



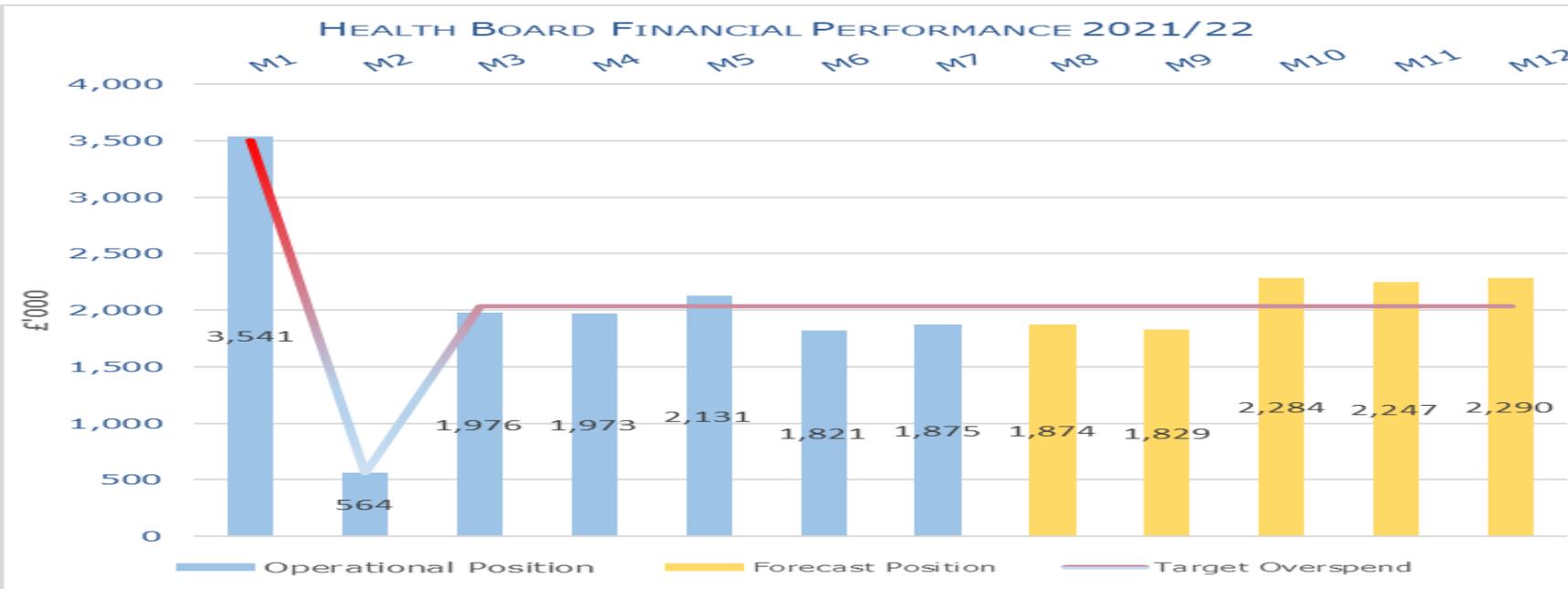
Swansea Bay UHB Month 8 Financial Performance 2021/22 Performance and Finance Committee Update 21st December 2021



Month 8 21/22 - Overall Financial Position

	Budget	Actual	Variance	Budget	Actual	Variance
	In Month	In Month	In Month	Cumulative	Cumulative	Cumulative
	£000	£000	£000	£000	£000	£000
Income	- 24,094	- 23,652	442	- 192,351	- 190,752	1,599
Pay	55,222	54,061	- 1,161	427,016	420,455	- 6,561
Non-Pay	57,266	58,384	1,118	448,484	453,985	5,501
Delegated Position	88,394	88,793	399	683,149	683,688	539
Corporate Plan	- 1,405		1,405	- 15,145	-	15,145
Total Position	86,989	88,793	1,804	668,004	683,688	15,684

- The Health Board had a forecast deficit plan of £42.077m for 2021/22, which results in an anticipated monthly overspend of £3.506m.
- WG have now advised the Health Board to assume non-recurrent funding to support the 20/21 savings non-delivery £17.672m.
- This reduces the forecast deficit for 2021/22 to £24.405m, which is a monthly overspend of £2.034m.
- The in-month position is £0.23m below the profile target.
- The cumulative position is £15.684m overspend against a planned deficit of £16.270m, a difference of £0.586m.
- The table provides a summary of the position by income and expenditure type. Please note the income excludes WG Revenue Resource Limit.



