencies.

Medical locum staff

Total locum spend in May was £0.24m which is at a similar level to April. COTE, Cardiology and Gynaecology are the areas of highest expenditure relating to on-going operational pressures, cover of staff unable to undertake ward duties and substantive vacancies.

Enhanced Care

Enhanced Care, also known as 'specialling', can include a spectrum of interventions ranging from the provision of assistance to help a patient mobilise, through to one-to-one patient monitoring. Enhanced care is designed to ensure a patient centred safe approach for patients with additional care needs.

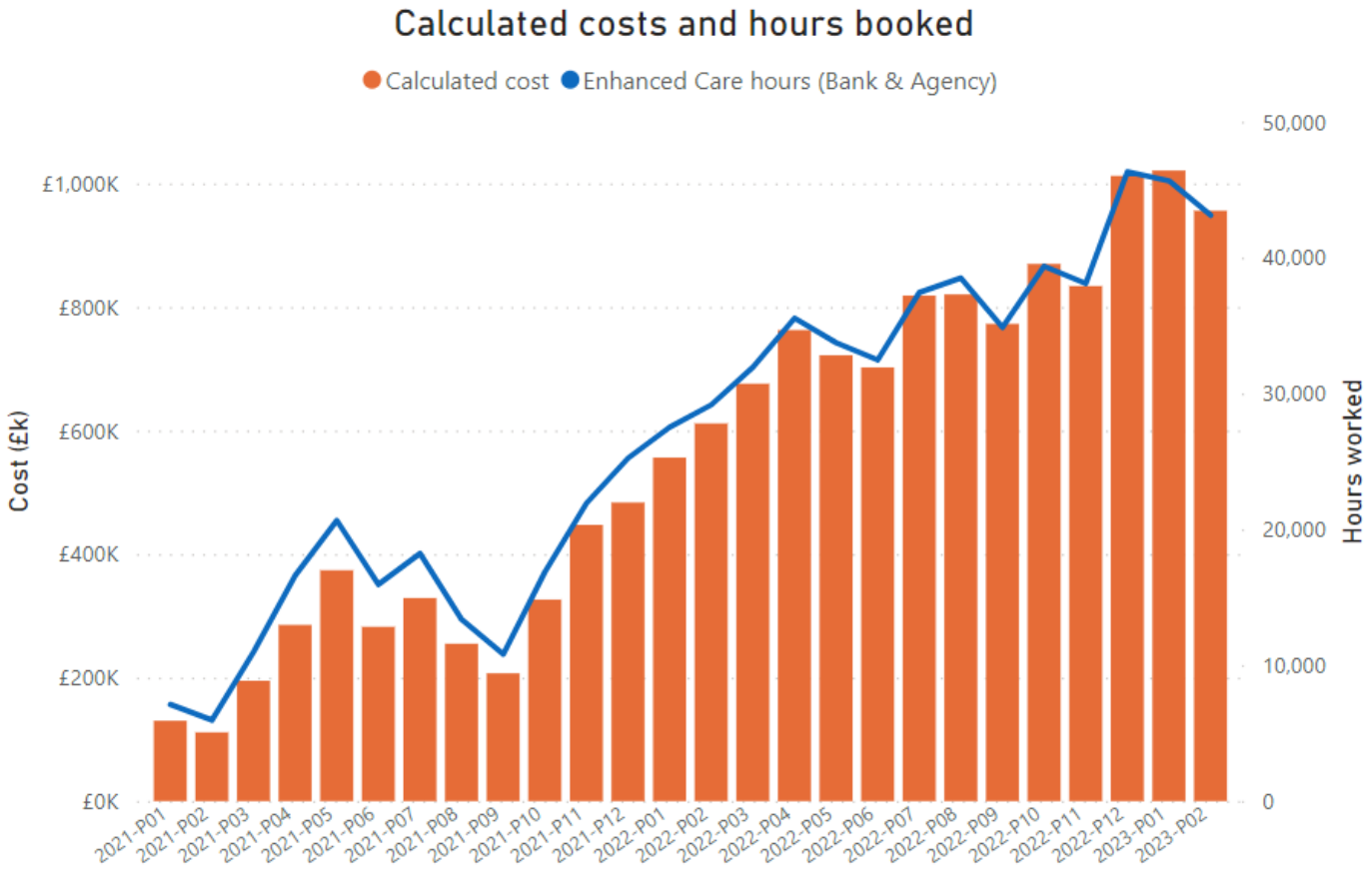
A review of the financial impact of 'enhanced care' – including the use of bank and agency staff – has identified the following use of nursing staff:

	2020/21	2021/22	2022/23	2022/23 increase
Average number of hours used per month	15,305	35,446	44,388	25%
Increase in average notional cost per month compared to prior year				£0.3m
Estimated increase in the calculated annual cost based on average hours				£3.5m

In May (P02-2023), enhanced care hours and associated notional costs remained high within the Medicine and Primary Care & Community Divisions. It should be noted that the hours quoted are the number of bank and agency hours worked using 'enhanced care' as the reason for booking, notional costs are calculated using average registered/unregistered hourly rates incurred. These have been updated for 2022/23 where possible using shift time, type and specialist rates where defined. Further updates will be completed to reflect the off-contract nature of many shifts which will inevitably increase the costs described.

There is a distinct increase in enhanced care hours (and associated costs) from February 2022 compared to the last three months (March – May 2022). The monthly average from April 2021 to February 2022 is approx. 34,400 hours and £0.6m cost. The May cost of £1m is an increase of £0.4m above that average, indicating a step change which reflects the change in acuity of patients across the UHB.

The following graph highlights the increase in hours attributed to enhanced care for the period April 2020 (P01-2021) to May 2022 (P02-2023) using bank and agency registered nurse and health care support workers.



Non-Pay

Spend (excluding capital) was £79m in May which is an increase of £1.2m compared with April due to the increased costs in specific funded areas such as RIF (£2.2m). This is offset by in-month energy and CHC cost reduction compared with April. The in-month energy costs reflect the volatility in energy prices, which is regarded by Welsh Government as an exceptional cost pressure. Additional funding has been anticipated for this volatile cost pressure estimated as £12.5m and will be adjusted in month 3 for the latest analysis.

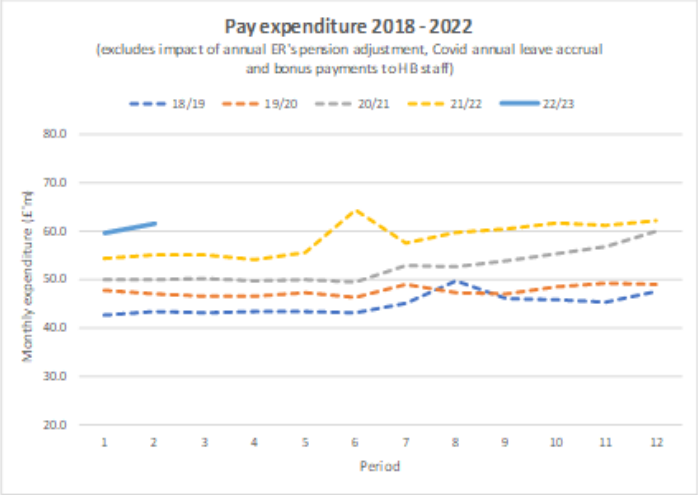
Other areas to note are:

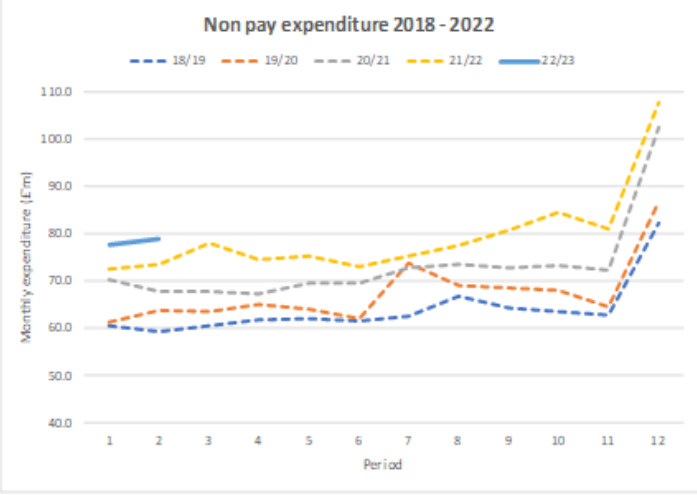
- CHC Mental Health – the current patient numbers at the end of May was 407 which is a net increase of 1 MH patient in month within high cost packages.
- CHC Adult / Complex Care - 674 active CHC and D2A placements (increase of 8 from April). There was a decrease of 7 D2A patients partly linked to transfer to CHC packages, with an increase of 13 placements on the 'Step Closer to Home' pathway (47 total) in May at a forecast cost of £0.7m for the financial year. The table below provides analysis of this:

Activity	April 2022	May 2022	Movement
D2A	72	65	-7
Step Closer to Home	34	47	+13
All Other CHC	560	562	+2
Total	666	674	+8

- For FNC - currently 853 active placements, which is an increase of 15 from April.
- Primary Care medicines – the expenditure year to date is £17.5m. The May 2022 forecast is based on growth in items of 2.2% (using March PAR) with an average cost per item of £6.70, category M drugs prices continue to fluctuate. The pre Covid-19 baseline expenditure for prescribing assumed an average cost of closer to £6.50 per item presenting a financial pressure which requires mitigating actions and savings.

Pay and Non-Pay expenditure run-rates for the last four financial years are shown below to demonstrate the on-going step change in expenditure. Given Covid-19 de-escalation, this value should decrease in future months to help improve the financial position.





Current operational forecasts based on March bed and activity plans, are assuming a similar level of spending to the end of the year. These assumptions will now be subject to detailed review as part of financial recovery 'turnaround' work to assess the revised operational service, workforce and financial plans. These plans will inform a revised, up to date financial forecast for ABUHB.

Service Pressures & Activity Performance

Bed Capacity

Additional medical beds have been opened as part of responding to the system pressures described previously. Additional capacity beds in Medicine were 68 in May as described in the table below:

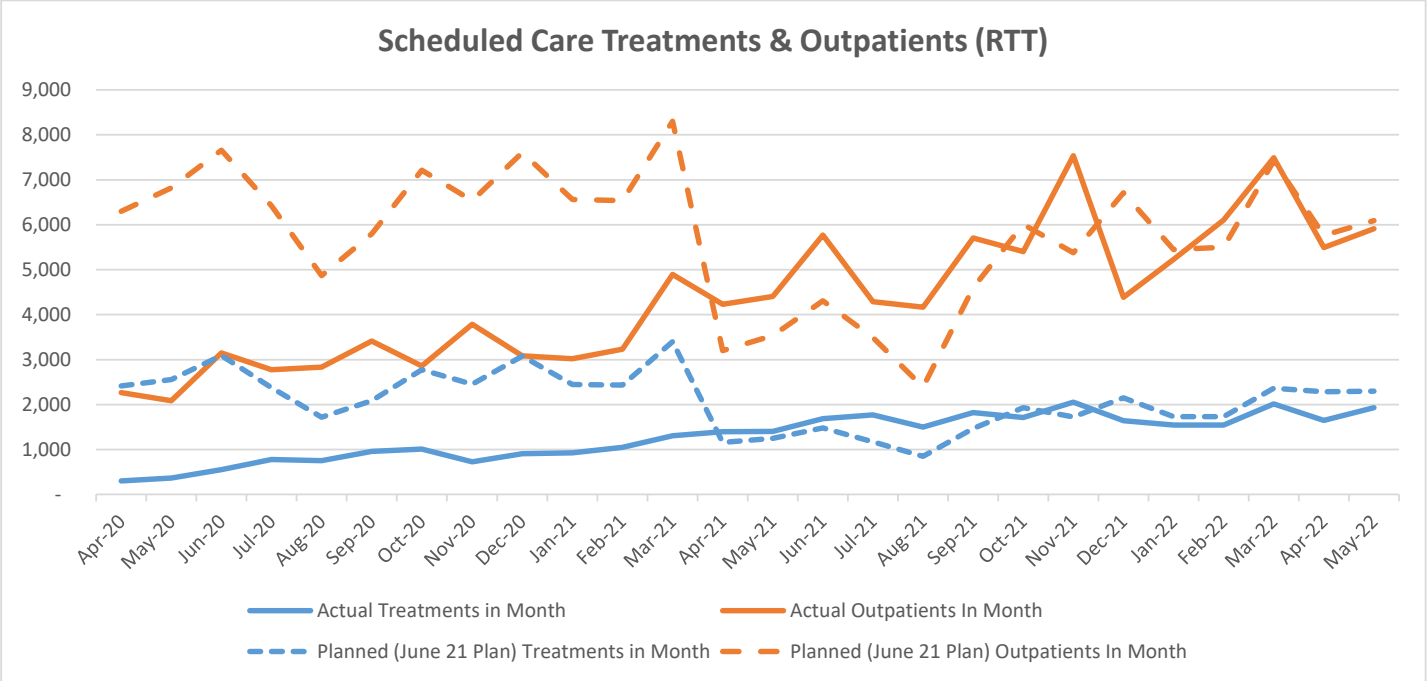
No. of Additional Beds							
Site	**Ward**	**Jan-22**	**Feb-22**	**Mar-22**	**Apr-22**	**May-22**	**Description**
RGH	B3 Winter Ward	26	27	26	0	0	26 Additional Capacity
	C6E Med Additional Capacity from Oct				0	30	Old Resp Ward converted to Add Cap
	Other wards					6	
NHH	3rd Floor	11	11	9	7	8	32 (flexed up from 28)
	4th Floor	4	3	2	6	7	28 (flexed up from 30)
	4/1 winter	32	27	28	0	0	Winter ward from 27th Dec (flexed up from 28)
GUH	C4	8	2	2	0	0	2 Covid beds in March
	B4				8	8	
	A4	2	2	2	1	1	Using Ringfenced beds
	Fox Pod				8	8	
YYF	Risca	30	0	0	0	0	30 Covid Ward (funded ward)
	Bargoed	0	0	0	0	0	30 Covid Ward (funded ward)
	Oakdale	30	15	22.5	0	0	50%->100% Covid Ward (funded ward). Return to Amber wef 14/2/22.
	Rhymney	28	28	0	0	0	Supporting 50% of SC ward for Winter capacity. Wef 7/1 100% Medicine additional capacity for Winter
	Penallta	28	28	28	0	0	100% of Ward (Red capacity under Dr Davies, Cons)
RGH AMU	D1W	21	12	0	18	0	Empty from 16/05/22
Sub-total Medicine		**220**	**155**	**119.5**	**48**	**68**	
STW	Ruperra	24	24	24	24	24	
	Holly	10	10	10	10	10	
YAB	Tyleri	15	**15**	11	11	15	
Sub-total Community		49	49	45	45	49	
Total		**269**	**204**	**164.5**	**93**	**117**	

It should be noted that Holly ward is the "Step Closer to Home" ward and the majority of these beds are forecast to transfer to a nursing home in the summer.

Scheduled Care treatments and outpatients

Elective activity has decreased in April given the March activity levels were greater than previous months. Outpatient activity is above plan in Dermatology due to virtual appointments using 'Telederm' but is variable across other specialities. Whilst most routine elective services have resumed, elective activity remains lower than pre-Covid-19 levels.

Activity plans will need to be finalised linked to demand and capacity plans triangulated with service, workforce and financial affordability.



- Elective Treatments for May '22 was 1,937 (April '22 was 1,647).
- Outpatient appointments for May '22 was 5,911 (April '22 was 5,491).

Medicine Outpatient Activity

Medicine Outpatient activity for May '22 was 1,524 attendances (2021/22 activity 15,581) this is presented by specialty below:

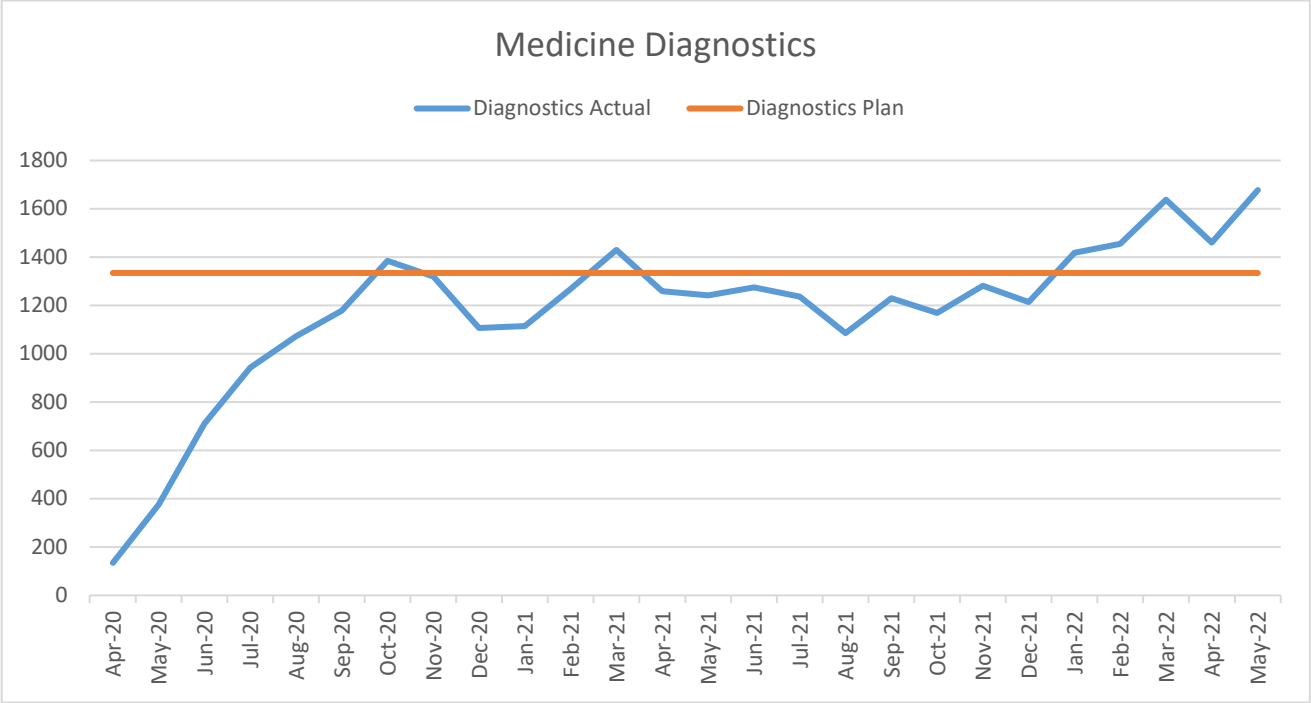
YTD May-22	Assumed monthly activity	Actual activity	Variance	Variance
Gastroenterology	1020	433	-587	58%
Cardiology	1106	525	-581	53%
Respiratory (inc Sleep)	1212	587	-625	52%
Neurology	518	386	-132	25%
Endocrinology	484	292	-192	40%
Geriatric Medicine	462	336	-126	27%
Total	**4802**	**2559**	**-2243**	**47%**

A year-to-date underperformance of 47% is presented.

Medicine Diagnostics (Endoscopy) Activity

Medicine endoscopy activity for May '22 was 1,677 procedures which is 343 cases more than plan.

The activity undertaken since April '20 is shown below;



Covid-19 – Revenue Financial Assessment

Total Covid-19 costs are shown as c.£76m and at this stage the Health Board is including matched funding, these are full year forecasts unless otherwise stated:

- Testing - £6.5m
- Tracing - £6m
- Mass Vaccination - £9m
- PPE - £3.7m
- Extended Flu - £0.4m
- Cleaning standards - £3.9m
- Long Covid - £0.9m
- Nosocomial investigation - £0.8m
- Other additional Covid-19 costs (now including dental income target reduction) - £38.8m, and,
- Other additional Covid-19 costs relating to emergency and surge workforce pressures for ***quarter 1 only*** - £6m.

The Health Board is reporting costs for additional capacity and maintaining Covid-19 safe and compliant operational service delivery across all sites, as part of the other additional Covid-19 costs section.

The cost impact of responding to Covid-19 and emergency system pressures along with increased patient acuity will be closely monitored and the implications for Q2 to Q4 will be appropriately reflected in future months returns.

The assumptions are in line with those used for the submitted IMTP, correspondence from WG and the IMTP financial assumptions letter sent in March 2022. Costs included in addition to the IMTP are related to on-going staffing issues because of covid, at this stage an amount is included for quarter 1 but, as stated above, this will be reviewed and updated. A review of the local schemes will be required to ensure forecasts and definitions remain in line with the assumptions described.

The Health Board is not including costs for Velindre Covid (recovery or outsourcing) within these figures, in line with the All Wales LTA agreement.

Type	Covid-19 National allocations - May 2022	£'000
HCHS	Testing (inc Community Testing)	6,508
HCHS	Tracing	6,000
HCHS	Mass COVID-19 Vaccination	9,000
HCHS	PPE	3,654
HCHS	Long Covid	887
HCHS	Extended flu	351
HCHS	Nosocomial investigation and learning	753
	Total Covid-19 National Programmes Allocations (anticipated)	**27,153**

Type	Covid-19 Local allocations - May 2022	£'000
HCHS	A2. Increased bed capacity specifically related to C-19	8,850
HCHS	A3. Other capacity & facilities costs	10,374
HCHS	B1. Prescribing charges directly related to COVID symptoms	300
HCHS	C1. Increased workforce costs as a direct result of the COVID response and IP&C guidance	7,888
HCHS	Cleaning standards	3,900
HCHS	D1. Discharge Support	10,761
HCHS	D4. Support for National Programmes through Shared Service	0
HCHS	D5. Other Services that support the ongoing COVID response	4,491
Dental	E1. Primary Care Contractor (excluding drugs) - Costs as a result of lost GDS income	2,308
	Total Local Covid-19 Allocations (anticipated)	**48,871**

Exceptional Cost Pressures

The exceptional cost pressures recognised by Welsh Government for 22/23; including energy prices, employers NI and the Real living wage award. It has been agreed that these be managed on a collective basis with funding assumed to cover costs, albeit the funding is not confirmed. The Health Board still has a duty to mitigate these costs within its financial plan to reduce the collective risk. Real living wage costs only relate to CHC, the agenda for change element will receive an allocation in line with wage award funding once confirmed.

Type	Exceptional items allocations - May 2022	£'000
HCHS	Energy prices increase	12,500
HCHS	Employers NI increase	4,606
HCHS	Real living wage	2,154
	Total Exceptional items allocations (anticipated)	**19,260**

Budget Setting / Delegation

In line with Health Board SFI's budget delegation letters have been sent to Executive Directors, these clearly set out the expectations regarding managing within the delegated budget levels.

Executive Directors are now expected to issue delegation letters to Deputies and Divisional Directors, stating the level of budget and the expectations associated with managing that budget.

- **Revenue Reserves**

Health Board reserves are held by the Board, until such time as they agree their use or delegate this responsibility to the Chief Executive as Accountable Officer. Agreed funding delegations per the Board Budget Setting paper have been actioned, however, some funding allocations are held in reserves, where their use is directed by Welsh Government or funding is allocated for a specific purpose.

The following reserves, relating to WG Funding, were approved for delegation by the CEO.

£382k Mental Capacity Act – anticipate additional funding	£388k Vascular centralisation – delegation to commissioning
£465k PSA Self management – anticipate funding	£972k Powys income reduction – delegation to commissioning
£351k Extended flu – anticipate funding (Covid-19)	£38k Neurology repatriation – delegation to Neurology
(£16k) – reverse funding for R&D pay uplift, will be received through R&D income mechanism	£273k Wales Cancer Network - delegation to scheduled care and Medicine
£96k - VERS delegation to Informatics	

Long Term Agreements (LTA's)

ABUHB have issued LTA commissioner documentation to providers in line with the All Wales DoF's agreed approach. Velindre NHS Trust have submitted a draft LTA to AB for consideration. The table below provides an update on current LTAs by commissioner:-

	AB Provider Agreement AB sent LTA documentation on 29 April 2022 to all commissioners.	**AB Commissioner Agreement**
C&VUHB	Agreed in principle. Awaiting signed copy	Nothing received to date. Informed that proposal will be sent post C&V Exec team meeting on 14 June 2022.
SBUHB	Agreed in principle. Awaiting signed copy	Received documentation. Passed for signing
CTMUHB	Awaiting CTM comments. No comments to date.	Nothing received to date. Being escalated.
HDUHB	Agreed in principle. No anticipated issues. Awaiting signed copy	Received financial schedules. Awaiting documentation to sign.
PTHB	Discussions ongoing around LTA narrative and baselines	Nothing received to date. Being escalated.
Velindre	n/a	Discussions ongoing around LTA narrative and application of DOFS performance framework.
WHSSC	Baselines being finalised. No anticipated issues	n/a

All agreements are required to be signed before the 30th June 2022.

Underlying Financial Position (ULP)

The Underlying (U/L) forecast position is a brought forward value of £21m.

Financial sustainability is an on-going priority and focus for the Health Board.

The IMTP identifies an improved forecast closing 2022/23 underlying deficit of **£8.1m.**

This is based on the **current assessment** of available recurrent funding, savings and the recurrent financial impact of existing service and workforce commitments. **It continues to exclude any potential recurrent impact of Covid-19 decisions.**

The Health Board's 2022-25 IMTP identifies several key priorities where the application of Value-Based Health Care principles – improving patient outcomes along with better use of resources – should result in delivering greater service, workforce and financial sustainability whilst improving the health of the population. The actions being taken to improve financial sustainability are integral to this approach.

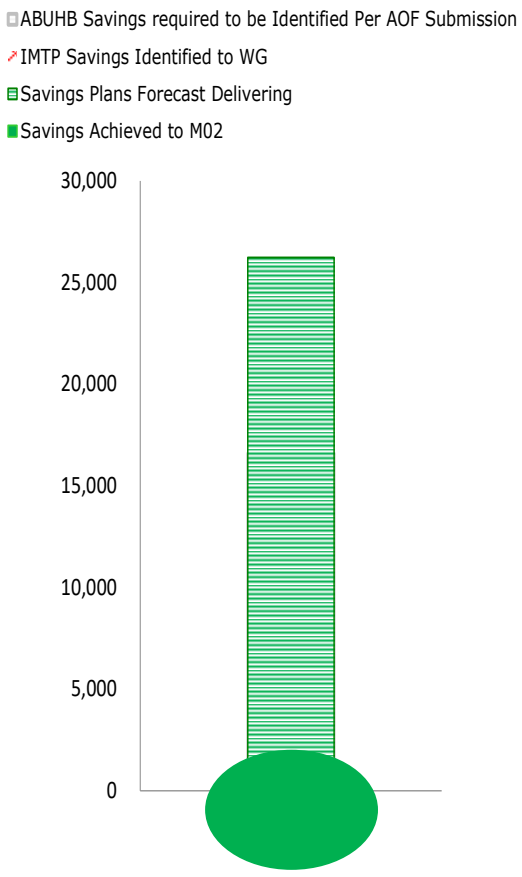
The UHB Board approved approach to the refreshed 22/23 IMTP financial plan is to focus on making previous investment decisions sustainable before new investments are committed to. The WG allocation funding 22/23 provided the Health Board with the opportunity to help address its historic underlying financial position and prioritise current challenges and commitments as part of the 2022/23 IMTP.

Health Board savings schemes for 2022/23 need to be implemented in full and on a recurrent basis both to manage future cost pressures and reduce the underlying deficit. This position is assumed at present but will require constant management and implementation of new schemes to mitigate new cost pressures as they arise.

Savings delivery

As part of the IMTP submitted by the Board to Welsh Government (March 2022), the financial plan for 2022/23 identifies a core savings requirement of £26.2m. As at Month 2 forecast achievement in 22/23 is £26.2m however this includes an **extreme level of on-going risk to ensure full delivery** of savings and cost avoidance from opportunities identified.

Actual savings delivered to May amounted to £0.43m, compared with month 2 planned delivery of £0.37m. The profile of savings expected to be achieved is significantly increased in later months.



Month 2 Forecast Savings Plans

	Forecast	Non Recurrent	Recurrent	Full year effect of Recurring savings
Medicines Management (Primary and Secondary Care)	3,233	0	3,233	3,332
Pay	9,916	213	9,703	9,715
Non Pay	13,089	8,021	5,068	5,055
Total	**26,238**	**8,234**	**18,004**	**18,102**

Month 1 Forecast Savings Plans

	Forecast	Non Recurrent	Recurrent	Full year effect of Recurring savings
Medicines Management (Primary and Secondary Care)	3,331	0	3,331	3,331
Pay	9,897	194	9,703	9,709
Non Pay	13,010	7,942	5,068	5,063
Total	**26,238**	**8,136**	**18,102**	**18,102**

Further scheme detail is provided in the appendices

Forecast savings by Division and RAG rating are shown below:-

		Forecast Savings												
Category	IMTP & Green/Amber (as at Month 2)	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Total
Complex Care	IMTP													0
	Green													0
	Amber	-	-	-	-	-	-	42	42	42	42	40	42	250
Medicine	IMTP	42	42	42	251	251	251	251	251	251	251	251	251	2,388
	Green	8	12	-	1	1	1	1	1	1	1	1	1	29
	Amber	-	-	-	16	20	22	22	22	22	211	211	212	758
Urgent Care	IMTP	-	-	-	102	102	102	102	102	102	102	102	102	915
	Green	6	8											13
	Amber	-	-	-	102	102	102	102	102	102	102	102	102	915
Scheduled Care	IMTP	48	175	175	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305	1,305	12,144
	Green	166	192	122	122	122	122	123	123	123	123	123	123	1,585
	Amber	-	-	-	371	371	371	371	371	371	2,986	2,986	2,984	11,178
Primary Care and Community	IMTP	54	54	54	54	54	54	54	54	54	54	54	54	646
	Green	219	150	195	229	238	246	252	259	262	261	273	281	2,865
	Amber													0
Mental Health and Learning Disabilities	IMTP	32	32	32	32	32	32	32	32	32	32	32	32	378
	Green	-	-	38	38	38	38	38	38	38	38	38	38	378
	Amber													0
Family & Therapies	IMTP	25	25	25	125	125	125	125	125	125	125	125	125	1,202
	Green	25	25	25	25	25	25	25	25	25	25	25	25	300
	Amber	-	-	-	28	28	28	28	28	28	245	245	245	902
Estates and Facilities	IMTP	29	29	29	84	84	84	101	101	101	101	101	101	947
	Green	29	29	29	29	29	29	29	29	29	29	29	29	347
	Amber	-	-	-	26	26	26	42	42	42	132	132	132	600
Corporate	IMTP	18	18	18	245	245	245	888	888	888	888	888	888	6,118
	Green	18	18	18	18	18	18	18	18	18	18	18	18	214
	Amber	-	-	-	227	227	227	870	870	870	870	870	870	5,904
Commissioning	IMTP				167	167	167	167	167	167	167	167	167	1,500
	Green													0
	Amber													0
Total	IMTP	247	374	374	2,365	2,365	2,365	3,025	3,025	3,025	3,025	3,025	3,025	26,238
	Green	471	434	427	462	470	479	485	493	495	494	506	514	5,731
	Amber	-	-	-	770	774	776	1,476	1,476	1,476	4,586	4,584	4,586	20,507

Green schemes are assumed to be fully deliverable. Amber schemes require either progression or equivalent alternative plans as soon as possible to mitigate this risk.

Savings by WG monitoring return (MMR) and general category are shown as per the table below:-

Category	Category	Forecast Green	Forecast Amber	Forecast Total
Medicines Management	Prescribing	2,317		2,317
	Scheduled Care rationalisation	70		70
	Scheduled Care Lenaliomide	944		944
Pay	Variable pay - sickness / overseas	2,400	-	2,400
	CHC - agency mitigation	-	250	250
	MSK	-	250	250
	All others	-	6,927	6,927
Non-pay	Corporate / CHC review		3,657	3,657
	NR opps		2,047	2,047
	Facilities related		600	600
	Theatres		4,368	4,368
	Other non-pay / schemes		2,408	2,408
Total		**5,731**	**20,507**	**26,238**

Savings classified as amber must be re-classified as green or red at month 3 reporting, the impact of not finalising plans to achieve these savings will mean a deficit is forecast. To achieve a balanced core financial plan, the Health Board needs to ensure that savings plans are achieved in line with IMTP. In addition, further cost avoidance plans are required to ensure that any other financial pressures are mitigated. The IMTP narrative notes potential risks that require mitigation either through additional savings plans or other solutions.

Savings schemes straddle transformational, transactional, and operational plans. Aligned to progressing the savings and mitigating actions a value focussed pathway approach is being employed. The Health Board has agreed ten priority areas for focussed support using a programme management approach with MDT support through an Executive lead, value, performance, workforce, service, planning and finance representation.

In addition, further programmes have been added given the difficulty in obtaining 'traction' to progress these opportunities. Variable Pay, CHC, Procurement/Non-pay and Medicines Management programmes will need to drive savings delivery during 2022/23.

These programmes of work will identify potential options and actions for reducing costs and assess patient, target and financial impact. An organisational re-assessment of priorities and forecast service demand will be undertaken and considered by the Executive and the Board before finalising the re-profiled action plan which will include these savings plans.

The Value Based Health Care team as part of the "AB Connect" forum are working across programmes and divisions to support service improvement and outcomes capture. National schemes are being developed and the Health Board will be participating fully with these programmes.

Furthermore, the Health Board will continue to identify and implement transactional and operational savings including the reduction in agency spend, to leverage the benefits of digital investment and will fully utilise the ABUHB opportunities compendium and other sources where appropriate.

The Health Board will continue to pursue all available operational and transactional savings however this will no longer achieve the savings target.

To deliver greater levels of savings and to achieve better use of resources, which improves health outcomes – and doesn't adversely impact on safety and quality – a greater focus is required on savings and efficiency improvement related to:

- Eliminating unwarranted clinical variation
- Transformational service change

It is important to note at present that a number of Divisions are pursuing savings plans internally to mitigate local cost and underlying pressures.

2022/23 IMTP revenue plan profile

The in month expected variance profile as submitted as part of the IMTP for 2022/23 is presented below:

£m Deficit (Surplus)	Apr	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total Year End Position
Forecast Monthly Position	1.67	1.27	1.01	- 0.39	- 0.39	- 0.39	- 0.45	- 0.45	- 0.45	- 0.45	- 0.45	- 0.52	0.00

This profile has now been updated for month 2 to reflect slippage in savings and cost reduction delivery profiles and is now shown as follows in the table below:-

£m Deficit (Surplus)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Forecast year-end position
Revised forecast position	1,673	3,211	1,149	840	846	851	1,474	1,472	1,472	(4,303)	(4,306)	(4,380)	0

Risks & Opportunities (2022/23)

There are serious, immediate and significant risks to managing the 2022/23 financial position, which include:

- Ensuring full delivery of the savings plans identified in the IMTP
- Identifying savings to mitigate any further financial risks identified outside of the IMTP,
- Quarter 2-4 additional Covid cost pressures (c.£19m),
- Workforce absence / self-isolation / vacancies, availability of staff for priority areas,
- Responding to any specific Covid-19 impacts e.g., new variants, outbreaks,
- Unconfirmed levels of funding for exceptional cost pressures and the local covid responses, that the Health Board is currently assuming (c.£95m),
- Additional discharge support costs and pressure (c.£11m),
- Funding for any wage award or change in terms and conditions,
- Responding to the ongoing impact of Covid-19 and associated preventative services,
- Addressing backlogs in waiting times for services, due to the Covid-19 pandemic,
- Specific economic factors/Ukraine conflict issues such as energy costs, supply chain issues and non-pay inflation including travel expense costs, and
- Maximising the opportunity to change services resulting in improved health outcomes for the population.

The table below presents the risks reported to Welsh Government for month 2:

Risk narrative	Likelihood	£'000
Under delivery of Amber Schemes included in Outturn via Tracker	High	20,507
Operational pressures requiring mitigation actions	High	10,000
Additional Covid costs q2 -q4 not assumed in covid response	High	19,000
Funding for exceptional cost pressures	High	19,260
Funding for local Covid response	High	48,872
Funding for National Covid response	Low	27,153
Total		**144,792**

Managing the financial risk is dependent on developing service and workforce plans that are sustainable during 2022/23 and in the future. Forecasting remains challenging given the level and variety of uncertainty linked to the issues listed above and the assumptions of delivery made in the IMTP. These operational assumptions will be reviewed to inform revised forecasts for 2022/23.

Capital

The approved Capital Resource Limit (CRL) as at Month 2 totals £41.712m. The current forecast outturn is breakeven.

The works to the Same Day Emergency Care Unit, Resus, CEAU and Grange House are progressing from the remaining Grange University Hospital funding. All Laing O'Rourke works are due to complete by the middle of September. The additional works costs are being offset by the final VAT recovery claim due in the last quarter of 2022/23 which is why there is a credit budget allocation of £394k.

The YYF Breast Centralisation Unit site set up works commenced during the month. The works at Tredegar H&WBC are continuing. The handover of the building is now expected to be delayed to April 2023 as the original brick order for the façade has been cancelled by the supplier due to supply issues.

The funding for Newport East Health and Well-being Centre has been received in month and the land purchase from Newport City Council has been progressed.

The Business Case for the proposed Endoscopy Unit at RGH was submitted to Welsh Government in March but final approval is still awaited. The FBC for the NHH Satellite Radiotherapy Centre has concluded and has been submitted to WG for approval. The Outline Business Case for the Mental Health SISU is on-going and expected to be submitted to Board for approval in Quarter 2.

The second year of the National Imaging Programme funding totals £4.7m for ABUHB. The spend in the current year includes the replacement of two CT Scanners (NHH / RGH) and the installation of three general rooms purchased during 2021/22.

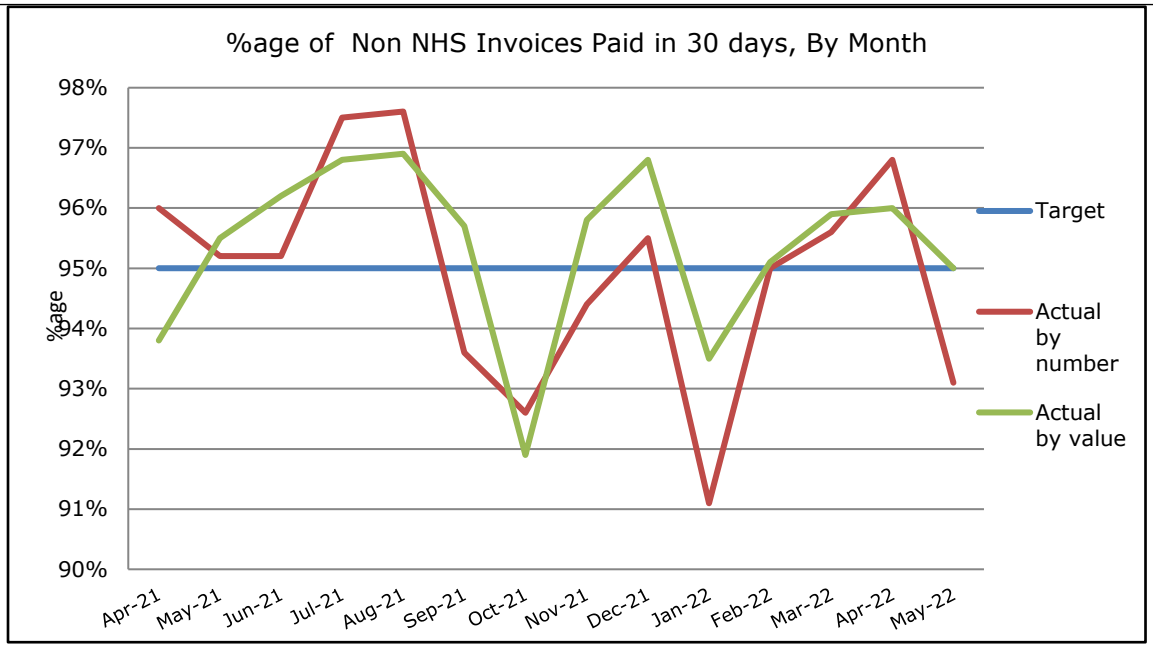
The Health Board Discretionary Capital Programme (DCP) allocation for 2022/23 is £8.227m (a reduction of 24% compared to 2021/22). Final All Wales Capital Programme scheme brokerage for 2021/22 slippage was £1.859m, leaving a balance of £6.638m to address spend in the current financial year. The opening 2022/23 DCP was approved at the March board meeting. Expenditure has now commenced against these schemes. The unallocated contingency budget as at the end of May has increased to £1,287k due to the funding reimbursement for the GUH CAEU and Resus schemes, the removal of the allocation for the temporary carpark at GUH and additional VAT recovery savings. Emerging schemes will now be prioritised to confirm the next approvals against the unallocated funding.

Cash

The cash balance on the 31st of May is £2.849m, which is within the advisory figure set by Welsh Government of £6m.

PSPP

The HB has not achieved the target to pay 95% of the number of Non-NHS creditors within 30 days of delivery of goods in May or cumulatively. A large number of the invoices paid outside of the target relate to Pharmacy, Agency & Catering. We are continuing to work with those departments where invoices are being processed outside of the 30 day payment terms. Specific actions regarding agency nursing invoices are in progress with regards to automation of tasks as well as internal reviews to improve processes where possible.



Recommendation

The Committee is asked to note:

- The financial performance at the end of May 2022 and forecast position – against the statutory revenue and capital resource limits,
- The savings position for 2022/23,
- The significant level of risk to the financial position and forecast,
- The revenue reserve position at the 31st of May 2022,
- The Health Board's underlying financial position,
- The Health Board's cash position and compliance with the public sector payment policy.

Appendices & WG Monthly Monitoring Return (MMR)

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Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	Risks of achieving the Health Board's statutory financial duties and other financial targets are detailed within this paper.
Financial Assessment, including Value for Money	This paper provides details of the year to date and forecast financial position of the Health Board for the 2022/23 financial year.
Quality, Safety and Patient Experience Assessment	This paper links to AQF target 9 – to operate within available resources and maintain financial balance. This paper provides a financial assessment of the Health Board's delivery of its AOF/IMTP priorities and opportunities to improve efficiency and effectiveness.
Equality and Diversity Impact Assessment (including child impact assessment)	The Assessment forms part of the AOF service plan.
Health and Care Standards	This paper links to Standard for Health services One – Governance and Assurance.
Link to Integrated Medium Term Plan/Corporate Objectives	This paper provides details of the financial position that supports the Health Board's 3 year plan. The Health Board has a statutory requirement to achieve financial balance over a rolling 3 year period.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	**Long Term –** Long-term financial linked to IMTP completion **Integration –** Regional partnership and integration with other NHS Wales organisations **Involvement –** use of environmental fund and specific investment as well as on-going links with services for engagement **Collaboration** – collaboration with external partners **Prevention** – long-term strategy to provide investment and savings through preventative measures across the UHB. The Health Board Financial Plan has been developed based on the approved AOF/IMTP, which includes an assessment of how the plan complies with the Act.
Glossary of New Terms	See Below
Public Interest	Circulated to board members and available as a public document.

