

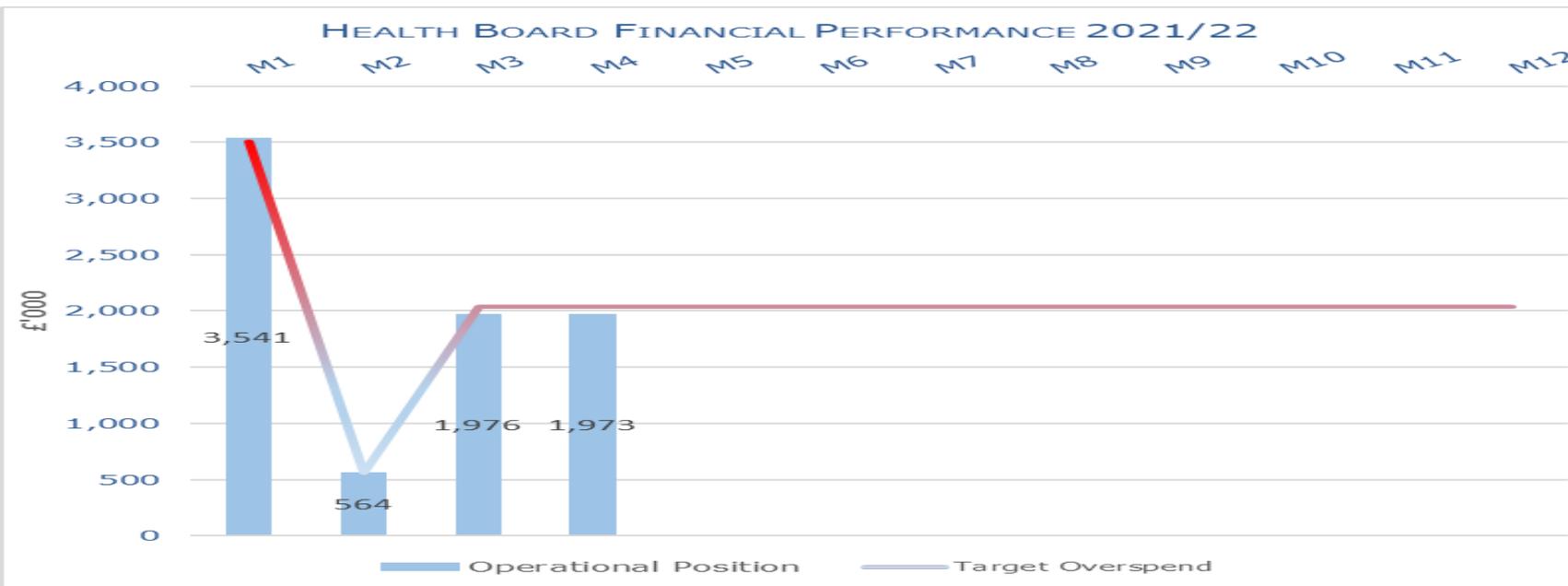


Swansea Bay UHB
Month 4 Financial Performance 2021/22
Performance and Finance Committee 24th August 2021



Month 4 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	- 23,168	- 22,977	191	- 95,036	- 94,045	991
Pay	52,997	51,543	- 1,454	204,607	202,440	- 2,167
Non-Pay	56,374	57,577	1,203	219,600	220,696	1,096
Delegated Position	86,203	86,143	- 60	329,171	329,091	- 80
Corporate Plan	- 2,033		2,033	- 8,134		8,134
Total Position	84,170	86,143	1,973	321,037	329,091	8,054



- 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 cumulative position is £8.054m overspend against a planned deficit of £8.135m, a difference of £0.081m.
- The table provides a summary of the position by income and expenditure type. Please note the income excludes WG Revenue Resource Limit.