Month 8 21/22 – Position by Service Group

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Cumulative
	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	Position
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Service Groups									
Mental Health & LD	246	-129	19	-55	122	-66	18	40	195
Morrison	-110	-42	86	127	184	101	412	424	1,182
NPT & Singleton	21	-81	-78	25	1	52	21	226	187
PC & Community	8	-1	-137	18	-17	-226	-86	22	-419
Directorates									
Board Secretary	22	22	-6	29	1	3	-11	-5	55
Chief Operating Officer	387	-20	-410	-12	-24	86	-26	51	32
Director of Strategy (excluding COVID)	-6	-4	5	-11	-4	3	0	16	-1
COVID	0	0	0	0	0	0	0	0	0
Director of Transformation	-6	-14	-8	-14	-14	-9	4	-5	-66
Finance	-2	-1	-3	-5	-4	-51	-26	-10	-102
Digital	-3	-3	-29	-22	-35	-28	0	-10	-130
Medical Director	9	17	18	-56	0	-15	-10	-12	-49
Nurse Director	-3	4	-2	-8	-16	-5	-9	-8	-47
Workforce & OD	12	13	-8	6	-24	8	3	1	11
Clinical Medical School	-20	0	-13	-25	-18	-20	-17	-24	-137
Research & Development	-27	0	27	0	0	0	0	0	0
Corporate I&E	-38	239	44	-58	42	-57	-59	-291	-178
Delegated Budget Position	490	0	-495	-61	194	-224	214	415	533
Corporate Plan	3,056	554	2,494	2,030	1,934	2,012	1,660	1,405	15,145
									0
Hosted Services									
Delivery Support Unit	-5	11	-23	4	3	33	1	-15	9
EMRTS	0	0	0	0	0	0	0	0	0
Health Board Position	3,541	565	1,976	1,973	2,131	1,821	1,875	1,805	15,687

- The table provides an analysis of the financial position by Service Group and Directorate.
- *It should be highlighted that the impact of the therapies budget transfer on the operational position of the Service Groups remains under review and some further realignment of budget and/or savings targets may be required. This is resulting in underspends within PCC and overspends in other service groups, predominantly MHL D.*
- The Service Groups have seen a continued benefit from the impact of pay award funding on vacant posts.
- The Morrison and NPTS service groups positions now include slippage on savings schemes, particularly bed utilisation savings which have not been delivered due to delays in enabling actions being implemented. This has been offset by the non-recurrent release of investment funding which is shown within the corporate plan.
- The Health Board cost base continues to be impacted by COVID response and recovery as well as directly recognised programmes. These additional costs are being met by non-recurrent funding and the longer term impact of these service requirements, pressures and costs is being discussed with WG.



Income

Income	Budget	Actual	Variance	Budget	Actual	Variance
	In Month	In Month	In Month	Cumulative	Cumulative	Cumulative
	£000	£000	£000	£000	£000	£000
Revenue Resource Limit	- 87,878	- 87,878	-	- 705,111	- 705,111	-
Income from Activities	- 21,594	- 21,464	130	- 169,827	- 168,849	978
Other Income	- 2,500	- 2,188	312	- 22,524	- 21,903	621
Total Income	- 111,972	- 111,530	442	- 897,462	- 895,863	1,599