Glossary

A		
A&C – Administration & Clerical	A&E – Accident & Emergency	A4C - Agenda for Change
AME – (WG) Annually Managed Expenditure	AQF – Annual Quality Framework	AWCP – All Wales Capital Programme
AP – Accounts Payable	AOF – Annual Operating Framework	ATMP – Advanced Therapeutic Medicinal Products
B		
B/F – Brought Forward	BH – Bank Holiday	
C		
C&V – Cardiff and Vale	CAMHS – Child & Adolescent Mental Health Services	CCG – Clinical Commissioning Group
C/F – Carried Forward	CHC – Continuing Health Care	Commissioned Services – Services purchased external to ABUHB both within and outside Wales
COTE – Care of the Elderly	CRL – Capital Resource Limit	Category M – category of drugs
CEO – Chief Executive Officer		
D		
DHR – Digital Health Record	DNA – Did Not Attend	DOSA – Day of Surgery Admission
D2A – Discharge to Assess	DoLS - Deprivation of Liberty Safeguards	DoF – Director(s) of Finance
E		
EASC – Emergency Ambulance Services Committee	EDCIMS – Emergency Department Clinical Information Management System	eLGH – Enhanced Local general Hospital
ENT – Ear, Nose and Throat specialty	EoY – End of Year	ETTF – Enabling Through Technology Fund
F		
F&T – Family & Therapies (Division)	FBC – Full Business Case	FNC – Funded Nursing Care
G		

GMS – General Medical Services	GP – General Practitioner	GWICES – Gwent Wide Integrated Community Equipment Service
GUH – Grange University Hospital	GIRFT – Getting it Right First Time	
H		
HCHS – Health Care & Hospital Services	HCSW – Health Care Support Worker	HIV – Human Immunodeficiency Virus
HSDU – Hospital Sterilisation and Disinfection Unit	H&WBC – Health and Well-Being Centre	
I	IMTP – Integrated Medium Term Plan	INNU – Interventions not normally undertaken
IPTR – Individual Patient Treatment Referral	I&E – Income & Expenditure	ICF – Integrated Care Fund
L		
LoS – Length of Stay	LTA – Long Term Agreement	LD – Learning Disabilities
M		
MH **–** Mental Health	MSK - Musculoskeletal	Med – Medicine (Division)
MCA – Mental Capacity Act		
N		
NCN – Neighbourhood Care Network	NCSO – No Cheaper Stock Obtainable	NICE – National Institute for Clinical Excellence
NHH – Neville Hall Hospital	NWSSP – NHS Wales Shared Services Partnership	
O		
ODTC – Optometric Diagnostic and Treatment Centre		
P		
PAR – Prescribing Audit Report	PCN – Primary Care Networks (Primary Care Division)	PER – Prescribing Incentive Scheme
PICU – Psychiatric Intensive Care Unit	PrEP – Pre-exposure prophylaxis	PSNC –Pharmaceutical Services Negotiating Committee
PSPP – Public Sector Payment Policy	PCR – Patient Charges Revenue	PPE – Personal Protective Equipment
PFI – Private Finance Initiative		
R		

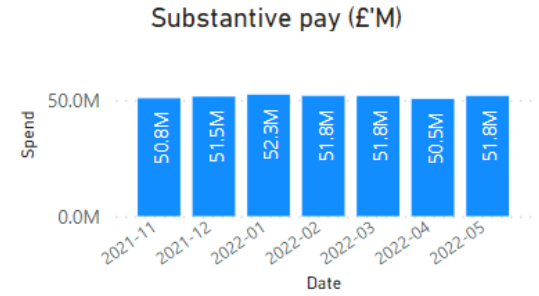
RGH – Royal Gwent Hospital	RN – Registered Nursing	RRL – Revenue Resource Limit
RTT – Referral to Treatment	RPB – Regional Partnership Board	RIF – Regional Integration Fund
S		
SCCC – Specialist Critical Care Centre	SCH – Scheduled Care Division	SCP – Service Change Plan (reference IMTP)
SLF – Straight Line Forecast	SpR – Specialist Registrar	
T		
TCS – Transforming Cancer Services (Velindre programme)	T&O – Trauma & Orthopaedics	TAG – Technical Accounting Group
U		
UHB / HB – University Health Board / Health Board	USC – Unscheduled Care (Division)	UC – Urgent Care (Division)
ULP – Underlying Financial Position		
V		
VCCC – Velindre Cancer Care Centre		
W		
WET AMD – Wet age-related macular degeneration	WG – Welsh Government	WHC – Welsh Health Circular
WHSSC – Welsh Health Specialised Services Committee	WLI – Waiting List Initiative	WLIMS – Welsh Laboratory Information Management System
WRP – Welsh Risk Pool		
Y		
YAB – Ysbyty Aneurin Bevan	YTD – Year to date	YYF – Ysbyty Ystrad Fawr

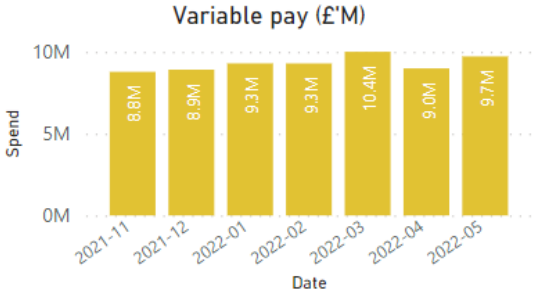
Aneurin Bevan University Health Board

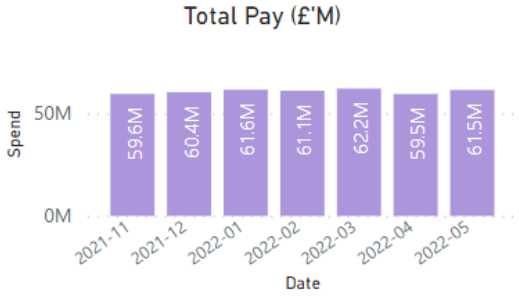
Finance Report – May (Month 2) 2022/23

Appendices

Pay Summary (1) (subject to change excluding annual leave and Pension employer costs)







Substantive (£'000)

Pay category	22-P08	22-P09	22-P10	22-P11	22-P12	23-P01	23-P02	Change	%	Avg 20/21
ADD PROF SCIENTIFIC AND TECHNICAL	2,226	2,253	2,258	2,497	2,267	1,916	1,939	23	1.2%	2,137
ADDITIONAL CLINICAL SERVICES	6,431	6,616	6,922	6,595	6,486	6,352	6,693	341	5.4%	5,946
ADMINISTRATIVE & CLERICAL	8,301	8,342	8,948	8,747	8,597	8,593	8,655	63	0.7%	7,412
ALLIED HEALTH PROFESSIONALS	3,339	3,287	3,284	3,350	3,311	3,558	3,630	72	2.0%	2,997
ESTATES AND ANCILLIARY	2,572	2,600	2,805	2,631	2,758	2,529	2,704	174	6.9%	2,516
HEALTHCARE SCIENTISTS	996	972	975	961	1,011	977	1,000	23	2.4%	956
MEDICAL AND DENTAL	11,845	11,866	11,801	11,879	12,910	12,059	12,146	87	0.7%	10,780
NURSING AND MIDWIFERY REGISTERED	15,075	15,538	15,329	15,143	14,426	14,523	15,008	485	3.3%	13,932
STUDENTS	2	2	2	3	6	6	6	0	1.3%	218
Total	**50,786**	**51,478**	**52,324**	**51,805**	**51,771**	**50,512**	**51,781**	**1,269**	**2.5%**	**46,894**

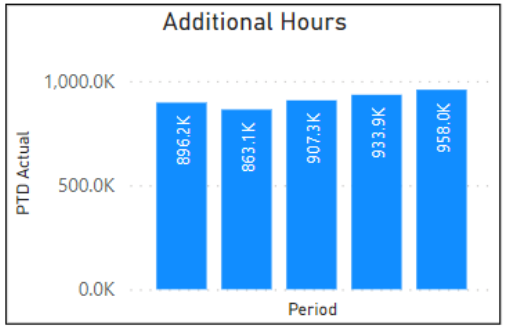
Variable pay (£'000)

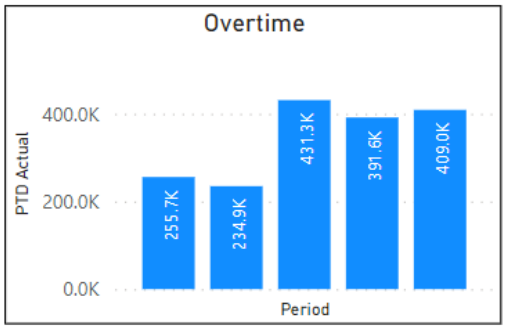
Pay category	22-P08	22-P09	22-P10	22-P11	22-P12	23-P01	23-P02	Change	%	Avg 20/21
Agency	5,674	5,594	5,711	5,395	5,958	5,301	5,968	666	12.6%	3,385
Bank	2,987	3,155	3,359	3,667	4,203	3,458	3,512	54	1.6%	2,072
Locum	115	158	221	227	229	226	238	12	5.3%	163
Total	**8,775**	**8,907**	**9,292**	**9,289**	**10,389**	**8,986**	**9,718**	**732**	**8.2%**	**5,620**

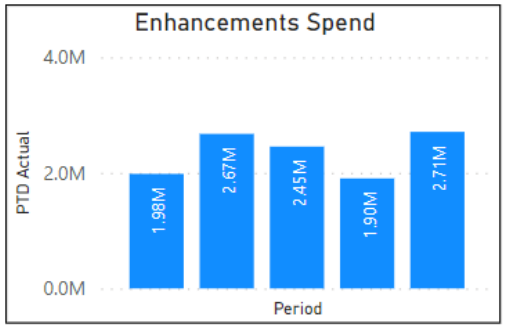
Total pay (£'000)

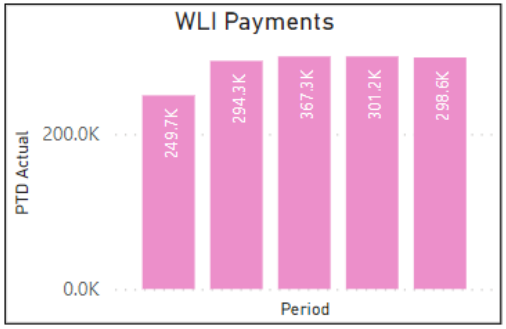
Pay category	22-P08	22-P09	22-P10	22-P11	22-P12	23-P01	23-P02	Change	%	Avg 20/21
Pay	**59,561**	**60,385**	**61,616**	**61,093**	**62,160**	**59,498**	**61,499**	**2,001**	**3.4%**	**52,514**

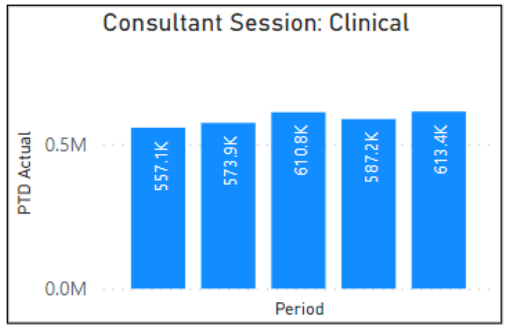
Pay Summary 2): Substantive Pay

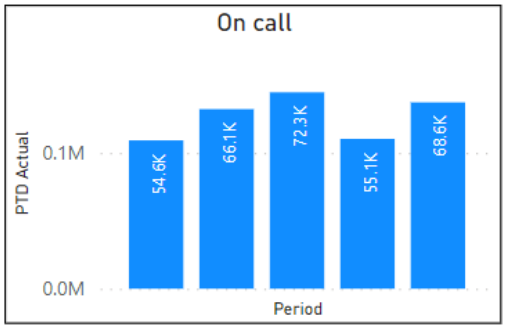










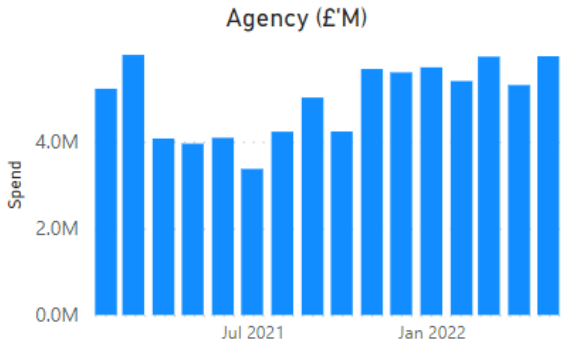


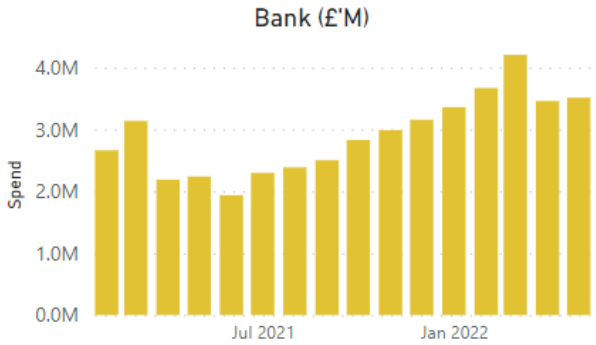
Analysis type by Division

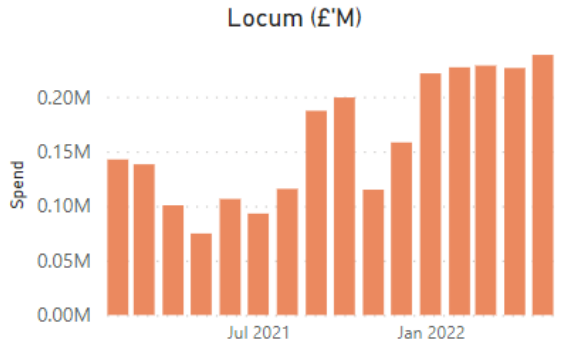
Analysis type	22-P10	22-P11	22-P12	23-P01	23-P02	Total
Enhancements						
Scheduled Care	388	511	491	373	525	**2,288**
Medicine	312	425	386	294	415	**1,831**
Estates and Facilities	289	381	358	284	396	**1,707**
Primary Care & Community	243	369	303	244	360	**1,519**
Family & Therapies	254	321	319	247	338	**1,480**
Mental Health	166	226	203	156	242	**994**
Urgent Care	157	225	190	152	213	**936**
CHC/FNC	89	116	111	82	117	**515**
Corporate	86	100	92	72	103	**453**
Total	**1,982**	**2,674**	**2,454**	**1,903**	**2,709**	**11,722**
ADDITIONAL HOURS						
Scheduled Care	313	273	376	306	351	**1,619**
Medicine	238	237	223	294	273	**1,264**
Urgent Care	196	196	150	216	256	**1,014**
Family & Therapies	116	138	133	121	51	**559**
Primary Care & Community	12	7	16	3	15	**53**
Mental Health	15	6	2	8	11	**41**
Corporate	7	6	7	-14	2	**9**
Total	**896**	**863**	**907**	**934**	**958**	**4,559**
CONSULTANTS SESSION: CLINICAL	**557**	**574**	**611**	**587**	**613**	**2,942**
Overtime	**256**	**235**	**431**	**392**	**409**	**1,722**
WAITING LIST PAYMENTS: CONSULTANTS	**250**	**294**	**367**	**301**	**299**	**1,511**
ON CALL	**55**	**66**	**72**	**55**	**69**	**317**
Total	**3,996**	**4,706**	**4,843**	**4,172**	**5,056**	**22,773**

Pay Summary (3): Variable Pay

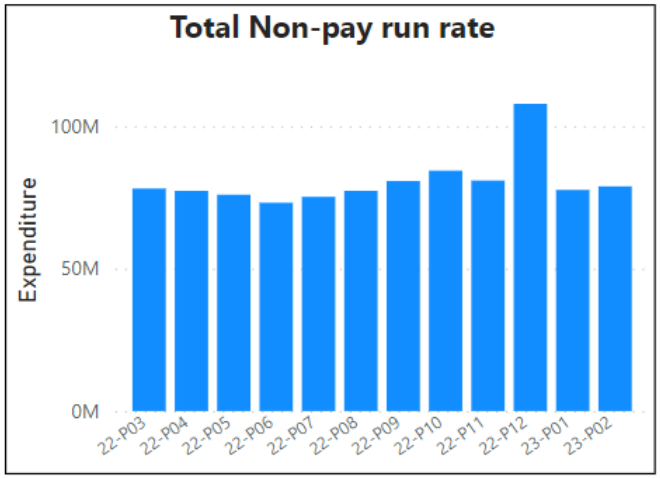
Pay category	21-P11	21-P12	22-P01	22-P02	22-P03	22-P04	22-P05	22-P06	22-P07	22-P08	22-P09	22-P10	22-P11	22-P12	23-P01	23-P02	Change	%
Agency																		
Admin & Clerical Agency	301	386	183	227	222	128	208	82	182	115	191	243	237	412	148	179	31	20.6%
Allied Health Prof Agency	108	186	45	3	-31	76	91	124	88	104	172	144	155	213	108	136	27	25.4%
Estates & Ancilliary Agency	937	1,417	585	726	643	483	465	717	422	428	807	474	44	544	413	622	210	50.9%
Medical Agency	923	1,085	866	1,043	1,027	531	1,272	1,238	1,318	1,920	1,704	1,278	1,688	1,693	1,448	1,602	154	10.6%
Nurse HCA/HCSW Agency	97	162	166	261	358	611	590	756	729	880	67	917	951	1,020	1,101	1,086	-14	-1.3%
Other Agency	84	142	89	114	110	71	59	92	103	128	114	180	170	390	-1	61	62	-9222.9%
Registered Nurse Agency	2,767	2,620	2,138	1,579	1,759	1,469	1,544	2,006	1,390	2,100	2,540	2,475	2,148	1,687	2,084	2,282	197	9.5%
Total	**5,217**	**5,998**	**4,070**	**3,953**	**4,088**	**3,369**	**4,228**	**5,015**	**4,232**	**5,674**	**5,594**	**5,711**	**5,395**	**5,958**	**5,301**	**5,968**	**666**	**12.6%**
Bank																		
Admin & Clerical Bank	121	166	98	97	132	129	120	111	134	111	108	131	102	117	104	111	7	6.5%
Estates & Ancilliary Bank	113	138	86	80	89	119	142	145	154	146	148	153	142	173	159	168	9	5.6%
Nurse HCA/HCSW Bank	1,064	1,250	972	1,013	812	1,005	1,079	1,102	1,185	1,114	1,193	1,217	1,397	1,427	1,276	1,313	38	2.9%
Other Bank	-1	2	1	1	0	-2	2	-1	0	0	0	0	0	0	0	0	0	-177.0%
Registered Nurse Bank	1,365	1,581	1,031	1,046	903	1,044	1,043	1,144	1,355	1,616	1,706	1,858	2,026	2,486	1,919	1,920	1	0.0%
Total	**2,661**	**3,137**	**2,188**	**2,238**	**1,936**	**2,295**	**2,386**	**2,500**	**2,828**	**2,987**	**3,155**	**3,359**	**3,667**	**4,203**	**3,458**	**3,512**	**54**	**1.6%**
Locum																		
Medical Locum	143	138	101	75	106	93	116	187	199	115	158	221	227	229	226	238	12	5.3%
Total	**143**	**138**	**101**	**75**	**106**	**93**	**116**	**187**	**199**	**115**	**158**	**221**	**227**	**229**	**226**	**238**	**12**	**5.3%**
Total	**8,021**	**9,273**	**6,359**	**6,265**	**6,130**	**5,757**	**6,729**	**7,702**	**7,259**	**8,775**	**8,907**	**9,292**	**9,289**	**10,389**	**8,986**	**9,718**	**732**	**8.2%**

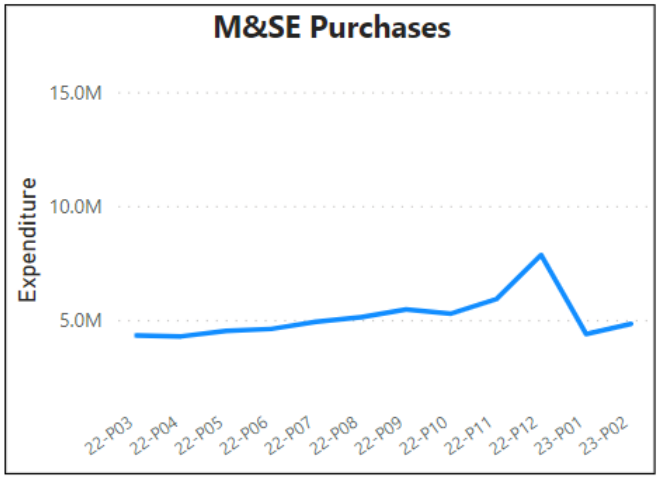


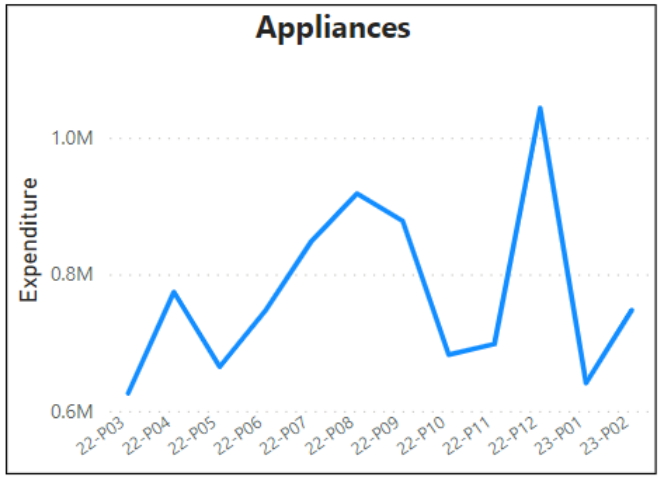


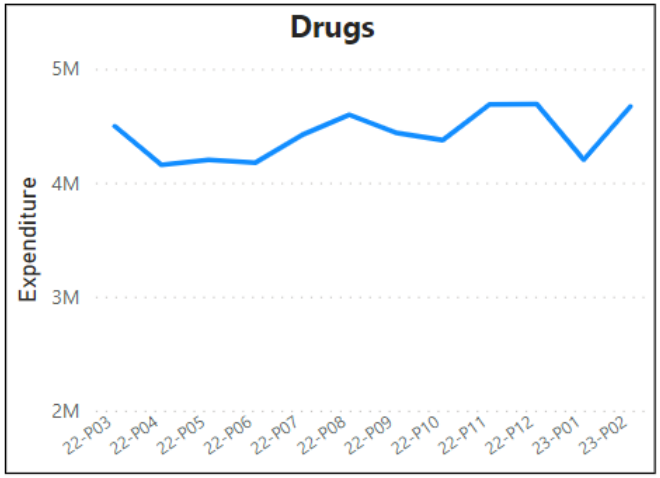


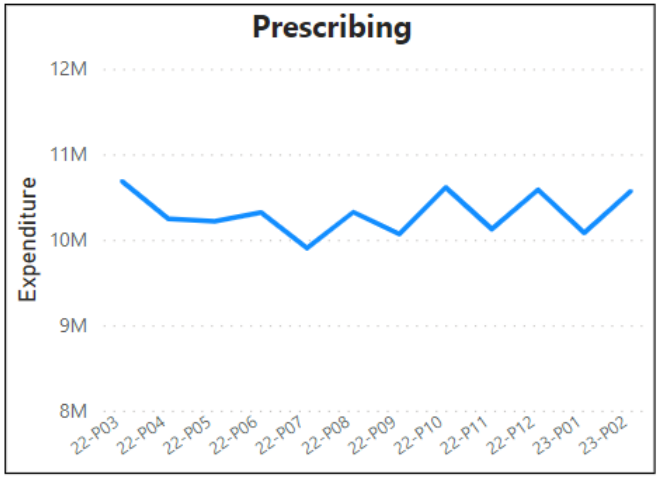
Non-Pay Summary:

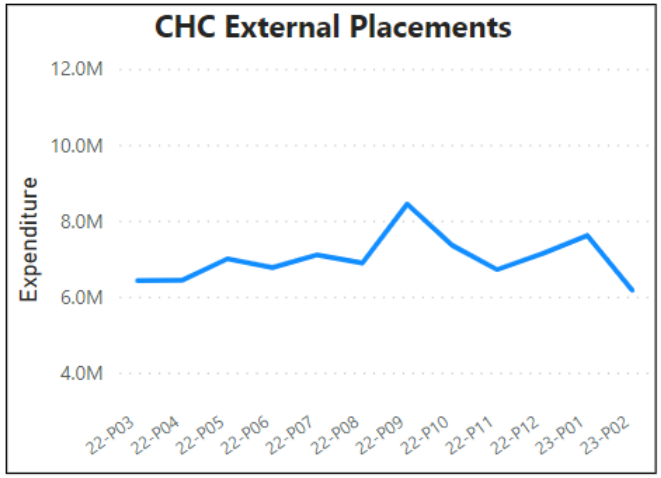












Referral to Treatment (RTT):

Elective activity has significantly reduced as part of the Health Board's Covid-19 planned response. Whilst some routine elective services have resumed, elective activity is still lower than pre-Covid-19 levels.

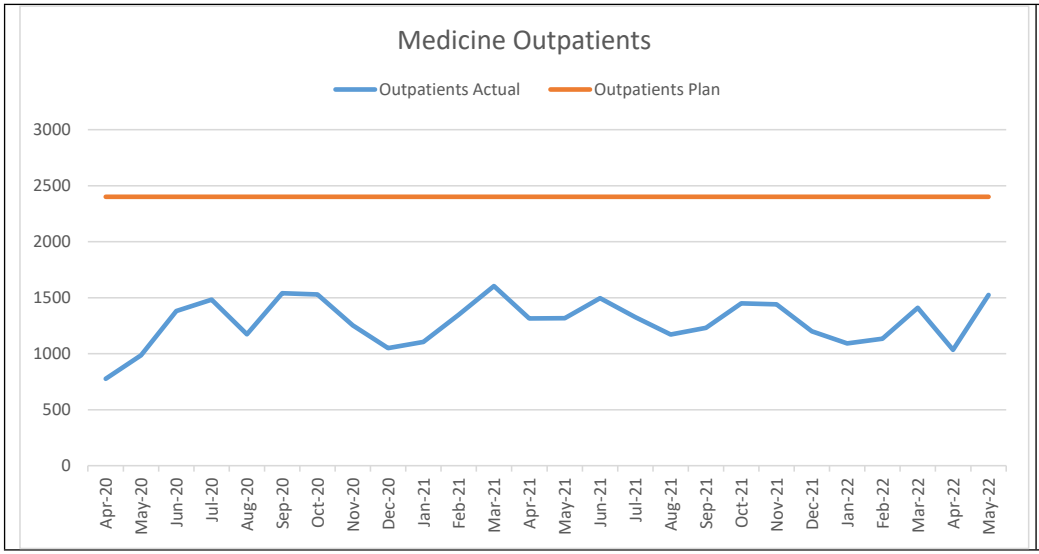
- Elective Treatments for May '22 were 1,934.

Directorates	Plan	Actual	Variance in Activity (Cases)				
			Core	Backfill	WLI	Other	Total
Derm	196	184	(1)	0	(11)	0	**(12)**
ENT	177	126	(18)	5	(38)	0	**(51)**
GS	381	313	(62)	(2)	(4)	0	**(68)**
Max Fax	198	198	36	(12)	(24)	0	**0**
Ophth	354	274	(62)	(12)	(6)	0	**(80)**
Rheum	0	0	0	0	0	0	**0**
T&O	497	415	24	(12)	(94)	0	**(82)**
Urology	492	424	(70)	2	0	0	**(68)**
Total	**2,295**	**1,934**	**(153)**	**(31)**	**(177)**	**0**	**(361)**

- Outpatient activity for May '22 was 5,911.

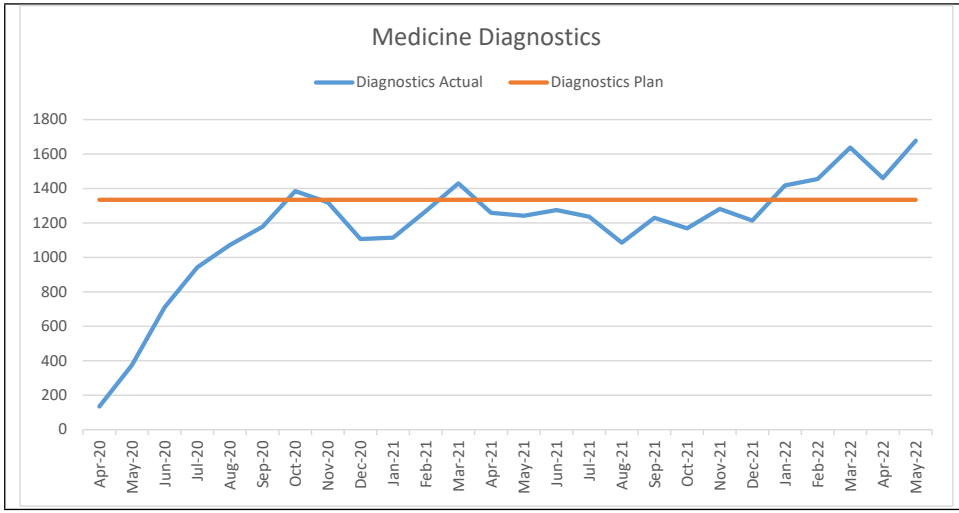
Plan	Actual	Variance in Activity (Cases)				
		Core	Backfill	WLI	Other	Total
1,277	1,127	(114)	0	(36)	0	**(150)**
409	418	8	0	1	0	**9**
1,307	1,543	286	(50)	0	0	**236**
257	361	114	0	(10)	0	**104**
1,016	817	(188)	12	(23)	0	**(199)**
166	153	(13)	0	0	0	**(13)**
1,217	1,115	43	(118)	(27)	0	**(102)**
441	377	(75)	0	11	0	**(64)**
6,090	**5,911**	**61**	**(156)**	**(84)**	**0**	**(179)**

- Medicine Outpatients activity for May '22 was 1,035:



	Assumed monthly activity	Actual activity	Variance	Variance
Gastroenterology	510	235	-275	54%
Cardiology	553	385	-168	30%
Respiratory (inc Sleep)	606	355	-251	41%
Neurology	259	193	-66	25%
Endocrinology	242	171	-71	29%
Geriatric Medicine	231	185	-46	20%
Total	**2401**	**1524**	**-877**	**37%**

Medicine Diagnostics activity for May '22 was 1,677:



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YTD May 22	Assumed monthly activity	Actual activity	Variance	Variance
Endoscopy	2668	3137	469	-18%
Total	**2668**	**3137**	**469**	**-18%**

Waiting List Initiatives:

Medicine have spent £93k in May 22:

- Gastroenterology (£65k): the number of endoscopy lists undertaken was 85 (90 in April). Patients seen in May 2022 was 430 (476 in April)
- Cardiology (£28k): for 7 clinic sessions (12 in April) seeing 318 patients (74 in April), plus 7 Cath lab sessions treating 21 patients (12 sessions and 36 patients in April).

Scheduled Care Division have spent £192k in May:

- Radiology (£94k)
- Pathology (£16k)
- ENT/PAC (£2k)
- Trauma & Orthopaedics (£57k)
- General Surgery (£10k)
- Urology (£2k)
- Dermatology (£4k)
- Oral Surgery (£1k)

Family & Therapies Division have spent £6k, Gynaecology Medical Staffing (£2k) and CAHMS (£4k).

Mental Health have spent £7k.

Covid-19 and Exceptional items Funding Assumptions

The Health Board has anticipated WG funding for Covid-19 as listed below;

Type	Covid-19 Specific allocations - May 2022	£'000
HCHS	Testing (inc Community Testing)	6,508
HCHS	Tracing	6,000
HCHS	Mass COVID-19 Vaccination	9,000
HCHS	PPE	3,654
HCHS	Cleaning standards	3,900
HCHS	Extended flu	351
HCHS	Long Covid	887
HCHS	A2. Increased bed capacity specifically related to C-19	8,850
HCHS	A3. Other capacity & facilities costs	10,374
HCHS	B1. Prescribing charges directly related to COVID symptoms	300
HCHS	C1. Increased workforce costs as a direct result of the COVID response and IP&C guidance	7,888
HCHS	D1. Discharge Support	10,761
HCHS	D4. Support for National Programmes through Shared Service	0
HCHS	D5. Other Services that support the ongoing COVID response	4,491
Dental	E1. Primary Care Contractor (excluding drugs) - Costs as a result of lost GDS income	2,308
HCHS	Nosocomial investigation and learning	753
	Total Covid-19 Allocations (anticipated)	**76,024**

0

Type	Exceptional items allocations - May 2022	£'000
HCHS	Energy prices increase	12,500
HCHS	Employers NI increase	4,606
HCHS	Real living wage	2,154
	Total Exceptional items allocations (anticipated)	**19,260**

Covid-19 Funding & Delegation

The HB has anticipated Covid funding totalling £76m. The UHB has anticipated funding of £20m for exceptional items listed in the WG letter dated 14th March.

Only funding for specific National Programmes has been delegated at this stage.

It should be noted that a review of local Covid schemes is now required in order to ensure assumptions are in line with WG guidance.

Savings

Division	Savings Scheme Number	Scheme / Opportunity	Recurrent / Non Recurrent	Current Year Annual Plan £'000	Plan FYE £'000	Current Year Forecast
Commissioning	COMM01	GUH OOA cost reduction	R	1,500	1,500	0
Complex Care	CHC01	Reduction of RN Agency (RJ)	R	250	250	250
Corporate	CORP01	Workforce and OD	NR	3,657	0	3,657
Corporate	CORP02	Workforce variable pay	R	214	214	214
Corporate	CORP03	R&D savings	R	200	200	200
Corporate	CORP04	Non-recurrent opportunities	NR	2,047	0	2,047
Estates and Facilities	EF01	Minor works	NR	138	0	138
Estates and Facilities	EF02	Agency (non-contract)	NR	268	0	268
Estates and Facilities	EF03	Park Square car park	NR	94	0	94
Estates and Facilities	EF04	Agile working related opportunities	NR	100	0	100
Estates and Facilities	EF05	Workforce variable pay	R	347	347	347
Family & Therapies	FT01	Family & Therapies non-pay	NR	652	0	652
Family & Therapies	FT02	MSK	R	250	250	250
Family & Therapies	FT03	Workforce variable pay	R	300	300	300
Medicine	MED01	Medicine non-pay	NR	500	0	486
Medicine	MED02	Medical staffing roster	R	140	140	0
Medicine	MED03	LoS bed reduction - GUH plan	R	1,242	1,242	0
Medicine	MED04	Workforce variable pay	R	506	506	0
Medicine	MED05	Endoscopy Backfill Cost Reduction	R	100	120	100
Medicine	MED06	Retinue Savings	NR	8	0	8
Mental Health and Learning Disabilities	MH01	Workforce variable pay	R	378	378	378
Primary Care and Community	PCC01	Workforce variable pay	R	646	646	646
Primary Care and Community	PCC02	Prescribing support dieticians (Prescribing)	R	100	100	100
Primary Care and Community	PCC03	Waste reduction scheme (Prescribing)	R	168	168	168
Primary Care and Community	PCC04	Pharmacy led savings (Prescribing)	R	50	50	50
Primary Care and Community	PCC05	Scriptswitch (acute) (Prescribing)	R	180	180	180
Primary Care and Community	PCC06	Scriptswitch (repeat) (Prescribing)	R	390	390	390
Primary Care and Community	PCC07	Darifenacin to Solifenacin switch	R	80	80	80
Primary Care and Community	PCC08	Respiratory Inhaler Switches	R	349	349	349
Primary Care and Community	PCC09	Rebate - total (Prescribing)	R	1,000	1,000	1,000
Scheduled Care	SCH01	Anaesthetics-POCU temporary staffing	NR	180	0	180
Scheduled Care	SCH02	Scheduled Care non-pay	NR	500	0	500
Scheduled Care	SCH03	Vascular mitigation opportunity	R	1,150	1,150	1,150
Scheduled Care	SCH04	Theatres overall opportunity	R	3,949	3,949	3,949
Scheduled Care	SCH05	GUH Theatre establishment	R	419	419	419
Scheduled Care	SCH06	Eye Care / Cataracts	R	500	500	500
Scheduled Care	SCH07	Medical staffing roster	R	140	140	140
Scheduled Care	SCH08	Enhanced Care	R	1,400	1,400	1,107
Scheduled Care	SCH09	SACU / POCU	R	77	77	77
Scheduled Care	SCH10	LoS bed reduction - Scheduled Care / Family	R	864	864	864
Scheduled Care	SCH11	Outpatient transformation (DNA & Follow-up)	R	2,394	2,394	2,394
Scheduled Care	SCH12	Workforce variable pay	R	571	571	571
Scheduled Care	MM SCD1	Antibiotic savings	R	3	3	0
Scheduled Care	MM SCD2	Lenalidomide Price Reduction	R	944	944	944
Scheduled Care	MM SCD3	Bortezomib rationalisation	R	70	77	70
Urgent Care	URG01	Medical staffing roster	R	141	141	141
Urgent Care	URG02	SDEC / Ambulatory Care	R	774	774	774
Urgent Care	URG03	Retinue	NR	6	0	6

Reserves

7769-ALLOCATIONS TO BE DELEGATED

Confirmed or Anticipated	R / NR	Description	22/23
Anticipated	NR	Mental Health Service Improvement funding 22-23	4,050,000
Anticipated	NR	Outpatient Treatment Centre project costs	202,919
Anticipated	NR	Real Living Wage Bands 1&2	658,000
Anticipated	NR	C19 Response-Cleaning Standards	3,900,000
Anticipated	NR	C19 Response-Increased bed capacity	8,850,000
Anticipated	NR	C19 Response-Other Capacity & facilities costs	10,373,500
Anticipated	NR	C19 Response-Prescribing charges - Covid symptoms	299,800
Anticipated	NR	C19 Response-Increased workforce costs	7,888,000
Anticipated	NR	C19 Response-Discharge Support	10,761,000
Anticipated	NR	C19 Response-Other Services that support the ongoing COVID response	4,491,000
Anticipated	NR	C19 Response-Extended flu	351,000
Anticipated	NR	Exceptional-Incremental National Insurance	4,606,000
Anticipated	NR	Exceptional-Incremenntal Real Living Wage	2,154,000
Anticipated	NR	Exceptional-Increase in Energy Costs (net of baseline costs)	12,500,000
Anticipated	NR	C19 National-Covid PPE	3,654,000
Anticipated	NR	C19 National-Covid Testing	6,508,000
Anticipated	NR	Urgent Primary Care	1,400,000
Anticipated	NR	Primary Care 111 service	623,000
Anticipated	NR	End of Life Care Board	112,000
		Confirmed Allocations to be apportioned	**83,382,219**

7788-COMMITMENTS TO BE DELEGATED

Description	22/23
Value Based Recovery balance	1,083,000
Recovery of pay budget relating to VERS	125,918
Other (inc.B1&2 enhancement alloc, VERS budget recovery)	565,904
Total Commitments	**1,774,822**

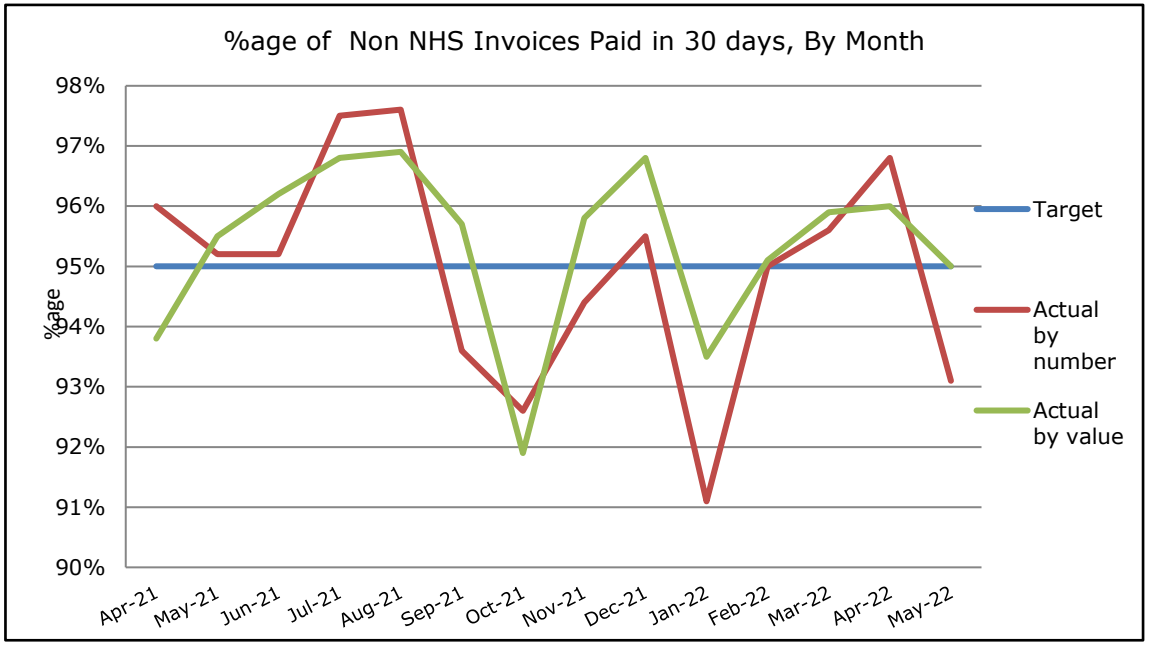
Reserves Delegation:
As at month 2, anticipated allocations are being held to be delegated namely for Covid-19, exceptional items, mental health and other primary care elements. Other commitment reserves are held which are due to be delegated once values and plans are finalised.

Cash Position

- The year end cash balance at the 31st May is £2.849m, which is below the advisory figure set by Welsh Government of £6m.

Public Sector Payment Policy (PSPP)

- The HB has not achieved the target to pay 95% of the number of Non-NHS creditors within 30 days of delivery of goods in May or cumulatively. A large number of the invoices paid outside of the target relate to Pharmacy, Agency & Catering. We are continuing to work with those departments where invoices are being processed outside of the 30 day payment terms.

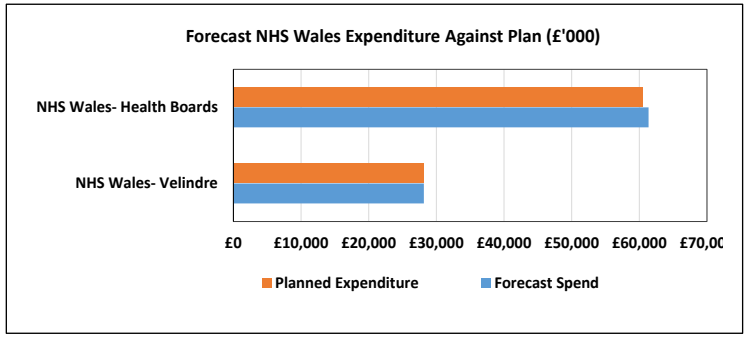


Contracting & Commissioning – LTA Spend & Income

Month/Financial Year:- Month 2 (May) 2022-23

At Month 2 the financial performance for Contracting and Commissioning is a YTD favourable variance of £167k, and a forecast adverse variance of £2.149m

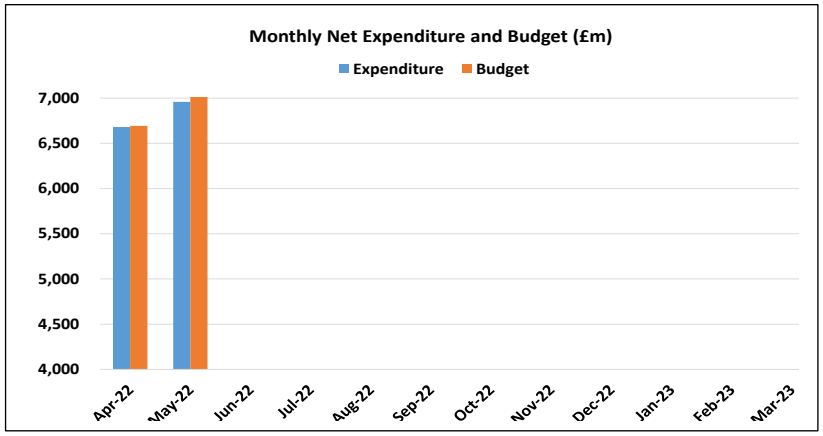
The key elements contributing to this position at Month 2 are as follows:

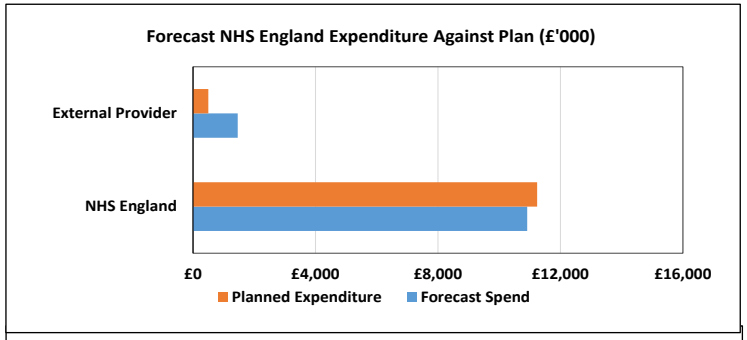


NHS Wales Expenditure

Contract Expenditure with NHS Wales has moved away from block agreements in 2022-23.

There is a cost pressure expected due to increased NICE drug expenditure

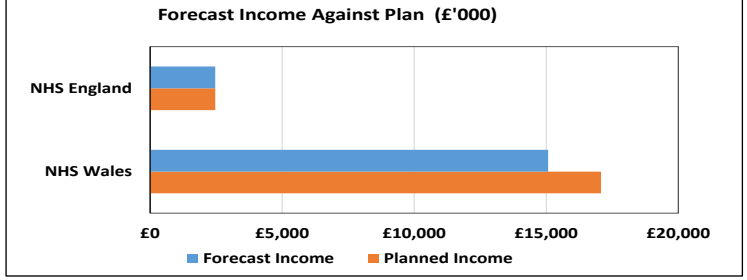




NHS England Expenditure

Contract Expenditure with NHS England organisations is expected to move away from Block agreements in 2022-23

There is a risk of increased expenditure if English providers deliver additional



Provider Income

There is a c£2m cost pressure expected from the reduced activity being delivered for Powys LHB following the opening of the GUH hospital

This has been partly funded by £972k budget delegated in Month 2

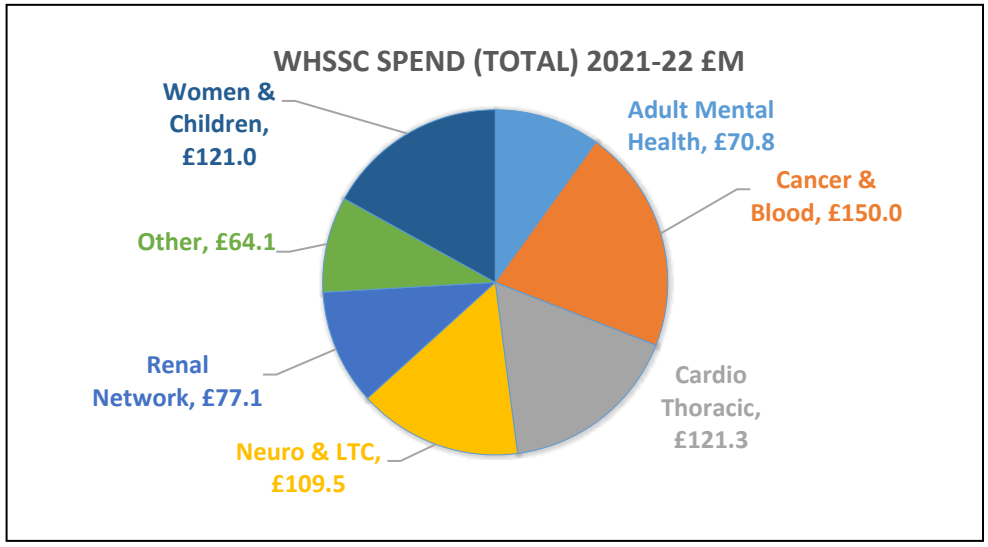
Key Issues 2022-23

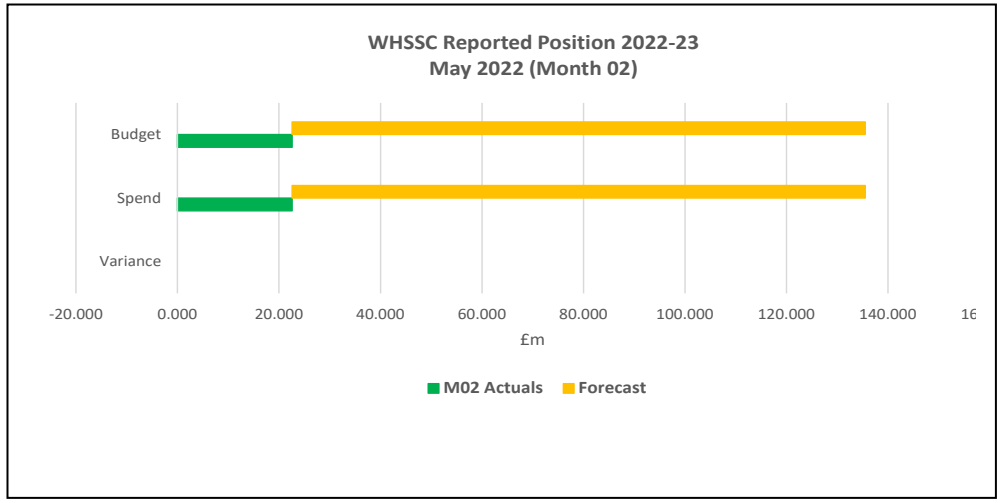
- All LTAs are required to be signed by the Welsh Government deadline of 30th June 2022. ABUHB have sent documents and updated schedules to all other Health Boards for review and agreement. The nationally agreed inflationary uplift of 2.8% and the impact of the 21-22 NHS Pay Award has been funded and is reflected in the above position.
- Directors of Finance have agreed a contract mechanism within Wales to 'block' non admitted patient care charges based on 2019/20 and to apply a 10% 'tolerance' to admitted patient care to reduce volatility in the contracting position. Enhanced rates will be available for recovery/increased activity.
- NICE costs continue to operate on a pass through basis and there is a c£700k recurrent pressure vs budget for NICE and High Cost Drug charges from Cardiff and Cwm Taf
- There is a c£2m cost pressure expected from the reduced activity being delivered for Powys LHB following the opening of the GUH hospital partly funded by £972k budget delegated in Month 2.
- There is a c£1m cost pressure expected from outsourcing activity to St Joseph's hospital to support endoscopy and MRI.

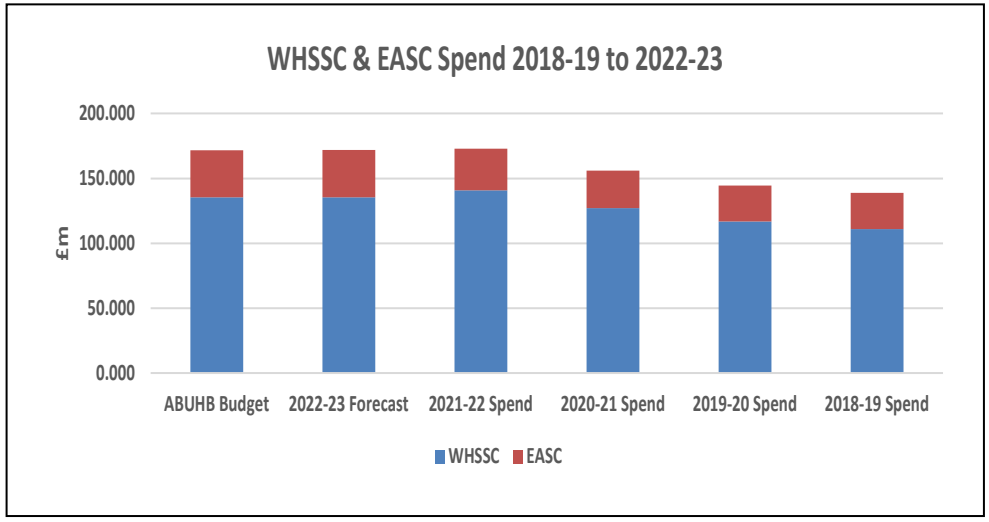
WHSSC & EASC Financial Position 2022-23

Period: Month 02 2022-23

The Month 02 financial performance for WHSSC & EASC is a YTD overspend of £51k, and a forecast overspend of £304k. The Month 02 position reflects the agreed IMTP & LTA agreements with providers.







Key Variances

- The EASC outturn position reflects the 2022-23 EASC IMTP agreed by Chief Executives at the EASC Joint Committee.
- **The variance reflects the HB's contribution share of £1.8m non recurring support to Welsh Ambulance Services Trust in 2022-23 to support ongoing recruitment and service**

Balance Sheet

Balance sheet as at 31st May 2022	2022/23 Opening balance £000s	30th April 2022 £000s	Movement £000s
Fixed Assets	810,479	806,633	-3,846
Other Non current assets	131,429	132,168	739
Current Assets			
Inventories	8,726	8,697	-29
Trade and other receivables	133,807	125,354	-8,453
Cash	1,720	2,849	1,129
Non-current assets 'Held for Sale'	0	0	0
Total Current Assets	144,253	136,900	-7,353
Liabilities			
Trade and other payables	226,999	218,092	-8,907
Provisions	195,707	197,196	1,489
	422,706	415,288	-7,418
	663,455	**660,413**	**-3,042**
Financed by:-			
General Fund	530,429	527,387	-3,042
Revaluation Reserve	133,026	133,026	0
	663,455	**660,413**	**-3,042**

Note:- The balance sheet is subject to change and audit review so is currently in draft only.

Other Non-Current Assets:
- This relates to an increase in Welsh Risk Pool claims due in more than one year £1.2m and a decrease in intangible assets £0.5m since the end of 2021/22.

Current Assets, Inventories:
- The decrease in year relates to changes in stock held within the divisions.

Current Assets, Trade & Other Receivables:
The main movements since the end of 2021/22 relate to:
- An increase in the value of debts outstanding on the Accounts Receivable system since 2021/22 to the end of May £1.1m. A decrease in the value of both NHS & Non-NHS accruals of £11.3m, of which £3.2m relates to a decrease of Welsh Risk Pool claims due in less than one year, £7.1m relates to a decrease in NHS & Non NHS accruals and £1.0m relates to a decrease in VAT & other debtors since the end of 2021/22.
- An increase in the value of prepayments held of £1.7m.

Cash:
- The cash balance held in month 2 is £2.849m.

Liabilities, Provisions:
- The movement since the end of 2021/22 relates to a number of issues the most significant of which are:- a decrease in Capital accruals (£7.2m), an increase in NHS Creditor accruals (£5.3m), a decrease in the level of invoices held for payment from the year end (£12.2m), an increase in non NHS accruals (£9.1m), an increase in Tax & Superannuation (£8.8m), a decrease in other creditors (£11.7m), an increase in payments on account (£1.0m).
- Due to the increase in the provision for clinical negligence and personal injury cases based on information provided by the Welsh Risk Pool of £1.5m.

General Fund:
- This represents the difference in the year-to-date resource allocation budget and actual cash draw down including capital.

Health Board Income
WG Funding Allocations: £1.6bn

Confirmed Allocations as at May 2022 (M2 2021/22)

	£'000
HCHS	1,253,991
GMS	102,026
Pharmacy	32,831
Dental	30,941
Total Confirmed Allocations - May 2022	**1,419,789**
Plus Anticipated Allocation - May 2022	**142,054**
Total Allocations - May 2022	**1,561,843**

Other Income:

The HB receives income from a number of sources other than WG, based on the year-to-date income, this is forecast to be approximately £104m. (£109m for 21/22). The majority of this income is delegated to budget holders and therefore nets against their delegated budget positions. The main areas for income are: other NHS Bodies, Frailty, Education & Training, Dental, Child Health Projects, Managed Practices, Retail and Catering.

Funding (allocations & income) for the UHB totalled £1.66bn for 22/23.