Month 4 21/22 – Position by Service Group

	Month 1	Month 2	Month 3	Month 4	Cumulative
	In Month	In Month	In Month	In Month	Position
	£000	£000	£000	£000	£000
Service Groups					
Mental Health & LD	246	-129	19	-55	81
Morrison	-110	-42	86	127	61
NPT & Singleton	21	-81	-78	25	-113
PC & Community	8	-1	-137	18	-112
Directorates					
Board Secretary	22	22	-6	29	67
Chief Operating Officer	387	-20	-410	-12	-55
Director of Strategy (excluding COVID)	-6	-4	5	-11	-16
COVID	0	0	0	0	0
Director of Transformation	-6	-14	-8	-14	-42
Finance	-2	-1	-3	-5	-11
Digital	-3	-3	-29	-22	-57
Medical Director	9	17	18	-56	-12
Nurse Director	-3	4	-2	-8	-9
Workforce & OD	12	13	-8	6	23
Clinical Medical School	-20	0	-13	-25	-58
Research & Development	-27	0	27	0	0
Corporate I&E	-38	239	47	-58	190
Delegated Budget Position	490	0	-492	-61	-63
Corporate Plan	3,056	554	2,491	2,030	8,131
					0
Hosted Services					
Delivery Support Unit	-5	11	-23	4	-13
EMRTS	0	0	0	0	0
Health Board Position	3,541	565	1,976	1,973	8,055

- 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.*
- This analysis highlights :
 - The MHL D overspend reflects the transfer of therapies and the loss of underspend that was supporting other elements of service pressure. The in-month improvement reflects the backdating of COVID response funding.
 - Morrison increasing underspend reflects reductions in non-pay underspends linked to service activity limitations and increasing pressures on pay budgets, particularly medical and nursing.
 - Board Secretary budgets require realignment to reflect changes to management structures. This realignment and recognition of agreed additional costs, should improve the currently reported position for the
 - Corporate plan position reflects the impact of WG anticipated funding for 2020/21 savings delivery impacts.

Income

Income	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
Revenue Resource Limit	- 95,343	- 95,343	-	- 349,815	- 349,815	-
Income from Activities	- 20,119	- 20,300	- 181	- 82,593	- 82,073	520
Other Income	- 3,049	- 2,677	372	- 12,443	- 11,972	471
Total Income	- 118,511	- 118,320	191	- 444,851	- 443,860	991

- The cumulative income budget to Month 4 is £444.851m.
- The actual income achieved in this period is £443.86m.
- There is an under-achievement of income of £0.991m.
- 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.