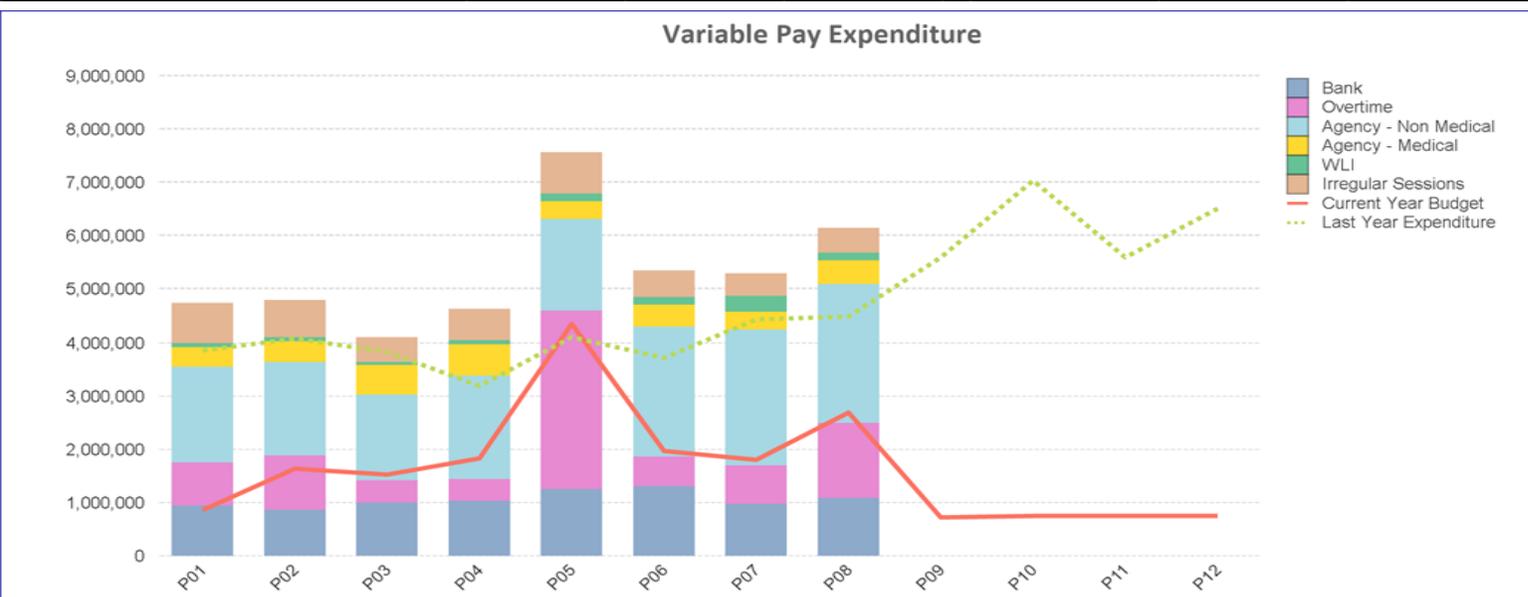
- The cumulative income budget to Month 8 is £897.462m.
- The actual income achieved in this period is £895.863m.
- There is an under-achievement of income of £1.599m.
- The key areas of under-achievement are dental, catering, rental and other patient related charges.
- It should be highlighted that over £0.6m COVID funding has been applied to income budgets in month, excluding dental.
- The LTA/SLA block arrangement remains in place for Q1 of this year and is anticipated to remain in place of the whole of 2021/22. The inflationary and performance impacts are being reviewed.