	2. ANTICIPATED ALLOCATIONS	STATUS OF ISSUED RESOURCE LIMIT ITEMS HCHS £'000	Pharmacy £'000	Dental £'000	GMS £'000	Total Revenue Resource Limit £'000
3	DEL Non Cash Depreciation - Baseline Surplus / Shortfall	1,065				1,065
4	DEL Non Cash Depreciation - Strategic	20,892				20,892
5	DEL Non Cash Depreciation - Accelerated	400				400
6	DEL Non Cash Depreciation - Impairment	0				0
9	AME Non Cash Depreciation - Donated Assets	342				342
10	AME Non Cash Depreciation - Impairment	415				415
13	Total COVID-19 (see below analysis)	73,717	0	2,308	0	76,025
14	Removal of IFRS-16 Leases (Revenue)					0
15	Energy (Price Increase)	12,500				12,500
16	Employers NI Increase (1.25%)	4,606				4,606
17	Real Living Wage	2,154				2,154
18	(Provider) Substance Misuse & increase	3,184				3,184
19	(Provider) SPR's	112				112
20	(Provider) Clinical Excellence Awards (CDA's)	298				298
21	CAMHS In Reach Funding	257				257
22	Technology Enabled Care National Programme (ETTF)	1,805				1,805
23	Informatics - Virtual Consultations	2,813				2,813
24	I2S DHR Phase 2 (£143k) & Omnicell (£425k)	(568)				(568)
25	Carers Funding	191				191
26	National Nursing Lead Community & Primary Care	53				53
27	National Clinical Lead for Falls & Frailty (£26k) & Primary & Comty Care (£113	139				139
28	National Allied Health Professional (AHP) Lead for Primary and Community Ca	85				85
29	Accelerated cluster development programme	200				200
30	AHW:Prevention & Early Years allocation 20/21	1,171				1,171
31	Healthy Weight-Obesity Pathway funding 21-22	550				550
32	Community Infrastructure Programme	180				180
33	C19 Support for Post Anaesthetic Critical Care Units (PACU)	904				904
34	WHSSC - National Specialist CAMHS improvements	139				139
35	Same Day Emergency Care (SDEC)	1,500				1,500
36	PSA Self-management Programme (Phase 1 & 2)	114				114
37	OP Transformation-Dermatology Specialist Advice and study day	26				26
38	Digital Priority investment fund (DPIF)	500				500
39	Strategic Primary Care - additional posts	113				113
40	Learning Disabilities-Improving Lives	64				64
41	Nurse Operation lead pump-prime funding 22-23 (18mths)	68				68
42	WHSSC All Wales Traumatic Stress Quality Imprmt (ANEHFS 13 21/22)	159				159
43	Children & Young People MH & Emotional Wellbeing (ANEHFS 16 21/22)	200				200
44	CAMHS in-reach funding (ANEHFS 17 21/22)	521				521
45	Support all age Mental Health - Tier 0/1 provision (ANEHFS 22 21/22)	200				200
46	Memory Assessment Services - Gwent RPB (ANEHFS 37 21/22)	565				565
47	EASC/WAST Improvements in MH Emergency Calls (ANEHFS 54 21/22)	51				51
48	WHSSC - Impl of National Specialist CAMHS Improv. (ANEHFS 90 21/22)	131				131
49	NHS Pay enhancement Band 1 to 2 - 3% uplift 21-22 (ANEHFS 21/22)	152				152
50	Mental Health - additional resources 22-23	4,050				4,050
51	GMS Refresh				1,603	1,603
52	Primary Care Improvement Grant				142	142
53	Agreement for Pay and Expenses 21-22 (not in Alloc letter - ANEHFS 10 21/22)				2,208	2,208
54	GMS - Pay and expenses updated for changes to list sizes				50	50
55	Welsh Risk Pool	(4,118)				(4,118)
56	Real Living Wage	658				658
57	Other – see separate table in commentary	3,185				3,185
58	**Total Anticipated Funding**	**135,743**	**0**	**2,308**	**4,003**	**142,054**

Capital Planning & Performance

The approved Capital Resource Limit (CRL) as at Month 2 totals £41.712m. The current forecast outturn is breakeven.

The works to the Same Day Emergency Care Unit, Resus, CEAU and Grange House are progressing from the remaining Grange University Hospital funding. All Laing O'Rourke works are due to complete by the middle of September. The additional works costs are being offset by the final VAT recovery claim due in the last quarter of 2022/23 which is why there is a credit budget allocation of £394k.

The YYF Breast Centralisation Unit site set up works commenced during the month. The works at Tredegar H&WBC are continuing. The handover of the building is now expected to be delayed to April 2023 as the original brick order for the façade has been cancelled by the supplier due to supply issues.

The Business Case for the proposed Endoscopy Unit at RGH was submitted to Welsh Government in March but final approval is still awaited. The FBC for the NHH Satellite Radiotherapy Centre is near conclusion and expected to be submitted to Board for approval in May. The Outline Business Case for the Mental Health SISU is on-going and expected to be submitted to Board for approval in July 2022.

The funding for Newport East Health and Well-being Centre has been received in month and the land purchase from Newport City Council has been progressed.

Summary Capital Plan Month 1 2022/23	2022/23			
	Original Plan £000	Revised Plan £000	Spend to Date £000	Forecast Outturn £000
Source:				
Discretionary Capital:-				
Approved Discretionary Capital Funding Allocation	8,227	8,227		8,227
Less AWCP Brokerage	-1,534	-1,859		-1,859
NBV of Assets Disposed	0	0		0
Total Approved Discretionary Funding	6,693	6,368		6,368
All Wales Capital Programme Funding: -				
AWCP Approved Funding	24,615	25,015		25,015
AWCP Anticipated Funding (GUH ED Works & Newport East H&WBC)	0	10,329		10,329
Total Approved & Anticipated AWCP Funding	24,615	35,344		35,344
Total Capital Funding / Capital Resource Limit (CRL)	**31,308**	**41,712**		**41,712**
Applications:				
Discretionary Capital:-				
Commitments B/f From 2021/22	1,317	1,492	-29	1,492
Statutory Allocations	576	576	13	576
Divisional Priorities	587	618	0	618
Corporate Priorities	2,182	1,144	44	1,144
Informatics National Priority & Sustainability	1,800	1,800	46	1,800
Remaining DCP Contingency	231	738	0	739
Total Discretionary Capital	**6,693**	**6,368**	**74**	**6,368**
All Wales Capital Programme:-				
Grange University Hospital Remaining works	-1,408	-394	118	-394
Tredegar Health & Wellbeing Centre Development	10,023	9,934	592	9,934
Fees for NHH Satellite Radiotherapy Centre Development	198	257	-28	257
YYF Breast Centralisation Unit	8,989	8,978	-6	8,978
Newport East Health & Wellbeing Centre Development	0	9,287	15	9,287
Fees for MH SISU	258	263	13	263
Covid Recovery Funding	1,400	1,620	467	1,620
National Programme - Imaging	4,700	4,686	0	4,686
Digital Eyecare	0	66	2	66
National Programme - Infrastructure	12	12	0	12
NHH SRU Enabling Works	400	403	112	403
SDEC Equipment	0	79	11	79
ICF Discretionary Fund Schemes	43	153	0	153
Total AWCP Capital	**24,615**	**35,344**	**1,296**	**35,344**
Total Programme Allocation and Expenditure	**31,308**	**41,712**	**1,370**	**41,712**
Forecast Overspend / (Underspend) against Overall Capital Resource Limit				**0**

The Business Case for the proposed Endoscopy Unit at RGH was submitted to Welsh Government in March but final approval is still awaited. The FBC for the NHH Satellite Radiotherapy Centre has

concluded and has been submitted to WG for approval. The Outline Business Case for the Mental Health SISU is on-going and expected to be submitted to Board for approval in Quarter 2.

The second year of the National Imaging Programme funding totals £4.7m for ABUHB. The spend in the current year includes the replacement of two CT Scanners (NHH / RGH) and the installation of three general rooms purchased during 2021/22.

The Health Board Discretionary Capital Programme (DCP) allocation for 2022/23 is £8.227m (a reduction of 24% compared to 2021/22). Final All Wales Capital Programme scheme brokerage for 2021/22 slippage was £1.859m, leaving a balance of £6.638m to address spend in the current financial year. The opening 2022/23 DCP was approved at the March board meeting. Expenditure has now commenced against these schemes. The unallocated contingency budget as at the end of May has increased to £1,287k due to the funding reimbursement for the GUH CAEU and Resus schemes, the removal of the allocation for the temporary carpark at GUH and additional VAT recovery savings. Emerging schemes will now be prioritised to confirm the next approvals against the unallocated funding.

ANEURIN BEVAN UNIVERSITY HEALTH BOARD

MONITORING RETURN FOR MONTH 02 2022/23

Director of Finance Commentary for the Period Ended 31st May 2022

Introduction

The purpose of this narrative is to provide a commentary on the financial monitoring returns being submitted to the Welsh Government (WG) by the Aneurin Bevan University Health Board (ABUHB) for the period to 31st May 2022 (Month 02, 2022/23). This commentary will provide an overview of the financial position and performance of the Health Board as at month two of the 2022/23 financial year. It will also provide a detailed narrative, where required, on each of the tables within the accompanying returns, in the format prescribed by WG.

This commentary will also respond, as far as is possible, to the issues highlighted in the WG response letter, the Health Board's response is recorded in the action log included as an Annex 1 to this commentary.

It is important to note that the uncertainty of Covid-19 continues with operational impacts for the Health Board's response. Together with three identified exceptional pressures, this has financial implications for 2022/23 which have been forecast but remain volatile. National priority schemes have been determined depending on WG guidance for 2022/23. A range of local Covid-19 transitional schemes have been estimated and funding anticipated for varying time profiles during the financial year. These are being actively managed to minimise the financial impact as per the IMTP financial assumptions letter dated 14th March 2022 and is in line with the ABUHB IMTP submitted to WG.

The Health Board is working to increase activity in areas that have suffered during Covid peak periods but there continues to be additional surge beds open on all sites and the workforce demands remain a significant risk to delivering services.

Pay award costs are excluded from the Health Board financial plan on the assumption that this will have nil impact due to funding from WG. No estimate is included due to the lack of a current agreement.

Energy costs have been revised based on latest data for NWSSP, this has resulted in a significant increase compared to the IMTP submission. These will continue to be monitored and updated for revised information from Shared Services.

As at Month 02, ABUHB is reporting a deficit of £4.884m and a break-even forecast year- end financial position. There are high risk areas within this break-even forecast, in particular the achievement of the full level of savings required within the IMTP. A briefing on the high risk areas was discussed on the 9th June and Executive Director discussions were held on the 13th June, the purpose of this was to reinforce the need to manage the financial risk to the health board to achieve the break-even forecast position. These risks are in line with those identified in the IMTP, are expected to be managed.

The Executive Team agreed to implement an internal Health Board financial recovery 'Turnaround' approach. While transformation is the preferred sustainable solution for long term efficiency and value gain, short term actions need to be invigorated to support 2022/23 balance.

The programme of work will identify potential options and actions for reducing costs and assess patient, target and financial impact.

An organisational re-assessment of priorities and forecast service demand will be undertaken and considered by the Executive and the Board before finalising the re-profiled action plan.

The resulting revised financial forecast will be confirmed in month 3 monitoring returns.

Actual YTD

The month two reported financial position shows a **£4.884m overspend position;** this is presented as such on the face of ***Table B – Monthly Positions***. The table below details the outturn financial position analysed across the Health Board's organisational structure of Divisions and Corporate Directorates, funding has been delegated following Board approval and subsequent Chief Executive agreement: -

Summary Reported position - May 2022 (M02)	Full Year Budget £000s	YTD Reported Variance £000s	Prior month reported variance £000s	Movement from prior month £000s
Operational Divisions:-				
Primary Care and Community	257,465	2,114	854	1,260
Prescribing	99,190	961	463	498
Community CHC & FNC	63,411	1,461	469	992
Mental Health	101,461	826	1,298	(473)
Director of Primary Community and Mental Health	321	11	6	5
Total Primary Care, Community and Mental Health	**521,849**	**5,373**	**3,090**	**2,283**
Scheduled Care	219,787	4,988	2,499	2,488
Medicine	98,729	5,595	2,577	3,017
Urgent Care	33,452	2,793	1,138	1,655
Family & Therapies	117,027	157	56	102
Estates and Facilities	78,205	2,481	1,408	1,073
Director of Operations	5,450	309	143	166
Total Director of Operations	**552,651**	**16,322**	**7,820**	**8,502**
Total Operational Divisions	**1,074,500**	**21,695**	**10,911**	**10,784**
Corporate Divisions	113,197	(892)	(606)	(286)
Specialist Services	171,680	51	25	26
External Contracts	82,276	(167)	(12)	(155)
Capital Charges	46,840	(0)	(0)	(0)
Total Delegated Position	**1,488,494**	**20,687**	**10,318**	**10,369**
Total Reserves	85,157	(15,803)	(8,646)	(7,158)
Total Allocations	(1,561,843)	0	0	0
Other Corporate Income	(11,808)	(0)	(0)	(0)
Total Reported Position	**0**	**4,884**	**1,673**	**3,211**

Key messages for Month 02

The financial position at the 31st May 2022 shows a £4.884m deficit position, with the key issues in the month being:

Expenditure in the Health Board for pay and non-pay continue at similar levels experienced in month one and towards the end of 21/22. The impact of Covid-19 has reduced the number of positive Covid-19 patients being treated by the Health Board however, the number of patients who are testing negative and recovering from Covid-19 remains at high levels and therefore the total patient cohort remain at levels similar to December 2021.

The number of medically fit and delayed transfers of care has increased significantly in May and total in the region of 335 patients as at the end of May. Approximately 30% of these patients relate to social care delays. These patients are across multiple sites and are generally within the Medicine specialities. These performance issues affect flow and the level of additional capacity across the UHB resulting in additional

costs. Discharge support solutions have been implemented and continue to increase the financial pressure for the Health Board.

Covid-19 related staff sickness decreased in May but remains significant resulting in direct and indirect increased variable pay costs across the Health Board. In addition significant costs continue to cover medical staff who are unable to return to front-line clinical work due to Occupational Health advice. The operational functions of ABUHB continue to operate to 'Covid-19 safe' standards. These include Covid-19 service cost drivers for:

- Additional services implemented to deal with exceptional emergency pressures across all sites,
- 'green' patient pathways to minimise infection,
- GUH ward A1 urgent care temporary ward,
- additional bed capacity across hospital sites,
- significantly increased number of patients requiring enhanced care,
- delayed discharges for patients waiting for social care support, and
- service models being flexed to respond to service pressures faced.

There is a continued reliance on premium rate variable pay (agency & enhanced bank rates). Variable pay remains at a significantly higher level compared to historical spend. In particular the consistent increase in patient acuity resulting in the need to provide enhanced care at levels 4 and 5.

The inability to cohort patients and implement sustainable solutions continues to provide a service, workforce and financial pressure throughout the Health Board. It is forecast that this situation should now improve as Covid-19 restrictions are lifted in June.

A continued focus on variable pay using a programme management approach is being undertaken to return to a more sustainable, affordable workforce model.

Outside of workforce, prescribing costs increased due to both growth and price increases (non Category-M drugs). CHC costs / variance increased due to a growth in FNC and Mental Health patients also coupled with conversion of packages. Litigation and estates maintenance costs have also resulted in deficits as at Month 2.

1. Actual YTD and Forecast Under / Overspend 2021/22 (Tables A, B, B2 & B3)

Table A – Movement of Opening Financial Plan to Outturn

The over-riding objectives of the ABUHB IMTP financial plan are to improve financial sustainability for service delivery and use transformation as a vehicle for value based improvement and efficiency delivery.

The Integrated Medium Term Plan was presented to the Board on the 23rd March and was subsequently signed off and submitted to WG, this included narrative and the detailed minimum data set.

Welsh Government and the Health Board have agreed to collectively manage significant financial risks in 2022/23 in respect of exceptional cost items and the on-going public health response (Covid). The expectation is that there is a return to business as normal, however, this will require a transitional period, and is subject to risks of further outbreaks.

The IMTP submitted to Welsh Government in March 2022 identified a break-even core position, assuming funding for the three areas of exceptional cost pressures as well as for the on-going transitional and National costs relating to Covid-19. It should also be noted that there are on-going financial risks for 2022/23. A break-down of the submitted IMTP for 2022/23 is summarised below:

- Underlying deficit brought forward of £20.9m
- Cost pressures identified of £89.3m
- Anticipated WG recurrent funding of £84m
- Savings of £26.2m
- Other cost pressures and new pressures will be mitigated and managed in year.

Going into 2023/24 the position is planned to be an underlying deficit to carry forward of £8.1m, this is a result of the level of in year non recurrent savings.

Opportunities to make efficiencies have been identified as c.£26m, included in the core plan, and the Health Board is working to translate these into meaningful savings. A list of these opportunities was provided in the IMTP, these have been reviewed resulting in some presentational changes which is causing the presentational movement between IMTP and in year savings in the movement table.

This MMR table has been completed based on updated, current operational plans and will be updated to reflect transitional Covid-19 costs, achievement of savings and further local/exceptional cost pressures.

In response to **Action Point 1.3** the Health Board has incurred operational pressures in month 2 outside of IMTP forecasts and require further mitigating actions in order

to ensure a balanced forecast. The Health Board is proceeding with a number of 'turnaround' actions which should reduce the risk. In line with this process the RRL can then be re-profiled in order to reflect the mitigating actions and adjust the variance profile.

Table B - Monthly Positions

The year to date reported position is a £4.884m deficit position.

The 31st May position assumes that costs for exceptional cost pressures as well as both Covid-19 National and Local initiatives are fully funded.

Material movements of actual expenditure from Month 1 are as follows:

- *Provider Services – Pay* – this reflects the continued high levels of expenditure relating to Covid-19, enhanced care variable pay expenditure, surge capacity especially within the community hospital sites and medical cover for consultants unable to return to front-line duty.

- *Secondary care* – drugs increased costs across several specialities including gastroenterology and haematology.

- *Joint Financing & Other* / Private & Voluntary / Continuing Health Care– this difference is due to the profiling of the expenditure, the expenditure for Joint financing tends to increase later in year as the agreements are finalised with partners, funding is made available and payments are made. The profiling for this requires review and update.

Section B has been completed from month 2 indicating costs by Directorate/Division on a forecast and actual basis.

Section D shows the year-to-date and forecast depreciation position for the Health Board based on the final asset values for 2021/22 and the 2022/23 capital schemes approved in the CRL issued on 24th May 2022. The figures are currently based on indices previously supplied by the Valuation Office Agency. As 2022/23 is a quinquennial valuation year, these figures will change when the Valuation Office Agency report is received, and the confirmed land and buildings revaluations are processed.

DEL / AME Depreciation charges and anticipated funding requirements in relation to IFRS16 Leases will be confirmed in the month three monitoring return.

AME Impairments have been included as per the reported November Non-Cash return figures, adjusted for changes to project completion dates that we have been notified of. The reversals of impairment funding required is currently based on the existing indices as described above, so will be subject to change following the quinquennial valuations. The revised requirements will be confirmed in future monitoring and non-cash returns accordingly.

	M02
Anticipated Allocations	**£000**
DEL - Baseline Depreciation Shortfall	1,065
DEL Strategic depreciation Support Required	20,892
DEL Accelerated Depreciation Required	400
DEL IFRS16 Leases Depreciation	TBC
Total DEL Anticipated Funding	**22,357**
AME Forecast Donated Asset Depreciation	342
AME Impairment Funding	12,177
AME Reversals of Impairment Funding	(11,762)
AME IFRS16 Leases Depreciation	TBC
Total AME Anticipated Funding	**757**
Total Forecast Anticipated Allocations	**23,114**

Table B2 – Pay & Agency (Section A)

This table has been completed in line with the guidance.

Table B3 – Covid-19

Total Covid-19 costs are shown as £76m and at this stage the Health Board is including expenditure and funding, these are full year forecasts unless otherwise stated:

- Testing - £6.508m
- Tracing - £6m
- Mass Vaccination - £9m
- PPE - £3.654m
- Extended Flu - £0.351m
- Cleaning standards - £3.9m
- Long Covid - £0.9m
- Nosocomial investigation - £0.8m, and,
- Other additional Covid-19 costs including those relating to emergency, patient acuity associated workforce pressures for quarter 1 only - £45m.

The cost impact of responding to Covid-19 and emergency system pressures along with increased patient acuity will be closely monitored and the implications for Q2 to Q4 will be appropriately reflected in future months returns.

The assumptions are in line with those used for the submitted IMTP, correspondence from WG and the IMTP financial assumptions letter sent in March 2022. Costs included in addition to the IMTP are related to on-going staffing issues as a result of covid, at this stage an amount is included for quarter 1, it is worth noting that following a lifting of the covid restrictions the Health Board has decreased the costs of Covid to reflect the change in visitors to the sites and therefore to the retail outlets within the sites, but, as stated above, this will be reviewed and updated.

The Health Board is reporting costs for additional capacity and maintaining Covid-19 safe and compliant operational service delivery across all sites, as part of the other additional Covid-19 costs section.

In response to **Action Point 1.1** the Health Board are reviewing Covid transitional schemes and will continue to ensure alignment with funding principles.

The Health Board is not including costs for Velindre Covid (recovery or outsourcing) within these figures, this in line with the All Wales LTA agreement.

In response to **Action Point 1.11** the Health Board can confirm the following:-

- The b/fwd accrual from 2021/22 was £19.603m
- The remaining Annual Leave Accrual after 'Sell Back' payments were actioned in month 1 & 2 (which equated to £0.565m) is £19.038m. We are aware that not all 'Sell Back' requests have been actioned and hence more will be processed next month.
- It is expected that costs have been incurred by the Health Board where staff have taken some of the carried forward annual leave. Therefore for the year to date a total provision release of £2.778m has been reflected in the month 2 position.

2. Underlying Position (Tables A1)

The Underlying (U/L) forecast position is a brought forward value of £21m with a carry forward deficit into 23/24 of c.£8m in line with the IMTP submission.

In response to **Action Point 1.5** the table has been reviewed and updated to show the net improvement in the recurrent savings column. The savings reflect forecast recurrent effects for schemes such as those linked to variable pay. The savings are off-

set by additional unmitigated pressures for various plans linked to specific quality and safety aspects across the UHB. Examples of these include water risk management, essential maintenance, IT within the GUH and microbiology medical costs.

Financial sustainability is an on-going priority and focus for the Health Board.

3. Risk Management (Table A2)

There are several significant challenges to the financial forecast for 2022/23, which include:

- Ensuring full delivery of the savings plans identified in the IMTP. The level of amber savings are £20m of which are at significant risk,
- Identifying savings to mitigate any further financial risks identified outside of the IMTP and operational pressures incurred for months 1 and 2 linked to additional costs patient acuity, safety, prescribing costs, CHC/FNC costs, litigation and estates maintenance costs (£10m).
- Quarter 2-4 additional Covid cost pressures, these relate to the likelihood of continued surge capacity, discharge support measures and increased enhanced care,
- Workforce absence / self-isolation / vacancies, availability of staff for priority areas,
- Responding to any specific Covid-19 impacts e.g., new variants, outbreaks,
- Unconfirmed levels of funding for exceptional cost pressures and covid responses, that the Health Board is currently assuming (£95m),
- Funding for any wage award or change in terms and conditions,
- Responding to the ongoing impact of Covid-19 and associated preventative services,
- Addressing backlogs in waiting times for services, due to the Covid-19 pandemic,
- Specific economic factors/Ukraine conflict issues such as energy costs, supply chain issues and non-pay inflation including travel expense costs, and
- Maximising the opportunity to transform services resulting in improved health outcomes for the population.

In response to **Action Point 1.7** risks have been separately listed where possible however some items have been consolidated given there would be numerous risks shown (e.g. National / Local Covid response).

Managing the risk is dependent on developing service and workforce plans that are sustainable during 2022/23 and in the future. Forecasting remains challenging given the level and variety of uncertainty linked to the issues listed above and the assumptions of delivery made in the IMTP.

In response to **Action Point 1.2** values have been added where possible to the risks listed above. The level of risk to the position is of concern and the Health Board has begun a process of 'turnaround' to ensure the Health Board de-escalates from Covid as well as mitigating as many risks as possible. Inevitably some risk will remain for issues relating to anticipated funding and specific areas such as expenditure linked to Ukraine re-settlement and the action of social care partners to support earlier discharge.

4. Ring Fenced Allocations (Tables B, N & O)

The Health Board plans to fully utilise the ring-fenced funding in line with the requirements for each element.

Tables N (GMS) and O (Dental) will be completed from month 6.

5. Agency / Locum (Premium) Expenditure (Tables B2 Sections B & C)

Agency expenditure continues at the high level of previous months, albeit reduced compared to March it remains significantly higher than the average for 2021/22.

Agency expenditure across nursing and additional clinical services is predominantly linked to enhanced care as well as to cover additional service demands including ED, opening surge beds and step-down hospital beds. Medical agency expenditure has also increased due to on-going elective recovery activity, vacancies, shielding and service pressures. The medical cover relating to Care of the Elderly consultants is a significant pressure which is now forecast to continue in the short to medium term.

6. Savings (inc Accountancy Gains & Income Generation) (Tables C, C1, C2 & C3)

As part of the IMTP submitted by the Board to Welsh Government (March 2022), the financial plan for 2022/23 identified a core savings requirement of £26.2m. As at Month 2 forecast achievement in 22/23 is £26.2m however this contains an extremely significant level of on-going risk in order to ensure full delivery

Actual savings delivered to May amounted to £0.904m, compared with year to date planned delivery of £1.172m. The profile of savings expected to be achieved is significantly increased from month 3.

To achieve a balanced core financial plan, the Health Board needs to ensure that savings plans are achieved in line with plans. In addition, further cost avoidance plans are required to ensure that any other financial pressures are mitigated. The IMTP narrative notes potential risks that require mitigation either through additional savings plans or other solutions.

Savings schemes straddle transformational, transactional, and operational plans. Aligned to progressing the savings and mitigating actions a value focussed pathway approach is being employed. The Health Board has agreed nine priority areas for focussed support using a programme management approach with MDT support through an Executive lead, value, performance, workforce, service, planning and finance representation.

Further service initiatives are being developed to support upstream patient management and reduce pressure on acute services, aligned to the Clinical Futures 'Level 1' strategy. The Value Based Health Care team as part of the "AB Connect" function are working across programmes and divisions to support service improvement and outcomes capture. National schemes are being developed and the Health Board will be participating fully with these programmes.

The Health Board will continue to identify and implement transactional and operational savings including the reduction in agency spend, to leverage the benefits of digital investment and will fully utilise the ABUHB opportunities compendium and FDU 'VAULT' where appropriate. Furthermore, the Health Board is proceeding with a number of 'turnaround' actions which may result in additional savings plan to mitigate the extreme levels of risk.

In addition to transformational change and following the month 2 position review, the Executive have implemented an internal 'turnaround' approach to accelerate financial cost reduction for 2022/23.

7. Income Assumptions 2021/22 (Tables D, E & E1)

Table D – Welsh NHS Assumptions

This table has been completed in line with the guidance.

Table E - Revenue Resource Limit

The Month 02 financial position is based on total allocations of £1,561.8m, of which £1,419.8m are received and £135.7m are anticipated.

Allocations are anticipated on receipt of a notification from WG, including Policy Leads and finance colleagues. It should be noted that anticipated allocations have been made for Urgent Primary Care (UPCC), 'Think 111' and End of life Care board based on 2021/22 correspondence. These will need to be confirmed with the relevant policy leads. The anticipated allocations include £19.9m for exceptional cost pressures as per those listed and a further £76m for Covid-19 pressures as listed below, in response to **Action Point 1.13** the Dental Income target funding is now included as part of this Covid-19 list. A compiled list of anticipated allocations is included in Table E with a list of the other anticipated allocations provided in appendix 2. In response to **Action Point 1.12,** estimated extended flu funding is recorded in the table below 21/22 costs and this will be updated once forecast figures are confirmed.

In response to **Action Point 1.15**, the anticipated allocations for Covid have been updated using the expenditure categories references provided.

In response to **Action Point 1.16**, the specific R&D allocation has been removed.

In response to **Action Point 1.17**, appendix 2 now shows the items consolidated under one line.

Type	Covid-19 Specific allocations - May 2022	£'000
HCHS	Testing (inc Community Testing)	6,508
HCHS	Tracing	6,000
HCHS	Mass COVID-19 Vaccination	9,000
HCHS	PPE	3,654
HCHS	Cleaning standards	3,900
HCHS	Extended flu	351
HCHS	Long Covid	887
HCHS	A2. Increased bed capacity specifically related to C-19	8,850
HCHS	A3. Other capacity & facilities costs	10,374
HCHS	B1. Prescribing charges directly related to COVID symptoms	300
HCHS	C1. Increased workforce costs as a direct result of the COVID response and IP&C guidance	7,888
HCHS	D1. Discharge Support	10,761
HCHS	D4. Support for National Programmes through Shared Service	0
HCHS	D5. Other Services that support the ongoing COVID response	4,491
Dental	E1. Primary Care Contractor (excluding drugs) - Costs as a result of lost GDS income	2,308
HCHS	Nosocomial investigation and learning	753
	Total Covid-19 Allocations (anticipated)	**76,025**

Type	Exceptional items allocations - May 2022	£'000
HCHS	Energy prices increase	12,500
HCHS	Employers NI increase	4,606
HCHS	Real living wage	2,154
	Total Exceptional items allocations (anticipated)	**19,260**

It is noted and appreciated that the Health Board is anticipating a material level of allocations and will work with WG colleagues to confirm as soon as possible.

Exceptional Costs Template/Anticipated income

The FDU template has been completed for month 2 and will require update for month 3 in order to reflect revised energy costs. The 2021/22 energy costs have been adjusted to reflect in-year sustainability funding received. In response to **Action Point 1.9** the FDU template has been updated to reflect the social care element of the real living wage only (£2.154m).

The Capital MMR table shows the outturn capital charges position for the Health Board. The position confirms the DEL and AME outturn positions which includes the allocation adjustments agreed with WG colleagues. All figures are subject to change.

8. Healthcare Agreements and Major Contracts

The updated ABUHB position is as per the table below:-

	AB Provider Agreement AB sent LTA documentation on 29 April 2022 to all commissioners.	AB Commissioner Agreement
C&VUHB	Agreed in principle. Awaiting signed copy	Nothing received to date. Informed that proposal will be sent post C&V Exec team meeting on 14 June 2022.
SBUHB	Agreed in principle. Awaiting signed copy	Received documentation. Passed for signing
CTMUHB	Awaiting CTM comments. No comments to date.	Nothing received to date. Being escalated.
HDUHB	Agreed in principle. No anticipated issues. Awaiting signed copy	Received financial schedules. Awaiting documentation to sign.
PTHB	Discussions ongoing around LTA narrative and baselines	Nothing received to date. Being escalated.
Velindre	n/a	Discussions ongoing around LTA narrative and application of DOFS performance framework.
WHSSC	Baselines being finalised. No anticipated issues	n/a

9. Statement of Financial Position and Aged Welsh NHS Debtors (Tables F & M)

Table F – Statement of Financial Position

This table will be completed from month 3.

Table M - AGED WELSH NHS DEBTORS

At the end of May 2022, the Health Board had 6 invoices outstanding with other Welsh Health Bodies totalling £363k.

Powys Teaching Local Health Board – 5 invoices outstanding totalling £361.7k. These invoices were agreed as part of the month 12 agreement of balances process. 1

invoice, totalling £132k has since been paid. We have requested immediate payment of the remaining outstanding 4 invoices.

Swansea Bay University Health Board – 1 invoice totalling £1.4k. This invoice has since been paid.

Action point 1.10 as at the end of April we had 11 invoices that were all agreed as part of the month 12 agreement of balances exercise which despite attempts by the Health Board to secure the payment at the end of April the invoices remained unpaid. Since then we have received payment for 9 of the invoices with one invoice outstanding with Powys LHB for £132,267.23 and one invoice outstanding with Swansea Bay ULHB for £1,462.08 at the end of May. Both of these invoices have since been confirmed as paid in early June.

10. Cash Flow Forecast (Table G)

The cash balance held at the end of May is £2.849m which was made up of £2.847m relating to revenue and £0.002m relating to Capital. The balance held is within the advisory figure set by Welsh Government of £6m.

11. Public Sector Payment Compliance (Table H)

This table is required on a quarterly basis.

12. Capital Schemes & Other Developments (Tables I, J & K)

Table I has been completed, in advance of the month 2 deadline, in line with the latest CRL issued on 24th May 2022.

AWCP Schemes

Table J indicates a validation error against Grange University Hospital minimum in year forecast. This is due to the current YTD spend being more than the minimum spend forecast. The scheme is expecting a large VAT recovery in the final quarter of 2022/23 which will offset the expenditure during the first three quarters. As the budget is a credit allocation of £394k, this validation error will remain until the VAT recovery is achieved in Q4.

Grange University Hospital Remaining Works

The Same Day Emergency Care Unit, Resus, CAEU and Grange House works are progressing from the remaining Grange University Hospital and Covid Recovery funding allocations. All Laing O'Rourke works are due to complete by the middle of

September. The Well-being and Admin works to Grange House are due to commence in July and conclude in March 2023. The additional works costs are being offset by the final VAT recovery claim due in the last quarter of 2022/23.

Tredegar HWBC
Expenditure on stage four is continuing. Phase 1 completion is now delayed to 6th April 2023 due to the facade brick order being cancelled. The scheme continues to be forecast to overspend by £370k due to the additional cost of the heart building works and the estimated SCP market price escalation (23/24 impact). This position is being monitored carefully with a view to managing from within the existing approved budget. However, a further funding bid may be required in future if the price escalation costs cannot be managed from within the current sum approved.

NHH Satellite Radiotherapy Centre
The FBC is complete and has been submitted to Welsh Government capital colleagues for scrutiny and approval.

YYF Unified Breast Unit
Site set up works have been stopped as a result of the contractor not signing the proposed contract that has been developed (concerns around the current inflationary pressures). Discussions are on-going with NWSSP Estates, WG and the contractor to resolve the issues. The expenditure profile for this financial year will be developed once the issues are resolved.

Newport East HWBC
The Full Business Case for Newport East Health and Well-being Centre has been approved and a funding letter has been received. The land purchase from Newport City Council has been progressed during the month. The contract with the main contractor is currently being finalised; their cashflow profile will be provided thereafter.

Fees for MH SISU
The OBC preparation has been delayed due to work pressures on the operational staff involved in the project. The OBC is now anticipated to be submitted in quarter two for Board approval.

Covid-19 Recovery Schemes
Most of the Covid Recovery allocation relates to the on-going SDEC works at the Grange university Hospital which are due to complete in July 2022. The remaining allocations relate to equipment and IT allocations that could not be delivered before 31st March 2022. These elements are due to be received in quarter one of the current financial year.

Imaging National Programme
The spend in the current year includes the replacement of two CT Scanners (NHH / RGH) and the installation of three general rooms purchased during 2021/22. Work is commencing on the procurement of the new CT Scanners. Works tenders are being obtained for the installation works associated with the General rooms purchased during 2021/22. These are currently being kept in storage until the required works are complete.

Digital Eye-Care
All orders have been raised in relation to this slippage allocation. Full spend is expected to be achieved.

EFAB – National Programme Infrastructure
The small slippage allocation in relation to the lift replacement scheme is expected to be fully spent during the year.

NHH SRU Enabling Works
Scheme completion was achieved in May. The final account is being agreed with the contractor.

SDEC Equipment Funding
The allocation of £79k relates to equipment that could not be delivered prior to 31st March 2022. The remaining items are expected by July to coincide with the completion of the works scheme.

ICF Discretionary Funded Schemes
Full spend is expected to be achieved on these small schemes during the year.

Discretionary Capital Programme (DCP)
The Health Board Discretionary Capital Programme (DCP) allocation for 2022/23 is £8.227m (a reduction of 24% compared to 2021/22). Final All Wales Capital Programme scheme brokerage for 2021/22 slippage was £1.859m, leaving a balance of £6.638m to address priorities in the current financial year.

The opening 2022/23 DCP was approved at the March board meeting. Expenditure has now commenced against these schemes. It should be noted that £715k in relation to RGH reconfiguration works (originally planned for the 2021/22 Covid Recovery allocation) has been approved into the UHB's 2022/23 DCP to allow the works to complete in the current financial year.

In addition, the current approved programme includes allocations for: The Health Board Discretionary Capital Programme (DCP) allocation for 2022/23 is £8.227m (a reduction of 24% compared to 2021/22). Final All Wales Capital Programme scheme

brokerage for 2021/22 slippage was £1.859m, leaving a balance of £6.638m to address priorities in the current financial year.

The opening 2022/23 DCP was approved at the March board meeting. Expenditure has now commenced against these schemes. It should be noted that £715k in relation to RGH reconfiguration works (originally planned for the 2021/22 Covid Recovery allocation) has been approved into the UHB's 2022/23 DCP to allow the works to complete in the current financial year.

In addition, the current approved programme includes allocations for:

- Statutory, Asbestos & Fire Safety Works - £676k
- Duct works at St Cadoc's - £175k
- Refurbishment of Clinical Rooms at Pengam HC -£107k
- Mental Health Estates improvements (including anti-ligature works and compliance with Smoking legislation) - £313k
- Digital Priorities and Sustainability - £2,220k
- Replacement Equipment - £229k
- GUH Additional Car Parking (reduced in month as original scheme not progressing) - £100k
- Funding contributions to AWCP schemes (e.g. NHH Cancer Centre Development) - £544k

The unallocated contingency budget as at the end of May has increased to £1,287k due to the funding reimbursement for the GUH CAEU and Resus schemes, the removal of the allocation for the temporary carpark at GUH and additional VAT recovery savings. Emerging schemes will now be prioritised to confirm the next approvals against the unallocated funding.

Risks of Capital Constraints 2022/23

The significant pressures on capital funding for 2022/23, in the context of the high demands for capital, has required a more robust prioritisation and risk management approach. The following risks were identified in the Opening Capital Programme Board report in March 2022:

- Statutory requirements in Asbestos Management and MH&LD smoking shelters/areas have been phased over a 2-year affordable period. This ensures that the Health Board commits to commencing the works, meeting its obligation of compliance. It should be noted that plans were in place to increase funding for backlog maintenance to £820k which has not been possible due to the reduced DCP funding available and therefore will delay addressing the risks associated with the existing condition of the estate.

- The delay in replacement of equipment which is past its manufacturer's life expectancy will increases the risk of failure or breakdown with possible impact or difficulties to efficient service provision.
- The lift replacement programme will need to be delayed, requiring the lifts to work further past their expected life span. This will possibly impose delays to the efficiency of the service and additional cost to the day-to-day revenue costs depending on breakdown and maintenance callouts.
- The informatics programme will need to be prioritised based on maintaining a safe and reliable ICT service to the Health Board which includes cyber security risks/vulnerability, legal and regulatory compliance risks. This will result in reduced funding for refresh of key infrastructure potentially reducing the reliability of IT across the Health Board. This also limits the opportunity for any further projects and transformation programmes that require capital investment. Alternative funding opportunities to help address the shortfall in capital will need to be reviewed to reduce the risk.
- The reduced funding position also limits the opportunities for service improvement and transformation that supports the Health Board strategic programmes.

Increased capital availability later in the financial year, whilst supporting the significant demand for capital, is also restrictive in terms of addressing priorities due to planning timescales for key projects and increased supplier lead times.

13. Other Issues

Risk Management

Claims submitted to the Welsh Risk Pool at the end of May 2022 total £3.181m. Claims paid out at the end of May equate to £0.071m leaving a balance of £3.110m to be reimbursed.

Creditors

Attached to the returns is a separate file containing the following information in relation to outstanding creditors:-

- All outstanding creditors we currently have identified with other Welsh Health bodies as at 13th June 2022.

- Response to the month 01 list of creditors circulated as part of the monthly reply letter.

14. Authorisation

Financial Performance is reported consistently in Board papers and external reporting including the MMR, however, internally these are presented in a more user-friendly way. The MMR Narrative and key tables are submitted for review to Finance and Performance Committee, as a sub-committee of the Board.

The dates for the Finance and Performance Committee meetings are:

- 6th July,
- 5th October, and
- 11th January 2023.

In accordance with the MMR guidance, the Health Board will endeavour to ensure that the MMR submission is agreed, and the narrative signed by two parties, by the Chief Executive and the Director of Finance. Where timescales and availability prevent this the Deputy Chief Executive will sign on behalf of the Chief Executive and the Deputy / Assistant Director of Finance (Financial Planning) will sign on behalf of the Director of Finance.

Robert Holcombe
Interim Director of Finance and Procurement
Cyfarwyddwr cyllid a chaffael dros dro

Glyn Jones
Interim Chief Executive
Prif Weithredwr dros dro

Submitted with this report are:

- Monthly Monitoring return Tables
- Test, Trace & Protect Pro-Forma
- Mass Vaccination Pro-Forma
- All outstanding creditors we currently have identified with other Welsh Health bodies as of 13th June 2022, and the
- Response to the month 01 list of creditors circulated as part of the monthly reply letter.

Appendix 1

Aneurin Bevan Health Board

Monthly Monitoring Returns – Current Period Action Points 2022/23

Month	Action Point	How responded to
2021/22 Month 12		
12.1	It is noted however, that the NHS payment performance fell below the best practice at 87.0%. I trust that solutions will be implemented which will result in 95% being achieved in 2022/23.	See Commentary
12.2	In respect of outstanding NHS invoices, Organisations are being reminded that payment for fully agreed invoices should be received within 4 weeks following the AOB exercise or sooner, if they exceed 17 weeks before the 4-week deadline.	Noted
1.1	You are requested to review and ensure that your costs align to the criteria set out in the IMTP Planning Assumption letter dated 14th March 2022 and at Month 2, reflect the recent guidance issued under the 'Covid De-escalation' letter dated 20th March 2022. The FDU will be also be undertaking further challenge on your assumptions in due course.	See Commentary
1.2	Also of concern, is the significant level further potential risks of £25.392m and I note that you have reported a further 11 risks with a 'TBC' value. It is important that you take a balanced approach to the reporting and quantification of Risks, noting that it is expected that the organisation would be required to identify mitigating Opportunities. This area of your submission requires an urgent review in order to drive down the level of risk to your position from the very beginning of this new financial year.	See Commentary
1.3	Please adjust the phasing of your Revenue Resource Limit (RRL) to smooth the impact of the Savings Plan profile (line 8) to ensure the total Opening Plan (line 14) is balanced to zero on a YTD basis at Month 2 and also each future month. Only net pressures above the Plan should be reflected in the YTD position (e.g., line 26) and the organisation will need to reflect on the delivery and recovery profile, of additional mitigating actions to offset these pressures.	See Commentary
1.4	The Identified Savings Plans are already reporting nil delivery against five schemes yet these have already been replaced with alternative 'In Year' schemes in April with the same total value. The original schemes have start dates recorded; therefore, please clarify if these are potentially available, in addition, this year. Alternatively, if this is simply a completion issue (you wished to record the original schemes to maintain a link to Plan but the alternative schemes are a reflection of the finalised schemes) you can either 1) remove the original schemes and change the 'In year' schemes marker to 'Month 1'; or 2) continue to report the material movement for the rest of the year.	Noted
1.5	I note that you are choosing to record the recurrent savings of £18.102m and new unmitigated recurring cost pressures of £5.324m to arrive at the forecast position of £8.136m. This could be intentional, and you wish to report that you have invested without a source of funding (full details will then be sought); or perhaps, it is more applicable to show the net improvement in the recurrent savings column only. Please review for Month 2 and increase the level of supporting detail in your narrative, as this may have provided greater clarity on the above. The narrative should discuss the current year to date achievement and future delivery assumptions.	See Commentary

1.6	The Savings Plans at Month 1 are assessed as 78% Amber and you are reporting a material Risk of Non Delivery of £6.932m. The movement to a Green assessment within the 3-month deadline should significantly reduce your assessment of risk; however, in the meantime, please continue to review and revise this assessment.	See Commentary
1.7	Please ensure that any Risks reported in Table A2 at Month 2 (after your review) are separately listed, please do not use one line to consolidate numerous material risks.	Noted
1.8	There are four Amber schemes in the Savings Tracker, with a forecast delivery of £4.207m, that have a 'go green' date in October 2022. Please be reminded that the WHC requires Amber schemes to move to the Green status within 3 months of first being included within the Tracker (Table C3). The 'Go Green' date must therefore fall within that requirement. Please take this opportunity to review and if applicable amend the 'Go Green' date' before Month 2.	See Commentary
1.9	I note that you are anticipating funding of £2.812m on line 17 of Table E for Real Living Wage. The FDU Template shows the Social Care element as £2.154m and this is the value we would expect to see recorded, at this stage on line 17. The 22/23 NHS associated pay award costs and corresponding funding assumptions should be excluded until the outcome of the pay negotiation exercise. Therefore, please leave this section of the FDU form blank for the time being.	Noted
1.10	In relation to the unpaid invoices listed on Table M; the deadline for receiving payment for any invoices raised pre-April 22, was May 20th. I trust therefore at M2, that there will be no 21/22 invoices included in Table M.	See Commentary
1.11	All organisations are being requested to provide the following information on the Annual Leave Accrual within the Month 2 narrative: 1) b/f Opening Annual Leave Accrual value 2) remaining Annual Leave Accrual balance after 'Sell Back'	See Commentary
1.12	As you are aware, the costs of the Extended Flu Programme (for all applicable age groups) should be included in your Table B3 in 2022/23 and you can anticipate Covid funding (the allocations will be confirmed in due course and therefore this is not anticipated at risk). During this year, should any funding for policy areas be confirmed as recurrent from 23/24, please continue to record them as non-recurrent this year; when issued recurrently, they become Operational in 23/24.	Noted
1.13	Please be advised that the non recurrent Dental Income target funding should be treated as Covid-19 and the corresponding expenditure included in table B3.	Noted
1.14	The 21/22 Bands 1 & 2 uplift (which will be issued in due course) of £0.152m, can be included on a sperate line on Table E.	Noted
1.15	In order to better align non-programme Covid-19 funding assumptions against the 'Other' analysis reported within the FDU template; all organisations are being requested to split their income assumptions across the below categories within the Covid-19 section of Table E/Table E1. The lines below will be linked to consolidation tables in our internal systems; therefore, please do not use these lines for any other income items. To reduce error, we suggest you add the narrative descriptions below in your Table E/E1 at M2 and if there is no corresponding funding request, then simply leave the value cell blank.	Noted
1.16	I refer to the email dated 26th May from Richard Dudley, which advises the removal of the R&D uplift from Table E, as this is being issued via the Grants process.	Noted
1.17	Thank you for providing the additional Appendix setting out all of the Anticipated Income items (due to limitation of lines on Table E). Until the number of items reduce, please may I request that you only set out in Appendix 2 the items that you have consolidated under one line on Table E, rather than replicate the entire list.	Noted

Appendix 2

List of additional anticipated allocations as at 31st May 2022

WG Revenue Resource Limit : Anticipated Allocations (May)			
Funding Type	**Description**	**Value £'000**	**Recurrent / Non Recurrent**
HCHS	Anticipated items in Table E excluding other	132,558	R
GMS	Anticipated items in Table E MMR	4,003	R
Dental	Anticipated items in Table E MMR	2,308	R
	Sub-total	**138,869**	
HCHS	Urgent Primary Care	1,400	R
HCHS	Primary Care 111 service	623	R
HCHS	End of Life Care Board	112	R
HCHS	Mental Capacity Act prep for Liberty Protection Safeguards	382	R
HCHS	PSA self-management Programme Platform development	465	R
HCHS	Outpatient Treatment Centre project costs	203	R
	Sub-total other	**3,185**	
	Total anticipated allocations as at May 2022	**142,054**	

Welsh Government Monthly Monitoring Return (MMR) extract tables

Aneurin Bevan ULHB

Period : May 22

Summary Of Main Financial Performance

Revenue Performance

		Actual YTD £'000	Annual Forecast £'000
1	Under / (Over) Performance	(4,884)	0

	A. Monthly Summarised Statement of Comprehensive Net Expenditure / Statement of Comprehensive Net Income		1 Apr £'000	2 May £'000	3 Jun £'000	4 Jul £'000	5 Aug £'000	6 Sep £'000	7 Oct £'000	8 Nov £'000	9 Dec £'000	10 Jan £'000	11 Feb £'000	12 Mar £'000	Total YTD £'000	Forecast year-end position £'000
1	Revenue Resource Limit	Actual/F'cast	129,487	131,258	132,129	129,683	129,683	117,321	129,157	128,909	128,909	130,080	130,086	144,538	260,745	1,561,843
2	Capital Donation / Government Grant Income (Health Board only)	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Welsh NHS Local Health Boards & Trusts Income	Actual/F'cast	1,857	1,809	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	3,666	23,666
4	WHSSC Income	Actual/F'cast	821	859	833	833	833	833	833	833	833	833	833	837	1,680	10,014
5	Welsh Government Income (Non RRL)	Actual/F'cast	(20)	214	67	67	67	67	67	67	67	67	67	7,278	194	8,075
6	Other Income	Actual/F'cast	5,138	4,819	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	5,200	9,957	61,957
7	**Income Total**		**137,283**	**138,959**	**140,229**	**137,783**	**137,783**	**126,021**	**137,257**	**137,009**	**137,009**	**138,180**	**138,186**	**159,853**	**276,242**	**1,665,555**
8	Primary Care Contractor (excluding drugs, including non resource limited expenditure)	Actual/F'cast	14,731	15,648	15,274	15,260	15,260	15,260	15,260	15,010	15,010	14,010	14,010	16,095	30,379	180,827
9	Primary Care - Drugs & Appliances	Actual/F'cast	8,733	8,767	9,048	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	8,848	17,500	106,178
10	Provided Services - Pay	Actual/F'cast	55,828	57,512	56,430	56,056	56,062	56,067	56,155	56,155	56,155	53,415	53,415	53,423	113,340	666,670
11	Provider Services - Non Pay (excluding drugs & depreciation)	Actual/F'cast	11,736	10,949	11,592	9,728	9,728	9,728	9,728	9,728	9,728	9,253	9,262	9,318	22,685	120,486
12	Secondary Care - Drugs	Actual/F'cast	4,527	5,283	4,659	4,659	4,659	4,659	4,659	4,659	4,659	4,259	4,259	4,259	9,810	55,138
13	Healthcare Services Provided by Other NHS Bodies	Actual/F'cast	26,003	26,107	25,990	25,990	25,990	25,990	25,990	25,990	25,990	25,990	25,990	25,941	52,110	311,957
14	Non Healthcare Services Provided by Other NHS Bodies	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Continuing Care and Funded Nursing Care	Actual/F'cast	9,497	8,176	9,560	9,243	9,243	9,243	9,243	9,243	9,243	9,243	9,243	9,243	17,673	110,476
16	Other Private & Voluntary Sector	Actual/F'cast	1,113	1,070	842	842	842	842	842	842	842	842	842	8,053	2,183	17,811
17	Joint Financing and Other	Actual/F'cast	2,723	4,591	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,800	3,804	7,314	45,318
18	Losses, Special Payments and Irrecoverable Debts	Actual/F'cast	197	247	325	325	325	325	325	325	325	325	325	425	444	3,794
19	Exceptional (Income) / Costs - (Trust Only)	Actual/F'cast													0	0
20	Total Interest Receivable - (Trust Only)	Actual/F'cast													0	0
21	Total Interest Payable - (Trust Only)	Actual/F'cast													0	0
22	DEL Depreciation\Accelerated Depreciation\Impairments	Actual/F'cast	3,840	3,792	3,831	3,840	3,840	3,840	3,848	3,848	3,848	3,852	3,852	3,852	7,632	46,082
23	AME Donated Depreciation\Impairments	Actual/F'cast	28	28	28	28	28	(11,733)	28	28	28	29	29	12,206	56	757
24	Uncommitted Reserves & Contingencies	Actual/F'cast													0	0
25	Profit\Loss Disposal of Assets	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	**Cost - Total**	Actual/F'cast	**138,956**	**142,170**	**141,378**	**138,623**	**138,629**	**126,873**	**138,732**	**138,482**	**138,482**	**133,877**	**133,880**	**155,472**	**281,126**	**1,665,555**
27	**Net surplus/ (deficit)**	Actual/F'cast	**(1,673)**	**(3,211)**	**(1,149)**	**(840)**	**(846)**	**(851)**	**(1,474)**	**(1,472)**	**(1,472)**	**4,303**	**4,306**	**4,381**	**(4,884)**	**0**

