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| **AGENDA ITEM** |
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| **EMERGENCY AMBULANCE SERVICES COMMITTEE** |

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| **EASC FINANCIAL PERFORMANCE REPORT – MONTH 2****2022/23** |

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| **Date of meeting** | (12/07/2022) |

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| **FOI Status** | Open/Public |

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| **If closed please indicate reason** | Choose an item. |

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| **Prepared by** | Matthew Hall, Finance Manager – Contracting |
| **Presented by** | Stuart Davies, Director of Finance |
| **Approving Executive Sponsor** | Chief Ambulance Services Commissioner |

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| **Report purpose** | FOR NOTING |

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| **Engagement (internal/external) undertaken to date (including receipt/consideration at Committee/group)**  |
| **Committee/Group/Individuals** | **Date** | **Outcome** |
| EASC Management Group | (16/06/2022) | NOTED |

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| **ACRONYMS** |
| EMSEMRTSHBsIMTPNCCUNEPTSSARCWAST | Emergency Medical ServicesEmergency Medical Retrieval and Transfer ServiceHealth boards (Local Health Boards – LHBs)Integrated Medium Term PlanNational Collaborative Commissioning UnitNon-emergency patient transport serviceSexual Assault Referral CentreWelsh Ambulance Services NHS Trust |

1. **SITUATION**
	1. The purpose of this report is to set out the estimated financial position for EASC for the 2nd month of 2022/23 together with any corrective action required. It should be noted that the below summary agrees to the Risk Share tables in totality but is slightly different in detail per service line. This is because the EASC Ring Fenced Allocations have been assigned to their relevant service line, the detail of which will be expanded upon in the individual service sections that follow.



**Background**

* 1. The financial position is reported against the 2022/23 baselines following approval of the 2022/23 IMTP by the EASC Joint Committee in March 2022. The reduction in baseline from last month is because £673k non-recurrent Emergency Services Mobile Communications Programme  (ESMCP) funding has been removed from the WAST total and NCCU has reduced by £1,1612k for the planned SARC transfer from HBs into NCCU as this is still in the process of Chief Executive (CEO)sign off.
	2. Please note that as HBs cover any EASC variances, any over/under spends are adjusted back out to HBs. Therefore, although this document reports on the effective position to date, this value is actually reported through the LHB monthly positions, and the EASC position as reported to Welsh Government is a nil variance.
	3. In relation to the financial position, and following discussion, Members agreed:
		+ 1. All members of the Committee have supported all aspects of the EASC IMTP with one exception.
			2. At the EASC meeting in March 2022, Members were asked to support temporary funding of £1.8m to enable WAST to deploy all resources open to them to offset the impact on patient safety arising from record levels of handover delays and the loss of 251 military personnel. The money will be used principally for additional overtime and continuing cohorting staffing arrangements by private providers in Swansea Bay and Aneurin Bevan health boards during April and May 2022. It is expected that additional staff funded by EASC will come out of training in May and health board Handover Improvement Plans will begin to take effect during the same time period.
			3. We have gained support from all health boards with the exception of Swansea Bay. Their position is that they have required their own health board teams to deliver a 4% cost reduction programme (CRP) and they feel that WAST should be delivering at least a 3% CRP and they should use these savings to fund the temporary cost pressure referred to above.
			4. If we were asking WAST for an additional 1% CRP, we have been informed that they would deliver this by holding frontline vacancies for a period of time and also reducing overtime – which we feel defeats the object and will provide no additionality when it is most required during April and May. To set this into context, WAST on average deploy 76,000 hours of frontline vehicles per month and in the last three months the system has lost between 22,000 and 23,000 hours per month to handover delays. There is a strong argument that to enable WAST to be efficient health boards need to deliver on their previous commitments; this has been communicated to Swansea Bay. However, we have been unable to get any movement from them on this position. We estimate the quantum of costs for Swansea Bay to be in the region of £186,000. For the sake of clarity, we agreed that their position would be reflected in this covering letter for the EASC IMTP.
			5. We are extremely concerned regarding the potential risks to patient safety in April and May and have taken the pragmatic view that we will continue with the plan to utilise the £1.8m despite Swansea Bay’s current position. We will continue to take the matter via the EASC governance arrangements but wanted to alert you of the situation.
1. **SPECIFIC MATTERS FOR CONSIDERATION BY THIS MEETING (ASSESSMENT)**

Governance & Contracting

* 1. All budgets have been updated to reflect the 2022/23 approved IMTP. The IMTP sets the baseline for all the 2022/23 contract values.