Workforce

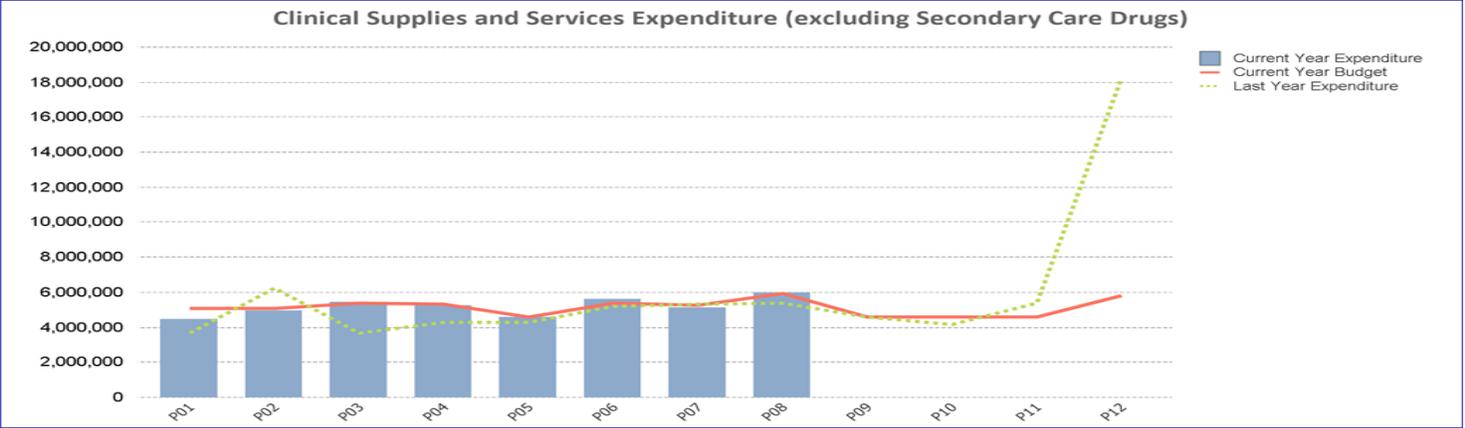
Workforce	Budget	Actual	Variance	Budget	Actual	Variance
	In Month	In Month	In Month	Cumulative	Cumulative	Cumulative
	£000	£000	£000	£000	£000	£000
A&C	8,053	7,581	- 472	61,394	58,337	- 3,057
APST	1,969	1,873	- 96	15,227	14,370	- 857
AHP	3,837	3,539	- 298	29,647	27,467	- 2,180
HCS	1,711	1,589	- 122	13,383	12,729	- 654
ACS (Exlcuding HCSW)	1,644	1,530	- 114	13,097	12,560	- 537
M&D	12,867	12,934	67	100,526	101,180	654
Nursing (including HCSW & Studen	22,545	22,252	- 293	172,923	171,694	- 1,229
E&A	2,812	2,764	- 48	22,610	22,121	- 489
VF	- 215		215	- 1,788	-	1,788
Total Workforce	55,223	54,062	- 1,161	427,019	420,458	- 6,561

- The table provides an analysis of the workforce position by staff group.
- This workforce position has reported a continued underspend in month, with only one staff group reporting an overspend; Medical and Dental.
- Variable pay costs appear to be higher than Month 7, however this includes an arrears payment for holiday pay on overtime related to the period April to September. After accounting for this variable pay will be at a similar level to Month 7, which was the highest for the year.
- The enhanced overtime rate generated 82k premium cost, based on the overtime worked. It is not possible at this point to identify with any certainty the additional overtime hours worked due to the enhanced rate.



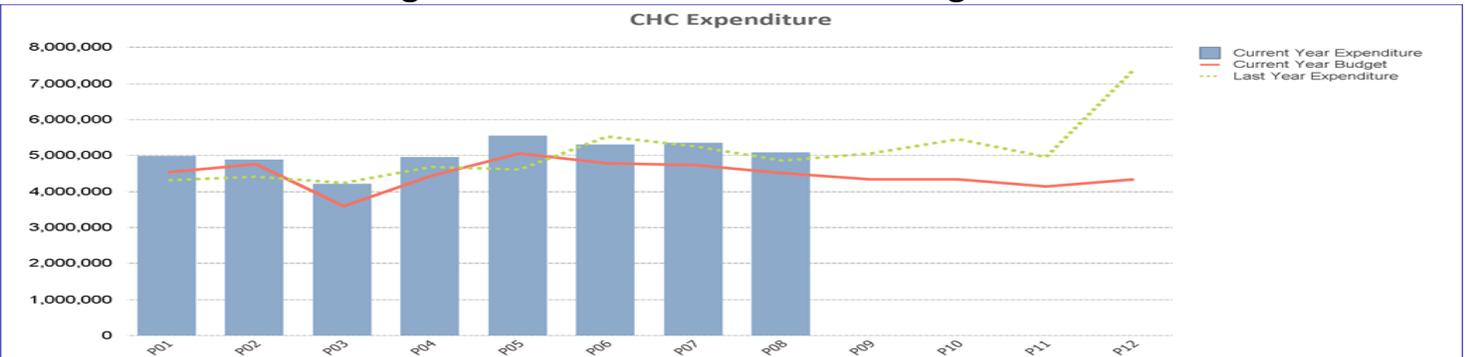
Non Pay

- Clinical consumable budgets have been underspent due to activity restrictions. Recent months have seen costs increase as activity has increased and also due to escalating prices.