	B. Cost Total by Directorate		1 Apr £'000	2 May £'000	3 Jun £'000	4 Jul £'000	5 Aug £'000	6 Sep £'000	7 Oct £'000	8 Nov £'000	9 Dec £'000	10 Jan £'000	11 Feb £'000	12 Mar £'000	Total YTD £'000	Forecast year-end position £'000
28	Primary Care	Actual/F'cast	32,356	33,535	33,200	33,000	33,000	33,000	33,000	33,000	33,000	32,500	32,500	34,103	65,891	396,134
29	Mental Health	Actual/F'cast	9,793	8,127	9,700	9,700	9,700	9,700	9,700	9,700	9,700	9,400	9,400	9,400	17,920	114,020
30	Continuing HealthCare	Actual/F'cast	5,714	6,330	6,250	5,717	5,717	5,717	5,717	5,717	5,717	5,717	5,717	5,787	12,044	69,811
31	Commissioned Services	Actual/F'cast	8,467	8,731	8,550	8,550	8,550	8,550	8,550	8,550	8,550	8,500	8,500	8,500	17,198	102,548
32	Scheduled Care	Actual/F'cast	21,347	21,517	21,450	21,432	21,438	21,443	21,511	21,438	21,438	20,400	20,400	20,598	42,864	254,412
33	Unscheduled Care	Actual/F'cast	15,022	15,306	15,490	15,000	15,000	15,000	15,000	15,000	15,000	14,000	14,000	14,200	30,328	178,618
34	Children & Women's	Actual/F'cast	10,436	10,579	10,502	10,380	10,380	10,380	10,400	10,400	10,400	9,500	9,500	9,500	21,015	122,357
35	Community Services	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36	Specialised Services	Actual/F'cast	15,076	15,077	15,077	15,077	15,077	15,077	15,077	15,077	15,077	15,077	15,077	15,077	30,153	180,923
37	Executive / Corporate Areas	Actual/F'cast	8,603	11,253	9,800	8,500	8,500	8,500	8,500	8,323	8,323	7,752	7,755	15,093	19,868	110,920
38	Support Services (inc. Estates & Facilities)	Actual/F'cast	8,268	7,283	7,500	7,400	7,400	7,400	7,400	7,400	7,400	7,150	7,150	7,150	15,557	88,907
39	Reserves	Actual/F'cast	0	0											0	0
40	**Cost - Total (Excluding DEL & AME Non-Cash Charges)**	Actual/F'cast	**135,088**	**138,350**	**137,519**	**134,756**	**134,762**	**134,767**	**134,855**	**134,605**	**134,605**	**129,396**	**129,399**	**139,414**	**273,438**	**1,618,716**

Aneurin Bevan ULHB

Period : May 22

This Table is currently showing 0 errors

Table B2 - Pay Expenditure Analysis

A - Pay Expenditure		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
REF	*TYPE*	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	Administrative, Clerical & Board Members	8,657	8,598	8,703	8,500	8,500	8,500	8,500	8,500	8,500	7,971	7,971	7,970	17,255	100,870
2	Medical & Dental	13,160	13,581	13,296	13,250	13,250	13,250	13,276	13,276	13,276	12,750	12,750	12,750	26,741	157,865
3	Nursing & Midwifery Registered	18,220	18,922	18,250	18,400	18,400	18,400	18,425	18,425	18,425	18,000	18,000	18,000	37,142	219,867
4	Prof Scientific & Technical	2,202	2,215	2,250	2,250	2,250	2,250	2,250	2,250	2,250	2,090	2,090	2,090	4,417	26,437
5	Additional Clinical Services	8,591	8,990	8,781	8,700	8,700	8,700	8,700	8,700	8,700	7,850	7,850	7,850	17,581	102,112
6	Allied Health Professionals	3,290	3,367	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,100	3,100	3,100	6,657	39,057
7	Healthcare Scientists	939	1,025	1,082	952	958	963	1,000	1,000	1,000	950	950	950	1,964	11,769
8	Estates & Ancillary	3,044	3,406	3,063	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	6,450	36,513
9	Students	6	7	5	5	5	5	5	5	5	5	5	5	13	63
10	**TOTAL PAY EXPENDITURE**	**58,109**	**60,111**	**58,730**	**58,357**	**58,363**	**58,368**	**58,456**	**58,456**	**58,456**	**55,716**	**55,716**	**55,715**	**118,220**	**694,553**
	Analysis of Pay Expenditure														
11	**LHB Provided Services - Pay**	55,828	57,512	56,430	56,056	56,062	56,067	56,155	56,155	56,155	53,415	53,415	53,423	**113,340**	**666,670**
12	**Other Services (incl. Primary Care) - Pay**	2,281	2,599	2,300	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,301	2,292	**4,880**	**27,884**
13	**Total - Pay**	**58,109**	**60,111**	**58,730**	**58,357**	**58,363**	**58,368**	**58,456**	**58,456**	**58,456**	**55,716**	**55,716**	**55,715**	**118,220**	**694,553**

B - Agency / Locum (premium) Expenditure - Analysed by Type of Staff		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
REF	*TYPE*	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	Administrative, Clerical & Board Members	148	179	200	180	180	180	180	180	180	180	180	180	327	2,147
2	Medical & Dental	1,471	1,629	1,600	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	3,100	18,200
3	Nursing & Midwifery Registered	2,084	2,282	2,200	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	1,900	4,366	23,666
4	Prof Scientific & Technical	26	15	46	40	40	40	40	40	40	40	40	40	41	447
5	Additional Clinical Services	1,092	1,086	954	750	750	750	750	750	750	750	750	750	2,178	9,882
6	Allied Health Professionals	108	136	125	100	100	100	100	100	100	100	100	100	244	1,269
7	Healthcare Scientists	(18)	46	75	75	75	75	75	75	75	75	75	75	28	778
8	Estates & Ancillary	413	622	450	400	400	400	400	400	400	400	400	400	1,035	5,085
9	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	**TOTAL AGENCY/LOCUM (PREMIUM) EXPENDITURE**	**5,324**	**5,995**	**5,650**	**4,945**	**4,945**	**4,945**	**4,945**	**4,945**	**4,945**	**4,945**	**4,945**	**4,945**	**11,319**	**61,474**
11	**Agency/Locum (premium) % of pay**	**9.2%**	**10.0%**	**9.6%**	**8.5%**	**8.5%**	**8.5%**	**8.5%**	**8.5%**	**8.5%**	**8.9%**	**8.9%**	**8.9%**	**9.6%**	**8.9%**

Aneurin Bevan ULHB

Period : May 22

This Table is currently showing 0 errors

Table B3 - COVID-19 Analysis

A - Additional Expenditure		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
A1	*Enter as positive values*	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
1	**Testing (Additional costs due to C19) enter as positive values - actual/forecast**														
2	**Provider Pay (Establishment, Temp & Agency)**														
3	Administrative, Clerical & Board Members	136	157	156	156	156	156	156	156	156	156	156	156	293	1,851
4	Medical & Dental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Nursing & Midwifery Registered	12	16	16	16	16	16	16	16	16	16	16	16	28	189
6	Prof Scientific & Technical	0	12	11	11	11	11	11	11	11	11	11	11	12	119
7	Additional Clinical Services	58	62	60	60	60	60	60	60	60	60	60	60	119	719
8	Allied Health Professionals	90	99	99	99	99	99	99	99	99	99	99	99	188	1,175
9	Healthcare Scientists	12	0	0	0	0	0	0	0	0	0	0	0	12	12
10	Estates & Ancillary	33	36	36	36	36	36	36	36	36	36	36	36	69	432
11	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	**Sub total Testing Provider Pay**	339	382	378	378	378	378	378	378	378	378	378	378	722	4,497
13	Primary Care Contractor (excluding drugs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Secondary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) Exclude PPE - see A6	218	292	150	150	150	150	150	150	150	150	150	150	510	2,011
17	Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Continuing Care and Funded Nursing Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Other Private & Voluntary Sector	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Joint Financing and Other (includes Local Authority)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22	Other (only use with WG agreement & state SoCNE/I line ref)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23		0	0	0	0	0	0	0	0	0	0	0	0	0	0
24		0	0	0	0	0	0	0	0	0	0	0	0	0	0
25		0	0	0	0	0	0	0	0	0	0	0	0	0	0
26	**Sub total Testing Non Pay**	218	292	150	150	150	150	150	150	150	150	150	150	510	2,011
27	**TOTAL TESTING EXPENDITURE**	557	674	528	528	528	528	528	528	528	528	528	528	1,231	6,508
28	**PLANNED TESTING EXPENDITURE (In Opening Plan)**	557	541	541	541	541	541	541	541	541	541	541	540	1,099	6,508
29	**MOVEMENT FROM OPENING PLANNED TESTING EXPENDITURE**	0	(133)	13	13	13	13	13	13	13	13	13	12	(133)	(0)

A - Additional Expenditure		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
A1	*Enter as positive values*	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
A2	*Tracing (Additional costs due to C19) enter as positive values - actual/forecast*														
30	**Provider Pay (Establishment, Temp & Agency)**														
31	Administrative, Clerical & Board Members	534	510	453	172	172	172	172	172	172	172	172	171	1,044	3,040
32	Medical & Dental	2	2	2	12	12	12	12	12	12	12	12	12	3	112
33	Nursing & Midwifery Registered	37	32	34	34	34	34	34	34	34	34	34	34	69	414
34	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35	Additional Clinical Services	402	396	287	113	114	114	114	114	114	114	114	114	798	2,113
36	Allied Health Professionals	27	29	26	23	23	23	23	23	23	23	23	23	56	292
37	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38	Estates & Ancillary	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40	**Sub total Tracing Provider Pay**	1,002	969	802	354	355	355	355	355	355	355	355	355	1,971	5,970
41	Primary Care Contractor (excluding drugs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43	Secondary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) Exclude PPE - see A6	0	0	29	0	0	0	0	0	0	0	0	0	0	29
45	Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47	Continuing Care and Funded Nursing Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48	Other Private & Voluntary Sector	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49	Joint Financing and Other (includes Local Authority)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
50	Other (only use with WG agreement & state SoCNE/I line ref)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
51		0	0	0	0	0	0	0	0	0	0	0	0	0	0
52		0	0	0	0	0	0	0	0	0	0	0	0	0	0
53		0	0	0	0	0	0	0	0	0	0	0	0	0	0
54	**Sub total Tracing Non Pay**	0	0	29	0	0	0	0	0	0	0	0	0	0	29
55	**TOTAL TRACING EXPENDITURE**	1,002	969	831	354	356	356	356	355	355	355	355	355	1,972	6,000
56	**PLANNED TRACING EXPENDITURE (In Opening Plan)**	1,002	890	891	354	355	355	355	355	355	355	355	375	1,892	6,000
57	**MOVEMENT FROM OPENING PLANNED TRACING EXPENDITURE**	(0)	(79)	60	(0)	(0)	(0)	(0)	0	0	0	0	20	(80)	0

A - Additional Expenditure		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
A1	*Enter as positive values*	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
A3	*Mass COVID-19 Vaccination (Additional costs due to C19) enter as positive values - actual/fc*														
58	**Provider Pay (Establishment, Temp & Agency)**														
59	Administrative, Clerical & Board Members	225	216	220	220	220	350	350	350	220	220	220	220	441	3,031
60	Medical & Dental	2	3	3	3	3	6	6	6	5	3	3	3	5	46
61	Nursing & Midwifery Registered	153	146	160	160	160	300	300	300	300	200	160	160	299	2,499
62	Prof Scientific & Technical	2	2	2	2	2	2	2	2	2	2	2	2	4	21
63	Additional Clinical Services	55	46	60	60	60	120	120	120	120	60	60	100	101	981
64	Allied Health Professionals	13	2	15	15	15	40	40	40	40	15	15	25	15	275
65	Healthcare Scientists	0	(0)	0	0	0	0	0	0	0	0	0	0	(0)	(0)
66	Estates & Ancillary	2	2	3	3	3	8	8	8	8	3	3	3	4	57
67	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
68	**Sub total Mass COVID-19 Vaccination Provider Pay**	452	416	463	463	463	826	826	826	695	503	463	513	869	6,910
69	Primary Care Contractor (excluding drugs)	0	0	0	0	0	0	400	400	400	0	0	0	0	1,200
70	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
71	Secondary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
72	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) Exclude PPE - see A6	44	27	47	62	62	76	87	87	87	72	72	163	71	890
73	Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
74	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
75	Continuing Care and Funded Nursing Care	0	0	0	0	0	0	0	0	0	0	0	0	0	0
76	Other Private & Voluntary Sector	0	0	0	0	0	0	0	0	0	0	0	0	0	0
77	Joint Financing and Other (includes Local Authority)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
78	Other (only use with WG agreement & state SoCNE/l line ref)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
79		0	0	0	0	0	0	0	0	0	0	0	0	0	0
80		0	0	0	0	0	0	0	0	0	0	0	0	0	0
81		0	0	0	0	0	0	0	0	0	0	0	0	0	0
82	**Sub total Mass COVID-19 Vaccination Non Pay**	44	27	47	62	62	76	487	487	487	72	72	163	71	2,090
83	**TOTAL MASS COVID-19 VACC EXPENDITURE**	496	444	510	525	525	902	1,313	1,313	1,182	575	535	676	940	9,000
84	**PLANNED MASS COVID-19 VACC EXPENDITURE (In Opening Plan)**	496	600	600	600	600	950	950	950	950	770	770	764	1,096	9,000
85	**MOVEMENT FROM OPENING PLANNED MASS COVID-19 VACC EXPENDITURE**	0	156	90	75	75	48	(363)	(363)	(232)	195	235	87	156	0

A - Additional Expenditure		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
A1	*Enter as positive values*	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
A5	**Cleaning Standards (Additional costs due to C19) enter as positive values - actual/forecast**														
114	**Provider Pay (Establishment, Temp & Agency)**														
115	Administrative, Clerical & Board Members	0	0	0	0	0	0	0	0	0	0	0	0	0	0
116	Medical & Dental	0	0	0	0	0	0	0	0	0	0	0	0	0	0
117	Nursing & Midwifery Registered	0	0	0	0	0	0	0	0	0	0	0	0	0	0
118	Prof Scientific & Technical	0	0	0	0	0	0	0	0	0	0	0	0	0	0
119	Additional Clinical Services	0	0	0	0	0	0	0	0	0	0	0	0	0	0
120	Allied Health Professionals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
121	Healthcare Scientists	0	0	0	0	0	0	0	0	0	0	0	0	0	0
122	Estates & Ancillary	309	263	277	287	297	307	317	327	332	332	332	330	572	3,710
123	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
124	**Sub total Cleaning Standards Provider Pay**	309	263	277	287	297	307	317	327	332	332	332	330	572	3,710
125	Primary Care Contractor (excluding drugs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
126	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
127	Secondary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
128	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) Exclude PPE - see A6	11	12	13	14	15	16	17	18	19	19	19	19	23	190
137			0	0	0	0	0	0	0	0	0	0	0	0	0
138	**Sub total Cleaning Standards Non Pay**	11	12	13	14	15	16	17	18	19	19	19	19	23	190
139	**TOTAL CLEANING STANDARDS EXPENDITURE**	320	275	290	301	312	323	334	345	351	351	351	349	595	3,900
140	**PLANNED CLEANING STANDARDS EXPENDITURE (In Opening Plan)**	320	312	319	319	325	326	327	328	329	329	334	334	632	3,900
141	**MOVEMENT FROM OPENING PLANNED CLEANING STANDARDS EXPENDITURE**	0	37	29	18	13	3	(7)	(17)	(22)	(22)	(17)	(15)	37	0

A - Additional Expenditure		1	2	3	4	5	6	7	8	9	10	11	12		
		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
A1	*Enter as positive values*	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
A6	**PPE, Long Covid & Other (Additional costs due to C19) enter as positive value - actual/foreca**														
142	**Provider Pay (Establishment, Temp & Agency)**														
143	Administrative, Clerical & Board Members	48	43	40	40	40	40	38	38	38	38	38	38	92	483
144	Medical & Dental	1,028	649	885	408	442	458	372	352	315	279	293	285	1,677	5,766
145	Nursing & Midwifery Registered	1,280	876	1,272	527	573	615	487	459	410	360	379	368	2,156	7,606
146	Prof Scientific & Technical	28	21	26	26	26	26	26	26	26	26	26	26	49	307
147	Additional Clinical Services	1,330	1,119	1,712	642	697	750	603	570	508	368	387	376	2,449	9,063
148	Allied Health Professionals	111	112	130	134	134	134	134	134	134	136	136	136	223	1,566
149	Healthcare Scientists	3	0	0	0	0	0	0	0	0	0	0	0	3	3
150	Estates & Ancillary	253	395	336	336	352	352	352	352	352	352	352	352	648	4,137
151	Students	0	0	0	0	0	0	0	0	0	0	0	0	0	0
152	Movement of Annual Leave Accrual	0	0	0	0	0	0	0	0	0	0	0	0	0	0
153	Other (only use with WG Agreement & state SoCNE/l line ref)		0	0	0	0	0	0	0	0	0	0	0	0	0
154														0	0
155														0	0
156	**Sub total Other C-19 Provider Pay**	**4,081**	**3,216**	**4,402**	**2,113**	**2,264**	**2,375**	**2,012**	**1,931**	**1,784**	**1,559**	**1,613**	**1,581**	**7,297**	**28,931**
157	Primary Care Contractor (excluding drugs)	0	0	0	0	0	0	0	0	0	0	0	0	0	0
158	Primary Care Contractor (excluding drugs) - Costs as a result of lost GDS Income	0	516	188	164	188	180	164	196	149	211	164	188	516	2,308
159	Primary Care - Drugs	0	0	0	0	0	0	0	0	0	0	0	0	0	0
160	Secondary Care - Drugs	34	34	34	34	34	34	34	34	34	34	34	34	69	412
161	Provider - Non Pay (Clinical & General Supplies, Rent, Rates, Equipment etc) Exclude PPE - see separate line	477	542	429	513	413	393	373	353	333	333	327	327	1,020	4,819
162	Provider - Non Pay - PPE	305	230	311	312	311	312	311	312	311	312	311	313	535	3,654
163	Healthcare Services Provided by Other NHS Bodies	0	1	24	24	24	24	24	24	24	24	24	25	1	243
164	Non Healthcare Services Provided by Other NHS Bodies	0	0	0	0	0	0	0	0	0	0	0	0	0	0
165	Continuing Care and Funded Nursing Care	852	737	754	689	642	568	568	568	568	568	568	568	1,589	7,646
166	Other Private & Voluntary Sector	181	181	181	181	181	181	181	181	182	181	181	242	362	2,233
167	Joint Financing and Other (includes Local Authority)	2	2	2	2	2	1	2	2	2	1	1	2	4	21
168	Other (only use with WG Agreement & state SoCNE/l line ref)		0	0	0	0	0	0	0	0	0	0	0	0	0
176	**Sub total Other C-19 Non Pay**	**1,851**	**2,244**	**1,924**	**1,920**	**1,796**	**1,694**	**1,658**	**1,671**	**1,604**	**1,665**	**1,611**	**1,700**	**4,095**	**21,335**
177	**TOTAL OTHER C-19 EXPENDITURE**	**5,933**	**5,459**	**6,325**	**4,033**	**4,060**	**4,069**	**3,670**	**3,602**	**3,388**	**3,223**	**3,223**	**3,281**	**11,392**	**50,265**
178	**PLANNED OTHER C-19 EXPENDITURE (In Opening Plan)**	5,933	6,131	6,165	3,390	3,390	3,390	3,390	3,390	3,389	3,352	3,289	3,359	**12,064**	**48,570**
179	**MOVEMENT FROM OPENING PLANNED OTHER C-19 EXPENDITURE**	**0**	**672**	**(160)**	**(642)**	**(670)**	**(678)**	**(280)**	**(211)**	**2**	**129**	**66**	**77**	**672**	**(1,696)**
180	**TOTAL ADDITIONAL EXPENDITURE DUE TO COVID**	**8,308**	**7,821**	**8,484**	**5,740**	**5,781**	**6,177**	**6,259**	**6,202**	**5,862**	**5,091**	**5,051**	**5,248**	**16,130**	**76,024**
181	**PLANNED ADDITIONAL EXPENDITURE DUE TO COVID (In Opening Plan)**	**8,308**	**8,474**	**8,516**	**5,204**	**5,212**	**5,563**	**5,564**	**5,565**	**5,564**	**5,347**	**5,289**	**5,371**	**16,783**	**73,978**
182	**MOVEMENT FROM OPENING PLANNED ADDITIONAL COVID EXPENDITURE**	**(0)**	**653**	**32**	**(536)**	**(569)**	**(614)**	**(695)**	**(637)**	**(298)**	**256**	**238**	**124**	**653**	**(2,046)**

Aneurin Bevan ULHB

Period : May 22

Table D - Income/Expenditure Assumptions

Annual Forecast

	LHB/Trust	Contracted Income	Non Contracted Income	Total Income	Contracted Expenditure	Contracted Expenditure	Total Expenditure
		£'000	£'000	£'000	£'000	£'000	£'000
1	Swansea Bay University	201	694	**895**	1,270	2,593	**3,863**
2	Aneurin Bevan University	0	0	**0**	0	0	**0**
3	Betsi Cadwaladr University	0	87	**87**	0	945	**945**
4	Cardiff & Vale University	1,179	770	**1,949**	32,668	3,692	**36,360**
5	Cwm Taf Morgannwg University	1,373	311	**1,684**	23,118	793	**23,911**
6	Hywel Dda University	290	26	**316**	394	599	**993**
7	Powys	13,727	3,104	**16,831**	185	321	**506**
8	Public Health Wales	0	4,705	**4,705**	0	1,624	**1,624**
9	Velindre	0	7,599	**7,599**	25,402	38,381	**63,783**
10	NWSSP	0	0	**0**	0	0	**0**
11	DHCW	0	1,091	**1,091**	0	5,208	**5,208**
12	Wales Ambulance Services	0	348	**348**	0	13,756	**13,756**
13	WHSSC	9,184	350	**9,534**	142,053	(114)	**141,939**
14	EASC	0	0	**0**	43,078	0	**43,078**
15	HEIW	0	11,267	**11,267**	0	22	**22**
16	NHS Wales Executive	0	0	**0**	0	0	**0**
17	**Total**	**25,954**	**30,351**	**56,305**	**268,168**	**67,820**	**335,988**

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This Table is currently showing 0 errors

Period : May 22

Table E - Resource Limits		STATUS OF ISSUED RESOURCE LIMIT ITEMS				Total Revenue Resource Limit	Recurring (R) or Non Recurring	Total Revenue Drawing Limit	Total Capital Resource Limit	Total Capital Drawing Limit	WG Contact and Date Item First Entered Into Table
1. BASE ALLOCATION		HCHS £'000	Pharmacy £'000	Dental £'000	GMS £'000	£'000	(NR)	£'000	£'000	£'000	
1	LATEST ALLOCATION LETTER/SCHEDULE REF:	2	1	1	1						
2	Total Confirmed Funding	1,253,991	32,831	30,941	102,026	1,419,789		1,396,064	41,712	41,712	

3. TOTAL RESOURCES & BUDGET RECONCILIATION

59	Confirmed Resources Per 1. above	1,253,991	32,831	30,941	102,026	1,419,789		1,396,064	41,712	41,712	
60	Anticipated Resources Per 2. above	135,743	0	2,308	4,003	142,054		118,939	0	0	
61	**Total Resources**	**1,389,734**	**32,831**	**33,249**	**106,029**	**1,561,843**		**1,515,003**	**41,712**	**41,712**	

Aneurin Bevan ULHB

Period : May 22

This Table is currently showing 0 errors This table needs completing monthly from Month: 2

Table G - Monthly Cashflow Forecast

		April £'000	May £'000	June £'000	July £'000	Aug £'000	Sept £'000	Oct £'000	Nov £'000	Dec £'000	Jan £'000	Feb £'000	Mar £,000	Total £,000
	RECEIPTS													
1	WG Revenue Funding - Cash Limit (excluding NCL) - LHB & SHA on	127,500	125,088	117,738	123,565	124,604	138,594	109,897	126,494	137,274	113,338	122,255	148,658	1,515,003
2	WG Revenue Funding - Non Cash Limited (NCL) - LHB & SHA only	0	0	250	0	0	250	0	0	250	0	0	(1,238)	(488)
3	WG Revenue Funding - Other (e.g. invoices)	1,031	1,834	5,035	250	450	250	275	475	250	300	450	500	11,100
4	WG Capital Funding - Cash Limit - LHB & SHA only	7,500	2,500	3,700	3,700	3,000	3,100	2,000	3,700	5,800	3,100	2,600	1,012	41,712
5	Income from other Welsh NHS Organisations	7,169	4,135	6,833	4,190	3,755	4,180	3,980	4,030	3,605	4,380	3,940	4,320	54,517
6	Short Term Loans - Trust only	0	0	0	0	0	0	0	0	0	0	0	0	0
7	PDC - Trust only	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Interest Receivable - Trust only	0	0	0	0	0	0	0	0	0	0	0	0	0
9	Sale of Assets	0	61	0	0	0	0	0	0	0	0	0	0	61
10	Other - (Specify in narrative)	3,495	6,303	3,698	2,933	2,978	3,515	3,606	3,513	3,185	3,441	3,358	3,588	43,611
11	TOTAL RECEIPTS	**146,695**	**139,920**	**137,254**	**134,637**	**134,787**	**149,889**	**119,757**	**138,212**	**150,364**	**124,558**	**132,603**	**156,840**	**1,665,516**
	PAYMENTS													
12	Primary Care Services : General Medical Services	9,330	7,058	9,155	6,405	6,450	8,975	6,985	6,250	9,205	7,400	6,350	9,935	93,498
13	Primary Care Services : Pharmacy Services	4,861	10	2,580	2,725	2,600	4,915	8	2,585	5,175	9	2,425	2,750	30,643
14	Primary Care Services : Prescribed Drugs & Appliances	17,999	6	9,850	9,125	9,785	17,950	10	9,650	17,850	15	9,945	9,875	112,060
15	Primary Care Services : General Dental Services	2,688	2,749	2,651	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	2,700	32,388
16	Non Cash Limited Payments	(530)	521	(111)	52	(478)	(44)	951	(721)	(693)	476	(43)	132	(488)
17	Salaries and Wages	45,171	53,477	53,669	54,150	53,990	54,370	54,120	54,080	53,970	54,190	53,790	55,970	640,947
18	Non Pay Expenditure	59,104	72,709	54,926	56,160	57,415	58,523	52,763	60,208	56,732	56,768	54,786	74,329	714,423
19	Short Term Loan Repayment - Trust only	0	0	0	0	0	0	0	0	0	0	0	0	0
20	PDC Repayment - Trust only	0	0	0	0	0	0	0	0	0	0	0	0	0
21	Capital Payment	7,345	2,988	3,702	3,700	3,000	3,100	2,000	3,700	5,800	3,096	2,604	1,010	42,045
22	Other items (Specify in narrative)	0	0	0	0	0	0	0	0	0	0	0	0	0
23	TOTAL PAYMENTS	**145,968**	**139,518**	**136,422**	**135,017**	**135,462**	**150,489**	**119,537**	**138,452**	**150,739**	**124,654**	**132,557**	**156,701**	**1,665,516**
24	Net cash inflow/outflow	727	402	832	(380)	(675)	(600)	220	(240)	(375)	(96)	46	139	
25	Balance b/f	1,720	2,447	2,849	3,681	3,301	2,626	2,026	2,246	2,007	1,632	1,536	1,581	
26	Balance c/f	2,447	2,849	3,681	3,301	2,626	2,026	2,246	2,007	1,632	1,536	1,581	1,720	

Aneurin Bevan ULHB

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Table I – 2022-23 Capital Resource / Expenditure Limit Management

£'000: 41,712
Approved CRL / CEL issued at : 24/5/22

Ref:	Performance against CRL / CEL	Year To Date Plan £'000	Year To Date Actual £'000	Year To Date Variance £'000	Forecast Plan £'000	Forecast F'cast £'000	Forecast Variance £'000
	Gross expenditure						
	All Wales Capital Programme:						
	Schemes:						
1	Primary Care – Fees – Tredegar – Main scheme	1,226	1,226	0	9,934	9,934	0
2	Radiotherapy Satellite – FBC fees	34	34	0	257	257	0
3	Covid Recovery Funding	875	875	0	1,620	1,620	0
4	National Programme – Imaging P2	0	0	0	4,686	4,686	0
5	Grange University Hospital – remaining works	148	148	0	(394)	(394)	0
6	Breast centralisation YYF	(3)	(3)	0	8,978	8,978	0
7	ICF Neville Hall Children's Centre	0	0	0	43	43	0
8	ICF Assessment Unit MV and CCH	0	0	0	32	32	0
9	Newport East FBC Fees	58	58	0	58	58	0
10	Specialist inpatient services Unit – Development Fees	28	28	0	263	263	0
11	Eye Care e-referral system	5	5	0	66	66	0
12	National Programmes – Infrastructure	0	0	0	12	12	0
13	RadiotherapySatellite Centre at Nevill Hall Hospital – Enabling Works	379	379	0	403	403	0
14	SDEC	14	14	0	79	79	0
15	ICF – Trethomas Feasibility	0	0	0	34	34	0
16	ICF - Pontllanfraith Feasibility	0	0	0	44	44	0
17	Newport East Health & Wellbeing Centre FBC scheme	239	239	0	9,229	9,229	0
42	**Sub Total**	**3,003**	**3,003**	**0**	**35,344**	**35,344**	**0**
	Discretionary:						
43	I.T.	113	113	0	2,470	2,470	0
44	Equipment	21	21	0	479	479	0
45	Statutory Compliance	23	23	0	906	906	0
46	Estates	180	180	0	2,513	2,513	0
47	Other			0			0
48	**Sub Total**	**337**	**337**	**0**	**6,368**	**6,368**	**0**
70	**Total Expenditure**	**3,340**	**3,340**	**0**	**41,712**	**41,712**	**0**

Aneurin Bevan ULHB **Period:** **May 22**

Table M - Debtors Schedule

11 weeks before end of May 22 = 15 March 2022
17 weeks before end of May 22 = 01 February 2022

Debtor	Inv #	Inv Date	Orig Inv £	Outstand. Inv £	Valid Entry	>11 weeks but <17 weeks	Over 17 weeks	Arbitration Due Date	Comments
POWYS HEALTH BOARD	217905	04 February 2022	132267.23	132,267.23	Yes, valid entry for period	132,267.23		03 June 2022	Paid 01.06.2022
POWYS HEALTH BOARD	217971	15 February 2022	39.10	39.10	Yes, valid entry for period	39.10		14 June 2022	Invoice remains outstanding - agreed as part of AOB process
POWYS HEALTH BOARD	218182	07 March 2022	54705.90	54,705.90	Yes, valid entry for period	54,705.90		04 July 2022	Invoice remains outstanding - agreed as part of AOB process
POWYS HEALTH BOARD	218189	07 March 2022	115402.12	115,402.12	Yes, valid entry for period	115,402.12		04 July 2022	Invoice remains outstanding - agreed as part of AOB process
POWYS HEALTH BOARD	218263	11 March 2022	59354.56	59,354.56	Yes, valid entry for period	59,354.56		08 July 2022	Invoice remains outstanding - agreed as part of AOB process
SWANSEA BAY UNIVERSITY HEALTH BOARD	217897	04 February 2022	2174.16	1,462.08	Yes, valid entry for period	1,462.08		03 June 2022	Paid 14.06.2022

Aneurin Bevan University Health Board
Finance & Performance Committee

ABUHB Approach to Sustainability – IMTP 2022/23 to 2024/25

Executive Summary

This report provides the Finance & Performance Committee with details of the ABUHB proposed approach to sustainability to deliver financial balance as part of the IMTP.

The 2022/23 IMTP identified a savings requirement of £26m and cost risks of £19m that would need mitigation and management.

Four key elements are identified and a summary of how the approach is being operationalised and implemented is included.

The 4 key elements include:

- People Focussed
- Support to drive transformational change
- Autonomy & Accountability
- Monitoring & reporting & holding to account

These are operationalised through an organisation and system wide set of actions, including:

- System & Financial Planning
- Governance compliance
- Financial Sustainability focus
- Programme Approach to Transformation
- Identification & delivery of Efficiency Opportunities

The current risk to financial breakeven is identified and the internal ABUHB financial recovery 'turnaround' status is confirmed for 2022/23.

The committee is asked to note the report.

The Board is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	
Receive the Report for Assurance/Compliance	
Note the Report for Information Only	X

Executive Sponsor: Rob Holcombe, Interim Director of Finance, Procurement & Value

Report Author: Rob Holcombe, Interim Director of Finance, Procurement & Value			
Report Received consideration and supported by :			
Executive Team	**X**	**Committee of the Board**	**Finance & Performance**
Date of the Report: 20 June 2022			
Supplementary Papers Attached:			

Purpose of the Report

This report presents the ABUHB approach to improving service, workforce and financial sustainability through an approach which includes 4 key elements, focussing on workforce re-engagement, transformation and support to deliver improved efficiency and cost reduction. There is also an update on short term financial recovery 'turnaround' action.

Background and Context

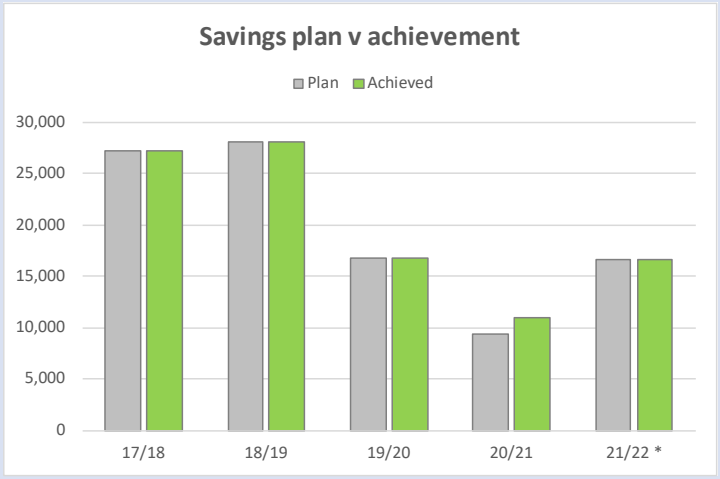
ABUHB has significant historical cost commitments going into 22/23, this has been analysed and presented to Executive Team to inform the IMTP decision making process and final IMTP approved by the Board.

The 2022/23 IMTP identified a savings requirement of £26m and cost risks of £19m that would need mitigation and management.

The table & graph below present historical savings achievement:

Savings plans v achievement

Year	Plan	Achieved	Over / (Under achieved)
17/18	27,243	27,243	(0)
18/19	28,090	28,090	(0)
19/20	16,852	16,852	1
20/21	9,391	10,939	1,549
21/22 *	16,596	16,596	0



The 2021/22 recurrent savings were limited due to the Covid pandemic challenges.

Transformation programmes and GUH models of care have not been able to be delivered and as such there remains a significant opportunity to improve efficiency, productivity and outcomes for patients across a range of services and pathways.

The Executive Team have considered the challenging resource position and agreed that ABUHB needs a new approach to re-engage staff in thinking about efficiency and 'value' in service delivery and redesign, including a revised approach to savings and efficiency form, structure and governance.

Additionally, a Prioritisation Framework is being developed by the Executive team to consider IMTP proposals, this will be the subject of a future paper to the Board.

Assessment and Conclusion

The Executive team has considered and agreed the proposed ABUHB approach to Financial Sustainability:
Recognising the implications of the pandemic, the current immense service pressures and the need for a mindset change to 'Business As Usual'. The approach is in 4 elements as follows:

1. **People Focussed**
   Human Factor is key – need 're-engagement' of the workforce post pandemic,
   Cultivate a cultural shift - Hearts and Minds
   Single Clear organisational message
   Organisational Development – 'Creative Problem Solving' evidenced base approach.

2. **Support to drive transformational change**
   Support to Transformation for better Outcomes, Efficiency and Modernisation
   Modus Operandi – MDT Programme Team – PMO, Service, Finance, WOD, Planning, Value, IM&T, Performance support – Clear Concise case for change metric driven benefits & values
   Establish ABUHB way of working – programme management

   Scaled to fit eg:
   Major pathway changes = PMO – full MDT & full 'programme' governance
   Medium size schemes = PMO if needed - MDT – more concise 'project' governance process
   Single division = BPA, WOD, planning, service (BAU)
   Refreshed training for good budgetary management & how to identify opportunities to improve (ABConnect)
   Incentivise innovative ideas and proposals.

3. **Autonomy & Accountability**
   Clear Expectations of staff:
   Ways of working 'Good housekeeping' – thrift and governance compliance
   Empowerment to 'Just do it' - delegated authority
   Accountability for delivery

4. **Monitoring & reporting & holding to account**
   Structure for monitoring Efficiency and Savings delivery
   Clarity of reporting:
   Divisional, Programme, Executive Team, Finance Performance Committee, Board

In order to deliver this approach there needs to be an organisation and system wide set of actions, including:

- System & Financial Planning
- Governance compliance
- Financial Sustainability focus
- Programme Approach to Transformation
- Identification & delivery of Efficiency Opportunities

These are described as the operational delivery approach implemented below:

Ensure delivery of financial balance and sustainability is owned by all Executives and the organisation	• Developed an 'AGREED' IMTP financial plan (S/W/£) through a **very transparent** Executive Team process & shared with Board • Focus on strategic priorities clarified the financial implications & risks to be managed • IMTP resource priorities – 'Improving Sustainability and patient outcomes' • Strategy to deliver Efficiency through Transformation – not % CIP • Expect all Executives to promote 'message' throughout the Health Board • Collaborative 'MDT' programme teams established (Fin, WF, Planning, Service, Value etc) • Re-engage the workforce in the finance agenda – TUPF updates
Expectation of governance compliance	• SO/SFI/FCP compliance providing Board assurance • Triangulation of service, workforce and financial plan • Budget setting and delegation - formalised • Budget holder training, support & accountability • Reporting, monitoring and forecasting of financial position, key cost drivers, savings & efficiencies and risks bottom up and corporate overview • Clear & consistent Board and Executive reports • Using Finance Performance Committee to drive scrutiny & challenge
System-level, organisation wide financial planning	• Informed by Transforming Clinical Futures Programme • Working closely with planning department and service departments • Financial strategy & plans based on agreed Health Board plans • Ensure plans are updated to reflect current issues – inform YTD financial reports & forecasts
Need to deliver short-term financial plan and align to medium to long-term strategy	• Transformational programme approach to delivering value based service & financial sustainability for Health Board • Established programme management office • 'Housekeeping' cost management and reduction

	• Need to keep the finance challenge visible and on the organisation agenda
Clarification of how resources are being spent	• Board and Exec's and divisional budget holders clearly informed of the financial position & forecast and risks • Identify key cost drivers – variable pay, bed numbers, WLI's, Drugs, CHC • Deficits clearly reported and 'reasons' explained to provide 'BI' for action at all levels of the organisation
Developing & supporting the whole finance team	• Develop, train & support finance staff • Articulate and explain expectations of roles • Expected focus beyond the ledger – wider BI • Refreshed Finance Directorate strategy • Focus on – understanding, influencing and establishing business impacts of decisions & key cost driver metrics • Identify the costs & opportunities for digital transformation • Know the business – get on the shop floor BE VISIBLE • Build relationships & informal networks • Critical friend & be helpful • Act as financial ambassadors with service teams • 'Communication' route into the service – re-engage the 'thrift' debate • Open access to DoF – service walk arounds
Efficiency opportunities identified, communicated & BI tool shared throughout organisation	• ABUHB Efficiency opportunity compendium • FDU Vault, GIRFT, Carter • Providing services with robust business intelligence • 'Cut' at Health Board, Divisional, theme and programme level • Challenge productivity & efficiency through benchmarking • Reduce waste & improve equity of access • Recognise the pressures of the pandemic • Significant savings expected in workforce variable pay costs • Finance team, promoting the use of these tools • Programme teams expected to consider these opportunities

The schematic below presents the Programmes identified as IMTP priorities, in addition there are further programmes recently identified to promote the delivery of financial recovery 'turnaround' - Agile working, Variable Pay, Procurement & Medicines Management.

IMTP priorities & Programmes

PMO established for each 'MDT' support team established:
Finance
Workforce
Value
Service
Planning
performance

Programme priorities 2022/23
Urgent Care Transformation
Redesigning Services for Older Peopl (COTE) incl. CoPD,
Enhanced Local Hospital Network
Planned Care - MSK
Planned Care - Regional Planning and Ophthalmology
Planned Care - Outpatient Transformation
Planned Care - Diagnostics
Planned Care - Maximising Elective Capacity
Health Protection & Population Health Improvement
Cancer Services
Accelerated Cluster Development incl. HRAC, Diabetes
Mental Health & Learning Disabilities
Decarbonisation
Plus:
Agile Workforce
Variable Pay
Procurement Non-Pay
Medicines Management

Additional Action informed by Month 2 Financial Reporting:

Following the Month 2 financial performance assessment, there is an extreme risk to financial balance achievement for 2022/23.

An internal financial recovery 'turnaround' status has been agreed by the Executive team to improve short term delivery and acceleration of savings to support break even for 2022/23. Proposed actions are being actively considered and will be evaluated for patient and target impact as well as financial improvement by the Executive team. Proposals will be shared with the Board for consideration.

Recommendation

The Committee are asked to note:

1. the ABUHB approach to long term sustainability
2. the operational implementation action taken
3. the financial recovery 'turnaround' status of ABUHB

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	Financial Risk has been assessed with regard to 2022/23 financial balance. Specifically identified in FPC & Board Finance Reports.
Financial Assessment	Identified as part of 2022/23 IMTP – £16m savings required and other cost pressures to be mitigated & managed.
Quality, Safety and Patient Experience Assessment	As identified in IMTP.
Equality and Diversity Impact Assessment (including child impact assessment)	As identified in IMTP – savings plans will need to be assessed individually.
Health and Care Standards	This paper links to Standard for Health services One – Governance and Assurance.
Link to Integrated Medium Term Plan/Corporate Objectives	This paper provides details of the sustainability and savings approach to support the financial plan of the Health Board's IMTP 3 year plan. The Health Board has a statutory requirement to achieve financial balance over a rolling 3 year period.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	**Long Term –** Long-term financial linked to IMTP completion **Integration –** Regional partnership and integration with other NHS Wales organisations **Involvement –** specific investment links with services for engagement & plans **Collaboration** – collaboration internally between services and with external partners **Prevention** – long-term strategy to provide investment and savings through preventative measures across the UHB.
Glossary of New Terms	Not required.

Aneurin Bevan University Health Board

Efficiency Review of The Aneurin Bevan University Health Board for 2022/2023

Executive Summary

The purpose of this report is to provide the Board with a '2022/2023 Efficiency Review' of the Aneurin Bevan University Health Board (ABuHB). This exercise used national and local benchmarking and other sources of business intelligence, including Getting It Right First Time (GIRFT) and Lord Carter efficiency reports, to assess the relative efficiency and opportunity for improvement, when measured against peer groups. The efficiency opportunities are captured in a local repository called the 'Efficiency Opportunities Compendium', (known as the 'Compendium'), where these non-financial metrics have been converted using the ABuHB costing information into an indicative financial worth of the opportunity.

As at end of May 2022, the calculated worth of the above efficiency assessment of ABuHB is £57.887m, analysed by Division as set out in the table below:

Summary by Division

	2022-23 Efficiency Opportunities
	TOTAL £m
Complex Care	1.283
Estates & Facilities	2.633
F&T	3.017
MH	2.010
PC&C	4.384
SC	19.910
USC	19.455
Corporate	5.195
Total	**57.887**

Analysed by theme, the assessment can be seen as set out in **Appendix 1**. The analysis has also been aligned to the key Planning Priorities as set out in the 2022/2023 IMTP. This is presented in **Appendix 3** to this report.

There is an expectation that the Integrated Medium Term Plan (IMTP) programmes and service teams respond fully to consider and describe how the opportunities within the Compendium have been considered, reviewed and action plans developed to shift the ABuHB service operating models more in line with peer best practice. This includes the redesign of service provision to be in line with GIRFT and Carter recommendations.

Achievement of this plan will be monitored via the Programme, Division and Executive Assurance meetings and finance Monitoring Information (MI) packs. Reports will be made to Welsh Government (WG) monthly.

Given the restart, recovery and financial challenges facing the HB in 2022/2023 and beyond, it is critical to the sustainability of the organisation that divisions and programme leads review relevant best practice and develop plans that optimise these opportunities.

The Committee is requested to:

- Discuss and provide views on the content of this report.
- Request HB Divisions and Programme priorities to provide update reports on this data.

The Board is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	X
Receive the Report for Assurance/Compliance	
Note the Report for Information Only	

Executive Sponsor: Rob Holcombe, Director of Finance			
Report Author: Fidelma Davies, Head of Strategic Financial Planning			
Report Received consideration and supported by :			
Executive Team	**X**	**Committee of the Board [Committee Name]**	**Finance & Performance Committee**
Date of the Report: July 2022			
Supplementary Papers Attached: Appendix 1 Efficiency opportunities by Theme **Appendix 2** An example of the benchmarking by specialty available in the Compendium, **Appendix 3** Benchmarking analysis aligned to the Planning Priorities 2022/2023			

Purpose of the Report

The purpose of this report is to provide the Board with a '2022/2023 Efficiency Review' of the ABuHB. This analysis has been established using benchmarking and other sources of information to provide an assessment of relative efficiency and opportunity for improvement, measured against peer groups.

The information is part of the ABuHB 'Efficiency Opportunities Compendium', (the Compendium), and provides the measures and metrics as an indication of where each of the opportunities fall within Programme Priorities and Divisions. These non-financial metrics have been converted using the ABuHB costing information into an indicative financial worth of the opportunity.

Background and Context

Introduction

Since 2017/2018 the HB financial planning department has used national and local benchmarking, value reports and efficiency reviews to compile a local Compendium which assesses the comparative performance of the HB against peer groups (both Welsh and English peer groups). This has been used to inform the opportunities for efficiency improvement within the IMTP.

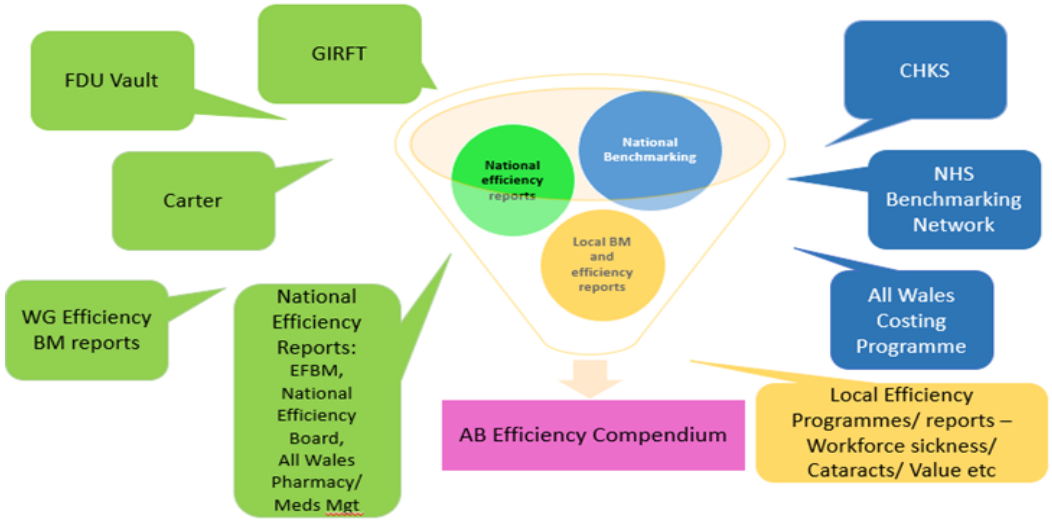
This exercise was paused for the Covid 19 impacted years of 2020/2021 and 2021/2022 as the focus of service provision was on meeting the challenges of the pandemic. For 2022/2023 the efficiency exercise has been re-established, as the organisation returns to business as usual. The 2022/2023 Compendium will be published on the usual intranet sites and shared with Executive and Divisional leads. It is expected to be discussed as standing agenda items at:

- Divisional assurance meetings, and
- as integral parts of each of the Planning Priority baselining and delivery frameworks.

Background

As stated, the Covid 19 pandemic impacted on service provision from the winter of 2019/2020. Therefore, it was generally agreed across Wales that as a starting point, (baseline), for measuring service improvement should be from 2018/2019 data, which was the last complete year not affected by COVID.

On an annual basis the ABuHB financial planning department research relevant benchmarking data sources and deposits findings in a repository called the Compendium. The following schematic illustrates the national and local providers of the benchmarking data utilised in the Compendium:



As can be seen in the schematic, comparative data collation was from a variety of sources, including:

- The Comparative Health Knowledge System (CHKS) – a leading international provider of healthcare intelligence and quality improvements.
- National NHS benchmarking network (NHSBM) - comprising a wide range of topics developed to monitor key NHS long term plan aims, ranging from Theatres to Mental Health,
- National benchmarking and efficiency reviews eg.
    - Getting It Right First Time (GIRFT) is a national clinically lead programme designed to improve the treatment and care of patients through in-depth review of services, benchmarking, and presenting a data-driven evidence base to support change.
      GIRFT aims to identify approaches from across the NHS that improve outcomes and patient experience, without the need for radical change or additional investment.