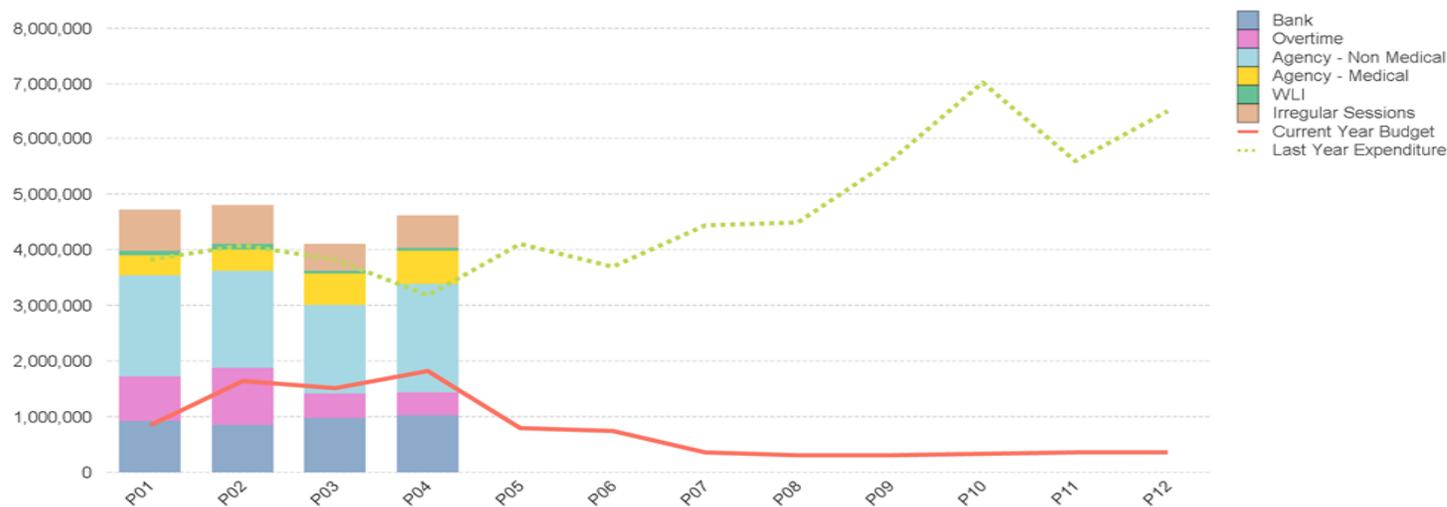


Workforce

Workforce	Budget	Actual	Variance	Budget	Actual	Variance
	In Month	In Month	In Month	Cumulative	Cumulative	Cumulative
	£000	£000	£000	£000	£000	£000
A&C	7,466	7,035	- 431	29,079	27,885	- 1,194
APST	1,889	1,725	- 164	7,327	6,847	- 480
AHP	3,625	3,289	- 336	14,093	13,135	- 958
HCS	1,614	1,513	- 101	6,342	6,050	- 292
ACS (Exlcuding HCSW)	1,644	1,615	- 29	6,686	6,501	- 185
M&D	12,931	13,173	242	48,842	49,578	736
Nursing (including HCSW & Students)	21,328	20,554	- 774	82,197	81,795	- 402
E&A	2,701	2,637	- 64	10,953	10,647	- 306
VF	- 201		201	- 912	-	912
Total Workforce	52,997	51,541	- 1,456	204,607	202,438	- 2,169

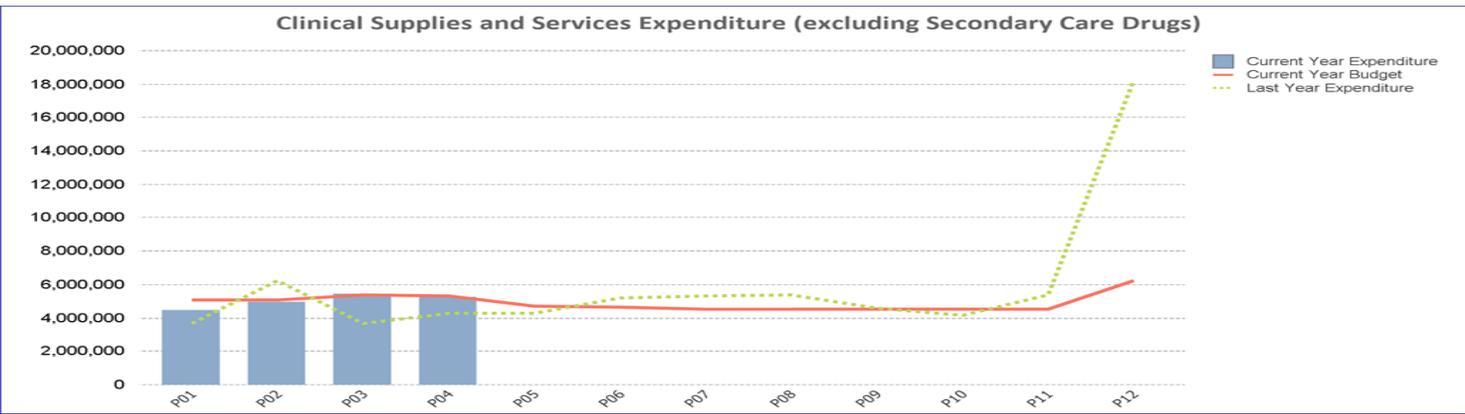
- The table provides an analysis of the workforce position by staff group.
- This workforce position has further improved in Month 4, although an element of this improvement is the backdating of COVID response and MHSIF funding into Mental Health and LD. This accounts for around £300k of the improvement.
- The overall pay costs increased by around £1.8m. This increase includes the payment of NHS bonus payment to Primary Care contractors £0.93m and has been matched with WG funding.
- The remaining £0.87m increase in costs, can be described as increases in variable pay £0.5m and increased costs associated with additional capacity and investments. This increase in cost has been matched by funding of COVID response, COVID recovery and investments
- The Health Board is incurring around £2.5m per month on COVID workforce response costs. These do not include the costs of staffing for TTP and Vaccination.