Activity	Compared to Pre COVID	
	Oct-21	Nov-21
InPatient_Elective	79%	87%
InPatient_Emergency	88%	91%
InPatient_Transfer	62%	54%
Daycase	82%	86%
RDA	86%	68%
New Att	74%	78%
FU Att	59%	64%
OPP	59%	58%
POA	78%	88%
ED Att	100%	96%

- ChC expenditure is an area of cost pressure, with expenditure running above budget. The key driver of this is MH and LD ChC, where significant growth in high cost packages of care from 2019/20 is being experienced. The initial cost pressure has been mitigated through other recurrent and non-recurrent means. General ChC cases have been increasing in recent months, although this has abated in August, however there are increasing levels of backdated cases being identified each month.

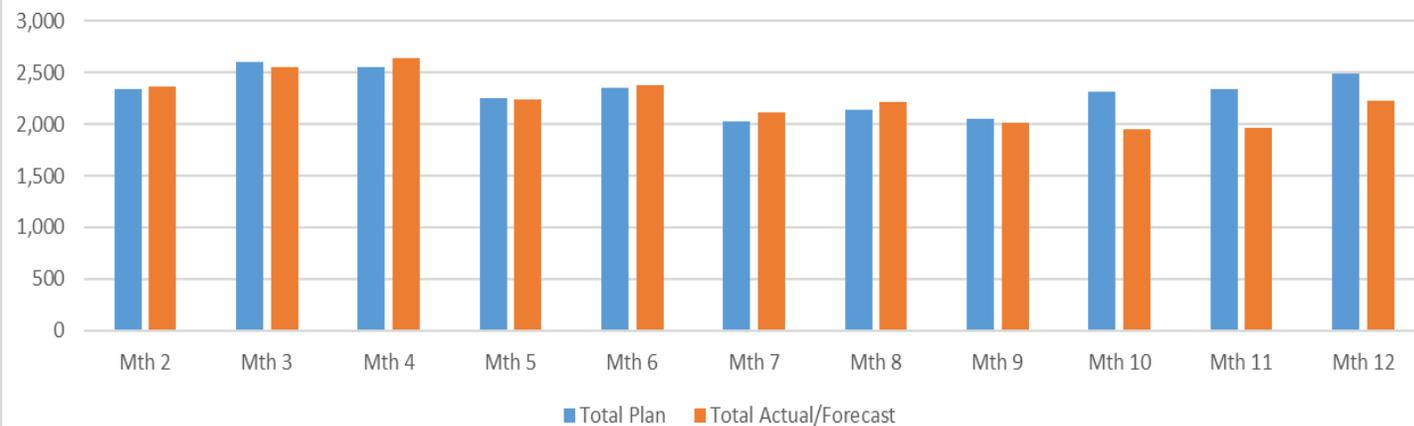


ChC Case Numbers	General	MH	LD
Apr-19	347	135	169
Mar-20	358	141	180
Mar-21	355	152	196
May-21	360	155	196
Jun-21	372	159	198
Jul-21	375	158	198
Aug-21	364	158	197
Sep-21	366	157	200
Oct-21	366	157	200
Nov-21	358	155	199