There are currently 41 reports on specialties available on the organisation's website, and in 2022/2023 WG invited the GIRFT team to review Orthopaedics, General Surgery and Gynaecology in every HB in Wales.
    - Carter report - Lord Carter of Coles' final report (2015) sets out how non-specialist acute trusts can reduce unwarranted variation in productivity and efficiency across every area in the hospital.
- WG efficiency reports (eg. Estates and Facilities BM) and the FDU VAULT,
- NHS Wales events to share good practice and innovation, for example, Value Based Healthcare seminars and Bevan Exemplars, and
- Local reviews such as sickness absence and variable pay exercises against best practice, Value programmes etc.

Where practicable, comparisons were made across a number of Peer groups (eg Wales, Top 40 UK performers, top decile UK performers), to ensure robust assessments i.e. an area for improvement, or good practice by ABuHB, would be 'flagged' if the HB were a significant outlier when compared against the 3 peer groups.

The Compendium is shared internally on an annual basis, but benchmarking publications are continually monitored, and the Compendium is updated accordingly throughout the year.
The Compendium is accessible to every member of staff as it is published on the following sites:

- FBI
- Finance Share Point
- ABuHB applications site

To assist the Division and service managers in reviewing ways to improve services for patients, the Compendium also includes links to case studies and best practice.

Assessment and Conclusion

2022/2023 Efficiency Assessment
As at end of May 2022, the calculated worth of the above efficiency assessment of ABuHB is £57.887m, analysed by Division as set out in the table below:

Summary by Division

Summary	2022-23 Efficiency Opportunities		
	NR	Rec	TOTAL
		£m	£m
Complex Care	1.000	0.283	1.283
Estates & Facilities	0.240	2.393	2.633
F&T	0.500	2.517	3.017
MH	1.000	1.010	2.010
PC&C		4.384	4.384
SC	0.500	19.410	19.910
USC	0.500	18.955	19.455
Corporate	1.700	3.495	5.195
Total	**5.440**	**52.447**	**57.887**

Analysed by theme, the assessment can be seen as set out in Appendix 1.

The top 10 areas for focus within this total are set out below, making up £37.835m:

TOP 10 Efficiency Opportunities for 2022/23

	Category	Total Opportunity	Total £m Opportunity FYE	Key areas	Key Opportunities
1	Variable Pay reduction	RN and HCSW Agency cost reductions	**£10.099** **£2.229** **£0.265** **£1.637**	USC SC MH PC&COMM	
2	NE Avlos - reduction to the best quartile in	Reduction of 100 beds	**£4.495**	Geriatric Medicine Gen Med GP beds	38 beds 18 beds 7 beds
3	Monthly Sickness Absence reduction to 5%	197.58 wtes wtes	**£5.776**	Add Clinical Services - AB wide Nursing and Midwifery - Comm/SC/USC Estaes and Ancliary A&C	93.76wte 12.62wte 39.05wte 12.62wte
4	Outpatients: OP New to FUP ratios	55,881 slots gained	**£2.023**	T&O Rheumatology Respiratory medicine Geriatric Medicine Cardiology Paeds	12,858 slots 5,439 slots 9,441 slots 4,957 slots 6,398 slots 5,115 slots
	Cancelled OP slots	7849 slots gained	**£0.275**	Cardiology Gynae	2,963 slots 4,886 slots
	Annual GP referrals	51,623 referrals > than lowest in Wales	**£1.807**	Dermatology GS Orthopaedics Ophthalmology	12,149 referrals 11,923 referrals 7,777 referrals 6,378 referrals
5	Readmissions within 7 days following EL admission	32 beds gained	**£2.078**	GS Gen Med Paeds	17 beds 11 beds 4 beds
6	Medical VAT savings - Direct engagement	Agency Cost reduction	**£1.725**	All	Cost reduction
7	Theatres - Turnaround times	780 theatre sessions gained	**£1.890**	Gen Surgery ENT T&O	335 sessions 151 sessions 945 sessions
7	Theatres - Cancelled Clinics	705 theatre sessions gained	**£1.526**	T&O ENT GS Ophthalmology	251 sessions 105 sessions 235 sessions 114 sessions
8	Theatres - anaesthetic times	257 theatre sessions gained	**£0.630**	GS T&O	58 sessions 199 sessions
9	Day case rates	Reduction of 28 inpatient beds	**£1.379**	GS T&O ENT	Move from 75.72% to 86.93% Move from 53.25% to 64.45% Move from 40.21% to 83.11%
			£37.835		

It is important to note that this is a calculated worth of efficiency improvement to 'best in class'. We term this, the 'efficiency opportunity', and has been used to inform the financial opportunities within the IMTP.

A new feature of the Compendium for 2022/2023 is a summary cut of the benchmarking analysis by specialty as well as by Division. An example of the specialty analysis is set out in **Appendix 2**, which includes not only areas for improvement but also where the specialty is doing comparatively 'well' compared to the peer groups.

As previously stated, the Compendium also provides support by signposting to case studies and best practice.

There is an expectation that the IMTP Programmes and service teams respond fully to consider and describe how the opportunities within the Compendium have been considered, reviewed and action plans developed to shift the ABuHB service operating models more in line with peer best practice. This includes the redesign of service provision to be in line with GIRFT and Carter recommendations, links to which can be found in the Compendium.

Due to the financial challenge facing the HB in 2022/2023 and beyond, if an efficiency opportunity that is identified in the IMTP cannot be taken forward, it is critical to the financial sustainability of the HB that the Division replaces this with an alternative efficiency improvement plan.

Achievement of this plan will be monitored via the Programme, Division and Executive Assurance meetings and finance MI packs, and reported to WG monthly.

Delivery Frameworks

As in previous years the analysis has also be aligned to the key priority areas and Planning Priorities as set out in the 2022/2023 IMTP. This is presented in **Appendix 3** to this report.

It is expected that each Planning Priority will use this benchmarking of efficiency opportunities as its starting point for performance measurement and metrics.

Conclusion

National and local benchmarking and efficiency reviews have been used to conduct an efficiency review of the HB, and a calculated worth of approximately £57.887m has been calculated as the efficiency measure of improvement to best performing peer groups.

This value has been analysed over divisions, themes and aligned to Planning Priority Programmes.

Given the restart, recovery and financial challenges facing the HB in 2022/2023 and beyond, it is critical to the sustainability of the organisation that divisions and programme leads review relevant best practice and develop plans that optimise these opportunities.

Recommendation
The Committee is requested to: • Discuss and provide views on the content of this report. • Request HB Divisions and Programme priorities to provide update reports on this data.

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	Risks of achieving Health Board financial sustainability are set out in the paper.
Financial Assessment, including Value for Money	Circa £58m efficiency opportunities when compared to peer groups.

Quality, Safety and Patient Experience Assessment	This paper links to AQF target 9 – to operate within available resources and maintain financial balance. This paper provides a financial assessment of the Health Board's IMTP priorities and opportunities to improve efficiency and effectiveness. Improvements in efficiencies will have important non-financial benefits for patients and staff, as well as financial.
Equality and Diversity Impact Assessment (including child impact assessment)	The Assessment forms part of the AOF service plan.
Health and Care Standards	This paper links to Standard for Health services One – Governance and Assurance.
Link to Integrated Medium Term Plan/Corporate Objectives	This paper provides details of the efficiency opportunities that support the Health Board's 3 year plan. The Health Board has a statutory requirement to achieve financial balance over a rolling 3 year period.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	**Long Term –** Aligned to the IMTP and linked to IMTP completion.
	Integration – Regional partnership and integration with other NHS Wales organisations
	Involvement – use of environmental fund and specific investment as well as on-going links with services for engagement.
	Collaboration – collaboration with external partners
	Prevention – long-term strategy to provide investment and savings through preventative measures across the UHB.
Glossary of New Terms	Integrated Medium Term Plan - IMTP Getting It Right First Time – GIRFT Carter report - Lord Carter of Coles' final report (2015) 'Efficiency Opportunities Compendium', (the Compendium), Monitoring Information (MI) packs The Comparative Health Knowledge System (CHKS) FDU – Finance Delivery Unit VAULT – Value, Allocation, Utilisation & Learning Toolkit
Public Interest	Circulated to board members and available as a public document.

EFFICIENCY OPPORTUNITIES BY THEME

	Bed reduction - NEL AVLOS	Bed reduction - EL AVLOS	Bed reduction - DOSA/Day Surgery	Bed reduction - Readmissions	GP Referrals avoided	OP DNA & FUP Ratios & Cancellation rates	Diagnostic Efficiencies	Theatre Productivity	Theatre Procurement	CHC/ Complex care	Meds Management	Var Pay - Absence reduced to 5%	Var pay - Premium Rate Staff reduction	Var Pay - WF Strategies (OSN & RN/HCSW agency premium)	Estates Rationalisation/ Agile Working/ Decarbonisation	Non Pay	TOTAL by DIVISION
	£000		£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
SC	1.451	1.549	1.379	0.818	1.566	0.976	-	4.464	0		0.283	1.211	2.036	2.317		1.943	19.993
USC	4.446			0.563	0.086	1.093					0.15	1.137	0.750	10.650		0.500	19.375
F&T	0.585	0.158		0.188	0.155	0.562					0.019	0.507	0.055			0.785	3.014
MH	0.392									0		0.321	0.032	0.265		1.000	2.010
CHC										0		0.283				1.000	1.283
PC&Comm	0.343					0.280					0.016	1.250	0.302	2.116		0.077	4.384
Facilities												0.935	0.200		0.694	0.804	2.633
PH																	-
Corporate												0.132				5.063	5.195
TOTAL	7.218	1.707	1.379	1.569	1.807	2.911	-	4.464	-	-	0.468	5.776	3.375	15.349	0.694	11.172	57.887
				11.872													

£5.7mm is Recurrent and £4m is related to Procurement based savings ie price and contract negotiations.

£5.4m is Non recurrent and relates to 'housekeeping' and expected non pay reduction in spend.

	Bed numbers					
Beds	Bed reduction - NEL AVLOS	Bed reduction - EL AVLOS	Bed reduction - DOSA/Day Surgery	Bed reduction - Readmissions	Total beds	Total £m
SC	30	29	26	17	102	5.197
USC	91			11	102	5.009
F&T	12	3	2	4	21	0.931
MH	8				8	0.392
CHC					-	-
PC & COMM	7				7	0.343
FAC					-	-
PH					-	-
Corp					-	-
TOTAL	147	32	28	32	239	11.872

New for 2022/2023 - Benchmarking analysis by Specialty : General Surgery

ABUHB - CHKS ANALYSIS (12 months April 2018 to March 2019)

	Benchmarking	Specialty	Total Days/ Day cases/ OP Rates	ABUHB Spells/ Elective Admissions/ OP Rates	ABUHB ALoS/ DC %/ OP rates	Wales ALoS/ DC %/ OP rates	Top 40 Hospitals average ALoS/ DC %/ OP rates	Top 40 Hospitals Best Quartile ALoS DC%/ OP rates	Wales	Top Hospitals	Top Hospitals Best Quartile	Bed Opportunity	Theatre sessions gained	Efficiency Opportunity Value £'000	performance change
									BDO*/ DCO*/ OP Rates/ Readmissions Avoided						
CHKS	Electives AVLOS	100 - General Surgery	7795	2441	3.19	4.61	4.13	3.40							-0.2%
CHKS	Post operative AVLOS	100 - General Surgery	14039	3426	4.10	6.00	5.25	4.40							-0.03
CHKS	OP FUP to New Ratios	100 - General Surgery	13805	16645	0.83	1.20	1.23	0.97							-0.08
CHKS	NEW - OP DNA Rates	100 - General Surgery	815	17460	4.67%	5.93%	6.31%	4.19%			83			3	-0.07%
CHKS	FUP - OP DNA Rates	100 - General Surgery	944	14749	6.40%	7.81%	7.35%	4.87%			226			8	0.43%
CHKS	Pre operative AVLOS	100 - General Surgery	3599	3426	1.05	1.41	1.12	0.89			550	2		74	-0.03
CHKS	Non Electives AVLOS	100 - General Surgery	39272	6756	5.81	6.49	5.49	4.70		2185	7519	21		1,015	-0.1
CHKS	Day Case Rates	100 - General Surgery	7721	10197	75.72%	76.73%	80.57%	86.93%	329	1578	3646	10		492	-0.6%
CHKS	Readmission Rates (within 7 days)	100 - General Surgery	1769	22601	7.83%	5.59%	4.13%	3.19%	505	835	1047	17		822	0.11%
Reportal	GP Referrals	100 - General Surgery	1796 monthly referrals		32.05 per pop'n	14.32 per pop'n			11,923 referrals avoided					417	2.28%
NHSBM	Theatre efficiency - late cancellations	100 - General Surgery											236	622	
NHSBM	Theatre efficiency - Turmaround time	100 - General Surgery											335	794	
NHSBM	Theatre efficiency - Anaesthetic time	100 - General Surgery											58	136	

* BDO Bed day opportunity
* DCO Day Case opportunity

Example – the Day Case rate for AB is calculated by dividing 7,721 day cases by 10,197 inpatient elective admissions = 75.72% (DC%)

Example – the Day Case rate of 75.72% for AB is compared to the Peer Group rate of 86.93%

Example - if AB were operating at the Peer Group rate of 86.93%, AB would have avoided 1,143 hospital admissions or 3,646 inpatient days, by converting to day cases

Example – the Day Case opportunity of inpatient admissions avoided has a bed opportunity equivalent of 10 inpatient beds

Example – the Day Case bed opportunity of 10 beds has an efficiency worth of £492k

Example – the Day Case rate worsened by 0.6% from previous year.

EFFICIENCY OPPORTUNITIES by AB PLANNING PRIORITIES

	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	Urgent Care Transformation	Redesigning services for Older People	Enhanced Local General Hospital Network	Planned Care Recovery	Health Protection	Cancer Services	Accelerated Cluster Development	MH & LD	Decarbon-isation	Agile Working	Vaiable Pay	Other	TOTAL
Bed reduction - NEL AVLOS	2.037	4.789						0.392					7.218
Bed reduction - EL AVLOS				1.707									1.707
Bed reduction - DOSA/Day Surgery				1.379									1.379
Bed reduction - Readmissions	1.006	0.563											1.569
GP Referrals avoided				1.807									1.807
OP DNA & FUP Ratios & Cancellation rates				2.911									2.911
Diagnostic Efficiencies				-									-
Theatre Productivity				4.464									4.464
Theatre Procurement				-									-
CHC/ Complex care		-						-					-
Meds Management					0.468								0.468
Var Pay - Absence reduced to 5%											5.776		5.776
Var pay - Premium Rate Staff reduction											3.375		3.375
Var Pay - WF Strategies (OSN & RN/HCSW agency premium)											15.349		15.349
Estates Rationalisation/ Agile Working/ Decarbonisation									0.694				0.694
Other - Non Pay												11.172	11.172
TOTAL	3.042	5.352	-	12.268	0.468	-	-	0.392	0.694		24.499	11.172	57.887

Link with other Planning Priorities

Beds detail	Urgent Care Transformation	Redesigning services for Older People	Enhanced Local General Hospital Network	Planned Care Recovery	Health Protection	Cancer Services	Accelerated Cluster Development	MH & LD	Decarbonisation		Variable Pay	Other	TOTAL
Vascular - Centralisation efficiencies				9									9
Bed reduction - EL AVLOS F&T				3									3
Bed reduction - EL AVLOS T&O				12									12
Bed reduction - EL AVLOS Other SC				8									8
Bed reduction - DOSA/ Day Surgery T&O				12									12
Bed reduction - DOSA/ Day Surgery Other SC				14									14
Bed reduction - DOSA/ Day Gynae				2									
Bed reduction - NEL AVLOS F&T	12												12
Bed reduction - Readmissions F&T	4												4
Bed reduction - NEL AVLOS SC	30												30
Bed reduction - Readmissions SC	17												17
Bed reduction - NEL AVLOS USC Gen Med & Geriatrics		60											60
Bed reduction - NEL AVLOS USC Other		25											25
Bed reduction - Readmissions USC		11											11
Bed reduction - NEL AVLOS GP other		7											7
Reduced re-admissions & alchohol pathway - 6 beds		6											6
Older Adult bed reductions - Benchmarking Club report								8					8
TOTAL	62	109	-	60	-	-	-	8	-		-	-	238

GIG CYMRU NHS WALES Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board	Finance and Performance Committee 6th July 2022 Agenda Item: 3.4

Aneurin Bevan University Health Board
Finance & Performance Committee

Value Based Healthcare Achievements
Annual Report 2021-22: Opportunity Efficiencies 2022-23

Executive Summary

This Annual Report looks back at our achievements of 2021-22 and highlights our summary plans for the coming year, with a particular focus on opportunities to release efficiencies and improve outcomes for people. Our Annual Plan for 2022-23 has been produced in draft and will be presented to the Executive Team in July, this will set out the priorities for this coming year with a focus on realising the benefits of the work completed in 2021-22.

COVID-19 whilst tragic brought about tremendous opportunities to use a Value-Based approach to the way that we transform services. As such, we have seen some critical staff transition from the VBHT into crucial roles within the service to support service improvement. We continue to promote this way of working by sharing knowledge and skills, and providing formal education programmes across many of our services during 2022-23.

This year we have also been reviewing our Research, Improvement, Innovation and Value functions to see how we can align the skills and resources and improve high-quality care for all our patients. A shared purpose of supporting ABUHB to develop new knowledge and understanding, continuously improve, think and work in new and different ways to increase value across the organisation.

The Board is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	✔
Receive the Report for Assurance/Compliance	
Note the Report for Information Only	

Executive Sponsor: Rob Holcombe, Director of Finance, Procurement and Value

Report Author: Adele Cahill, Assistant Director Value-Based Innovation

Report Received consideration and supported by :

Executive Team		**Committee of the Board**	

Date of the Report: Monday 20th June 2022

Supplementary Papers Attached:
Encl. 1 Annual Report 2021-22
Att. Cataract Project Poster

Purpose of the Report

To present the final Annual Report for the Value Based Healthcare Team to the Finance & Performance Committee for noting, whilst identifying opportunities for releasing greater efficiencies during 2022-23.

It has been another challenging year for the Health Board, but despite the challenges faced, this report demonstrates the joint work between the VBHT and operational teams to deliver Value-Based healthcare across a range of priority programmes. Improving patient outcomes through our service delivery models and systems is key to sustainable health for our population.

Background and Context

At the core of Value-Based Healthcare is maximising value for people: that is, achieving the best outcomes for patients using the finite resources that the Health Care system has available; moving away from a supply-driven health care system, organised around what clinical and medical teams do, towards a person-centred approach around what matters to people.

"A Healthier Wales; Long term plan for Health and Social Care" is to bring health and social care services together so that they are designed and delivered around the needs and preferences of individuals with a much greater emphasis on keeping people healthy. The Health Board's Value programme underpins the methodology to enable the design and delivery of new models of care to ensure innovative and transformative ways of organising and delivering care around the patient and their families.

The Health Board continues to be ambitious in its vision to build and implement a Value-Based Healthcare system at scale to work within an already established and complex health and care system and set itself clear goals for delivery.

Goal 1: Transformation through a Value Lens

Supporting Health and Care Professionals to consider a Value-Based approach in transforming their service, typically providing support for pathway mapping, design, and digital collection of outcomes, combined and other appropriate data to provide insights.

Goal 2: Embedding a Value culture, improving knowledge, skills and experience

Design and develop the culture, knowledge, skills, and expertise by providing education, training, and material to build the capacity and capability across the organisation and wider NHS (National Health Service) to apply the principles of Value Based Healthcare into practice.

Goal 3: Develop strategic partnerships and innovative approaches

Develop strategic partnerships through innovation, working with a range of key stakeholders, including Local Authorities, 3rd Sector providers and Industry to maintain our reputation as a global leader in this field.

Assessment and Conclusion

Progress achieved 2021-22

As with all NHS Services, the COVID-19 pandemic continued to impact service provision into 2021-22. The Health Board has worked tirelessly to ensure that Value remains a constant theme across the organisation and has encouraged clinical and other operational teams to consider a person-centred approach to any changes within their working practices.

This is evident in the continuous investment made during 21-22 in a range of services in terms of additional resources and funding.

Some of Our Highlights of 2021-22

- Delivering a complex portfolio during challenging times with limited resources
- In partnership with Bangor University, the VBHT secured £250k funding from Health and Care Research Wales to conduct research for patient and public benefit for a realist and social return on investment evaluation of the use of patient-reported outcomes in Value-Based Healthcare Programmes.
- A Value-Based approach to Nurse-Led Clinics in Heart Failure
- A Value-Based approach to delivering a Psychological Well-being Practitioner service
- A Value-Based approach to high-risk surgical wound management, developing a strategic partnership with Industry in the development of an Outcomes-based contract
- A Value-Based approach to redesigning the mass vaccination call centre systems and processes ABHB were the first Health Board in Wales to adopt an integrated flow of outcome data through Fast Healthcare Interoperability Resources (FHIR)
- The VBHT successfully developed an outcome-related intelligence dashboard that combines multiple data sources to support direct patient care.
- Supporting the Outpatient Transformation programme, utilising digital platforms for two-way communication with patients.
- ABHB was the first Health Board in Wales to adopt electronic holistic needs assessment (eHNA) data for newly diagnosed cancer patients. Outcome collection also supports the service compliance with the cancer network Wales guidelines.

Efficiency Opportunities for 2022-23 (A sample)

- **Ophthalmology: Cataracts (Focus On)**

Demand outstripping capacity, growing waiting lists, patients with the greatest need are consumed in a backlog from the COVID-19 pandemic. Significant work has been undertaken over the past 3 years, with increasing opportunities for further efficiencies in the service, these are detailed more fully in the report, and a presentation will support the work at the F&PC Meeting.

- **Heart Failure care and rehabilitation in the community**
  Continue to reduce waiting times, improve medical optimisation and reduce the 30 day re-admission rates.
  Optimise HF patients whilst on cardiac rehabilitation, reduce morbidity and hospital readmissions. Through optimisation more complex patients will be reviewed by the HF specialist nurses in a timely manner, the community hubs will enable greater volume of patients to be optimised promptly and then discharged from the service

- **Chronic Conditions**
  Continue to support the stratification of patients by moving them from face to face (F2F) appointments to virtual with the opportunity for remote monitoring and patient initiated follow up's (PIFU).

Core Programme Priorities (IMTP)

- **MSK Pathways** – continue working with the MDT to model and implement a Value pathway for the people of Gwent, collecting outcomes and other data at relevant time points within the pathway to ensure that patients are managed in the optimum pathway, reducing unnecessary waits, inappropriate referrals and duplication/variation in the patients' journey.

- **Care of the Elderly** – review opportunities through mapping of pathways and collection of outcome data to design the more efficient and effective pathway for patients, ultimately ensuring that the right patients are directed through to Secondary Care and that where possible the most appropriate patients are managed closer to home.

2021-22 Annual Report Update

GOAL 1 Transformation through a Value lens – The VBHT have worked with clinical service users to design and develop the value approach to transformation across the Health Board, in particular the way in which we use outcomes to meet the requirements and needs for our people and healthcare professionals. We have successfully designed and implemented 5 cases for the use of outcome data which have been adopted across NHS Wales and in some parts of the English NHS (users of the Dr Doctor service provider application). These are described in more detail within the Annual Report.

Live projects – There were **21** live projects at the start of 2021-22, with **6** new project areas commencing during the year.

1. Pathway mapping for the MSP Transformation Programme
2. Cardiology, Outcome collection and mapping for Community Clinics

3. Long COVID National Programme Outcome reporting
4. Outpatients Transformation – Use of digital
5. ITU Follow Up Clinics
6. Early Arthritis Research

Attention is drawn to some key areas within the report, in particular the work within Cardiology, Heart Failure services, Mental Health Psychological Wellbeing Practitioners, Cataracts, along with many other smaller clinically led projects.

Use of Digital Business Intelligence & Insights: key enablers in evidencing Value
The team have worked tirelessly, in collaboration with the Welsh Value in Health Centre to address some historical legacy challenges around, the compatibility of data, improving access to data and the creation of local 'insight' dashboards. Detail on each of these areas is outlined fully in the Annual Report. Much work is still needed to finalise these work packages and will be a key focus during 2022-23.

GOAL 2 Embedding a Value culture, improving knowledge, skills and experience

New groups established during the annual reporting period include;

1. **The Data Analytics and Business Intelligence group** whose remit is to ensure that clinicians are able to access timely, useable information for use as part of their direct care, and at an aggregate level for benchmarking with peers and other Countries.

2. **Patient Reference Group**, designed to scrutinise the programme and influence decision making, bringing the patient's voice and perspective to the work.

Education and Training
In addition some of the senior team are faculty members on the Value-Based Health and Care Academy at Swansea University and provide insights at the Executive Education programme, and Hywel Dda Health Board 'Bringing Value to Life', using case studies from work undertaken at Aneurin Bevan. 2022-23 will see the design and delivery of a very specific programme for staff within ABHB, it is planned that this will commence in Q3.

GOAL 3 Develop strategic and innovative partnerships
Much work has progressed in order to support this goal, with;

- A successful bid to Health and Care Research Wales, resulting in an allocation of £250k to cover a research project over 2 years, 'A realist and social return on Investment evaluation of the use of PROMs'.
- A multi-disciplinary approach, bringing existing enabling functions together to maximise resources and skills; Research and Development, Improvement, Innovation and Value
- A strategic partnerships with Smith and Nephew (Industry partner) to consider a true partnership approach to high-risk surgical wound management through the development of an outcomes based contract.

- Active members of the World Economic Forum, Global Coalition, participating on a global scale, spreading the work of Aneurin Bevan with a specific focus on Heart Failure and Person-Centred care.

2022-23 Opportunities for further efficiencies

Working with the operational teams has highlighted a range of opportunities to further increase productivity and efficiencies across the pathway. Recognising these opportunities has been challenging in some areas with the focus being on managing and recovering from the pandemic. 2022-23 will see a greater focus on realising these benefits. This report brings attention to one project area, as an example (i.e. Cataracts).

The Finance and Performance Committee are asked to receive a fuller presentation on the Cataract work, where the team will bring to attention the opportunities to further improve efficiencies, and discuss some of the challenges experienced.

Patient Reported Outcome Measures in the cataract pathway[1]

Introduction and Background

The cataract surgery rate in ABUHB is below average for NHS Wales which is in turn lower than England. A situation likely to be compounded by the effects of the pandemic for years to come. Patient Reported Outcome Measures (PROMs) may help target intervention on those likely to benefit most. Improving efficiency of the pathway and maximising benefit to the local population.

The aim of cataract surgery is to improve quality of life, the ability to undertake everyday tasks safely and maintain independence. Snellen visual acuity is the traditional way to quantify sight. It measures ability to distinguish black letters on a white background at 6 metres. However, there is much more to vision. Including: near vision, reading speed, colour perception, glare, contrast sensitivity, visual field, ability of the eyes to work as a pair and achieving driving standards. Several PROMs are available to assess overall quality of vision. Some specifically developed for cataract (e.g. Catquest-9SF, CatPROM-5). PROM scores may aid the triage process. People who are very satisfied with their vision and report no problems performing daily tasks should not normally enter the cataract pathway. Once on the pathway, the score may be used to determine priority and inform the consent process. The postop score, ideally obtained after the patient has got used to their new glasses confirms the value of treatment.

Intervention and Findings

Costing exercise 2017

ABUHB piloted and led a Planned Care exercise across all 7 Health Boards using time driven activity based costing methodology, exercise identified up to 40% cost variation and 16% wastage across Welsh pathways. Findings identified opportunities to improve utilisation e.g. minimise cancellations, more timely starts, book lists to template and back fill vacated lists

[1] Chris Blyth, Ophthalmologist, ABUHB, Dec 2021.

Outcome Collection
We collected Catquest-9SF responses from a sample of people undergoing cataract surgery as part of an International Consortium for Health Outcome Measurement (ICHOM) project in 2017. Data was gathered from a second cohort in 2019-21. The second round of data collection was partly automated using the Doctor-Doctor platform. Findings identified opportunities to use PROMs as part of the referral triage process and clinical improvement work.

Appendix 2 – Cataracts Poster ICHOM Conference

Recommendation
The Finance and Performance Committee are asked to receive the Value-Based Healthcare Teams Annual Report (Encl. 1) and note progress made during 2021-22. The Committee are also asked to receive and provide feedback on opportunities to increase efficiencies during 2022-23, with a focus on one of the historical projects, Ophthalmology - Cataracts (presentation on the day).

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	The monitoring and reporting of organisation risks are a key element of the Health Boards assurance framework. Local risks are managed within the Governance Framework for VBHC.
Financial Assessment	The Annual Delivery Plan will highlight the potential key financial risks to Aneurin Bevan University Health Board through the delivery of the associated projects.
Quality, Safety and Patient Experience Assessment	The results and consequences of this programme of work are regularly reported through the Q&PSC via the VBHC Patient Reference Group. No risks are reported through this Annual Report on achievements.
Equality and Diversity Impact Assessment (including child impact assessment)	The equality and diversity impact assessment is considered for each project, within the specific Project Groups, with oversight from the Value Based Steering group.
Health and Care Standards	This report contributes to the good governance elements of the H & CS.
Link to Integrated Medium Term Plan/Corporate Objectives	All projects laid out in the Annual Plan are aligned to the Corporate Programme Priorities of the IMTP and departmental clinical team objectives.
The Well-being of Future Generations (Wales) Act 2015 –	**Involvement** – Involvement of various internal and external groups is continuous

5 ways of working	**Collaboration** – Collaboration with various internal and external groups is continuous
Glossary of New Terms	New terms are explained within the body of the document.

Appendix 1 Annual Report

AB Connect: Value Based Healthcare - Value-Based Healthcare Annual Report 21-22.pdf - All Documents (sharepoint.com)

Using outcome data and costs to demonstrate 'Value' in our cataract service, reducing variation & using outcomes to support direct care and triage.

Authors: C Blyth[1], J Poole[1], L Sira-Parfitt[2], R Letchford[2], D Davies[2], A Cahill[2]
Affiliations: 1 ABUHB Ophthalmology; 2 ABUHB Value Based Healthcare Team

Context: Aneurin Bevan University Health Board is a public funded healthcare system serving 20% of the Welsh population (n=639,000 people). It is located in the socioeconomically diverse, ex industrial South East region of the country (fig 1).

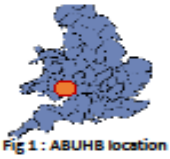


Fig 1 : ABUHB location

Visual impairment affects 4% of the population, of which cataracts represents the greatest demand (>50%) on ophthalmology services. Our Health Board performs more than 3,000 day surgery cataract operations every year.

Situation/Background: Demand on the service had exceeded capacity, resulting in significant delays in intervention and a need to outsource cases to external providers. Clinical and operational staff suspected there were opportunities to improve efficiency and already engaged in a change programme. As an official partner of ICHOM, the opportunity to link this work with the international GLOBE benchmarking exercise was seen as a facilitator of change that would develop the Value Based Healthcare approach being adopted by ABUHB.

Possible causes of inefficiency:

- Theatre utilisation was improving; releasing this bottle neck in the pathway would potentially move it to the pre-admission clinic.
- The conversion rate to surgery at pre admission clinic was approximately 70%.
- If identifiable, up to 30% of patients might be better served in an alternative pathway.
- Could PROMS and TDABc methodologies help the directorate manage their plan for change.

The Challenge: Using outcome data and Time Driven Activity Based Costing (TDABc) to demonstrate 'Value' to improve patient flow and outcomes within our cataract service

What we did:

Outcomes assessment: Collection of pre and post op PROMs and Clinical outcomes in line with the ICHOM standard set.

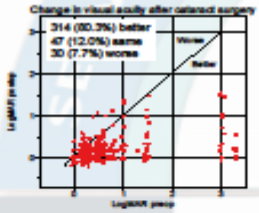
Financial costings: TDABC methodology for the whole cataracts pathway (Table 1).

Clinically-led: Making sense of the data to evidence value and using PROMs to support direct patient care, service re-design and triage.

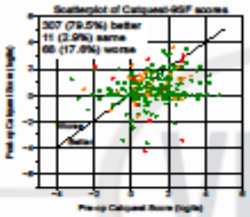
What we found:

Table 1. Costing the Pathway TDABc

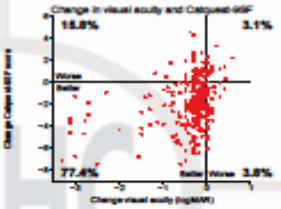
Pathway step	Baseline
Referral	£85
PAC Nurse	£29
PAC Consultant	£29
Theatre	£434
Follow up	£29
Discharge	£7
Total	£615



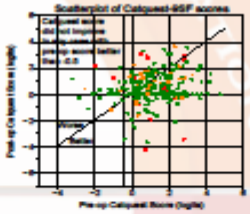
Log MAR visual acuity was improved in 80% unchanged in 12% and worse in 8%



Catquest-9SF visual disability was improved in 80% unchanged in 3% and worse in 17%



Visual acuity (LogMAR) does not equal vision (Catquest-9SF)



Catquest-9SF score did not improve in any case with a pre-op score better than -0.5

LogMAR
Visual Acuity
≠
Vision
Visual Disability
Catquest-9SF

What did the intervention involve: The Ophthalmology directorate already had a successful change strategy which had increased follow up in the community and improved theatre utilisation from 68% to average 72%, peaking at 80%.

The ICHOM and costings data have facilitated alternative views on future service developments.

Impact on outcomes: Longitudinal data will be available to assess impact and benefits during and after the changes are implemented.

Lessons learned

- Clinical and operational engagement including 'frontline' staff are required to support PROM completion and use.
- PROMs data can be used to meet clinical standards whilst investigating novel approaches to develop the service.
- Visual acuity does not equal vision, Catquest-9SF is important for outcome measurement and may aid pathway access
- PROMS use in direct patient care has the potential for value (outcome and cost) improvements.

Conflict of Interest: None
Funding: ABUHB Value Based healthcare Team
Ethical Approval : N/A

Next steps:

- Catquest-9SF will be collected at initial referral and utilised in triage to the most appropriate pathway- this is expected to increase the conversion to surgery rate, increasing capacity and reducing waiting times in the cataract clinic.
- Post-surgery PROMS will enable better understanding of outcomes associated with consumable products.
- Collection using the Dr Doctor platform will reduce administration burden and allow remote collection.

References :
Lundstrom.M. and Pesudovs.K. (2009)
J Cataract Surg 35:504-513

CELEBRATING THE SUCCESS OF VALUE-BASED HEALTHCARE IN ANEURIN BEVAN UNIVERSITY HEALTH BOARD

ANNUAL REPORT 2021-22

Better health & well-being, better value, better outcomes

ValueTeam.ABB@Wales.nhs.uk

Aneurin Bevan University Health Board
VALUE BASED **HEALTHCARE**

REFLECTION

This past year has seen much change in the Value-Based Healthcare team (VBHT), not just in how we go about our business, but in some significant changes in the team's makeup. COVID-19 pandemic, whilst tragic, brought about tremendous opportunities to use a Value-Based approach to the way that we transform services. As such, we have seen some critical staff transition from the VBHT into crucial roles within the service to support service improvement. We will continue to promote this model by sharing knowledge and skills and providing formal education programmes across many of our services during 2022-23.

This year we have also been reviewing our Research, Improvement, Innovation and Value functions to see how we can align the skills and resources and improve high-quality care for all our patients. A shared purpose of supporting ABUHB is to develop new knowledge and understanding, continuously improve, think, and work in new and different ways to increase value across the organisation.

Executive Sponsorship and Clinical leadership continue to embed Value at all levels throughout our services, and we continue to place patients at the heart of all we do. Using Value-Based Healthcare as the approach, we focus on achieving the best patient outcomes by ensuring we use our resources most effectively and efficiently. We are using a range of outcome measurement tools to allow us to understand how well we are achieving the outcomes most important to our patients. We have refined this work over the past year by creating insight dashboards that will provide our teams with information to support clinical decision-making. Collecting information with these tools allows us to compare outcome data. Ultimately it means that we will be able to improve the quality of care we provide to our patients, now and in the future. As always, we aim to ensure we are helping the people in our care lead a meaningful life.

This Annual report looks back at our achievements of 2021-22 and highlights our summary plans for the coming year. All our activities and success stories would not have been possible without the support of our staff, key stakeholders, patients and partner organisations. Therefore, we want to seize this opportunity to thank everyone who has supported us on our journey so far.

Adele Cahill

Assistant Director Value-Based Healthcare

Dr Gareth Roberts

Assistant Medical Director Value Based Healthcare

OUR HIGHLIGHTS OF 2021-22:

- Delivering a complex portfolio during challenging times with limited resources

- In partnership with Bangor University, the VBHT secured £250k funding from Health and Care Research Wales to conduct research for patient and public benefit for a realist and social return on investment evaluation of the use of patient-reported outcomes in Value-Based Healthcare Programmes.

- A Value-Based approach to Nurse-Led Clinics in Heart Failure

- A Value-Based approach to delivering a Psychological Well-being Practitioner service

- A Value-Based approach to high-risk surgical wound management, developing a strategic partnership with Industry in the development of an Outcomes-based contract

- A Value-Based approach to redesigning the mass vaccination call centre systems and processes

- ABuHB were the first Health Board in Wales to adopt an integrated flow of outcome data through Fast Healthcare Interoperability Resources (FHIR)

- The VBHT successfully developed an outcome-related intelligence dashboard that combines multiple data sources to support direct patient care.

- Supporting the Outpatient Transformation programme, utilising digital platforms for two-way communication with patients.

- ABuHB was the first Health Board in Wales to adopt electronic holistic needs assessment data for newly diagnosed cancer patients. The outcome collection also supports the service compliance with the cancer network Wales guidelines.

FOREWORD

'It has been another challenging year for the NHS, and it is with great pride that despite those challenges, we can demonstrate the benefits of the hard work that has continued to deliver value-based care across a range of priorities for the Health Board during 2021/22. Improving patient outcomes through our service delivery models and systems is key to sustainable health for our population. The Health Board's ambitious transformation agenda will be a key team focus in the future, to embed value-based healthcare into programme delivery for 2022/23 and onwards.'

Robert Holcombe

Interim Director of Finance, Procurement & Value

GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

EXECUTIVE SUMMARY

INTRODUCTION AND BACKGROUND

Prudence and Value Based Healthcare

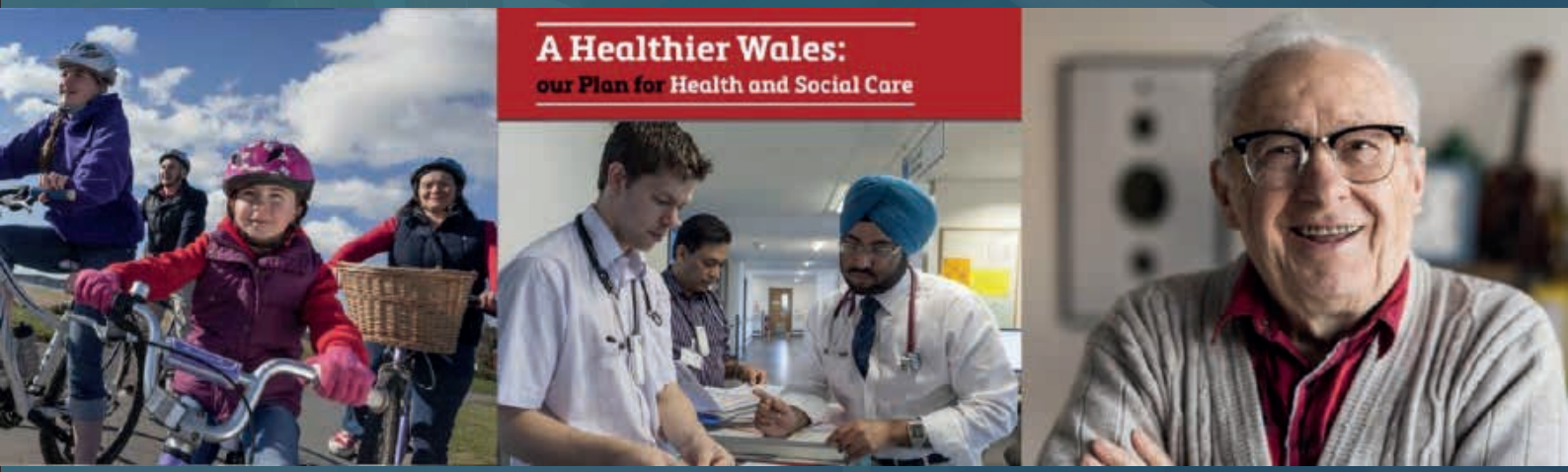
At the core of Value-Based Healthcare is maximising value for people: that is, achieving the best outcomes for patients using the finite resources that the Health Care system has available; moving away from a supply-driven health care system, organised around what clinical and medical teams do, towards a person-centred approach around what matters to people.

"A Healthier Wales; Long term plan for Health and Social Care" is to bring health and social care services together so that they are designed and delivered around the needs and preferences of individuals with a much greater emphasis on keeping people healthy. We want a seamless whole-system approach to health and social care. We will need broader and deeper partnerships, new skills, and ways of working, and we will need people to take more responsibility for their own health and wellbeing.

The guiding principles of the Value-Based Healthcare work at the Health Board are consistent and coherent with the Quadruple Aims and design principles of A Healthier Wales and the Welsh Value in Health Delivery Plan. These are key enablers to delivering higher value for health and social care.

The Health Board's Value programme underpins the methodology to enable the design and delivery of new models of care to ensure innovative and transformative ways of organising and delivering care around the patient and their families. Re-designed models will be data and evidence-driven, focusing on improving outcomes that matter to people.

The Health Board continues to be ambitious in its vision to build and implement a Value-Based Healthcare system at scale to work within an already established and complex health and care system and set clear goals for delivery during 2021-22.



AMBITION

Our Vision: Better health & well-being, better value, better outcomes

Our Mission: To measure and act on what matters to people

Our Strategic Aims:

Leading healthcare services to adopt Prudent and Value-Based principles

Designing Person-centred care; better outcomes and experiences

Enabling financially sustainable, and resilient services

Supporting staff health and wellbeing to feel healthy, engaged, proud and belonging

Our Values:

People first (Person-Centred)

Personal responsibility

Passion for improvement

Pride in what we do

Our principles - This strategy is designed with the following principles in mind:

- Public and professionals are equal partners through co-production
- Care for those with the greatest need first
- Do only what is needed and do no harm
- Reduce inappropriate variation through evidence-based approaches

WHAT WE SET OUT TO ACHIEVE

GOAL 1

Transformation through a value lens

Supporting Health and care Professionals to consider a Value-Based approach in transforming their service, typically providing support for pathway mapping, design, and digital collection of outcomes, combined with other appropriate data to provide insights.

GOAL 2

Embedding a Value Culture, improving Knowledge, Skills, and experience

Design and develop the culture, knowledge, skills, and expertise by providing education, training, and material to build the capacity and capability across the organisation and wider NHS (National Health Service) to apply the principles of Value Based Healthcare into practice.

GOAL 3

Develop strategic partnerships and innovative approaches

Develop strategic partnerships through innovation, working with a range of key stakeholders, including Local Authorities, 3rd Sector providers and Industry to maintain our reputation as a global leader in this field.

PROGRESS ACHIEVED 2021/22

As with all NHS Services, the COVID-19 pandemic continued to impact service provision into 2021-22. The Health Board have worked tirelessly to ensure that Value remains a constant theme across the organisation and has encouraged clinical and other management teams to consider a person-centred approach to any changes within their working practices. This is evident in the continuous investment made during 21-22 in a range of services in terms of additional resources and funding.

The Value-Based Healthcare Team

The small team provides the skills, expertise, and knowledge to healthcare professionals across the organisation on adopting a Value-Based approach, providing tools, techniques, and advice on how to apply the tools in practice. A small team made up of professionals with expertise in;

- Strategic Leadership In Transformational Change
- Service Improvement and Innovative Thinking
- Programme & Project Management, Digital Systems, Data Analytics, Engagement & Communication
- Developing Industry Partnerships
- Clinical Leadership

The team is unique in the Health Board in its advice and support around the collection, design and implementation of local, national, and internationally recognised outcome data sets, validation, and use of.

The team has been operating as a dedicated resource within the Finance directorate for the past 4 years, providing support to clinical teams wishing to use outcomes and pathways as evidence for transformation. It is an agile team that spends time dedicated to ensuring that their skills and expertise are maintained and transferrable within and across the services, through working closely with Directorates and Divisions.

PROGRESS ACHIEVED 2021/22

GOAL 1

Transformation through a value lens

The VBHT have worked with clinical service users to design and develop the value approach to transformation across the Health Board, in particular the way in which we use outcomes to meet the requirements and needs for our people and healthcare professionals. We have successfully designed and implemented 5 cases for the use of outcome data which have been adopted across NHS Wales and in some parts of the English NHS (users of the Dr Doctor service provider application). These are outlined below.

1. Direct Care

Remote (out of hospital) or in-clinic (at hospital) collection of outcomes immediately in advance of patient appointments for consideration and use during cycles of care and or through consultation and shared decision making

2. Whole cycle of care

The ability to 'routinely' collect outcomes and or data remotely (out of hospital) or in-clinic (at hospital) at specific time points of a pathway (e.g. diagnosis, pre-intervention, post-intervention and periodically thereafter.

3. Remote monitoring

The ability to monitor patients in a 'virtual' or remote capacity, reducing the need for patients to present for appointments or clinics at points where they are stable and not in a state of need

4. Greatest Need First

The ability to request outcomes capture remotely (out of hospital), at a referral stage to aide assessment and planning of treatment, in conjunction with diagnostics and clinical data to better manage demand based on level of need and complexity.

5. Follow up Management

Remote (out of hospital) to reduce unnecessary follow-up appointments by enabling virtual follow-up of patients, supported by outcomes, and provide the ability for rapid access at points of flare-up, and/or deterioration initiated by patients' needs.

PROGRESS ACHIEVED 2021/22

LIVE PROJECTS

We have successfully continued to support service areas with existing legacy projects, enabling use of the digital system(s) to collect and use outcomes, and support in monitoring and measuring the benefits and impact in each area, these include.

Cancer Services
- Electronic Holistic Needs Assessments (eHNA)

Cardiology
- Heart Failure (Nurse Led Clinics)

Dermatology
- Psoriasis

Family and Therapies
- Children Weight Management Services

Gastroenterology
- Alcohol Liaison Service (Phase 1)
- Inflammatory Bowel Disease
- PREMS Gwent Liver patients
- Hepatology Cirrhosis Services

MSK
MSK- Lower Back Pain

Lymphoedema
- Digitising services

Mental Health and Learning Disabilities
- Shared lives
- Psychological Wellbeing Practitioner

Neurology
- Epilepsy
- Parkinsons

Obstetrics & Gynaecology
- AMBU Treatment Clinics
- Endometriosis Clinics
- Fertility Clinics
- Lifestyle Medicine Clinics

Ophthalmology
- Cataracts

Rheumatology
- Ankylosing Spondylitis

Trauma & Orthopaedics
- Early Arthritis Clinics

PROGRESS ACHIEVED 2021/22

Service: Cardiology
Project: Heart Failure (Nurse Led Clinics)

Service Lead: Linda Edmunds, Consultant Nurse Specialist (Linda.edmunds@wales.nhs.uk)

Business Partner: Karen Hazel HF Nurse Specialist (karen.hazel@wales.nhs.uk)

Service Challenge: The nurse-led heart failure team within ABUHB provides a service to patients diagnosed with Heart Failure with Reduced Ejection Fraction (HFrEF) – a chronic and debilitating condition characterised by the left side of the heart being unable to pump blood out to the body appropriately.

Patients with this condition account for 60% of all heart failure hospital admissions. As a result, they are a high-risk group for readmission, negatively impacting their wellbeing while having a significant financial impact on the NHS, equating to 1-2% of its annual budget.

Prompt diagnosis and early medication optimisation are crucial to reducing readmission rates, enhancing patients' quality of life, and improving prognoses. ABUHB's service, led by prescribing heart failure specialist nurses, optimises medication and provides a holistic approach to enable patients and carers to manage the condition.

To improve patient outcomes, the guidance advises that a specialist follow up should take place within two weeks and medication be optimised within six months of initial diagnosis.

However, due to pressures on the health board and increasing numbers of patients presenting with HFrEF, meeting these targets was not achievable for the nurse-led team. Similarly, without an e-referral system in place, nurses were reliant on filtering through paper copies of patient referrals, further adding to delays.

Consequently, patients were waiting an average of 62 days following hospital discharge to attend their first outpatient appointment. Optimisation of their medication took years instead of months, having potential implications for their health and well-being whilst increasing demand on emergency care.