Variable Pay Expenditure



Non Pay

- Non Pay Budgets are underspent due to underspends on clinical consumables due to activity restrictions. The level of underspend has reduced in month as activity profiles have been increasing.



Compared to Pre COVID	Jun-21	Jul-21
InPatient_Elective	80%	88%
InPatient_Emergency	92%	88%
InPatient_Transfer	76%	71%
Daycase	73%	71%
RDA	110%	85%
New Att	71%	69%
FU Att	59%	57%
OPP	60%	52%
POA	85%	92%
ED Att	110%	106%

- 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 on 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, which has resulted in growth pressures in the last month. This growth is being reviewed to understand the impact and implications.



ChC Case Numbers	General	MH	LD
Apr-19	347	135	169
Mar-20	358	141	180
Mar-21	355	152	196
May-21	347	155	196
Jun-21	356	159	198
Jul-21	363	158	198

Savings

Service Group/Directorate	Total Target	In Year Recurrent	In Year Non Recurrent	Total Planned	Variance	Full year Recurrent	In Year %	Full Year Recurrent %
Morrison	9,105,200	6,404,000	3,250,000	9,654,000	548,800	10,520,000	106%	116%
MH&LD	3,292,200	1,898,000	1,681,000	3,579,000	286,800	2,856,000	109%	87%
NPT & Singleton	6,209,200	3,645,000	2,422,000	6,067,000	-142,200	7,521,000	98%	121%
Primary and Community	3,488,212	3,908,000	908,000	4,816,000	1,327,788	5,524,000	138%	158%
Nurse Director	126,757	9,000	118,000	127,000	243	85,000	100%	67%
Medical Director	34,481	-	35,000	35,000	519	-	102%	0%
Workforce & OD	250,249	19,000	130,000	149,000	-101,249	19,413	60%	8%
Digital Services	546,116	355,000	191,000	546,000	-116	363,000	100%	66%
Finance	200,791	92,000	110,000	202,000	1,209	91,714	101%	46%
Board Secretary	119,211	58,000	62,000	120,000	789	103,000	101%	86%
Chief Operating Officer	2,190,729	1,980,000	515,000	2,495,000	304,271	2,620,000	114%	120%
Transformation	32,283	1,141	31,567	32,708	425	1,141	101%	4%
Strategy	104,572	79,470	25,000	104,470	-102	79,470	100%	76%
Non-Recurrent	1,000,000		1,000,000	1,000,000	0	-	100%	0%
Medicines Management	1,000,000	1,986,000	400,000	2,386,000	1,386,000	2,498,000	239%	250%
Total	27,700,000	20,434,611	10,878,567	31,313,178	3,613,178	32,281,738	113%	117%
Less Reinvestment	-8,700,000			-1900000		-3227000		
Net Savings Position	19,000,000			29,413,178		29,054,738	106%	105%