Savings Profile

Service Group/Directorate	Total Target	In Year Planned Green & Amber Schemes	In Year Forecast Delivery	Variance From Target	Recurrent Planned Green & Amber Schemes	Recurrent Forecast Delivery	Variance from Target	Full Year Recurrent %
Morrison	9,105,200	8,961,000	8,257,000	- 848,200	8,491,000	7,151,000	- 1,954,200	79%
MH&LD	3,292,200	3,579,000	3,662,000	369,800	2,856,000	2,962,000	- 330,200	90%
NPT & Singleton	6,209,200	4,972,000	4,330,000	- 1,879,200	6,838,000	6,809,000	599,800	110%
Primary and Community	3,488,212	2,915,000	3,187,000	- 301,212	2,300,000	2,290,000	- 1,198,212	66%
Nurse Director	126,757	127,000	127,000	243	9,000	9,000	- 117,757	7%
Medical Director	34,481	35,000	35,000	519	0	-	- 34,481	0%
Workforce & OD	250,249	227,000	227,000	- 23,249	19,000	19,000	- 231,249	8%
Digital Services	546,116	546,000	546,000	- 116	363,000	363,000	- 183,116	66%
Finance	200,791	201,000	208,000	7,209	92,000	99,000	- 101,791	49%
Board Secretary	119,211	119,000	119,000	- 211	103,000	103,000	- 16,211	86%
Chief Operating Officer	2,190,729	2,495,000	2,346,000	155,271	2,620,000	2,620,000	429,271	120%
Transformation	32,283	33,000	33,000	717	1,000	1,000	- 31,283	3%
Strategy	104,572	105,000	105,000	428	80,000	80,000	- 24,572	77%
Non-Recurrent	1,000,000	1,000,000	1,000,000	-			- 1,000,000	0%
Medicines Management	1,000,000	2,304,000	2,556,000	1,556,000	2,320,000	2,399,000	1,399,000	240%
Total	27,700,000	27,619,000	26,738,000	- 962,000	26,092,000	24,905,000	- 2,795,000	90%

Savings Plan vs Forecast Delivery



- The Health Board has a savings requirement of £27.7m as part of the 2021/22 financial plan.
- There are currently Green and Amber schemes planned of £27.619m however there is some slippage forecast against these schemes, reducing the forecast delivery to £26.738m.
- The position by service Group is shown in the table. The areas of most significant in year savings delivery shortfall relate to bed utilisation efficiencies.
- The table highlights that due to over-delivery in some areas the overall savings forecast shortfall is constrained to £1m. This shortfall is planned to be offset by investment slippage in this financial year.
- The graph shows the monthly planned and actual/forecast delivery. As you can see the most forecast slippage is in the later part of the year and is linked to the Amber schemes. It is important that these schemes are kept under constant monitoring to ensure further slippage is not experienced.
- The full year effect of this year's recurrent savings programme is £24.9m, which is £2.8m short of the required target. This must be addressed as a matter of urgency.
- The £24.9m forecast recurrent delivery includes £5m of amber savings linked to bed utilisation efficiency which is currently considered a risk, with bed efficiency enabling actions being reviewed to ensure clear delivery of benefits. The impact of enabling actions must be demonstrated to allow the savings to be transacted. Future bed requirements will due to service demand growth and occupancy requirements will be included in future years plan.



2022/23 Savings Progress Update

4% Savings Target £27.278m

Key Savings Themes		Targeted Value £m
Productivity	Theatre Efficiency	4.2
	Outpatients	3.6
	Endoscopy	1.0
Shift Left	ChC	2.5
	Primary/Community Services	5.0
Fixed Cost Reduction	Management Costs	3.9
	Estate Rationalisation	2.0
General Savings	Nursing	2.0
	Medical	2.0
	Medicines Management	1.0
	Procurement	2.0
	Other Savings 0.5%	3.5
Total Targeted Value		32.7

- The Health Board has set an indicative savings target of 4% which produces a savings of £27.278m based on relevant budgets.
- The first table provides a summary of the key savings themes that have been developed using benchmarking, KPMG analysis and the FDU VAULT.
- The targeted value is £32.7m which recognises the impact of savings slippage and potential investment required to deliver this level of savings.
- The second table describes the 4% savings target by Service Group and also a suggested split of the 4% savings target into Service Transformation and Efficiency schemes (2.5%) and general savings (1.5%).
- The latter half of the second table provides an update on the local savings identified and the potential impact of more corporately led themes which will deliver savings at Service Group level.
- All Savings will need to be tested to provide assurance on deliverability and impact.