EMS Contract

* 1. The current reported financial position of WAST is a break even at year end.
	2. The WAST budget of £224,456k is currently reported as the total of the following service lines:
* WAST £215,196k, the reduction in baseline from last month is because £673k non recurrent ESMCP funding has been removed from the WAST total
* Renal NEPTS £1,223k
* EASC Ring Fenced Allocations
	+ Demand and Capacity Review Phase 2 front line in year Allocation Reserve (non-recurrent) £5,798k
	+ Major trauma ring fenced commissioner allocation 2021/22 £640k
	+ Mental health service improvements (inc. Clinical Service Desk Enhancements) £631k
	+ West Wales dialysis transport (patient reimbursement) £60k
	+ Operational Delivery Unit £908k
	1. The funding for renal transport has been separated from WAST and will be reported separately. Air Ambulance (EMRTS Cymru) has been transferred from WAST and now sits within EASC – EMRTS and will be paid directly to Swansea Bay UHB.

EMRTS

* 1. There is a breakeven position reported against the EMRTS baseline funding of £7,915k. This budget consists of the following service lines:
* EMRTS £4,876k
* EASC Ring Fenced Allocations
	+ EMRTS 24/7 Expansion Plan – NR £1,292k
	+ EMRTS Critical Care ring fenced commissioner allocation £1,748k

Core running costs budget

* 1. Costs are reported against two separate lines to reflect the original investment by LHBs. Please note that these have not yet been amalgamated in risk-sharing lines due to the different purposes of the two sources of funding at this point.
	2. The total funding for costs running through the Welsh Health Specialised Services Committee (WHSSC) ledger is £627k. This is made up of:



EASC & NCCU Commissioning

* 1. The total funding for costs running through the WHSSC ledger is £2,146k. NCCU has reduced this month by £1,1612k for the planned SARC transfer from HBs into NCCU as this is still in the process of CEO sign off. This total is made up of:





Summary of Key Movements and Issues

* 1. There are no movements to report in the planned position in month. The overall forecast remains at breakeven.

Actual Year to Date and Forecast Over/Underspend (Provider positions)

*WAST:*

* 1. Position reported to budget level

*Direct Running Costs (Staffing and non-pay):*

* 1. Team costs are based on expected staffing levels, including filling vacancies.

Actual Year to Date Over/(under)spend 2022/23 (Commissioner positions)

 

Income / Expenditure Assumptions

*Income from LHBs:*

* 1. Income for Month 2 was in line with expectations for the EASC element; future months will include a table by LHB.

Overview of Key Risks / Opportunities

* 1. None to detail.

Public Sector Payment Compliance

* 1. The WHSSC/EASC payment compliance target is consolidated and reported through the Cwm Taf monitoring process.

**KEY RISKS/MATTERS FOR ESCALATION TO THE COMMITTEE**

* 1. Any additional funding required by WAST as a result of Covid-19 response will be provided to WAST directly by Welsh Government. WAST have agreed to share financial submissions with the CASC in order to understand how the in-year allocation is being utilised and how it will be impacted as a result of Covid-19.
	2. WG Action Point 1.3 - regarding the temporary support investment for WAST and the current stance of Swansea Bay UHB. Discussions are ongoing at present in order to resolve the situation.
1. **IMPACT ASSESSMENT**

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| **Quality/Safety/Patient Experience implications**  | There are no specific quality and safety implications related to the activity outined in this report. |
| **Related Health and Care standard(s)** | ALL are relevant to this report |
| **Equality impact assessment completed** | Not required |
| **Legal implications / impact** | There are no specific legal implications related to the activity outlined in this report. |
| **Resource (Capital/Revenue £/Workforce) implications /** **Impact** | There is no direct impact on resources as a result of the activity outlined in this report. |
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| **Link to Commissioning Intentions** | The Committee’s overarching role is to ensure its Commissioning Strategy for Emergency Ambulance Services utilising the five step patient pathway outlined within the National Collaborative Commissioning Quality and Delivery Agreement and the related outcomes for each care standard aligned with the Institute of Healthcare Improvement's (IHI) ‘Quadruple Aim’ are being progressed.  |
| **Link to Main WBFG Act Objective** | ALL are relevant |

1. **RECOMMENDATION**
	1. The Emergency Ambulance Services Committee is asked to:

**NOTE** the current financial position and forecast year-end position.

1. **Confirmation of position report by the MD and DOF:**



**Stuart Davies,**

**Director of Finance, EASC and WHSSC**



**Stephen Harrhy,**

**Chief Ambulance Commissioner, EASC**