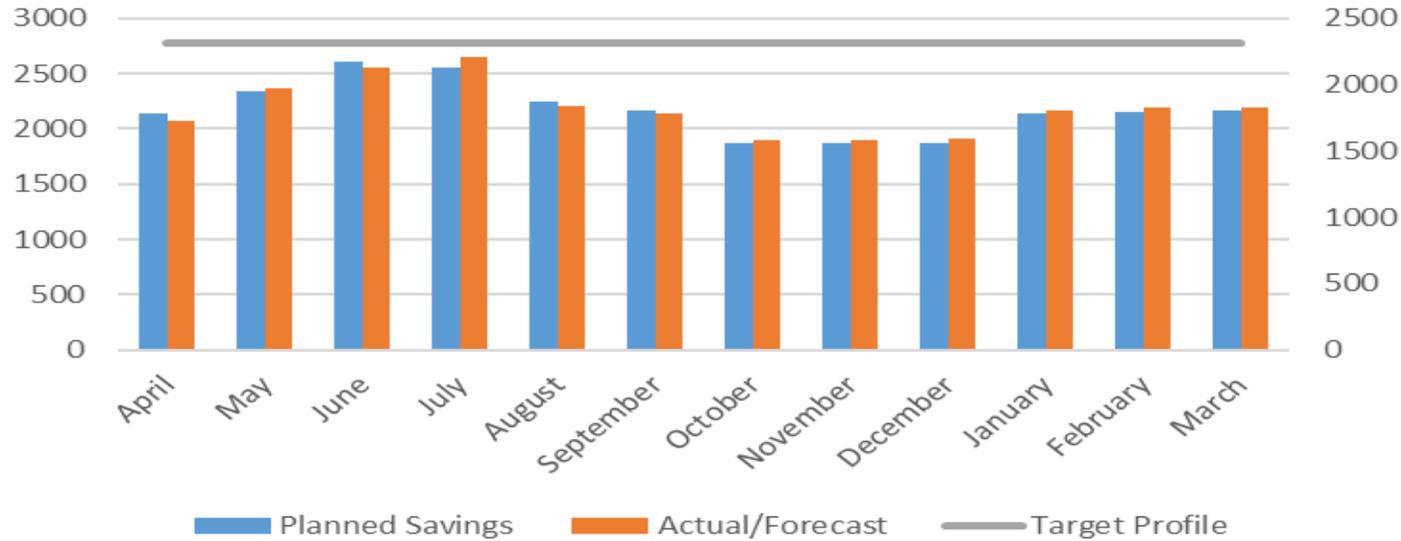
- The Health Board has a gross savings requirement of £27.7m of which £29.4m in-year savings have been identified.
- £3.3m of these identified savings are still classified as Red and as such have a high risk of non-delivery.
- There are £29m of recurrent savings identified. The profile of these savings are Green £16.5m, Amber £5.2m and Red £7.3m.
- This increased risk profile reflects the bed efficiency schemes which are phased towards the end of the financial year and mitigated by non-recurrent opportunities in 2021/22
- Clear risk assessed plans and profiles are required to deliver the required £27.7m savings in full.
- All Service groups have been asked to develop plans to meet at least 50% of 2022/23 anticipated savings requirement by the end of September 2021. This will be supported by the Savings PMO.

Service Group/Directorate	In Year RAG		
	Green	Amber	Red
Morrison	8,278,000	495,750	880,250
MH&LD	3,513,000	66,000	
NPT & Singleton	3,006,000	1,341,000	1,720,000
Primary and Community	2,794,000	74,000	48,000
Nurse Director	127,000		
Medical Director	35,000		
Workforce & OD	149,000		
Digital Services	546,000		
Finance	202,000		
Board Secretary	105,000	15,000	
Chief Operating Officer	2,345,000	150,000	
Transformation	32,708		
Strategy	104,470		
Non-Recurrent	1,000,000		
Medicines Management	1,607,000	100,000	679,000
Total	23,844,178	2,241,750	3,327,250