Service Group/Directorate	Indicative 4% Savings Target £	2.5% Service Transformation & Efficiency	1.5% General Savings	Local Savings Identification £	Nursing £	Medical £	Procurement £	Medicines Mgmt £	General Savings Opportunities £
NPTS	6,361,274	3,975,796	2,385,478	3,718,000	546,688	591,880	490,683	750,000	6,097,251
Morritson	9,026,454	5,641,534	3,384,920	170,000	797,988	1,120,135	823,626	175,000	3,086,749
MH&LD	3,972,273	2,482,670	1,489,602	1,873,000	386,275	159,736	76,756	75,000	2,570,768
PCCT	4,151,148	2,594,467	1,556,680	2,224,000	269,048	128,249	115,954		2,737,251
Corporate Directorates	3,766,877	2,354,298	1,412,579	-	-	-	492,981	-	492,981
Total	27,278,025	17,048,766	10,229,259	7,985,000	2,000,000	2,000,000	2,000,000	1,000,000	14,985,000

COVID Expenditure

COVID Expenditure	YTD Spend £000	Forecast Spend £000
Testing	2,400	3,524
Tracing	8,021	13,246
Vaccination	9,367	13,578
Extended Flu	580	1,190
Cleaning Standards	1,578	2,366
Recovery	10,024	24,294
Long COVID	197	635
Urgent Emergency Care	1,110	4,130
Sustainability :		
Primary Care Prescribing	3,972	5,788
PPE	3,197	4,797
Care Homes	1,883	2,243
Staffing	18,642	25,193
Other Non Pay/Income Loss	7,791	13,118
	68,762	114,102

Recovery Funding	£000
Tranche 1	16,243
Tranche 2 Diagnostics	5,375
Tranche 2 Mental Health	281
PACU	528
Chronic Conditions	127
DOLS/LPS	233
Recovery Funding	22,787
Ophthalmology	524
Cancer	563
Dermatology	79
Managing Patients Waiting	264
LD Health Checks	78
Total Recovery Funding	24,295

- The table provides a summary of the COVID expenditure incurred to date and the forecast to the end of the financial year, based on current planning assumptions.
- It is expected that Test, Trace, Vaccination and other programme costs will be funded based on the Month 8 forecast position and therefore the £114.102m is now more certain.
- Given the challenges in being able to fully deploy the £114.102m, due to workforce and other physical constraints, any bids for further funding must be approved by the Director of Finance prior to submission.
- For the majority of costs the year to date spend profile is broadly aligned to the forecast spend, however there are two areas where there are significant additional costs expected in the latter part of the financial year; Recovery and Urgent Emergency Care.
- There is over £15m of Recovery funding to be spent by the end of the financial year. This needs to be closely managed through the Planned Care Board.
- The Urgent Emergency Care funding outside of expenditure profile relates to funding provided to support Same Day Emergency Care. The Same Day Emergency Care service model is being confirmed, along with the anticipated costs for 2021/22. Once confirmed the funding allocation required will be accepted by the Health Board.
- The potential ongoing costs have been assessed based on current service models and policy/guidance. This has been shared with WG for review/consideration.



WG Funding Allocations

	HCHS	Further Anticipated Allocations
	£	£
2021/22 Opening Allocation	783,890,000	
<i>Recurrent Allocations :</i>		
2021/22 Pay Award	11,200,000	
MH - C&YP MH & Emotional Wellbeing	200,000	
MH - CAMHS Inreach	293,715	
MH - MHSIF 2021/22	1,854,000	
MH - Tier 0/1 Provision	200,000	
MH - Memory Assessment Service (RPB)	381,000	
WHSSC - Traumatic Stress Initiative	114,700	
EASC/WAST MH Emergency Service	31,050	
Lead Optometric Advisor Posts	5,500	
Non-Recurrent Non-COVID	4,820,075	9,763,000
<i>COVID Funding</i>		
Care Homes	1,480,000	763,000
Cleaning Standards	1,152,000	1,214,000
Extended Flu	464,000	727,000
Long COVID	635,000	
PPE	2,248,000	2,549,000
Commissioned Services Bonus Payment	186,787	
Test	1,802,000	1,302,000
Trace	5,846,000	7,210,000
Vaccination	6,519,000	6,047,000
Winter	254,000	3,876,000
Response/Sustainability	45,198,000	
Recovery	24,294,718	
2020/21 Savings Support	17,672,000	
Total Allocation & Anticipated Allocation	910,741,545	33,451,000