PROGRESS ACHIEVED 2021/22

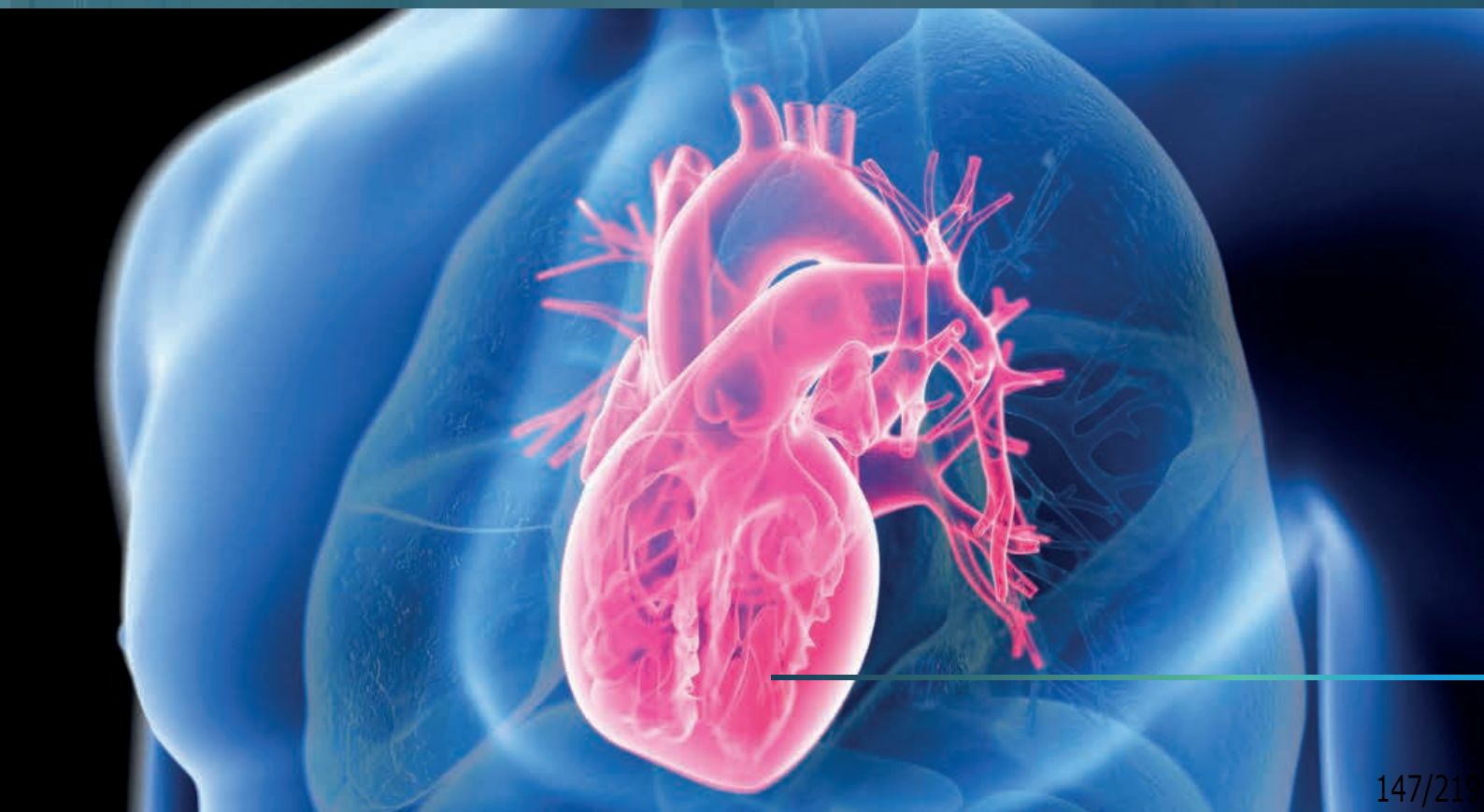
VBHC Solution: To address the challenges faced, the nurse team collaborated with ABUHB's VBHT to develop a new patient pathway with a focus on patient and clinical reported outcomes. The pilot looked specifically at patients who had been discharged from acute cardiology care with a HFrEF diagnosis within the last year.

As part of the project, an e-referral system was implemented, ensuring all referrals were directed to one point of access for review by an experienced nurse. This digital approach enabled appointments to be effectively prioritised and ensured more complex and urgent cases that the nurse-led team could not support were immediately passed on to cardiologists.

Patients received a call from a nurse within two weeks of their discharge, followed by an in-person appointment to assess their medication and symptoms through the service.

A community hub was also established, averting the need for low-risk patients to go to the hospital to have their medication optimised. This local clinic enabled patients to be seen and treated more quickly, improving their quality of life and long-term prognoses. At the same time, patients attended cardiac rehabilitation, giving them the benefit of a 'one-stop service' where heart failure medication was optimised alongside exercise classes in the centre of the community.

Throughout the trial, ABUHB captured Patient-Reported Outcome and Experience Measures (PROMs and PREMs) – forms that collect information directly from patients about their health service experience – to help it understand the main challenges and benefits, as well as inform future decisions. Clinical Reported Outcome Measures (CROMs) were also completed by Heart Failure Nurses, which helped to measure if clinical intervention improved patients' outcomes over time.



PROGRESS ACHIEVED 2021/22

THE OUTCOMES:

The pilot took place between October 2020 and October 2021, during which time 145 patients were seen and put through the new pathway. The new approach helped to streamline the entire referral process, cutting waiting times and freeing up capacity within the NHS, which ultimately improved patients' experiences and outcomes.

Key results include:

Reduced the average waiting time for 1st appointment by

6 weeks

From 8 weeks to 2 week.

The average waiting times for 1st and 2nd outpatient appointments was reduced by

50%

From 75 days to 35 days.

The average medical optimisation was reduced by

64%

From 384 days to 143 days

30 day readmission rates were reduced by

97%

97% of patients in the trial were not readmitted with a primary diagnosis of heart failure

A reduction in readmissions resulted in cost benefit of

£260k

Completion of patient reported outcomes increased by

50%

From 10% to 60%

"Inappropriate referrals to the nurse team were quickly identified and passed on to appropriate care, freeing up capacity for nurses and ensuring more complex and serious cases were seen by a specialist sooner".

Karen Hazel - Heart Failure Specialist Nurse

PROGRESS ACHIEVED 2021/22

Patient Reported Experience Measures (PREMs)

Up from 2020-21

28%

Patient Reported Outcome Measures (PROMs)

Up 1.9k from 2020-21

3k+

54% completion rate

Clinical Reported Outcome Measures (CROMs)

Up 1.6k from 2020-21

1.6k+

92% completion rate

"I attend the Heart Failure Clinic at County Hospital once a month. It's easy to get to as it's located less than a mile from where I live. At the clinic, they take regular blood samples and check my medication. Karen makes sure I'm well looked after. The clinics are very reassuring as you have people monitoring you, so it stops some of the worry. I'm really happy to go there. It's better than having to go back into hospital."

Phil

PROGRESS ACHIEVED 2021/22

Service: Mental Health and Learning Disabilities
Project: Psychological Wellbeing Practitioner

Service Lead: Dr Claire Rockliffe-Fidler, Principal Clinical Psychologist (claire.rockliffe-fidler2@wales.nhs.uk)

Background: Aneurin Bevan University Health Board's Mental Health and Learning Disabilities Division partnered with Neighbourhood Care Networks (NCNs) and the Primary Care and Community Division (PCCD) in the development of the psychological wellbeing practitioner (PWP) service as a cost-effective option to increase the capacity within the Primary Care multi-disciplinary team to support individuals with mental health difficulties of mild to moderate severity. PWPs work as part of GP practice teams and an appointment with a PWP can be accessed directly by the public where GP reception staff book appropriate requests int into the PWP clinic, or indirectly if a member of the GP team thinks that a longer conversation with a PWP may fit someone they have seen/spoken to.

In line with prudent healthcare principles, PWPs are experienced mental health practitioners who will offer an appropriate assessment at the 'front door' wherever possible (i.e., first point of contact, the GP surgery). This takes the form of a 45 minute, standardised, client-centred psychosocial assessment, and 'formulation'. They will make appropriate evidence-based, client-acceptable, recommendations for the next steps which may include watchful waiting; self-directed learning; signposting to community resources; referral direct to Primary Care Mental Health Support Service (PCMHSS) waiting list for treatment; or redirection back to GP if required/requested. They will also be responsive to the local circumstances of the populations they serve and may devise and deliver needs-led brief group interventions where they are otherwise unavailable and will serve a valuable role in identifying gaps in current mental health service provision.

Service Challenge: GPs don't have enough time – mental health appointments take longer than 8 mins. In addition, many GPs don't feel they have training/knowledge or local resources to respond to mental health needs adequately.

PROGRESS ACHIEVED 2021/22

VBHC Solution: The VBHT designed designed and developed a comprehensive digital solution to collect outcomes, including a method, process, e-form, systematic collection routine and feedback process to support the Mental Health and Learning Disabilities service to confer the following benefits:

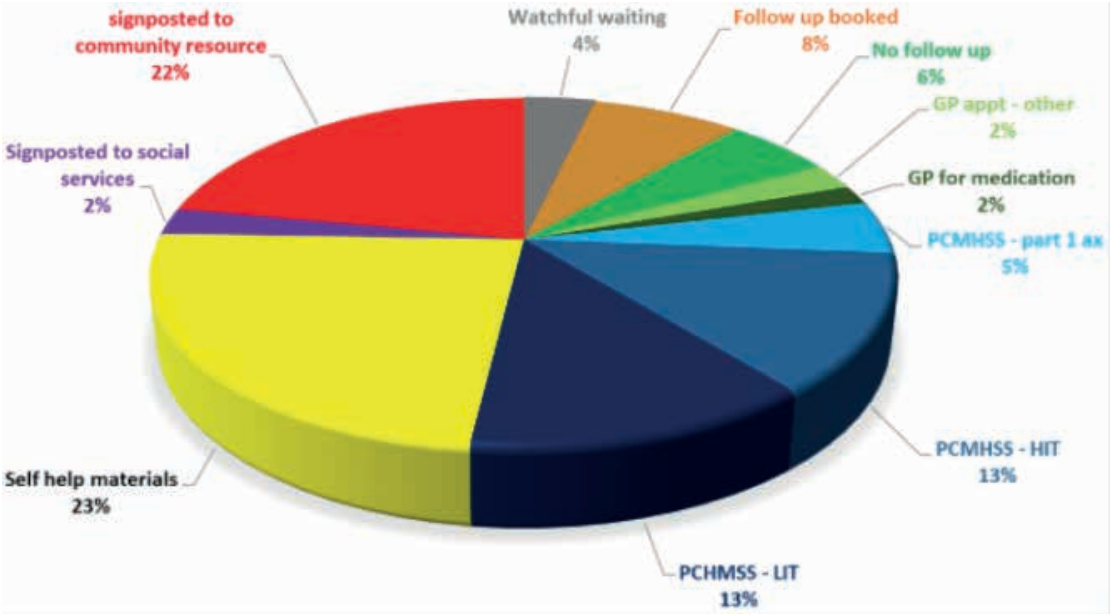
- quicker access for the public to a more focused mental health discussion and a shorter 'journey' if intervention is required;
- provision of psychoeducation and early appropriate guidance to prevent chronicity and increasing severity of distress and thus;

    - reduce medicalisation of, and pharmacotherapy for, mild- to moderate severity mental health difficulties

    - easing the burden for GPs to respond to all mental health-related concerns (including recurrent appointments for the same presenting concern);

Outcomes: The range of outcomes of PWP appointments is represented below. As would be expected for this population, most people: require no/limited follow-up, are offered watchful waiting, or are referred to self-help (e.g., Silvercloud, Melo, etc.) and/or community resources (e.g., Women's aid, Age concern, Mind, community connectors, Horizon, Platform, AbleFutures, Cruse, New Pathways, etc.). Anecdotally, our older population are more likely to be referred to direct services (e.g., PCMHSS, community connectors) or sent out hard copies of information due to limitations with access to online resources.

A very small number of people (4%) are navigated to a GP appointment to consider a request for medication or some other need. 31% of our appointments result in a referral to PCMHSS; the majority are directed to a waiting list for high- or low-intensity work, and a minority (5%) a more detailed formal assessment by the registrant, often where risk is present, or there is a level of complexity requiring further assessment and consideration for possible stepping up to secondary care services.



PROGRESS ACHIEVED 2021/22

Impact: For many people, their 'mental health journey' is shorter and simpler; previously people would have required a GP appointment which may then result in a referral to PCMHSS for a part 1 assessment (waiting time approximately 28 days), and at that point people would either be signposted to community resources or referred to PCMHSS waiting list; this now happens 'at the front door' with the PWP who provide understanding and psychoeducation when people need it most. The more people who see a PWP for their low severity mental health difficulties first, rather than their GP, so this journey will be improved for more people.

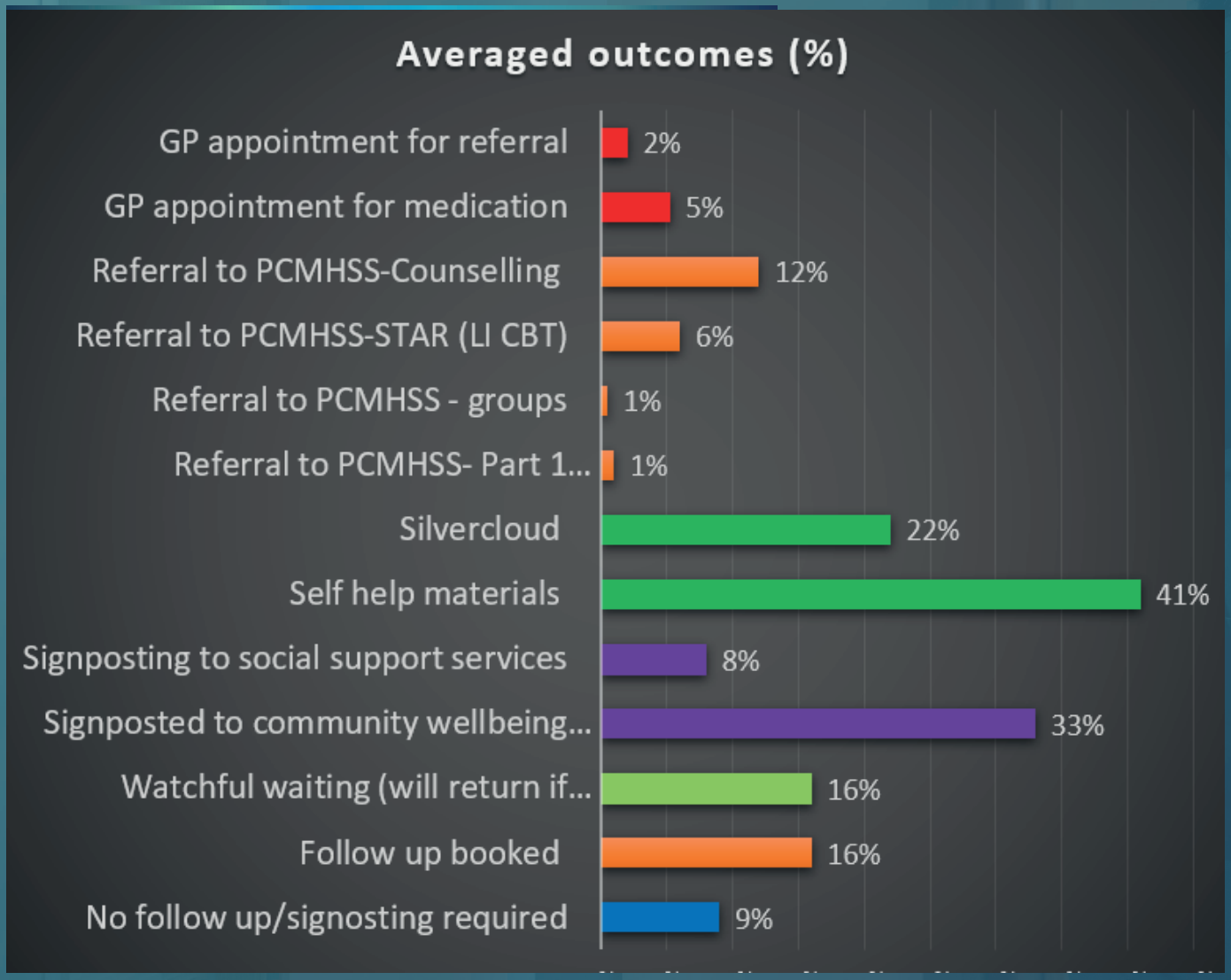
> "It gave me hope that there are many options available, and it felt good to finally have options other than medication."

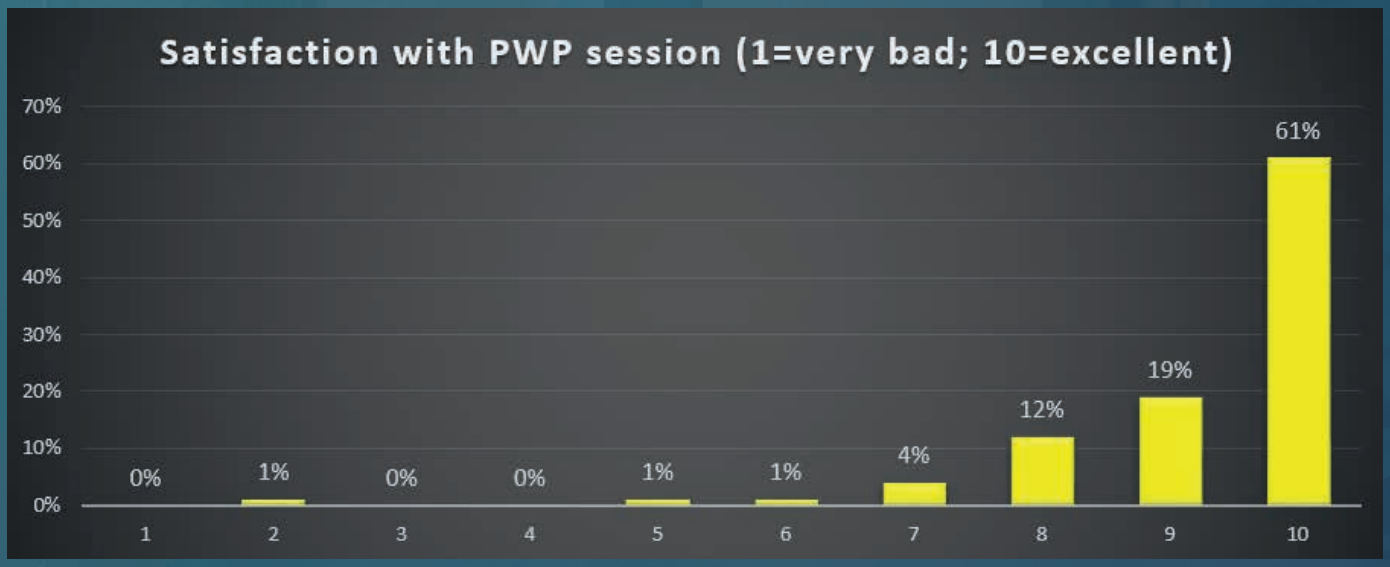
> "I am extremely happy…it encourages a mind-set in the patient that someone actually cares about their experience; and has a handle on the situation…Your service has provided hope where there wasn't any. "

> "I did not have to wait a long time if I had I might not have attended. I had help when it was needed."

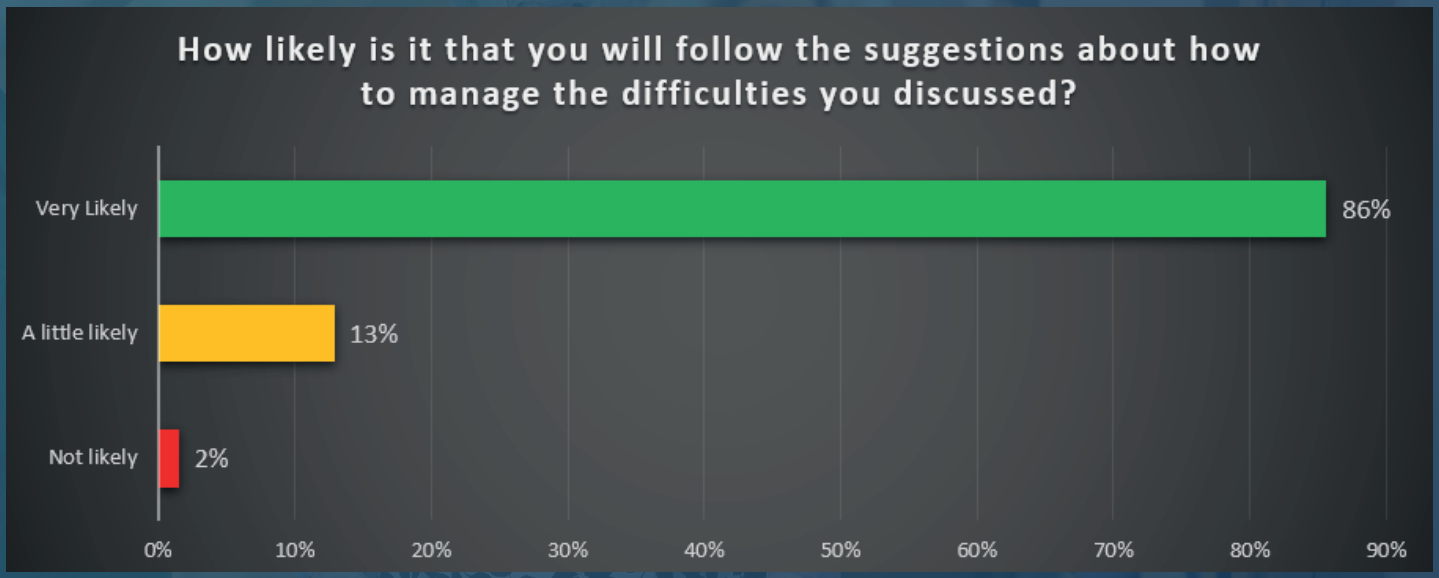
> "It's the first time I've been listened too properly in 10 years. I felt like the practitioner had heard everything and understood what I meant."

PROGRESS ACHIEVED 2021/22





PROGRESS ACHIEVED 2021/22



MEASURES OF VALUE/SUCCESS	NOT AT ALL	A LITTLE	MOSTLY	DEFINITELY
Did you feel listened to?	0%	2%	5%	93%
How well did you feel that the PWP understood you and the difficulties you were having?	1%	2%	17%	80%
At the end of the appointment, how well would you say you understood how to manage the difficulties you were having?	3%	14%	43%	41%

RECURRENCE RATE:	(N)	GP APPTs 3 MONTHS BEFORE PWP	GP APPTs 3 MONTHS AFTER PWP	% REDUCTION	P VALUE
GP Appointments	193	282	131	54%	0.0000000
'Medical consults'	193	51	50	2%	0.9491384

NEW PRESCRIPTION DATA:	STARTED AFTER PWP APPT	SEEN BY GP ONLY	DIFFERENCE
Antidepressants	6%	50%	-44%
Anxiolytics	1%	6%	-5%

PROGRESS ACHIEVED 2021/22

Service: Cancer
Project: Holistic Needs Assessment (eHNA)
Service Lead: Anne May, Strategic Lead – Cancer Nurse (anne.may@wales.nhs.uk)

Service Challenge: The cancer service needed a quick, easy, and accessible way to carry out their Holistic Needs Assessment with patients. The current manual process (paper format) was challenging to collect the patient information at the right time and in the proper format.

VBHC Solution: The VBHT designed and developed a comprehensive digital solution to collect outcomes to improve engagement with newly diagnosed cancer patients. This solution includes a method, process, e-form, systematic collection routine and feedback process to support the cancer service in collecting patient Holistic Needs Assessments.

Outcomes:

- The VBHT developed a digital form to collect the patient's information.
- Utilising the functionality of DrDoctor, the team routinely send Holistic Needs Assessment to patients at key times in their care pathways.
- Regular reports are provided to the cancer service with insight and intelligence to;
    - respond to any patients with unmet needs
    - Improve direct care defined by the patients in a timely and appropriate manner
    - Benchmark outcomes across multiple sites to identify best practices - Develop the service further

Impact: ABuHB were the first Health Board in Wales to adopt electronic outcome collection for newly diagnosed cancer patients. The outcome collection also supports the service compliance with the cancer network Wales guidelines.

Performance:

2020-2021		2021-2022	
eHNA's sent:	122	eHNA's sent:	199
eHNA's completed:	67	eHNA's completed:	132
Completion rate:	55%	Completion rate:	66%

PROGRESS ACHIEVED 2021/22

Service: Dermatology
Project: Psoriasis Biologic Clinics
Service Lead: Tracy Bale, Senior Nurse (Tracy.Bale@wales.nhs.uk)

Service Challenge: Demand was outstripping capacity in the dermatology service.

VBHC Solution: The VBHT was approached by the Clinical and Nurse lead to support outcome collection as a potential solution to consider introducing virtual clinics, reducing the need for face to face (F2F) clinics. As a result, the VBHT designed and developed a comprehensive digital solution that includes a method, process, e-form, systematic collection routine and feedback process to support dermatology service.

Outcomes: In this long-standing project, significant patient-reported and clinical outcomes have been collected systematically. The service is sustaining collection and using outcomes to
- support direct consultations with patients
- to stratify patients based on the need to determine follow-up appointments.

Performance: 3339 outcomes supporting stratification to move from F2F to remote monitoring. This is up 2075 or 62% from the previous year.

PROGRESS ACHIEVED 2021/22

Service: Family and Therapies
Project: Children Weight Management Services
Service Lead: Kellie Turner, Clinical Psychologist (kellie.turner3@wales.nhs.uk)

Service Challenge: The National Assembly for Wales' inquiry into childhood obesity (2014) described the issue as a crisis requiring a coordinated multi-faceted solution. Following that, Wales' Public Service Leadership Group recognised the severe need for action on childhood obesity to prevent poor wellbeing and contribute to sustainable public services for future generations. The harms to child health and wellbeing caused by obesity are severe and wide-ranging and include physical, psychological, and social disadvantages. For example, children with obesity are more likely to be ill, be absent from school due to illness, experience health-related limitations, suffer disturbed sleep and fatigue and use health and care services more than normal-weight children. The emotional and psychological damage to wellbeing is often seen as the most severe and immediate by children. They include teasing and discrimination by peers, low self-esteem, anxiety, and depression.

To address the challenge and as part of its Healthy Weight in Children and Young People, Aneurin Bevan University Health Board has commissioned a Weight Management Service to introduce an obesity pathway for children, which will be fully integrated with its Adult Weight Management Service. Its Children and Young People programme will be the first of its kind in Wales and will provide children and young people access to specialist 'tier three' services to lose weight safely and for the long term. The service needs to implement an integrated evaluation and reporting system to demonstrate effectiveness and value. Assessment of the weight management service will be essential for the service's clinical future strategy.

VBHC Solution: The VBHT designed and developed a comprehensive digital solution to collect outcomes, including a method, process, e-form, systematic collection routine and feedback process to support the children and weight management service to evaluate the impact of the Children and Young People's programme.

Outcomes: 'Alpha version' dashboard produced to combine PROM and CROM data for exploration by service to provide any additional insights for improvement or changes to the service set up.

Performance:

2021-2022 196 'new' referrals into CWMS.
2021-2022 148 PROMs collected, 80 Clinical Outcomes (CROMs)

PROGRESS ACHIEVED 2021/22

Service: Gastroenterology
Project: PREMS Gwent Liver patients
Service Lead: Dr Fidan Yousuf, Consultant Physician (fidan.yousuf@wales.nhs.uk)

Service Challenge: IQILS Improving quality in Liver Services Introduction of a Patient Reported Experience Measure (PREMs)

Updated: The VBHT have continued to maintain and monitor the collection of PREMs for the Gwent liver service, providing quarterly analysis and reports back to the service lead and IQILs Board to help demonstrate patient/family feedback and use of data for signposting to support services. The PREM is issued for collection 7 Days after the patient appointment. This work is crucial in supporting the Gwent Liver Service in maintaining the national IQILs accreditation as well as helping the service to understand and act on patient feedback

Royal College of Physicians | Improving Quality in Liver Services

PROGRESS ACHIEVED 2021/22

Service: Gastroenterology
Project: IBD - Calprotectin
Service Lead: Dr Andy Yeoman, Medical Consultant (andrew.yeoman@wales.nhs.uk)

Service Challenge: To collect PROMs in conjunction with Calprotectin diagnostic tests to identify a stable cohort of patients with IBD and offer a virtual review in Secondary Care in place of the usual outpatient/telephone review with a consultant or IBD CNS. These patients are not currently discharged from the service due to the need for rapid access in the event of a disease flare up and the need to discuss surveillance colonoscopy at identified time points. Instead, they are currently seen routinely at set timescales, depending on their medication.

VBHC Solution: The VBHT designed and developed a comprehensive digital solution to collect outcomes, including a method, process, e-form, systematic collection routine and feedback process to support the Gastroenterology service to identify stable patients on medication who may be suitable for less frequent outpatient clinic appointments, but still require a review at set intervals.

Update: This project went live on 15th March 2022, and it is too early to assess the project's anticipated benefits entirely. However, an initial checkpoint review has indicated the potential to release the capacity of up to 16 consultant-led clinics (based on 6 appointments per clinic) over a period of 5 weeks. This is following an assessment of only 96 patients so far. The service can utilise these appointments for those needing consultant-led services rather than for patients who previously have been routinely seen, even if not symptomatic or requiring access.

PROGRESS ACHIEVED 2021/22

Service: Family and Therapies
Project: MSK: Lower Back Pain
Service Lead: Dr Martin Dando, Clinical Lead Physiotherapist (martin.dando@wales.nhs.uk)

Service Challenge: Reduce inappropriate referral management and support triage of patients.

VBHC Solution: In collaboration with the service lead, the VBHT has designed and developed a digital solution to collect outcomes. These outcomes will provide insight and intelligence to support the Lower Back Pain service to assess and evidence the appropriateness of referrals. The service would also like to see if it is feasible and suitable to collect and use outcomes in the longer-term MSK programme of work.

Update: Collection of the outcomes commenced in March 2021 in one clinic. Between March 2021 and March 2022, 150 patient and clinically reported outcomes were collected successfully from 305 requests resulting in a completion rate of 49%. The VBHT has collected these outcomes in a pre-clinic, Ad-hoc and Longitudinal method. Moving into 2022-2023, we plan to pause, reflect, and adopt collection routines for the broader MSK programme of work, using lessons learnt from this smaller-scale project.

PROGRESS ACHIEVED 2021/22

Service: Mental Health and Learning Disabilities
Project: Shared Lives
Service Lead: Catherine King, Senior Service Improvement and Programmes Manager (catherine.m.king@wales.nhs.uk)
Dr Benna Waites, Head of Psychology Counselling and Arts Therapies (benna.waites@wales.nhs.uk)

Service Challenge: The Shared Lives for Mental Health Crisis Scheme was launched in 2019 as part of the ABUHB Whole Person Whole System Crisis Support Programme and offered an intensive intervention. A hosted supported living service enables it for people in crisis as an alternative to hospital admission. During 2019-2021 the Mental Health Crisis Scheme piloted the service in Newport. In 2021 a business case was submitted to WG for funding approval to expand the service across the remaining boroughs in Gwent. The application was successful.

VBHC Solution: The service needs to collect, combine, and use care goals and service users' experiences to evaluate impacts on its users and carers and support future service design.

Update: Until 2021 this data was collected manually via paper form. The Shared lives team described this task as very onerous and highly time-consuming. As a result, the VBHC team has supported and facilitated the design, collection, and feedback mechanisms of this data electronically, systematically and routinely back to the service. Unfortunately, towards the end of 2022, the project experienced several delays due to national system access controls. However, 2022-2023 will see the project move into a Live collection state. We will review the service's impacts, outcomes, and performance through our usual PDSA cycles.

PROGRESS ACHIEVED 2021/22

Service: Neurology
Project: Parkinsons
Service Lead: Dr Charlotte Lawthom, Clinical Director Neurology (charlotte.lawthom2@wales.nhs.uk)

Service Challenge: To deliver high quality, effective, person-centred care by reducing variation and inequalities.

VBHC Solution: The VBHT designed and developed a comprehensive digital solution to collect outcomes. This work includes a method, process, e-form, systematic collection routine and feedback process to support the Neurology service. To ensure patients are receiving the proper treatment at the right time, using the data to stratify patients based on need, e.g., new, maintenance and complex patients (requiring an MDT (Multidisciplinary Team) approach)

Outcomes: A review of the data suggests opportunities to stratify clinics to support new patients, patients in maintenance and complex patients who would benefit from a multi-disciplinary approach.

Performance:

2020-2021		2021-2022	
PROMs sent:	528	PROMs sent:	635
PROMs completed:	258	PROMs completed:	299
Completion rate:	49%	Completion rate:	47%

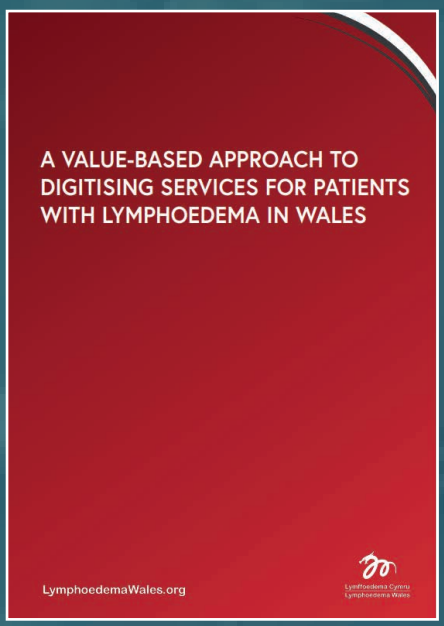
PROGRESS ACHIEVED 2021/22

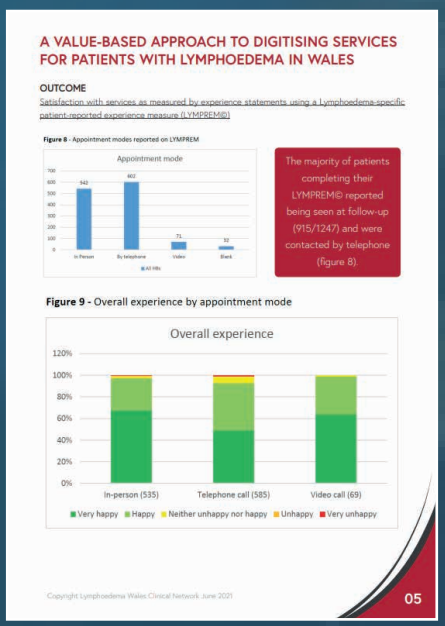
Service: Lymphoedema Service
Project: A value-based approach to c for patients with Lymphodema
Service Lead: Dr Mel Thomas, Clinical Director Lymphoedema Network Wales (melanie.j.thomas@wales.nhs.uk)

Project Support: Marie Gabe-Walters, National Research and Innovation Lymphoedema Specialist (marie.gabe-walters@wales.nhs.uk)

Welsh Value in Health Centre & Local VBHT

Lymphoedema Wales (LW) is committed to delivering Value-Based Health Care initiatives across NHS Wales and unsurprisingly the pandemic has expedited the need to digitally transform services. LNW has therefore enhanced the digital services offered by combining virtual appointments with the standardisation of Patient-Reported Outcome Measures (PROMs) and Patient Reported Experience Measures (PREMs) to focus on what's important to patients, as well as better managing population needs. A whole-system approach has been prioritised and patients are more engaged with the use of technology for their care ensuring their needs are heard and acted upon.





Click **here** to view the full case study.

PROGRESS ACHIEVED 2021/22

Service: Ophthalmology
Project: Cataracts
Service Lead: Chris Blyth, Consultant Ophthalmologis (christopher.blyth@wales.nhs.uk)

Background: Ophthalmology was one of the first service areas to consider the collection of digital PROMs, and in 2016 participated in a global benchmarking exercise with the International Consortium for Health Outcome Measurement. The GLOBE CAT pilot demonstrated that it is feasible to collect and aggregate the CAT Standard Set clinical and patient-reported outcome measures globally. The VBHT made changes to the initially published data dictionary to enable the implementation of risk-adjusted outcomes named in the CAT Standard Set. The capture rate for the required variables was adequate across the 12 institutions. However, awareness needs to be raised for PROM data collection to become 'best practice'. Additional improvements in implementation readiness for using outcomes data for accountability, such as benchmarking, are warranted.

Service Challenge: Demand is outstripping capacity for cataract surgery. In addition, growing waiting lists mean those with the greatest need are consumed in a backlog from the Covid-19 pandemic.

VBHC Solution: The VBHT designed and developed a comprehensive digital solution to collect outcomes. This work included a method, process, e-form, systematic collection routine and feedback process to support the ophthalmology service to triage patients. People who are very satisfied with their vision and report no problems performing daily tasks should not typically enter the cataract pathway. Once on the pathway, the score may be used to determine priority and inform the consent process. The post-op score, ideally obtained after the patient has got used to their new glasses, confirms the value of treatment.

Update: Previous work in this area has highlighted that early collection of outcomes can help the service identify and risk-stratify demand based on patient needs. Unfortunately, we continue to have challenges in the routine, systematic collection of outcomes.

A repeat exercise using PROM and clinical outcomes has shown that the recommendations previously produced are still relevant. Therefore, when the new EPR platform for ophthalmology has been implemented, it is hoped the service can continue to collect electronic outcomes to support the implementation of the initial recommendations further.

PROGRESS ACHIEVED 2021/22

Service: Obstetrics and Gynaecology
Project: Endometriosis:
Service Lead: Dr Anita Nargund, Consultant (anita.nargund@wales.nhs.uk)
Business Partner: Natalie Davies, Service Improvement Manager (natalie.davies16@wales.nhs.uk)

Background: The Family and Therapies Division is responsible for a diverse portfolio of services that includes all aspects of women and children's services. There are several challenges to delivering services, including increased demand for therapy services, medical sustainability and continuing care. Endometriosis is the second most common gynaecological condition in the UK. With around 10% of women suffering from the condition. There is no definitive cure for Endometriosis which can be a chronic lifelong condition. Endometriosis can have a significant impact on a women's quality of life, including:

- Chronic pain
- Fatigue/lack of energy
- Depression/isolation
- Problems with intercourse/relationships
- An inability to conceive
- Difficulty in fulfilling work and social commitments

Service Challenge: ABUHB, on average, receives around 15 new referrals per month, which has increased since the relaxation of COVID-19 guidelines. There are different treatments available for Endometriosis which aim to reduce the severity of the symptoms and improve the quality of life for women living with the condition, namely;

- Surgery
- Hormone treatment
- Pain relief

In some cases, symptoms can be managed without treatment; however, due to the demand for the service, there is poor access to information and advice on managing symptoms. NICE guidelines state that every woman with suspected or confirmed Endometriosis should be referred to a gynaecology specialist nurse with expertise in Endometriosis

(**https://www.nice.org.uk/guidance/ng73** (section 1.1.3)). The specialist endometriosis nurse plays an important role in disease perception, management, provision of specialised care and facilitating appropriate patient pathways. Easy access to a specialist nurse for advice and management of the symptoms will improve the quality of life for women.

PROGRESS ACHIEVED 2021/22

VBHC Solution: The business partner carried out an extensive process mapping exercise and, using outcomes, provided insight and intelligence back to the service to fine-tune the process whilst improving patient care and experiences.

Update: A specialist nurse has been employed to support and advise women, many of whom have been suffering for years with their condition and waiting for treatment. The service now offers nurse-led clinics and an email advice line provided to women at their first attendance in a clinic. The email advice line offers easy access to women for advice and support. In addition, PROMs and PREMs are collected for patients, which are used for direct care during the consultation and demonstrate the benefits of the specialist nurse role.

Other Obstetrics and Gynaecology service development through a value lens

Fertility service:

The fertility service developed a new pathway following the recruitment of a new fertility lead in January 2020. In accordance with NICE guidelines and agreed with Primary Care, referral criteria have been implemented to investigate baselines before referral to the fertility clinics. This reduces the number of inappropriate referrals, thereby reducing the waiting times for women and ensuring that their pathway can progress efficiently. PROMs are being sent to the women and their partners to complete before the first consultation. The women and the partner consent to their health records to be discussed during the consultation, which will enable a more in-depth discussion to inform the treatment plan and timely intervention.

Lifestyle medicine:

Lifestyle medicine is a practical, evidence-informed approach to preventing, managing and treating lifestyle-related chronic conditions. The Gynaecology and Obstetrics Service in ABUHB want to reframe healthcare to focus on the lifestyle factors which are the root cause of most chronic illnesses to support positive behaviour change and improved public health education. The introduction of lifestyle medicine clinics in Gynaecology aims to empower women to become more involved in their health care and decisions. The clinic focuses on women diagnosed with endometriosis, polycystic ovarian syndrome and fertility issues. Referrals are only accepted internally for women in these cohorts who are committed to self-management techniques and are not GP direct referrals. The lead consultant will work with the patients to produce a management plan at the patient level focusing on lifestyle changes. PROMs and PREMs are collected for patients along the patient pathway, which are used for direct care to produce individual management plans and review the impact of alternative management on women's health. The positive feedback provides support for the continuation of the clinics. Further initiatives, including group video clinics and an external website, aim to further awareness of the clinics and empower women to take control of their condition.

PROGRESS ACHIEVED 2021/22

Service: Rheumatology
Project: Ankylosing Spondylitis
Service Lead: Dr Eleri Thomas, Consultant Rheumatology (eleri.thomas@wales.nhs.uk)

Service Challenge: The clinic capacity is outstripping demand. Therefore, the service would like to include an additional five clinic slots per week using PROMs to facilitate non-F2F appointments for suitable patients in consultant-led clinics.

VBHC Solution: The VBHT designed and developed a comprehensive digital solution to collect outcomes. This work includes a method, process, e-form, systematic collection routine and feedback process to support the Rheumatology service to stratify patients that would benefit from a virtual appointment. Collecting outcomes allows the service to understand the needs of their patients. It will ultimately enable them to improve patient care and experience while leveraging the benefits of offering care closer to home.

Outcomes: There have been consistently high completion rates that have averaged 83% since implementation, demonstrating a commitment by the service to use PROMS in direct care and monitor patients. Ultimately, this has contributed significantly to the project's success. Although COVID 19 impacted how quickly patients attended virtual appointments, the service now has the evidence for continuing with a virtual model in the AS Consultant-led Clinic. As a result of a 90% reduction in clinic capacity also due to COVID, collecting PROMS in a virtual environment has enabled the service to meet the increasing demand for the service and give them the confidence to continue to deliver 'more for less.

Impact: Cost avoidance of £15 k per annum as the service has changed the prescription process to send prescriptions directly to patients rather than via a third party. This has saved the service £15k per annum, which has been included in the benefits forecast.

The ability to offer virtual appointments has provided the service with technical efficiencies amounting to £29.45 per patient appointment. Based on the average of 110 patients x 2 appointments per patient, this equates to £6,479 per annum.

PROGRESS ACHIEVED 2021/22

Service: Trauma & Orthopaedics
Project: Early Arthritis (PRP) Research Clinics
Service Lead: Andrew Sutherland Miller, Trauma & Orthopaedics surgeon

Service Challenge: Support a NICE research project to monitor patients' responses to platelet-rich plasma therapy treatment to understand if outcomes improve. This new and alternative (less invasive) treatment option reduces patients' pain and improves overall outcomes.

VBHC Solution: The VBHT designed and developed a comprehensive digital solution to collect outcomes. This work included a method, process, e-form, systematic collection routine and feedback process to support the Early Arthritis Clinics to measure a change in PROM from 1st, assessment, + 2 weeks, + 4 weeks, + 12 weeks, + 26 weeks and 52 weeks.

Update: The collection of outcomes commenced in September 2021 (the same month as the request was received) due to the project's urgency, with 41 of 52 outcome requests completed by patients equalling 78.8%. Supporting the project, the VBHT has implemented the collection of outcomes to support the evaluation of this project planned for QTR1 2022-2023.

PERFORMANCE OF OUTCOME COLLECTION

2021-2022

10
New specialties are currently working with the VBHT

29
Service areas collecting outcome measures

19
Live projects working with services to improve outcomes

Up 11k from 2020-21
29k +
Reported Outcome Measures sent to patients

Up 5k from 2020-21
10k +
Reported Outcome Measures completed by patients

Down 2% from 2020-21
54 %
Reported Outcome Measures completion rate

Up 7k from 2020-21
10k +
Patients contacted

Down 1.3 days from 2020-21
3.2
Average days to complete a Reported Outcome Measure

The table above indicates an increase in the volume and consistency of digitally collected outcomes during 2021-2022 compared to 2020-2021. Although you will note an increase in all scenario collection types, there is a common reduction in collection and completion in December each year, typically due to the festive period, reduced clinic attendances and holiday period.

NEW PROJECT AREAS 2021-22

Service: Cardiology
Project: Heart Failure care and rehabilitation in the community
Service Lead: Linda Edmunds, Consultant Nurse Specialist (Linda.edmunds@wales.nhs.uk)
Business Partner: Karen Hazel HF Nurse Specialist (karen.hazel@wales.nhs.uk)

Background: Aneurin Bevan has been working to develop a Value-Based approach to how we deliver care for Heart Failure Service (HFs) patients across Gwent. There is an extensive programme of work aligned to the National clinical network priorities on areas of pathway development across the organisation. ABUHB successfully secured funding for a fixed-term project to test a community model for rehabilitation and review heart failure patients within the Caerphilly Borough.

Service Challenge: Within the Borough of Caerphilly, there is a high prevalence of heart failure, with readmission to secondary care in 30 days at 25% (compared to 11% across ABUHB). Only 4% of HF patients accessed rehabilitation.

VBHC Solution: The HFS considered a different model for testing to reduce readmissions, increase rehabilitation uptake, and improve quality of life and health outcomes. This model would have a greater emphasis on rehabilitation for delivering an evidence-based program of care and optimising HF patients on their medication. The proposal would enable stable patients to be managed through rehabilitation services and free up specialist capacity for the more complex cases. The intended improvement in efficiency and healthcare outcomes proposed are:

- HF patients optimised whilst on cardiac rehabilitation promptly.

- Prompt optimisation reduces morbidity and hospital readmissions and improves the quality of life.

- A more significant number of HF patients receive care closer to home through rehabilitation within a community or home setting.

- Through optimisation of the programme, more complex patients would be able to be reviewed by HF specialist nurses.

- The HF hub would enable a greater volume of patients to be optimised promptly and then discharged from service or proceed for further investigations.

NEW PROJECT AREAS 2021-22

Project: Heart Failure Community Hub (Caerphilly pilot)

Proposed outcome measures:

- Patient use of PROMs uptake to monitor symptoms
- Improvement in patients' ability to self-manage – likert scale
- Decrease in optimisation time of critical HF medications
- Reduction in readmission within 30 days of joining the programme
- Improved quality of life by the end of the programme – PROMs
- Increased number of patients optimised on medical therapy during cardiac rehabilitation

NEW PROJECT AREAS 2021-22

Service: ITU
Project: 48 hours Follow Up Clinic
Service Lead: Dr Rachel Rouse, Consultant Anaesthetist (rachel.rouse@wales.nhs.uk)

Service Challenge: To understand the impact on patients following a stay in ITU > 48 hours. The service would like to introduce a follow-up clinic to monitor the health and well-being post ITU.

VBHC Solution: To improve patient engagement following a stay in ITU > 48 hours, the VBHT designed and developed a digital solution to collect outcomes at discharge, + 6 weeks, + 26 weeks. The work included a method, process, e-form, systematic collection routine and feedback process to support the ITU service to introduce follow-up clinics.

Outcomes: Collection of outcomes commenced during 2020-2021. Following a quarterly review, the outcome collection methods were deemed insufficient in meeting the needs of the service. Manual 'pushing' of outcomes to patients became unpredictable and labour intensive. Following this change, outcomes are now collected automatically at time-driven points (defined by the clinical team).

Update: These outcomes are now forming the basis of follow-up needs and signposting to services that can specifically address previous unmet/unknown needs like PTSD following ITU stays. The last review also allowed the VBHT to consider alternative collection methods for 'non-responders,' I.e. patients who did not complete an electronic PROM. In Jan 2022, the team recruited a dedicated HCSW to contact patients by phone to improve outcome collection. Initial findings demonstrated an increase in completion rates by an additional 16%.

Up 204 from 2020-21

285

Reported Outcome Measures completed by patients

Up 12% from 2020-21

32 %

Reported Outcome Measures completion rate

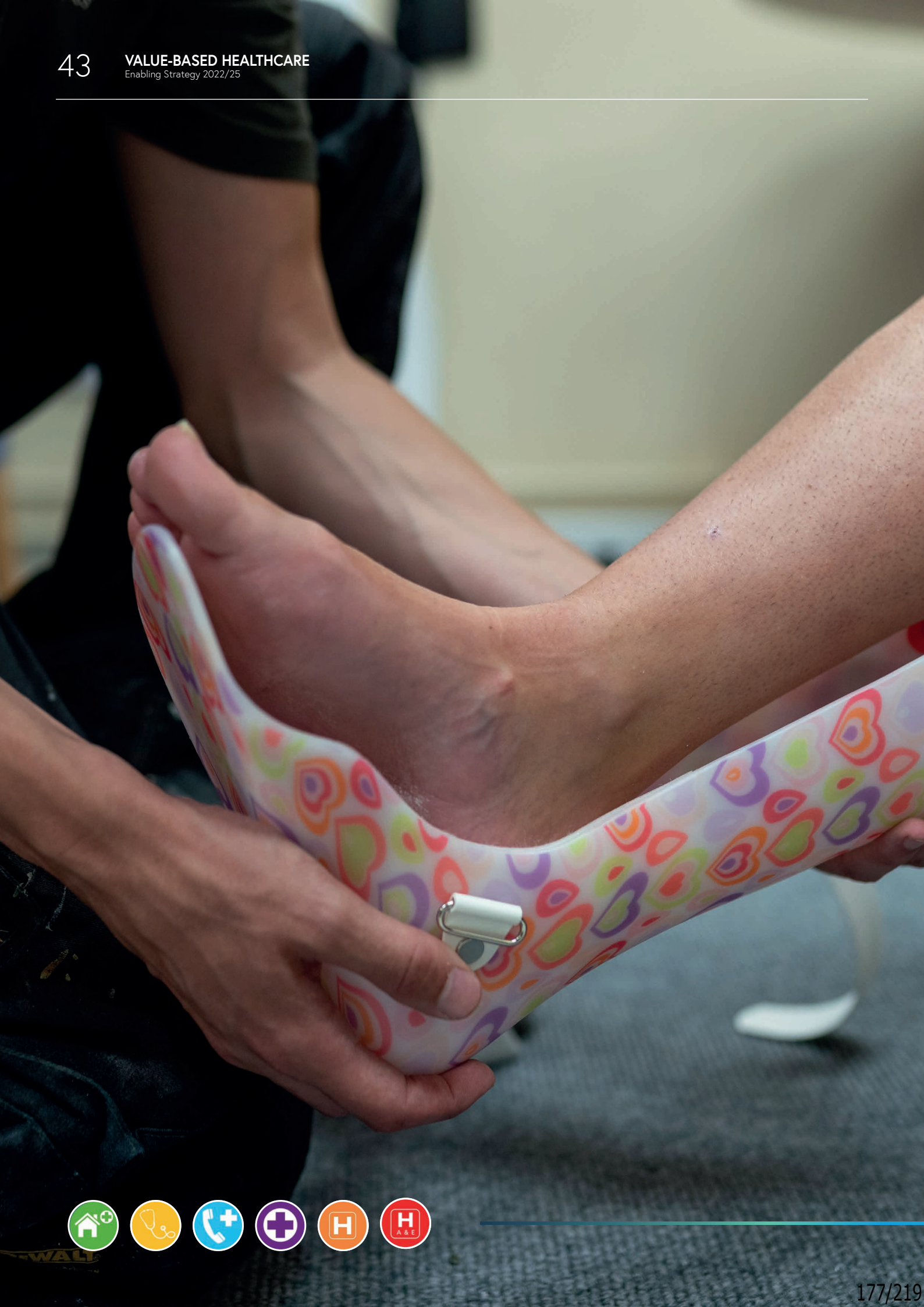
NEW PROJECT AREAS 2021-22

Service: Long COVID
Project: Long COVID Service
Service Lead: Charlie Evans, Programme Manager Post Covid (charlie.evans5@wales.nhs.uk)

Service Challenge: In response to an urgent request from Welsh Government and to support the organisation in the response to long COVID symptoms.