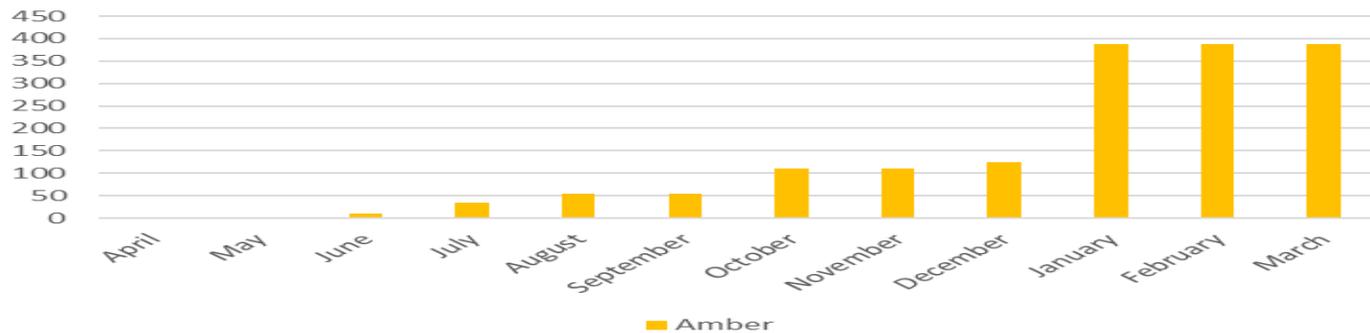
Savings Profile

Green and Amber Savings Profile



- As shown in the previous slide the HB has identified £26.1m of Green and Amber schemes against a savings requirement of £27.7m, therefore £1.6m shortfall to be met through red scheme development and non-recurrent opportunities including investment slippage.
- To date the planned savings have been broadly delivered in full, with a total of £9k slippage.
- The full year forecast assumes all green and amber savings are delivered.
- The second graph provides the profile of the amber schemes and it can be seen that the amber savings profile increases in Quarter 3 and then has a further more significant increase in Quarter 4.
- The increasing amber profile is in the main related to bed utilisation efficiency opportunities. In order for these to be delivered the enabling service changes will need to be in place and the monitoring of these through the UEC Programme is essential to assess and understand any potential risks and mitigations.