- The Health Board opening WG funding allocation for HCHS services for 2021/22 was £783.890m.
- This is expected to increase to £944.193m during 2021/22. However £146.023m of this £160.303m increase is non-recurrent, with £131.4m related to COVID funding.
- The position for the Primary Care Contract funding is shown in the table below. The only recurrent increase is the 2021/22 pay award impact on Dental services

	GMS	Dental	Pharmacy
	£	£	£
2021/22 Opening Allocation	65,069,000	21,476,000	21,482,000
2021/22 Pay Award		776,000	
COVID Bonus Payment	958,347	521,145	830,859
Primary Care Improvement Grant	129,341		
Shingrix Vaccine Programme	4,939		
COVID Vaccination Programme	1,012,000		
Current Allocation	67,173,627	22,773,145	22,312,859



Forward Look

	2021-22 Plan Update £m	Current Position £m
20/21 Core Underlying Position	24.405	24.405
20/21 Savings COVID impact	17.672	17.672
20/21 Underlying Position	42.077	42.077
Cost pressures	25.600	27.100
WG Allocation	-15.100	-15.100
Investment Commitments	8.500	8.500
Planned Savings	-27.700	-26.600
Investments to enable Savings	8.700	2.500
Slippage on Plan		3.600
Forecast Position pre-COVID	42.077	42.077
Less 20/21 Savings impact	-17.672	-17.672
Forecast Position post-COVID	24.405	24.405

- The first table provides a comparison of the Health Board current position to the 2021/22 plan.
- The key movements are :
 - Cost pressures due to higher than anticipated costs in NICE/HCD, ChC and general inflationary pressures in non-pay.
 - Planned Savings – with a £1.1m shortfall on forecast savings delivery
 - Investments – there have been significant delays in formulating, agreeing and implementing plans which has resulted in significant slippage.
- The second table provides some further detail of the planned investment funding and the estimated commitments in 2021/22.

	2021/22 estimated costs	2022/23 full year plan	
7 Day Working	150,000	750,000	Plan not yet approved
Frailty	250,000	911,000	
Rehab/ICOP	-	700,000	No plan approved
H2H Pathway 2	395,000	1,006,000	
ACT/Virtual Ward	580,000	1,231,000	
HASU	100,000	500,000	No plan approved
			Specialist Palliative care cases & Cancer performance cases approved
Cancer	300,629	1,500,000	
Endoscopy	-	500,000	No plan approved
Q&S	218,333	355,000	
Consultant Contract	-	500,000	No plan approved
Health & Wellbeing	300,000	300,000	
Savings PMO	180,000	450,000	
Total	2,473,962	8,703,000	

Actions

Savings

- Confirm impact of bed utilisation efficiency enablers and the relevant implications to service group recurrent savings position to allow this to be transacted. UEC Programme Director, Deputy Director of Finance, Deputy COO – 23rd December 2021 (extended due to more work required on bed paper)
- Review all non-bed related amber schemes to provide assurance of delivery, actions required or alternative opportunities to bridge £3m recurrent gap in plans outside of bed savings. Service and Corporate Directors and PMO – 23rd December 2021
- Urgently develop schemes and themes to meet at least 50% of the indicative 22/23 savings target by the end of November and 85% by the end of December. Service and Corporate Directors – November/December 2021

COVID Response and Recovery

- Develop alternative opportunities to ensure allocated funding is fully utilised. Planned Care Board supported by Deputy COO, Deputy Director of Finance – rolling action to be overseen by planned Care Board
- Ensure that Urgent Emergency Care commitments and further actions aligned to Winter Plans are delivered – UEC Board support

Base Position

- Action that all opportunities to commit revenue slippage in 2021/22 to improve efficiency, workforce deployment or reduce run rate are identified, agreed and implemented in Quarter 4 (CEO and DoF to sign off) – COO, Deputy COO and Deputy Finance Director – 23rd December 2021