VBHC Solution: The VBHT supported the service to implement the collection of nationally defined PROMs at specific intervals of a patient's pathway into the long COVID service.

Update: The service uses the information locally and nationally to understand the continued and long-term effects of COVID-19. The data is also helping to evaluate what impact the long COVID service has on patients' outcomes with long COVID.



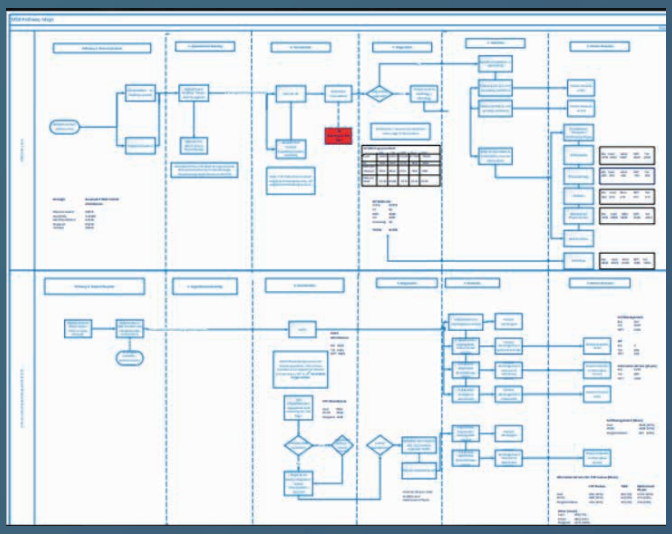
CORE PROGRAMME PRIORITY ALIGNMENT

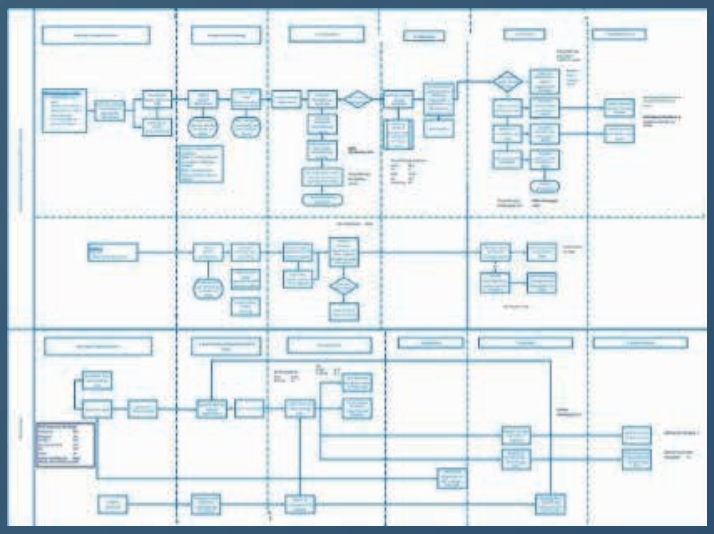
Service: MSK Services

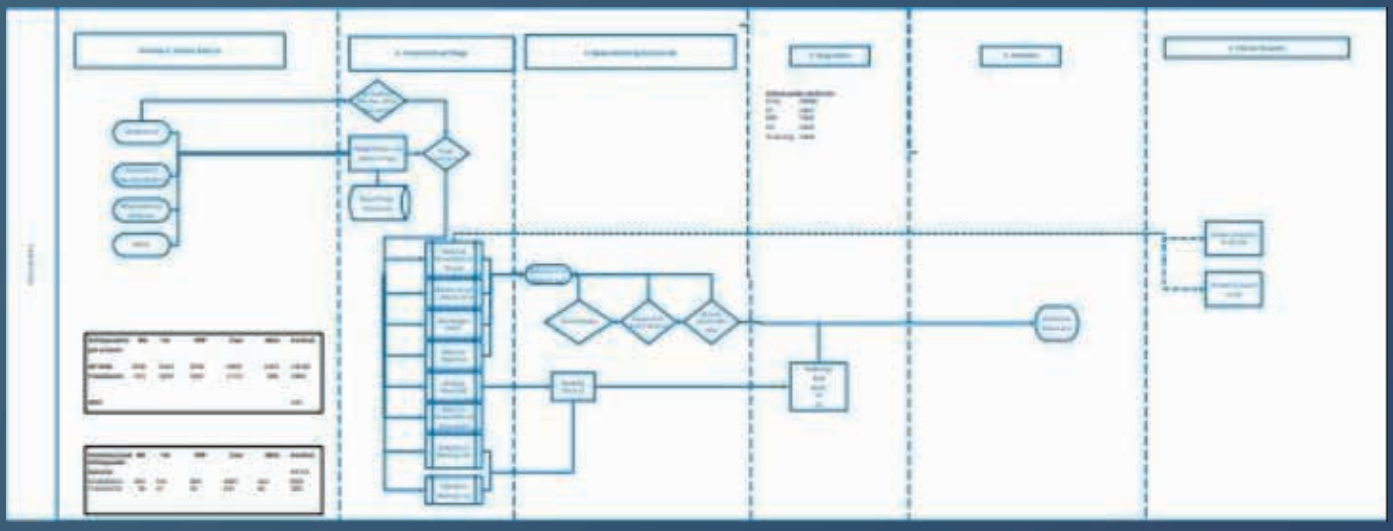
VBHT aims to support the redesign group and map out the baseline pathway mapping (Swimlanes)

The wider overall programme aims to create the perfect Value-Based MSK pathway for the population of Gwent to improve access to MSK services and ensure patients are managed in the optimum pathway to reduce unnecessary waits and inappropriate or duplicated steps in a patient journey.

A snapshot of detailed patient pathways is taken step-by-step to identify who, access routes, how long it takes for an appointment, and how often people have an appointment.







This work has been used to inform Phase 2, which will consider the most appropriate pathway and look at opportunities to reduce duplication and any unwarranted variation.

CORE PROGRAMME PRIORITY ALIGNMENT

Service: Outpatient Transformation – COVID-19 Recovery

Service Lead: Julie Poole (julie.poole@wales.nhs.uk)

The VBHT has supported the outpatient transformation programme in response to the demand for access to services post-pandemic. We have utilised the use of technology (platform and e-forms) to communicate with patients. The purpose was to understand current demands on watiing lists (for more info, click: **Outpatient Waiting List Validation Flow Standard v1.9.pdf**). This work resulted in the following results

New Patients Follow Ups between 31-52 weeks

ENT, Gastroenterology, Gynaecology, Max Fax, Ophthalmology, Orthodontics, Rheumatology, Urology and Trauma & Orthopaedics.

- The total volume of patients on the HB waiting list: 10,005
- The total volume of patients who has a valid email or mobile number: 9,058
- The total volume of patients who responded: 5,678 (63%)
- Patients eligible for removal/review from list: 551 (10%)

P4 Treatments

ENT, Ophthalmology, Urology, Gynaecology, Max Fax, Gatsro and General Surgery

- The total volume of patients on the HB waiting list: 4,940
- The total volume of patients who has a valid email or mobile number: 4,390
- The total volume of patients who responded: 2,496 (57%)
- Patients eligible for removal/review from list: 295 (12%)

Follow Up Waiting Lists

ENT, Max Fax, Eyes and Orthotics

- The total volume of patients on the HB waiting list: 4,467
- The total volume of patients who has a valid email or mobile number: 3,928
- The total volume of patients who responded: 2,343 (60%)
- Patients eligible for removal/review from list: 238 (10%)

THE USE OF DIGITAL, BUSINESS INTELLIGENCE AND INSIGHTS AS KEY ENABLERS IN EVIDENCING VALUE

Digital: The In order to evidence value, there is requirement to design and develop functionality and compatibility of systems. Accessing the right data at the right time and in the right format is key to driving a Value-Based approach to service improvement. The Value programme has experience significant challenges and delays due to conflicting priorities. Recent work with other key enabling functions across the organisation are reassuring in addressing these challengers.

Continuous Service Improvement

During the last year, in partnership with our external platform provider, we have designed and developed new user functionality. These are referred to as 'patient lists'. This functionality will enable the collection of assessments at specific activity points in a pathway, e.g. at referral, post-op and discharge.

DrDoctor

Compatibility of Data:
Adoption and implementation of National Data Standard Change Notices (DSCNs)
(For more information on Data Standards Change Notices, please click **here**.)

33 DSCNs have been produced at a national level and include;

1. About You (Generic information)
2. Knee Arthroplasty
3. Oxford Knee Score
4. General Health Questionnaire (GHQ)

The local VBHT will adopt these and work with the information and performance team to embed them in the local data catalogue and repositories.

THE USE OF DIGITAL, BUSINESS INTELLIGENCE AND INSIGHTS AS KEY ENABLERS IN EVIDENCING VALUE

Production of Local Data Notice Change Standards (LDNCS)

The VBHT has developed these LDNCS to ensure compliance when providing and receiving data between a range of partners.

Agreement on the prioritisation of local DNCS was formalised in February 2022 by the Data Subgroup. The team has developed 8 local PROM data standards. Please see the list below.

1. Ankylosing Spondylitis BASDAI (Bath Ankylosing Spondylitis Disease Activity Index)
2. Cataracts CATQUEST-9-SF
3. COTE GRACE Holistic Overview
4. ITU PTSD5 Post Traumatic Stress Disorder
5. Psoriasis HADs (Hospital Anxiety and Depression), POEM (Patient-Oriented Eczema Measure), DLQi, (Dermatology Life Quality Index, SPASI, (Psoriasis Area Severity Index)
6. Diabetes Free Style Libre DDS (Diabetes Distress Screening Scale)
7. Epilepsy PGIC (Patients Global Impression of Change), HADS, PHQ2, PHQ9 (Depression)
8. Inflammatory Bowel Disease C&C (Chrones and Colitis)

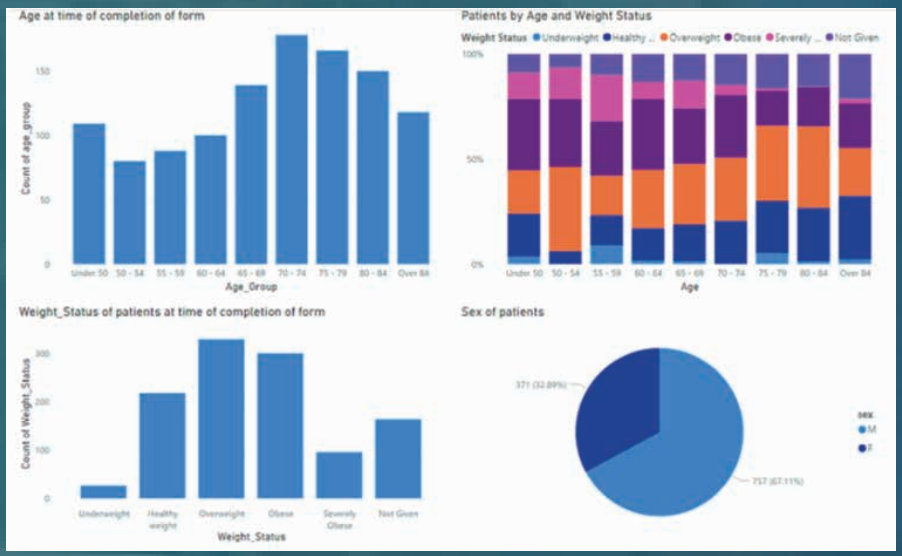
The Health Board has adopted the WViHC guidance and will embed this locally, e.g., change or amendment to forms, and this will be managed by the HB VBHT.

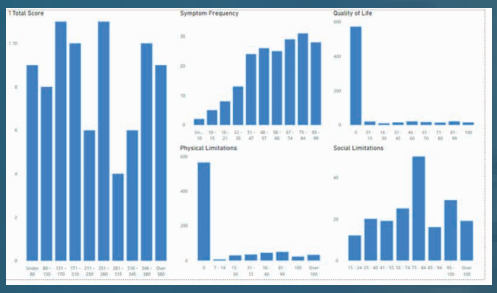
THE USE OF DIGITAL, BUSINESS INTELLIGENCE AND INSIGHTS AS KEY ENABLERS IN EVIDENCING VALUE

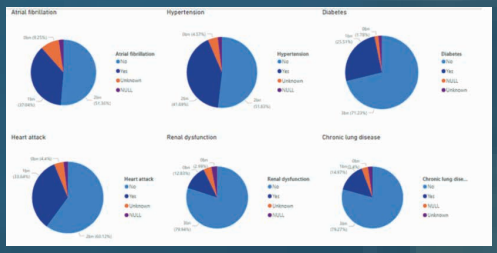
Business intelligence: Insights

There is a requirement from clinical teams across the Health Board to have access to patient and cohort level data for use in managing patient care. Several insight **dashboards** have been developed at a national level using clinical audit data, as determined by the National Clinical Leads, and are used by Health Board clinical teams where relevant.

Locally the VBHT have been supporting a small number of clinical teams to further develop these insights for use as part of the patient consultation, to identify PROM related trends, identify follow-up demand based on need and not routine care, and understand opportunities for service improvement. Two areas have been developed using BI (Business intelligence) and are being piloted by the Children Weight Management and Heart Failure services.







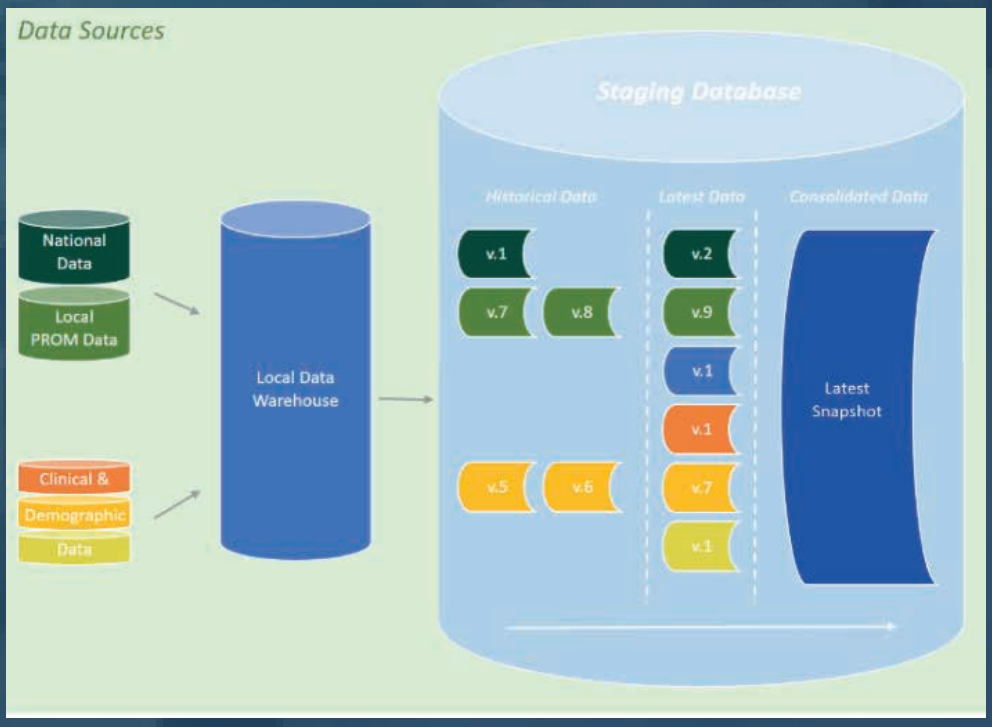
THE USE OF DIGITAL, BUSINESS INTELLIGENCE AND INSIGHTS AS KEY ENABLERS IN EVIDENCING VALUE

Improving Access to data

The VBHT has begun to develop in partnership with ICT, Information and 3rd Party organisations an Information strategy.

There is a positive drive to embed a VBHC approach in delivering our healthcare to local NHS residents through a holistic overview by combining information from different sources to create a more accurate and current snapshot of a patient's health profile. Initial pilot projects tested the feasibility of collecting data, specifically PROMS electronically. In addition, they looked at developing better ways of delivering care, evidencing value, and benefitting any changes resulting from this work and data. The Information Strategy proposes an approach and details the steps required for such an achievement to meet those needs and evidencing value.`

Figure 1 explains the data source infrastructure.



- A staging database acts as a data hub by consolidating relevant, primary information from multiple sources.
- A combination of primary data is sampled from each source to create an up-to-date snapshot.
- Information is easier to interrogate and integrate into dashboards from 'one version of the truth.'
- When new data is received, a new snapshot can be created, feeding each dashboard automatically upon refresh.
- Historic data imports can be kept for data auditing.

PROGRESS ACHIEVED 2021/22

GOAL 2

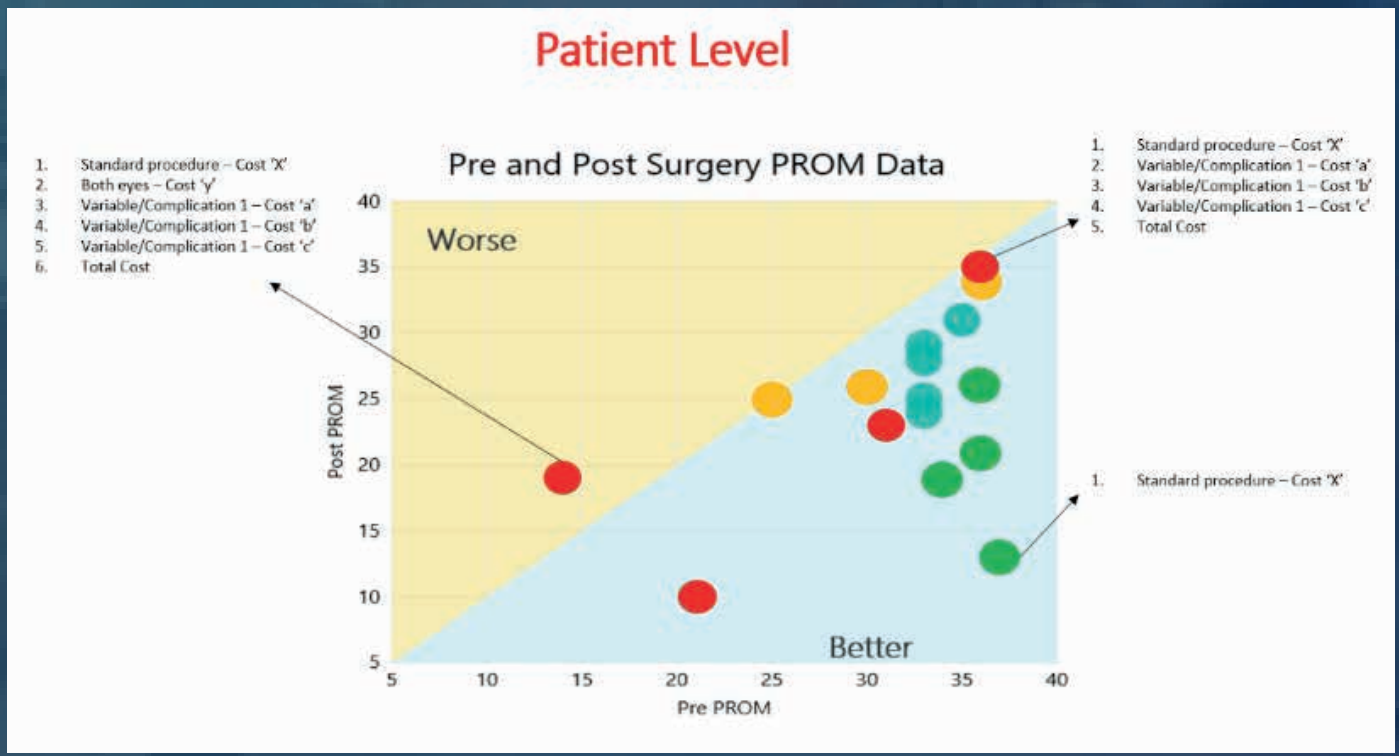
Embedding a Value Culture, improving Knowledge, Skills, and experience

Strengthen Governance arrangements

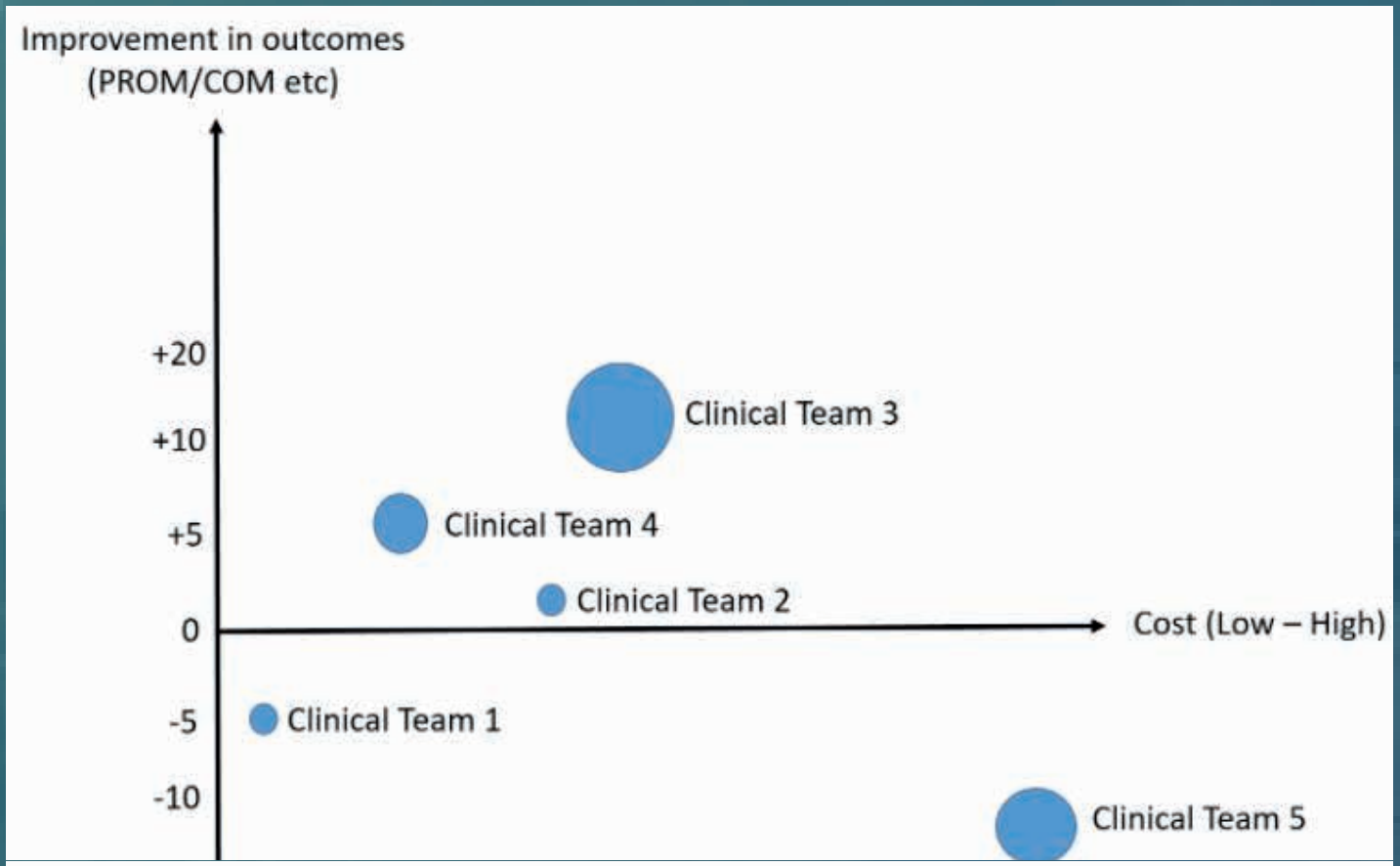
DABI (Data Analytics and Business Intelligence) group established with representation internally and externally, including Information, Informatics, Finance, Service Leads, and members of the Welsh Value in Health Centre and PROMs platform Service provider.

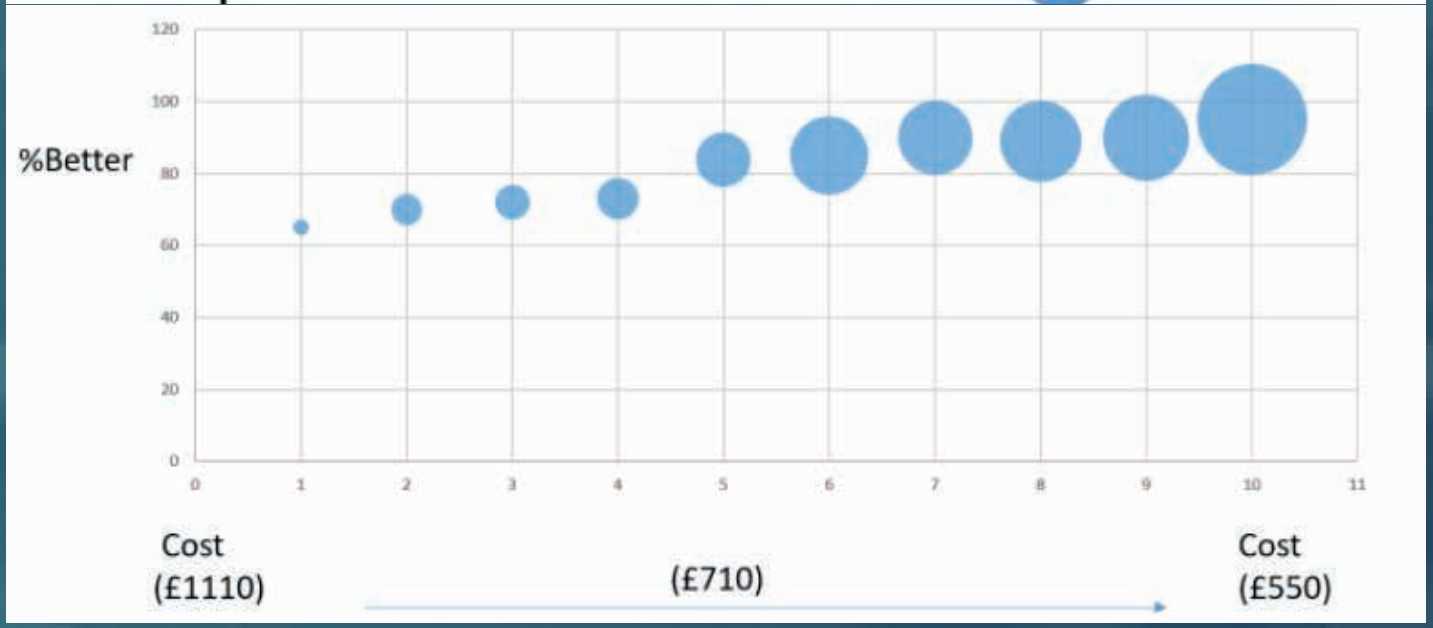
Key outputs from this group include;

- Business intelligence and Reporting Strategy for Value
- Proposed visualisations for combining Outcomes and Costs (Not finalised)



PROGRESS ACHIEVED 2021/22





- Implementation of basic SQL (Sequel Query language) reporting with direct access for clinical team use
- Prioritised list of data sets to create (LDNCS) local data notice change standards

PROGRESS ACHIEVED 2021/22

Patient Reference Group (PRG)

In May 2021, the VBHT hosted its first Patient Reference Group (PRG). The group meets to scrutinise the programme and influence decision-making, bringing the patient's voice and perspective to work.

Patients and third sector representatives feedback on person-centred care and the collection of Patient Reporting Outcome Measures (PROMs). The VBHT received excellent feedback from patients on how we can offer more accessible and inclusive PROMs.

The PRG has now met three times as a quarterly meeting, and the outputs have proved valuable to the work. Membership and participation from third sector organisations have included Epilepsy Wales, Sight Cymru and Parkinson's Cymru, with representatives from the Community Health Council, Bangor University and Digital Communities Wales.

The group are looking at new ways to engage and involve patients and the public to provide further insight and intelligence on how we deliver the highest quality, person-centred care. We are actively scoping existing networks and mechanisms to reach within the footprint of Blaenau Gwent, Caerphilly, Monmouthshire, Newport, Torfaen and South Powys.

PROGRESS ACHIEVED 2021/22

- Map the patient's journey through the healthcare system from primary care to secondary care. Please see the PRG September presentation below for more information.

- We are working in partnership with the bookings and referral team to identify significate opportunities to improve the patient booking experience while raising the profile of reported outcome measures.

- We designed and developed new communications to inform and educate patients about reported outcome measures and the benefits of completing them. Please click **here** to view the communications.

- Develop a user experience framework to evaluate the user experience when completing PROMs & PREMs. Please click **here** to view the results. This information will allow us to review the content and delivery method to improve accessibility and completion rates.

- We reviewed and investigated the patient cohorts, their needs, expectations and how we engage to ensure we offer a more inclusive and accessible service. Please see the PRG September presentation below for more information.

PROGRESS ACHIEVED 2021/22

Click **here** to view the VBHC Patient Reference Group Terms of Reference.

PRG September Presentation

PRG December Presentation Update

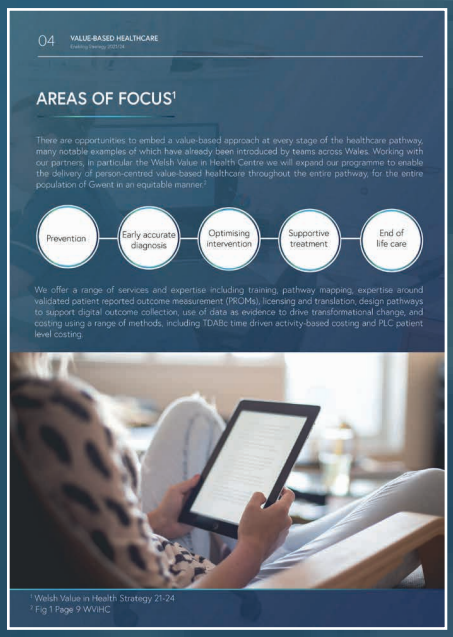
Patient Reference Group-20211214_133719-Meeting Recording.mp4

Tools and Material

The Toolkit: The VBHT developed and launched the **VBHC tool kit.** The toolkit is now used as 'the methodology' across NHS Wales. Access to these tools will assist in building the skills, capacity, and capability across the Health Board to embed and sustain outcome measurement in everyday business.

Standard Operating Procedures: A complete set of standing operating procedures have been established to support the methodology and business within the team.

Enabling Strategy: The production of a key **enabling strategy** outlining the vision and aspirations of our work over 3 years from 2021 to 2024



PROGRESS ACHIEVED 2021/22

Marketing: Branding

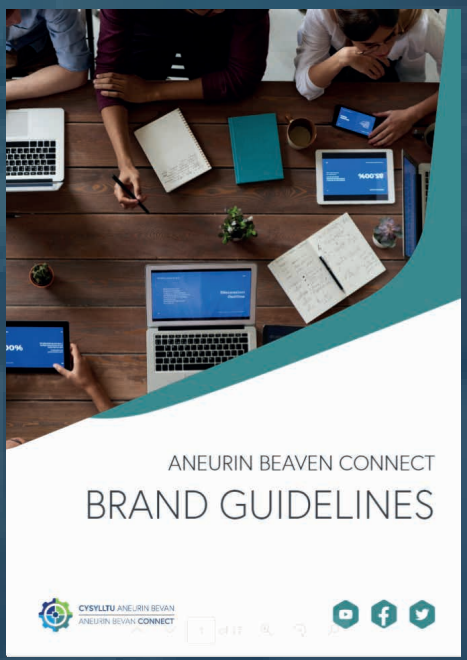
Every service, team or organisation has its own identity or brand - a set of visual elements that work together in a cohesive way to inform us about the sort of entity it is.

Where appropriate, we worked with both ABuHB services and national teams to provide design and branding opportunities to enhance the delivery. Please see examples of work listed below.

Aneurin Bevan Connect

The VBHT supported and developed an Aneurin Bevan Connect (AB Connect) identity. In addition, the VBHT produced branding designs and guidelines to ensure a consistent and professional group of assets. These included logos, typography, colours, images, and digital and traditional brand assets.

Branding Design & Guidelines



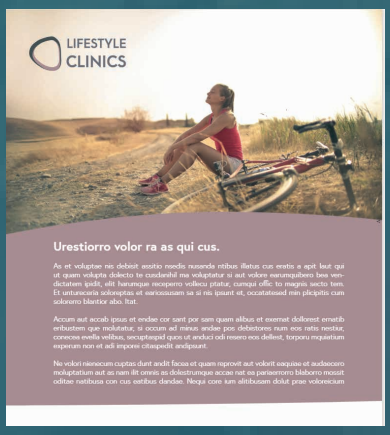
PROGRESS ACHIEVED 2021/22

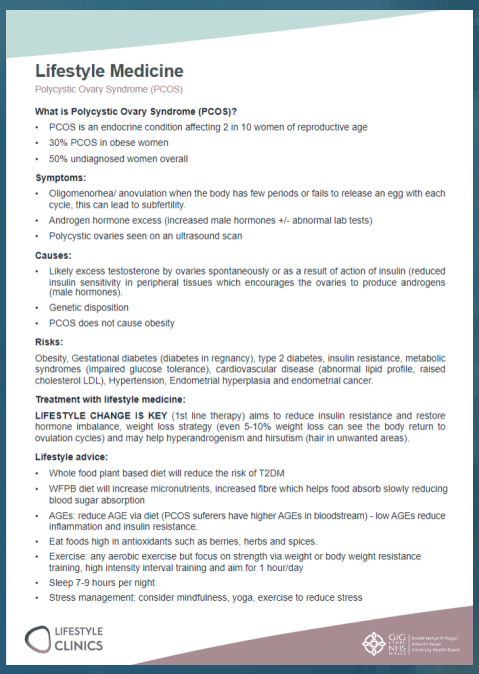
Lifestyle Medicine

The VBHC team supported and developed a Lifestyle Medicine identity to support the launch of the new Lifestyle Clinics. These clinics take a medical approach that uses evidence-based behavioural interventions to prevent, treat and manage chronic disease.

Branding Design Concept

Patient Resources



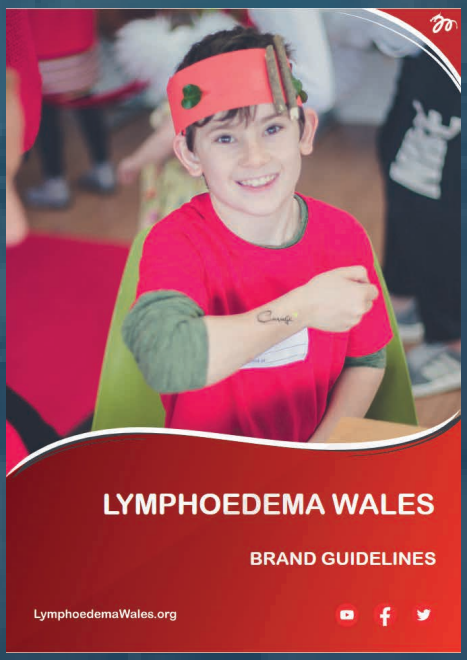


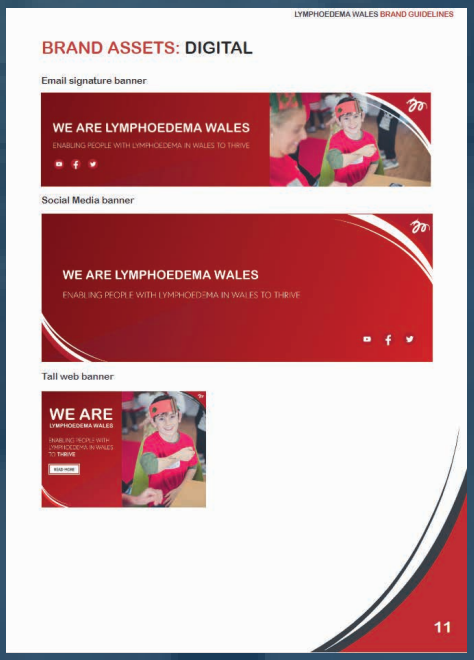
PROGRESS ACHIEVED 2021/22

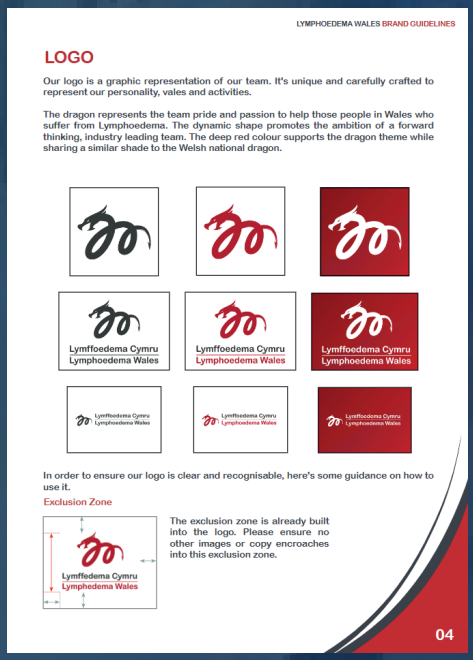
Lymphoedema Wales

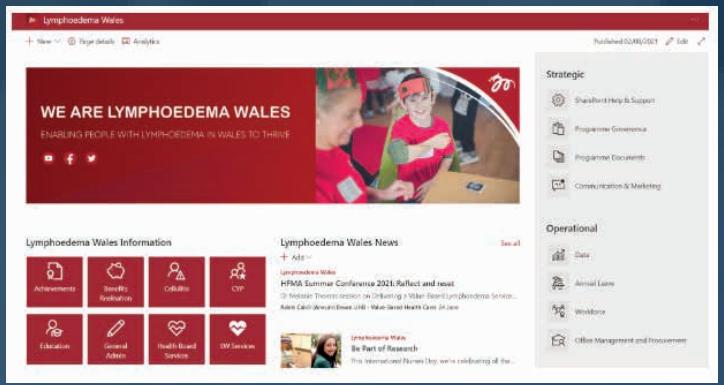
The VBHC team supported and developed a new identity (Lymphoedema Wales) for the Clinical Lymphoedema Network Wale. The team also create a website structure and design to meet the needs of the service.

- Branding Design & Guidelines
- Website Structure and Design
- Annual Report









Lymffoedema Cymru
Lymphoedema Wales

GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

PROGRESS ACHIEVED 2021/22

Communication: internal communications

Working in partnership with ICT, the VBHC team **designed** and built multiple SharePoint/PMO sites for AB Connect and the services operating under the AB Connect umbrella. 10 SharePoint sites was created in total. The following sites was built;

- **Internal SharePoint site** to communicate, store documents and work collaboratively on projects.

- **Intranet SharePoint Site** to promote and engage with others within ABUHB and the wider NHS Wales community

AB Connect sharepoint design

Aneurin Bevan Connect (Intranet) - Home (sharepoint.com)

Communication Case Studies

Case Study: LFD (LATERAL FLOW DEVICE) Communications

Case Study: Mass Vaccination Call Centre Redesign

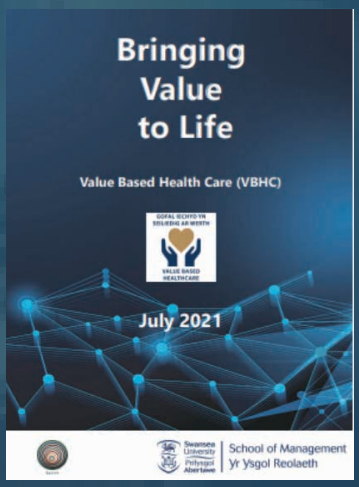
PROGRESS ACHIEVED 2021/22

Education & Training

Value-Based Health And Care Academy

Working in partnership with Academia, members of the VBHT designed and delivered a range of education modules across a range of executive education programmes;

Swansea University and intensive learning academy education programme. The VBHC team presents on **Value-Based Health and Care Academy - Swansea University**.

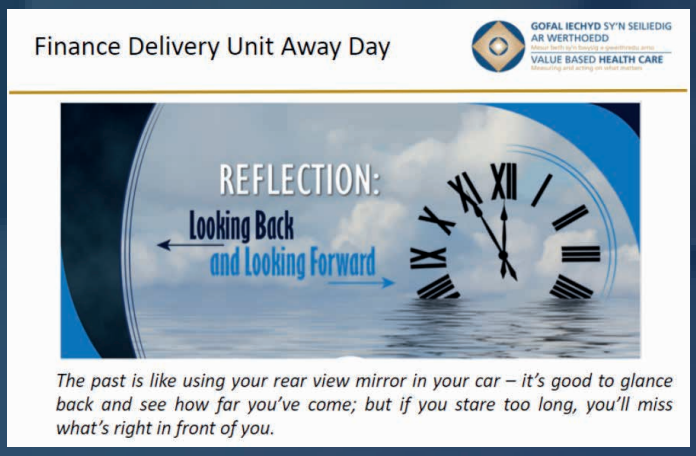


Bringing Value to Life

The team presented our experience in implementing VBHC at ABUHB at 3 cohorts of 50 executives for Hywel Dda. (Bringing Value to life),

Click **here** to view case study.

National Finance Delivery Unit:
Providing Leadership and Insights on VBHC x 4 sessions, same 15 people.



PROGRESS ACHIEVED 2021/22

GOAL 3

Develop strategic partnerships, and innovative approaches

RfPPB Grant Successful application to Health and Care Research Wales

The VBHT successfully submitted with Bangor University an approved application (July 21) to Health and Care Research Wales - Research for Patient & Public Benefit (RfPPB) for a 'Realist and Social Return on Investment evaluation of the use of Patient-Reported Outcomes in Value-Based Healthcare Programmes'. The research commenced in Q4 on 21-22 and will last for two years. The research will look to learn more about what is needed to achieve the goals of measuring and improving outcomes at scale; data will be used to build a series of middle-range theories designed especially for practical application to identified health systems. Given the increase in remote monitoring as a result of the pandemic, key objectives will be to;

- Explore whether the PROMs currently collected encapsulate outcomes that matter to patients.
- Evaluate whether PROM collection improves patient care in Parkinson's disease, epilepsy and cataract services. Improved patient care might be i) timelier, ii) closer to home, iii) direct referral to relevant health professionals, and iv) avoid unnecessary hospital visits. Visits, vi) prevent unplanned admission.
- Identify potential small-scale changes as part of continuous improvement, including service re-design and improved use of healthcare utilisation.
- Measure the social value of PROMs in our populations.
- Develop logic models identifying the inputs required for clinicians to utilise PROMs in decision-making, the context, mechanisms of change, and the potential intended/unintended impacts.
- Learn more about the Welsh population who are not currently completing PROMS remotely.
- Better understand and develop ways to overcome any barriers associated with electronic PROMs collection to avoid excluding cohorts of people, i.e., explore whether the shift to a digital collection of PROMs excludes some communities (e.g., the elderly, those in poorer health, those from more deprived areas or BAME communities), thus widening healthcare inequalities.

PROGRESS ACHIEVED 2021/22

Transformation through Research & Development, Improvement, Innovation and Value-Based Healthcare (RIIV)

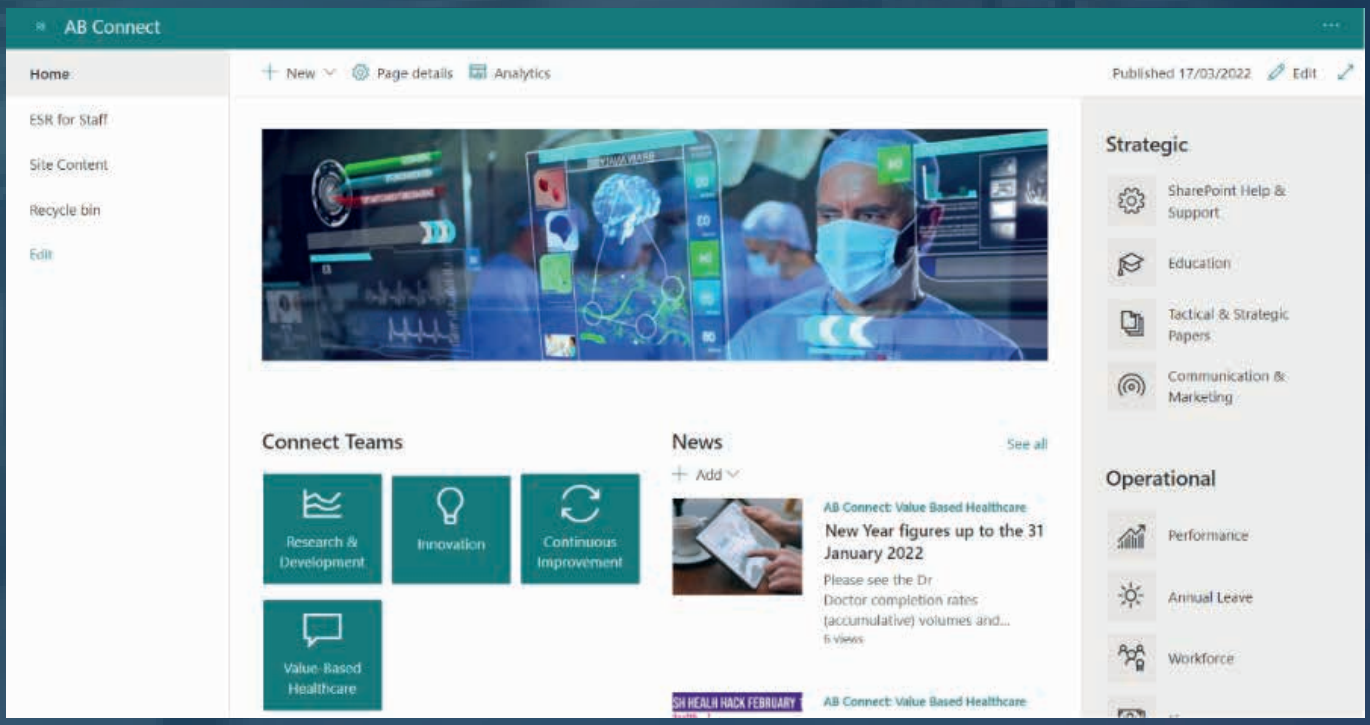
The Health Board's (RIIV) functions have a shared purpose of supporting ABUHB to develop new knowledge and understanding, continuously improve and think/work in new and different ways – all to increase Value across the vast range of healthcare activity the Health Board is responsible for.

The RIIV functions have come together using a multi-disciplinary approach in collaboration with the corporate enabling functions whose roles will be to;

- Act as enabling functions supporting Health Board priorities as described in the Annual Plan.

- Provide a mechanism for frontline teams to take their ideas forward to benefit patients and staff within Gwent.

- Work collaboratively with external partners in industry, academia, and regional partnerships.

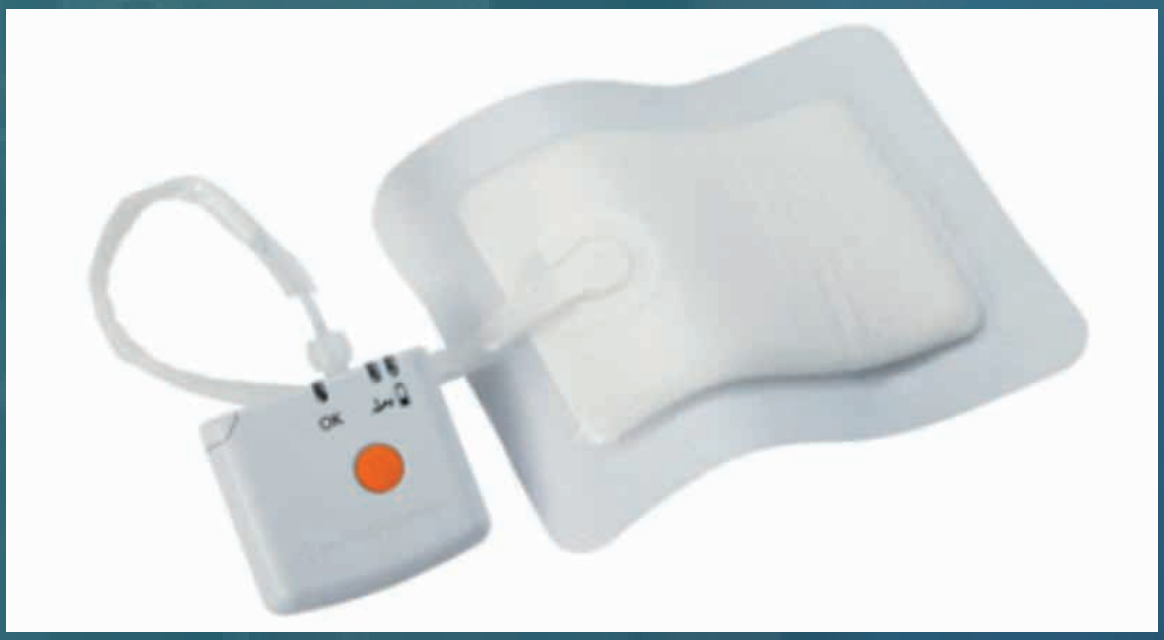


PROGRESS ACHIEVED 2021/22

Partnering for Value

PICO Wound Management Business Case: Value-Based approach to high-risk surgical wound management

Surgical Site Infections and Complications are having an ever-increasing impact on the effective management of postoperative wounds. PICO Dressings are a type of negative pressure wound system (NPWS). In this case, the NPWS is portable, allowing the patient to mobilise the device; it is possible to discharge patients home with the device in situ. PICO Dressings have been demonstrated to be clinically effective and offer value for the patient, Health Board and **provider.**



Rationale

To take a narrow pre-determined caseload where PICO dressings are proven clinically as effective at reducing the surgical site infection/complication rates (SSI/C), where they are known to be high, with improvements to be made e.g., hysterectomies (Gynaecology) and abdominoperineal resection (Colorectal). In addition, there is a requirement to improve the efficiency of bed usage as a critical driver. This project will also evidence an innovative approach to contracting, testing the concept of Outcomes Based Contracting where the risk is shared between the NHS (National Health Service) and the Industry Partner. In this brief, the underlying rate of SSI/C is measured. The contract offers a rebate on the cost of the devices if the rate does not meet expectations (clearly defined beforehand). The industry partner is offering rebates up to 60%.