Amber Scheme Profile



Forward Look

A. Monthly Summarised Statement of Comprehensive Net Expenditure / Statement of Comprehensive Net Income		Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Total YTD	Forecast year-end position
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Resource Limit	Actual/F'cast	77,066	80,965	78,439	84,199	91,402	88,809	95,906	86,532	86,670	86,650	86,226	107,437	320,670	1,050,302
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
Welsh NHS Local Health Boards & Trusts Income	Actual/F'cast	8,481	8,513	8,909	8,929	8,559	8,559	8,559	8,559	8,559	8,559	8,559	8,559	34,833	103,306
WHSSC Income	Actual/F'cast	9,622	9,645	9,764	9,725	9,793	9,793	9,793	9,793	9,793	9,793	9,793	9,793	38,756	117,097
Welsh Government Income (Non RRL)	Actual/F'cast	595	624	689	487	495	495	495	495	495	495	495	495	2,394	6,356
Other Income	Actual/F'cast	3,607	3,066	5,297	3,428	2,389	2,389	2,389	2,389	2,389	2,389	2,389	2,389	15,398	34,514
Income Total		99,372	102,813	103,098	106,768	112,638	110,046	117,142	107,769	107,907	107,887	107,462	128,673	412,050	1,311,574
Primary Care Contractor (excluding drugs, including non resource limited expenditure)	Actual/F'cast	9,189	9,666	9,335	11,800	12,870	10,817	9,353	9,353	9,353	9,353	9,353	12,461	39,990	122,904
Primary Care - Drugs & Appliances	Actual/F'cast	7,047	6,556	6,582	6,593	6,680	6,680	6,680	6,680	6,680	6,680	6,680	7,384	26,778	80,920
Provided Services - Pay	Actual/F'cast	49,002	49,071	48,377	49,140	50,434	50,098	59,034	49,802	49,801	50,229	50,314	52,856	195,590	608,159
Provider Services - Non Pay (excluding drugs & depreciation)	Actual/F'cast	9,733	8,893	11,533	10,914	12,482	12,241	11,864	11,791	11,864	11,415	11,106	16,826	41,074	140,664
Secondary Care - Drugs	Actual/F'cast	5,939	7,084	5,482	6,510	6,379	6,379	6,369	6,369	6,369	6,369	6,369	6,371	25,016	75,987
Healthcare Services Provided by Other NHS Bodies	Actual/F'cast	13,356	13,411	13,509	14,268	14,060	14,060	14,060	14,060	14,060	14,060	14,060	14,254	54,543	167,215
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
Continuing Care and Funded Nursing Care	Actual/F'cast	5,249	5,181	4,924	5,191	4,943	5,009	5,017	4,949	5,017	5,017	4,815	5,017	20,544	60,327
Other Private & Voluntary Sector	Actual/F'cast	555	588	667	807	1,564	1,563	1,565	1,563	1,563	1,564	1,564	1,708	2,617	15,271
Joint Financing and Other	Actual/F'cast	988	970	800	1,105	2,613	2,656	2,656	2,656	2,656	2,656	2,656	11,252	3,863	33,667
Losses, Special Payments and Irrecoverable Debts	Actual/F'cast	44	146	249	107	234	184	184	184	184	184	184	184	546	2,070
Exceptional (Income) / Costs - (Trust Only)	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Interest Receivable - (Trust Only)	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Interest Payable - (Trust Only)	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
DEL Depreciation\Accelerated Depreciation\Impairments	Actual/F'cast	1,766	1,766	3,496	2,282	2,365	2,346	2,346	2,346	2,346	2,346	2,346	2,346	9,311	28,101
AME Donated Depreciation\Impairments	Actual/F'cast	45	45	121	21	58	58	58	58	58	58	58	58	232	695
Uncommitted Reserves & Contingencies	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Profit/Loss Disposal of Assets	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cost - Total		102,913	103,378	105,074	108,740	114,682	112,090	119,186	109,812	109,951	109,931	109,506	130,718	420,104	1,335,979
Net surplus/ (deficit)	Actual/F'cast	(3,541)	(565)	(1,976)	(1,972)	(2,044)	(8,054)	(24,405)							

The WG Monitoring returns include an assessment of the year end forecast on a month by month basis by expenditure type. This enables the HB and WG to monitor planned expenditure, although this will be impacted by new funding and costs during the course of the financial year. Work is in progress to support the correlation of these forecasts with local service group intelligence and service and activity plans.

Actions

- Medical and Dental
 - Urgent review of medical cost pressures and mitigating actions (Service Group Medical Directors)
 - Monitor performance against expenditure reduction plans.
 - All Service Groups have been asked to review and agree medical establishments. Review the position at Service Group and Directorate level with Medical Director
 - Ensure robust authorisation process in place for deployment of agency and ad-hoc sessions
 - Strengthen unit and Health Board oversight of directorate expenditure and compliance with rate cap.
- Nursing
 - Monitor performance against expenditure reduction plans through scrutiny panels.
 - Test roster policy compliance and authorisation processes including escalation of acuity.
- Savings
 - Savings delivery, risks and actions to be reviewed through the monthly performance reviews (Service Director, Director of Finance and Interim COO)
 - Amber schemes to be reviewed and clear milestones established to progress to Green within 3 months of identification (Service Director)
 - Red schemes must be progressed to green or amber within 3 months of identification. (Service Director)
 - Further savings opportunities must continue to be sought even where service groups have met the target to enable mitigation of the risks and pressures and support development of 2022/23 savings plans.
 - Clear position on bed utilisation efficiency opportunities, enabling service model changes and mitigating actions to be developed.
 - PMO recruitment commenced, this PMO will support the identification, tracking and monitoring of CIP delivery across all areas of the Health Board (Director of Finance)
 - Initial identification of savings schemes and opportunities to meet 50% of 2022/23 savings requirement by end of September 2021 (Service Directors and Corporate Directors)