PROGRESS ACHIEVED 2021/22

PICO Dressings have been demonstrated to be clinically effective; the key evidence base is the publication of NICE Guidelines, which recommend the case for adopting PICO dressings for closed surgical dressings.

Benefits of this approach are.

- Patients can return to their previous way of life more quickly due to reduced wound healing times.
- Bed Days released back to service for additional activity
- Increased patient satisfaction across their care journey
- Improve the cost-effectiveness of surgical services and release additional bed capacity within the system
- Patients are less at risk of complications from wound infections with associated impact upon activities of daily living.
- Reduced requirement for post-operative wound management intervention (both community and secondary care impact)
- Improved quality of life and outcomes for patients
- Improve the cost-effectiveness of surgical services and release additional capacity within the system.

PROGRESS ACHIEVED 2021/22

World Economic Forum – Global Coalition

Value in Health puts Wales as a global leader in health systems transformation.

We are delighted to confirm that the National Value in Health programme has been announced as part of the Global Innovation Hub of the Global Coalition for Value in Healthcare. ABuHB is an active member of this coalition, participating in the presentation on a global scale spreading the work around Heart Failure and Person-Centred care.

The Global Coalition for Value in Healthcare is an initiative of the World Economic Forum, created to be a public-private platform for global, multi-stakeholder cooperation to develop innovations and advance collaborations that accelerate the pace of value-based health system transformation.

We have been making a name for ourselves internationally over the last few years. This latest partnership with the World Economic Forum will further cement our reputation and ensure Wales is at the forefront of global health systems transformation for years to come.

The Global Coalition for Value in Healthcare will allow us to be part of a platform to share learnings, develop effective best practices and guide the development of value-based health systems worldwide.

PROGRESS ACHIEVED 2021/22

InFuSe

The VBHC team collaborates with the **Infuse: Innovative Future Services programme** as part of the **Cardiff Capital Region - Re-energising our Region, Reshaping our Future**. The team is keen to build further relationships with public sector partners to work together to tackle critical issues and challenges facing 21st-century public sector organisations.

Please click the link below to watch a short video for more information. **https://youtu.be/FYy8vlxOG8c**

infuse
GWASANAETHAU ARLOESOL Y DYFODOL
INNOVATIVE FUTURE SERVICES

UNDEB EWROPEAIDD EUROPEAN UNION
Llywodraeth Cymru Welsh Government
Cronfa Gymdeithasol Ewrop
European Social Fund

Mrs A Story

Mrs A, aged 66, from Newport, was a known ABuHB Heart Failure Service (HFS) patient following a heart attack which caused severe heart failure. However, due to delayed follow-up appointments, Mrs A fell out of contact with the HFS, and her health and quality of life quickly deteriorated. Her mobility suffered, and she required a wheelchair to move around. She even resorted to crawling on her hands and knees to get around the house and found it challenging to climb the stairs and access the toilet.

Through a Value-based approach, the HFS employed vital people who understand the whole patient process and pathways. For example, from some Value-Based service improvement work carried out by the VBHC business partners and the HFS, the team could identify Mrs A and trigger an appointment by validating patient registers.

After the initial consultation, the newly formed nurse-led HFS quickly realised Mrs A's medication could be adjusted and promptly changed her medication and management plan. The team also invited Mrs A back to the heart failure clinic every month for ongoing adjustments to medication which quickly led to improved physical mobility and enabled her to do basic activities of daily living.

After three short months, Mrs A could walk to the consultation room from the waiting room with only a walking stick. Mrs A told the HFT, "You have given me my life back. All I ever wanted was to do a little housework. I can now dust and even change my bed sheets. Thank you so much for all of your help!". Mrs A continued, "My husband was able to bring me to my appointments today", and this was the first time she had come to a hospital appointment without ambulance transport.

> "The VBHC tools have enabled us to identify problems quickly, understand why, and introduce new systems and processes to deliver better care, outcomes, and experiences."

Heart Failure Specialist Nursing Team

GIG CYMRU NHS WALES
Bwrdd Iechyd Prifysgol
Aneurin Bevan
University Health Board

If you have any questions, please contact:

Value-Based Healthcare
Aneurin Bevan University Health Board
p: 01495 765366
e: ValueTeamStaff.ABB@wales.nhs.uk

Aneurin Bevan University Health Board
Finance & Performance Committee

Overview of Utilisation of Recovery Funding 2021-22

Executive Summary

The purpose of the report is to provide an overview on the utilisation of Recovery funding received in 2021 – 22. Two separate tranches were made available with Health Boards invited to submit bids to tackle waiting list backlogs as a result of the Covid-19 pandemic.

A total of £26.9m was awarded to ABUHB from Welsh Government which was utilised in a wide variety of areas across the whole system, tackling backlogs in Planned Care, Mental Health Services, Therapies and Diagnostics. Investment was also made in both Weight Management and Alcohol Liaison which evidenced upstream services.

Recovery plans in the second half of the year were severely impacted by the Omicron Covid-19 variant resulting in a lack of availability of staff. Therefore, due to significant shifts in patient acuity levels recovery money was also utilised for additional Enhanced Care hours.

The Committee is asked to note the impact of the utilisation of 2021-22 Recovery Funding.

The Board is asked to: (please tick as appropriate)	
Approve the Report	
Discuss and Provide Views	
Receive the Report for Assurance/Compliance	
Note the Report for Information Only	X

Executive Sponsor: Rob Holcombe, Interim Director of Finance, Procurement & Value			
Report Author: Greg Bowen, Assistant Director of Finance, Hospital & Corporate Divisions			
Report Received consideration and supported by :			
Executive Team	**X**	**Committee of the Board**	**Finance & Performance**
Date of the Report: 16 June 2022			
Supplementary Papers Attached:			

Purpose of the Report

This document is intended to provide an overview of the utilisation of Covid Recovery funding received in financial year 2021-22.

Background and Context

2021-22 saw the announcement of additional funding to tackle growing waiting lists that had arisen from waves 1 and 2 of the Covid pandemic. The Health Board was required to submit bids for additional funding with extremely tight turnaround deadlines.

Bids needed to be focused on activity that was 'additional' to restart plans, with upstream services also considered.

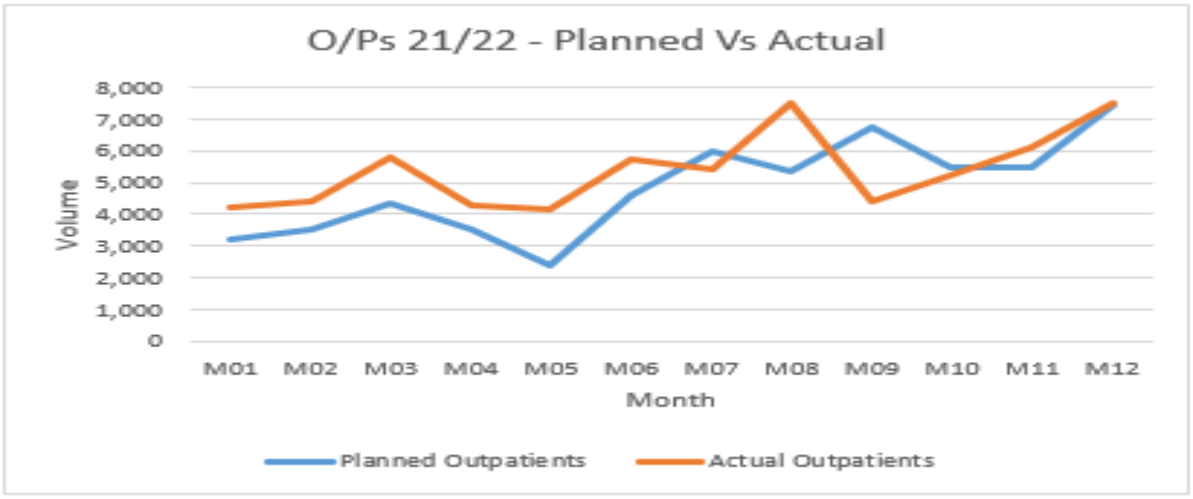
There were two tranches of funding made available for this purpose, in April and September; with the Health Board successfully being awarded £17m and £9.9m respectively (£26.9m total).

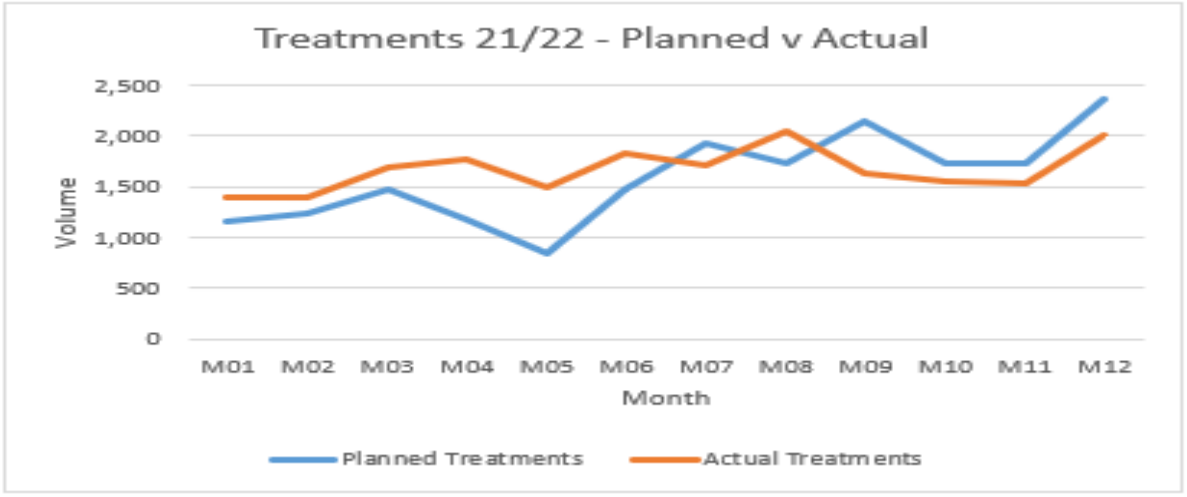
Assessment and Conclusion

Scheduled Care

Key focus of providing additional elective care throughput.

The below graphs illustrate Outpatient and Treatment volumes vs divisional plans:





Outpatient appointments were 11.6% ahead of plan in the last financial year, with treatments being 5.7% ahead. Recovery money was used to provide and additional 4,620 O/P appointments and 2,572 treatments. Finishing ahead of the plan was a pleasing result, and this came despite the effects of the Omicron variant which reduced activity levels from M09.

In addition to activity described above, an additional 1,716 O/P appointments and 1,362 treatments were also provided because of outsourced contracts.

Other key highlights for the Division include:

- 5,874 Wet AMD interventions
- 485 patients of the STT (Straight to Test) Cancer pathway
- 1,800 sample reports from Histopathology / Micro insourcing
- 7,500 reports from Radiology outsourcing

Medicine

Various backlogs identified at the beginning of the year, but staffing challenges required recruitment resulting in delivery of plans not starting until mid-way through the year. Evidence of upstream services can be seen with investments into the Alcohol Liaison Service (ALS).

Key highlights for the Division:

- 3,447 additional O/P appointments in COTE, Neuro, Cardiology, Diabetes, Gastro & Respiratory
- 2,744 additional appointments in Cardiology Ambulatory monitoring
- 3,000 patient impact as part of the re-introduction of the ALS service (above)
- 559 patients relating to PCI over performance in Cardiology

Families & Therapies

Like Medicine, backlogs were identified across a range of services, but with limited risk to delivery due to confidence of staffing availability and the lack of recruitment required. Further evidence of upstream services with the introduction of the Weight Management service. The Division did see some challenges to staffing availability in Q4 of 21-22 because of Omicron which had a negative impact on some plans towards the end of the year, but overall, a very positive impact.

Key highlights for the Division:

- 388 additional Vasectomy treatments
- 798 impact on the increase to Health Visiting, reducing hospital demand
- 5,527 additional O/P appointments in Gynae, CAMHS, Paeds, Dietetics, SALT, and Podiatry
- 6,007 patient impact because of the Weight Management Service (above)
- 108 Gynae Ambulatory Care procedures
- 334 additional Fertility treatments

Primary Care and Community Services

Due to the loss of face-to-face interaction with patients because of the pandemic, large backlogs identified in General Dental Services and Pharmacy at the beginning of the year with plans in place to reduce. Funding in the second half of the year focused on increased capacity for Winter.

Key highlights for the Division as follows:

- 3,515 additional Dental appointments including general dental access, orthodontic capacity, sedation services, out of hours, oral surgery and capacity in prisons.

- 1,207 patient impact through Community Pharmacy (Inhaler Technique and Care Home Meds Reviews)
- 31,560 impact driven by additional GMS capacity - 27 Practices commissioned to deliver 85 weekly GP equivalent clinical sessions between October 21 and March 22. 25 practices commissioned to deliver 917.50 additional receptionist hours per week.
- 633 additional appointments provided (equating to 211 clinical hours) through additional cervical screening clinics.
- 162 patients accessed the Spirometry Diagnostic Hub

Mental Health

Similar picture with large backlogs identified and plans in place from the beginning of the year to address.

Key highlights for the Division:

- 2,149 additional impact for Primary Care MH capacity
- 526 additional Psychology assessments
- Increased bed capacity for substance misuse
- Support from OT workers, aiding timely patient discharge
- Increased investment in Inpatient Crisis Liaison team, supporting MH pathways

Other

Part of the Tranche 2 funding was used to commission an additional 25 community nursing beds.

21-22 also saw a significant amount of slippage on recovery plans because of the Omicron variant and general operational pressures. This placed enormous pressure on the Health Board's ability to achieve recovery plans in full, mainly driven by lack of staffing availability. The year also saw a significant shift in patient acuity levels which has required far more Enhanced Care than pre pandemic levels. Recovery money was also utilised to cover around 225,000 additional Enhanced Care hours.

Recommendation
The Committee are asked to: Note the impact made on patient care in 2021-22 from the application of non-recurrent Covid-19 recovery monies.

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	Without application of this funding to patient care, patients will have lost the opportunity to be seen &/or treated.
Financial Assessment	£26.9m was funded non recurrently by Welsh Government for 2021/22.
Quality, Safety and Patient Experience Assessment	Services will have considered these factors as part of operating in a 'Covid safe' and compliant manner aligned to public health guidelines.
Equality and Diversity Impact Assessment	Services will have operated in line with patient 'need' and identified opportunities to improve patient care throughout all

(including child impact assessment)	patient waiting groups, utilising the national priority scoring mechanism where appropriate.
Health and Care Standards	Compliance with the Health and Care Standards is expected along with additional Covid-19 nosocomial guidelines operating during 2021/22.
Link to Integrated Medium Term Plan/Corporate Objectives	An Annual Plan was approved for ABUHB for 2021/22, during the pandemic every opportunity was taken to maintain and improve patient care wherever possible, within the constraints applied for safe service delivery.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	**Long Term –** Long-term financial linked to IMTP completion **Integration –** Regional partnership and integration with other NHS Wales organisations **Involvement –** specific investment links with services for engagement & plans **Collaboration** – collaboration internally between services and with external partners **Prevention** – long-term strategy to provide investment and savings through preventative measures across the UHB.
Glossary of New Terms	Not required

Aneurin Bevan University Health Board

Variable Pay Reduction Plan (Nursing & HCSW)

Executive Summary

Reliance on variable pay, specifically agency, across staff groups has increased significantly since the start of the COVID-19 pandemic in March 2020. Whilst there has been an increase in most staff groups, the most notable increase has been within Registered Nursing (RN) and Healthcare Support Workers (HCSWs) due to the significant rise in demand. Additional workforce has been required to respond to the challenges presented by the pandemic due to high levels of staff absence, changes in patient care pathways to support infection control and ongoing high demand for additional bed capacity, single room occupancy and the high acuity of patients across our services.

Whilst these challenges remain very real, it is accepted that long term reliance on a temporary workforce does not support an optimum patient experience and places additional pressures on our already exhausted workforce. Therefore, realistic and proportionate steps are required to address this issue. Patient safety and quality of care will be the prime focus in enacting the variable pay reduction plan.

Whilst the significant efforts and commitment of many of our agency and bank workers has been invaluable to respond to the requirements of the pandemic, reviewing our current position and planning sustainable workforce models will ultimately support two key pillars of our People Plan: Staff Health and Wellbeing and Workforce Sustainability and Transformation.

The agency reduction action plan, contained in **Appendix 1**, outlines the actions already taken and those in progress or planned with a clear focus on the eradication of off-contract HCSW agency in the first instance, followed by reducing the reliance of on-contract HCSW agency.

The action plan has been developed with input from the divisional triumvirates and will report to the Strategic Nursing Workforce Group on a monthly basis. A working group, with representatives from Finance, Divisions, Workforce & OD and nursing leadership will also be established to monitor and track progress against the plan.

There are a number of risks associated with the plan, importantly understanding workforce plans to support the delivery of planned care and the winter period are likely to have a direct impact on variable pay and this will need to be factored into the monitoring arrangements.

The Finance & Performance Committee is asked to note the actions contained within the plan, the progress to date and provide views on the plan.			
The Board is asked to: (please tick as appropriate)			
Approve the Report			
Discuss and Provide Views	✓		
Receive the Report for Assurance/Compliance			
Note the Report for Information Only			
Executive Sponsor: Sarah Simmonds, Director of Workforce & OD			
Report Author: Julie Chappelle, Assistant Director of Workforce & OD; Linda Alexander, Interim Director of Nursing			
Report Received consideration and supported by :			
Executive Team		**Committee of the Board [Committee Name]**	
Date of the Report: 28 June 2022			
Supplementary Papers Attached: Appendix 1 – Action Plan			

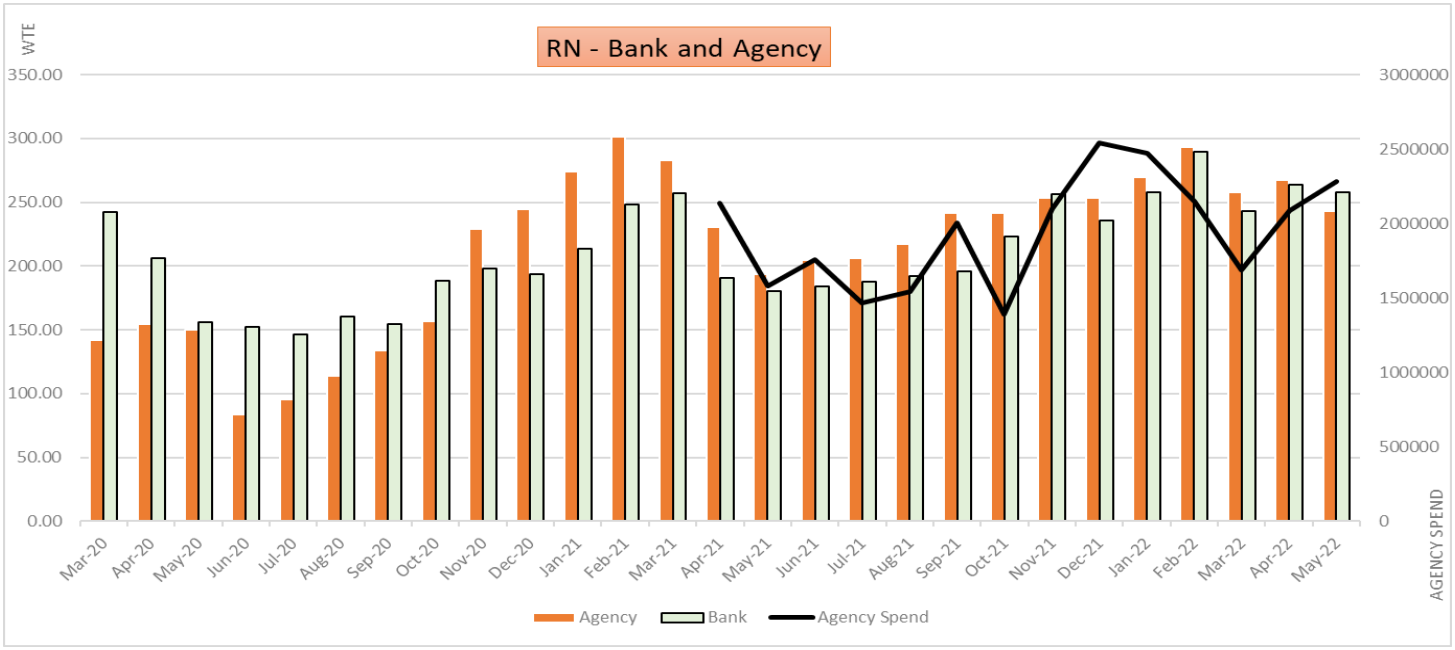
Purpose of the Report

This report provides an update on the plans to reduce variable pay which is being driven by the Agency Reduction Plan outlined in **Appendix 1**.

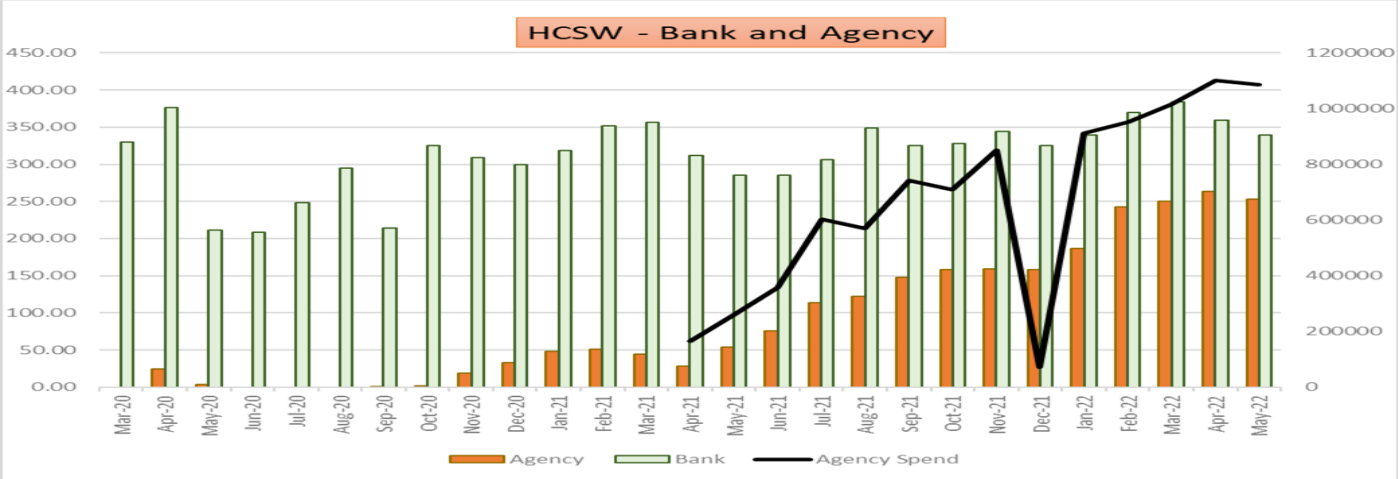
Background and Context

The graphs below outline the Registered Nurse (RN) and Healthcare Support Worker (HCSW) variable pay usage:

RN variable pay supply has been in excess of 500wte throughout the month of May 2022. This is a reduction from March to May 2022 with a corresponding reduction in sickness absence. Of the 500.61wte used in May 2022, 243wte (48%) were agency, of which 41wte were off contract agency. In May 2022, £2.3m was spent on agency. A comparison of use/spend since March 2020 is highlighted in the graph below.



HCSW variable pay remains higher than previous years. HCSW agency has increased significantly over the last six months. Demand for HCSWs continues to be high due to a combination of high levels of enhanced care, continued high levels of absence amongst HCSWs, and vacancies. Of the 592.28wte used in May 2022, 253wte (43%) were agency. In May 2022, £1.086m was spent on agency. A comparison of use/spend since March 2020 is highlighted in the graph below.



As we are changing our patient pathways and deescalating covid measure an Agency Reduction Plan has been developed. A working group is set up with Nursing, Workforce and Finance colleagues to develop a detailed framework and tracker and progress will be reported to the Strategic Nursing Workforce Group.

Assessment and Conclusion

Reasons for Bank & Agency Usage:

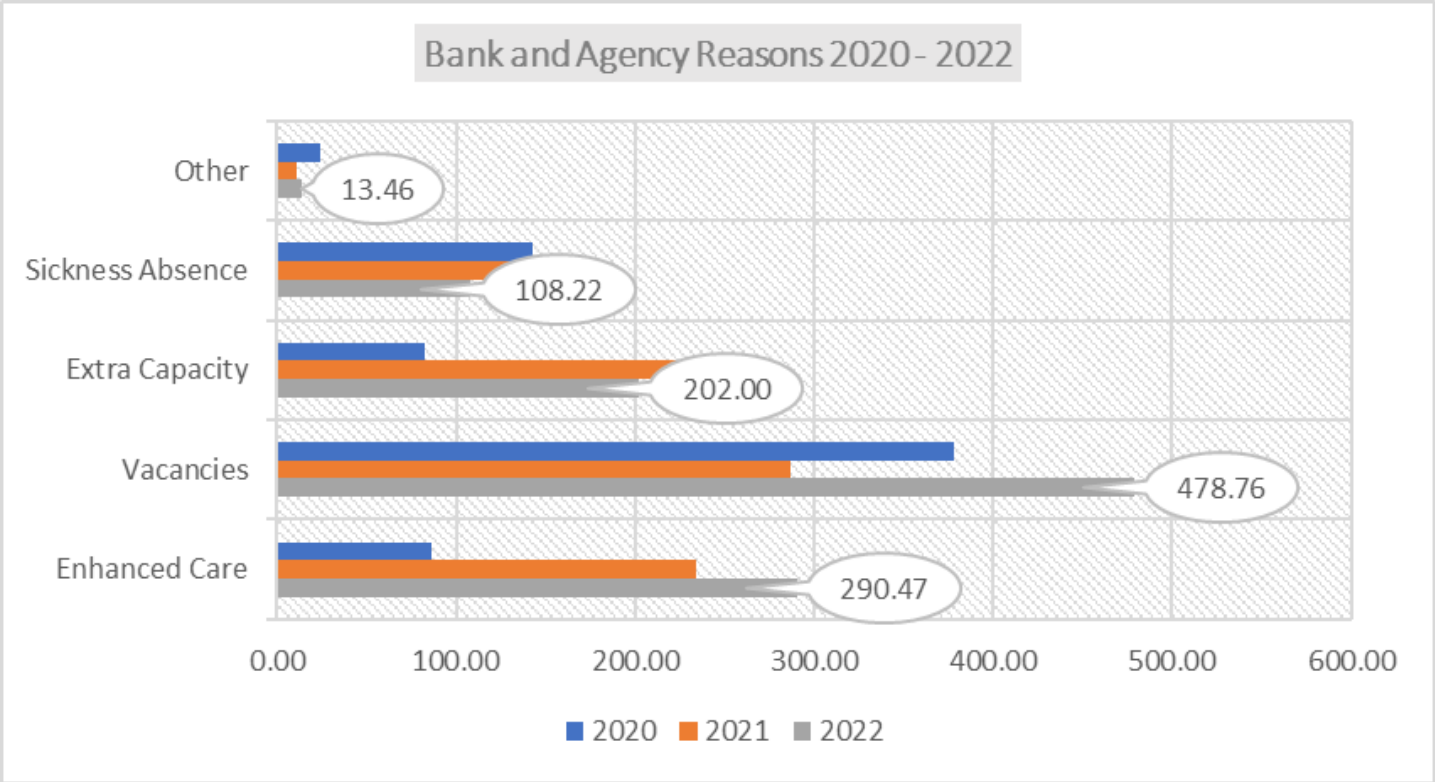
There are a number of factors influencing the demand for RN and HCSW temporary workers through bank and agency:

- Legal obligation to meet the Nurse Staffing Levels (Wales) Act 2016.
- Patient safety and professional judgement.
- Continued occupancy of additional beds and demand: The majority of demand for agency in particular is within medicine and emergency departments. There are currently circa 100 beds open due to demand for additional capacity.
- High demand for enhanced care: As outlined in a paper presented to the Executive Team on 19 May 2022, the average Enhanced Care hours required per month in 2021/22 was 34,000 vs 15,000 in 2020/21, an increase of 126.7%; the costs of which are usually met by Bank & Agency staff, which is additional to baseline rosters.
- Continued high levels of staff absence: Whilst absence had been reducing the month of June 2022 has seen overall absence increase from 6.06% to 7.32% (daily reporting figures). RN and HCSW absence continues to be significantly higher than the allowance provided within baseline rosters (4.2%). RN absence is currently 6.83% and HCSW 8.83% (May 2022).

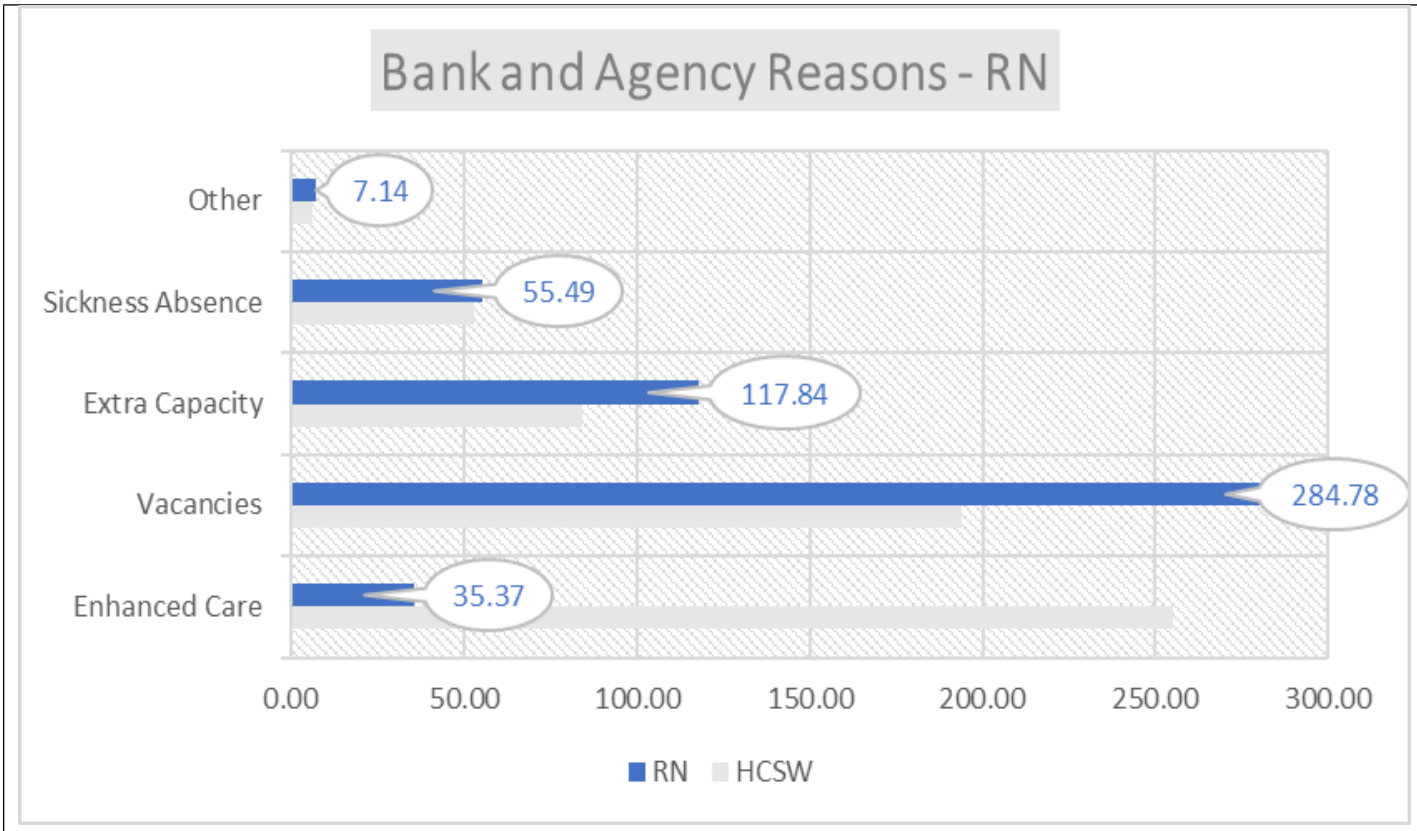
- Vacancies: The current registered nursing vacancies are 197wte this is mainly due to increased establishment and more leavers (319wte) than starters (222wte) within 2021/22. HCSW vacancies have increased to 140wte from 70wte in 2020/21 despite this staff group seeing the largest growth, an increase of 209wte (455 starters and 246 leavers). This increase was very much driven by the demand on services and the added challenges of the pandemic such as the need to increase workforce for mass vaccination and testing.
- Retirements: Delays in retirements has been the main driver increasing turnover in 2021/22 to 10.8% from 9.32% for all staff groups.

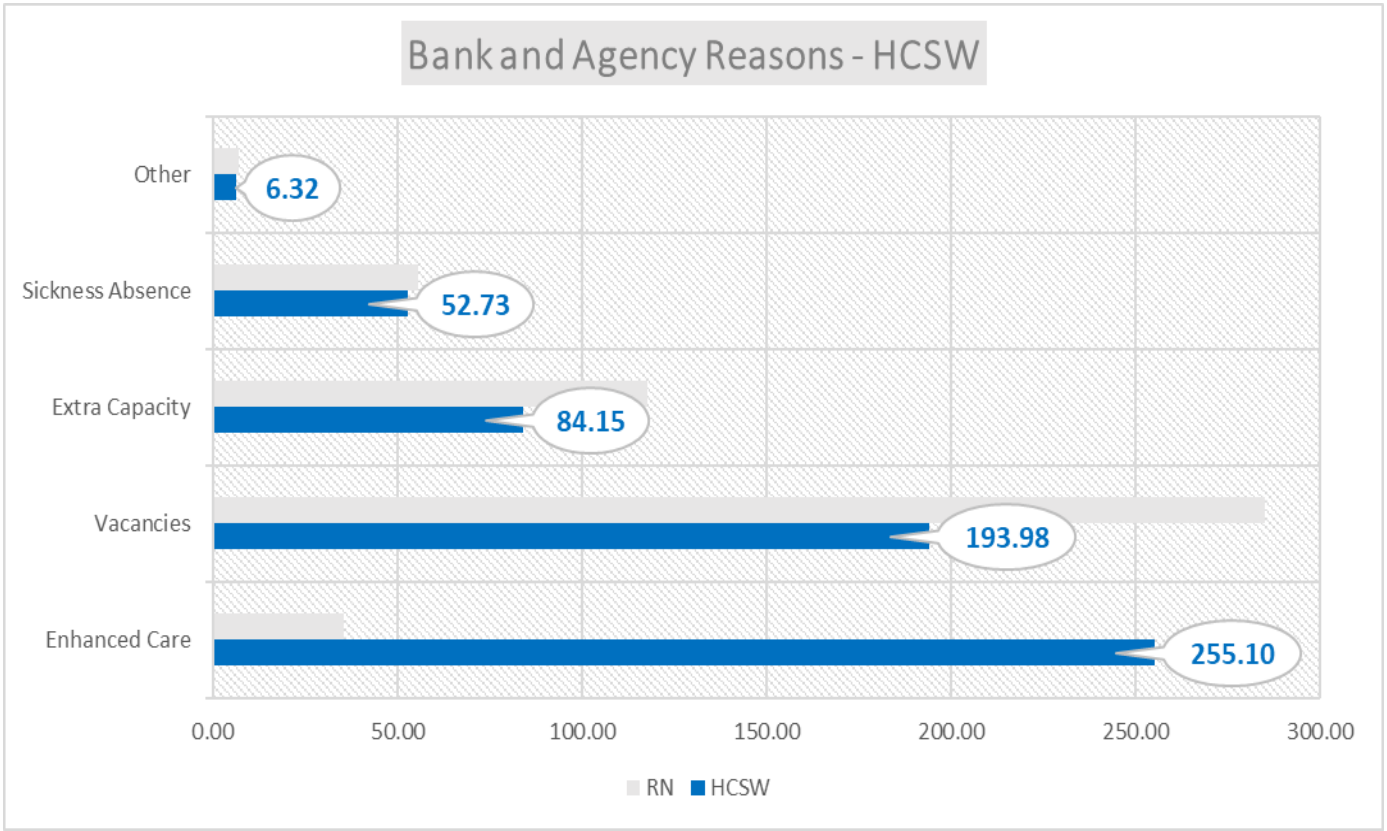
Bank and Agency Use Reasons - Trends for RN & HCSW over the last 2 years.

Please note the reasons for bank and agency are currently being reviewed in Health Roster to ensure further accuracy. Throughout the pandemic, shifts have been booked in a different way which has resulted in shifts particularly in the enhanced care category being recorded incorrectly.



- Bank and agency usage has increased by 52% over the last two years.
- There has been a 79% increase in HCSW usage and 30% increase in RN usage.
- The largest increase in bank and agency supply is due to providing cover for Enhanced Care and Extra Capacity.
- Bank and agency make up over 30% of our staffing levels on the wards.





Agency Reduction Plan Summary

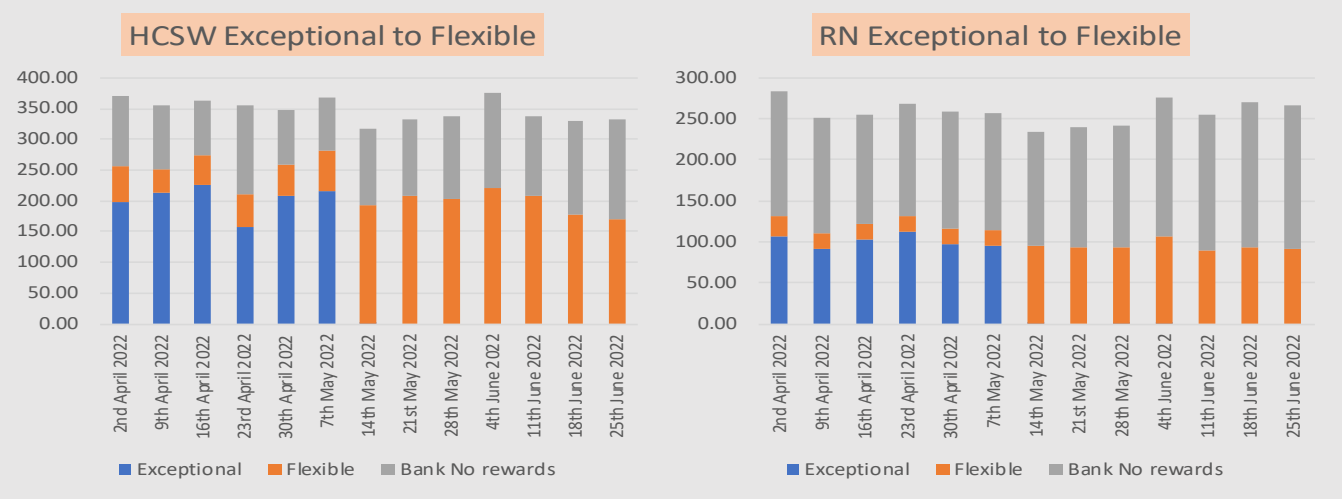
The actions to reduce reliance on the temporary workforce are prioritised in the action plan set out in **Appendix 1.** The actions outlined in this plan are targeted to support the following outcomes:

- Significantly reduce HCSW agency with a plan to eradicate all use.
- Stop the routine availability of bank pay incentives once HCSW agency is almost eradicated. An Escalation Process will remain in place as an internal measure to avoid off contract agency and support safe staffing levels and patient safety.
- Recruit to HCSW vacancies recognising natural turnover.
- Improve roster efficiency and prudent rostering practices.
- Implement specific programmes to support Registered Nursing and HCSW retention.
- Ensure the principles of the Core Care Team are being embraced across all Divisions to include roster creators, ward assistants and Band 4 Assistant Practitioners (Nursing).

Action taken to date

<u>Bank Enhancements</u>

There were previously two bank enhancements being used - Flexible and Exceptional Rewards. Exceptional Rewards were designed to increase supply for last minute shift within a 24-hour period and Flexible Rewards were booked in advance to increase supply. These are long standing rewards designed to increase bank supply and reduce agency and normally used over the winter period. With effect from 09 May 2022, Exceptional Rewards ceased and as such, Exceptional Rewards have converted to Flexible Rewards at the lower rate.



A focused recruitment strategy is also in progress to support the agency reduction plan. Recent recruitment by means of Overseas Nurses and Student Streamlining has been successful, yielding enough suitable applicants to significantly reduce the Health Boards vacancies. In addition:

- The Health Board is fully engaged in the Once for Wales Overseas Nursing (OSN) Recruitment Campaign and is currently in the process of on boarding 50 OSNs with plans to increase this further.

- Adverts will continue to be placed with the RCN as part of the Health Board's annual subscription, which would include listings on the RCN jobs website and the RCN bulletin.
- Promotion through social media platforms using a targeted approach, e.g., targeting geographical areas.
- A series of recruitment events has been re-established, recruitment wheel, highlighting the opportunities across the Health Board, maximising the benefits of working to the Clinical Futures model of care, development opportunities etc.
- Marketing products, to include recruitment videos, are in development promoting the benefits and opportunities of working in the Health Board.
- Continue with the very successful HCSW recruitment campaign and embed the apprenticeship approach to HCSW career development.
- Focus on retention and development through the recently established Nursing & Midwifery Academy & Alumni.

The emerging savings and potential future savings are outlined in the table below. The potential savings illustrate a possible saving dependent on our ability to reduce additional capacity, high absence levels and high demand aligned to the reasons outlined in this paper. This will be reviewed by the working group as we progress through the implementation of the action plan.

Direct Actions	£ saving per month	Anticipated £ saving to year end
Achieved Savings		
HCSW		
Bank Exceptional Rewards converted to Flexible Rewards as at 9th May 2022 *could be reinstated in the winter period	£68,000	£748,000
No HCSW Off Contract Agency as at 9th May 2022	£8,011	£88,142
RN		
Bank Exceptional Rewards converted to Flexible Rewards *could be reinstated in the winter period	£21,300	£234,300
Total Achieved Savings	**£97,311**	**£1,070,442**
Potential Agency Savings		
HCSW		
Reduce 50% of HCSW agency over 6 months (inc replacement costs of 129wte)	£301,173	£1,807,038
RN		
Reduce 50% of off contract RN agency over 6 months (inc replacement cost of 22wte)	£173,332	£1,039,992
Reduce 25% on contract agency over 6 months (inc replacements cost of 54wte)	£227,735	£1,366,410
Total Potential Savings	**£702,240**	**£4,213,440**

The demand for additional staffing support to address planned care recovery and winter plans will need to be factored into any assumptions as they become known. Likewise, any impact of COVID-19 and Flu over the autumn and winter period will also have a direct impact on the delivery of the action plan.

To support the development of the savings plans in terms of the magnitude and profiling, including implementing a detailed framework which will be developed with the establishment of a working group and will report to the Strategic Nursing Workforce Group.

Recommendation

The Finance & Performance Committee is asked to note the actions contained within the plan, the progress to date and provide views on the plan.

Supporting Assessment and Additional Information	
Risk Assessment (including links to Risk Register)	Service sustainability Recruitment plans
Financial Assessment, including Value for Money	Linked to the Workforce and Financial Framework in the Integrated Medium-Term Plan and the overarching workforce and efficiency agenda. Improved financial controls will minimise financial risk.
Quality, Safety and Patient Experience Assessment	Any actions will be balanced against quality and patient safety to ensure no adverse impact.
Equality and Diversity Impact Assessment (including child impact assessment)	Any actions are and will be Equality Impact assessed.
Health and Care Standards	The programmes and developments outlined in this paper meet STANDARD 7 Staff & Resources.
Link to Integrated Medium Term Plan/Corporate Objectives	Linked to the Workforce and Financial Framework in the Integrated Medium-Term Plan and the overarching workforce and efficiency agenda.
The Well-being of Future Generations (Wales) Act 2015 – 5 ways of working	**Long Term** – Sustainability of service provision through our staff is prime consideration.
	Integration – N/A
	Involvement – N/A no service development
	Collaboration – Actions and deliverables are worked in partnership with Nursing, Workforce and Finance.
	Prevention – any potential issues and challenges will be assessed prior to implementation
Glossary of New Terms	N/A
Public Interest	No

Bwrdd Iechyd Prifysgol Aneurin Bevan University Health Board

Reduction of Agency Action Plan
May 2022

The actions outlined in this plan are targeted to support to following outcomes:

- Significantly reduce Healthcare Support Worker (HCSW) Agency with a view to eradication
- Stop the routine availability of bank pay incentives once HCSW agency is almost eradicated. An Escalation Process will remain in place as an internal measure to avoid off contract agency and support safe staffing levels and patient safety
- Recruit to HCSW vacancies recognising natural turnover
- Improve roster efficiency and prudent rostering practices
- Implement specific programmes to support Registered Nursing and HCSW retention
- Ensure the principles of the Core Care Team are being embraced across all Divisions to include roster creators, ward assistants and Band 4 Assistant Practitioners (Nursing).

This action plan will be reviewed by the Strategic Nursing Workforce Group who will monitor progress and report on outcomes.

1 Recruitment				
Action	**Who**	**When**	**Progress (narrative/RAG)**	
a) Recruit to HCSW vacancies	Ann Bentley / Linda Alexander	June 2022	• Recruitment campaign complete – 67 candidates appointed to work on the Bank – 57 candidates (experience and with NVQ) will be offered permanent roles – 29 candidates (with experience and no NVQ) will be offered permanent roles – 153 appointments in total • Divisions currently confirming vacancies to allocate candidates.	

1 Recruitment				
Action	**Who**	**When**	**Progress (narrative/RAG)**	
b) Recruit to Registered Nursing Vacancies	Ann Bentley / Linda Alexander	Ongoing	• Overseas nursing recruitment 50 nurses to join by September 2022 • 130 newly qualified nurses joining in September 2022 • Ongoing recruitment campaigns and events planned and in progress	
c) Implement HCSW apprenticeship and general role apprenticeship programme for 2022/23	Ann Bentley/Linda Jones	September 2022	• Proposal to recruit 20 apprentices agreed • Advert will be launched June 2022	
d) Develop bespoke retention and staff engagement programmes for RNs and HCSW	Peter Brown/Linda Alexander	August 2022	• Design and deliver drop-in sessions July 2022 • Deliver mechanisms to support early conversation • Develop tools and options in line with retention framework	

2 Agency and Bank Supply				
Action	**Who**	**When**	**Progress (narrative/RAG)**	
a) Reduce HCSW agency with a view to ceasing all usage	Divisional Nurses/Linda Alexander	September 2022	• Community, Unscheduled Care and Scheduled Care areas have agreed to end off contract HCSW agency from 07 May 2022 • Discussions with other divisions in progress.	
b) Controls measures to be agreed for booking off contract agency for RN and HCSW	Julie Chappelle/Jan Robinson	May 2022	• COMPLETE • Agreed DMT Triumvirate to authorise off contact agency bookings	
c) Communicate to all agency staff currently working across AB services the intention to cease HCSW bookings	Julie Chappelle /Jan Robinson	August 2022	• Communications to be developed for agency providers and agency workers	
d) Review all agency providers and develop a plan to increase on contract agency bookings to support winter period	Julie Chappelle/Linda Alexander	August 2022	• Plan to be developed	

2 Agency and Bank Supply				
Action	**Who**	**When**	**Progress (narrative/RAG)**	
e) Review application of bank pay incentives and propose a new approach for winter 2022/23 (once HCSW have been substantially eradicated)	Julie Chappelle/Linda Alexander	September 2022	• Exceptional rewards ceased 07 May 2022 • Review of flexible reward to be undertaken • Workforce & OD continue to contribute to national discussions on bank pay incentives	
f) Escalation Process to be reviewed with controls for agency booking escalated to Divisional Nurse level	Linda Alexander	July 2022	• Escalation process to be reviewed with Divisional Nurses	

3 Rostering and Workforce Planning				
Action	**Who**	**When**	**Progress (narrative/RAG)**	
a) Supply and Demand Tracker to be updated and circulated (to included tracker for HCSW)	Julie Chappelle/Kate Davies	July 2022	• Complete as part of all Wales Nursing workforce planning • Draft tracker for HCSW in progress • Share with Strategic Nursing Workforce Group and Executive Team	
b) Divisional Plans to be developed to reduce agency staffing with consideration for staff wellbeing/ability to take leave and impact on patient care and safety	Divisional Nurses/Workforce Business Partners	August 2022	• Divisional Report on agency use per ward/department completed with weekly reports distributed to Divisions. Progress to be reported and discussed at Strategic Nursing Workforce Group • Divisional deep dives to be undertaken via a template plan to be shared at Strategic Nursing Workforce Group. • Review impact of additional roles such as ward assistants, ward clerks etc	
c) Rostering practices and efficiencies to be reviewed	Divisional Nurses/Julie Chappelle/Kate Davies/Jan Robinson	July 2022	• Rostering efficiency report and recommendation to be considered at Strategic Nursing Workforce group.	

3 Rostering and Workforce Planning				
Action	**Who**	**When**	**Progress (narrative/RAG)**	
			• To include review of leave allocation, duties, rostering and efficient management of bank/agency requests	
d) Review current provision to provide meaningful activities for patients requiring enhanced care as part of a more sustainable solution.	Linda Alexander/Tanya Strange/Cathy Brooks	July 2022	• Link in with Patient Experience Team to ensure all avenues are being explored to support patients in the provision of meaningful activities in all settings.	
e) Introduction of SafeCare	Linda Alexander/Linda Jones	June 2022-August 2022	• Agreement to commence in NHH • Data cleansing of information has commenced.	
f) All Wales work to reduce agency	NHS Confederation/ Julie Chappelle	June 2022	• Draft paper developed for WODs consideration	

The action plan will be reviewed at the Strategic Nursing Workforce Group through agreed outcome measures linked to patient and staff experience.