



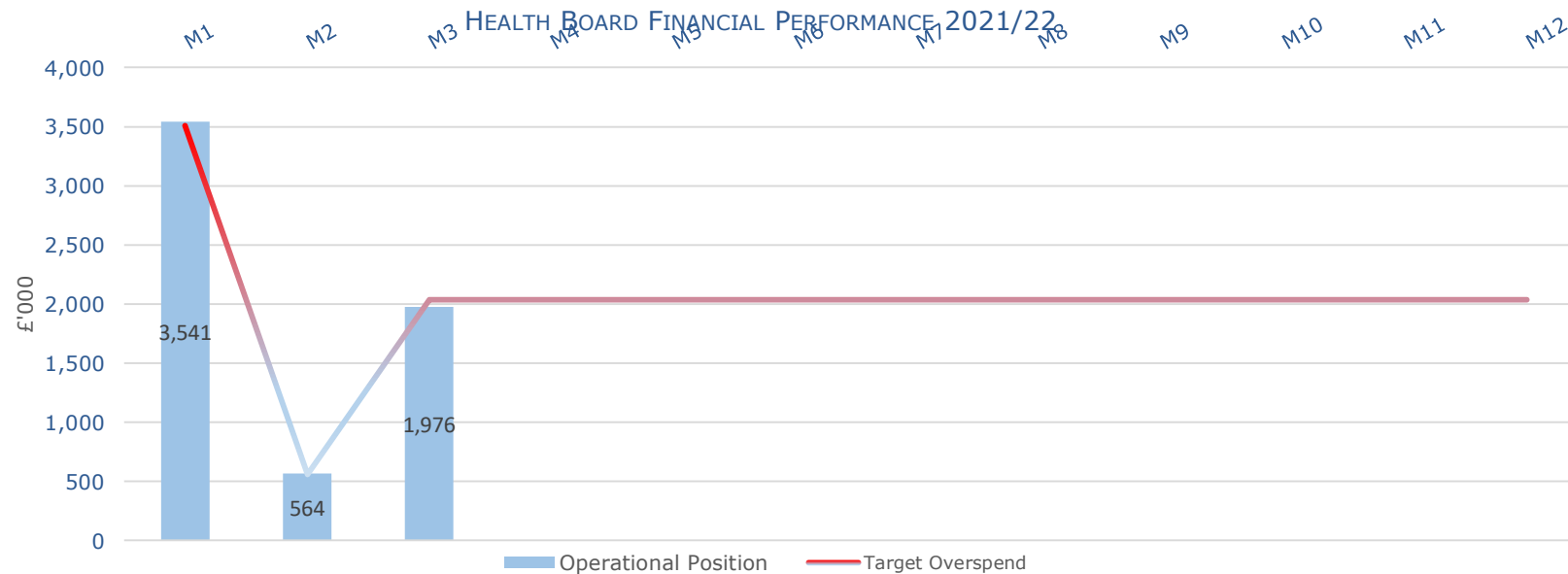
Swansea Bay UHB Month 3 Financial Performance 2021/22 Performance and Finance Committee Update 27th July 2021



Month 3 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	- 25,822	- 25,599	223		- 71,868	- 71,068	800
Pay	50,768	49,730	- 1,038		151,610	150,897	- 713
Non-Pay	55,438	56,196	758		163,226	163,119	- 107
Delegated Position	80,384	80,327	- 57		242,968	242,948	- 20
Corporate Plan	- 2,033		2,033		- 6,101		6,101
Total Position	78,351	80,327	1,976		236,867	242,948	6,081

- 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 £6.081m overspend against a planned deficit of £6.101m, a difference of £0.020m
- The table provides a summary of the position by income and expenditure type. Please note the income excludes WG Revenue Resource Limit.



Month 3 21/22 – Position by Service Group

	Month 1	Month 2	Month 3	Cumulative
	In Month	In Month	In Month	Position
	£000	£000	£000	£000
Service Groups				
Mental Health & LD	246	-129	19	136
Morrison	-110	-43	86	-67
NPT & Singleton	21	-81	-78	-138
PC & Community	8	-1	-137	-130
Directorates				
Board Secretary	22	22	-6	38
Chief Operating Officer	387	-20	-410	-43
Director of Strategy (excluding COVID)	-6	-4	5	-5
COVID	0	0	0	0
Director of Transformation	-6	-14	-8	-28
Finance	-2	-1	-3	-6
Digital	-3	-3	-29	-35
Medical Director	9	17	18	44
Nurse Director	-3	4	-2	-1
Workforce & OD	12	13	-8	17
Clinical Medical School	-20	0	-13	-33
Research & Development	-27	0	27	0
Corporate I&E	-38	239	47	248
Delegated Budget Position	490	-1	-492	-3
Corporate Plan	3,056	554	2,491	6,101
				0
Hosted Services				
Delivery Support Unit	-5	11	-23	-17
EMRTS	0	0	0	0
Health Board Position	3,541	564	1,976	6,081

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 remain 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 MHLD.

This analysis highlights :

- The MHLD overspend reflects the transfer of therapies and the loss of underspend that was supporting other elements of service pressure.
- Morrison and NPTS underspends are driven by non pay underspends linked to service activity limitations offset by pressures on pay budgets, particularly medical and nursing. The level of non-pay underspend has further reduced as services recover and reset.
- COO in month underspend reflects the identification and funding support for workforce pressures which were part of the COVID response. This funding has been backdated to the start of the financial year. The directorate has significantly increased its savings plan and delivery.
- Corporate plan position reflects the impact of WG anticipated funding for 2020/21 savings delivery impacts.



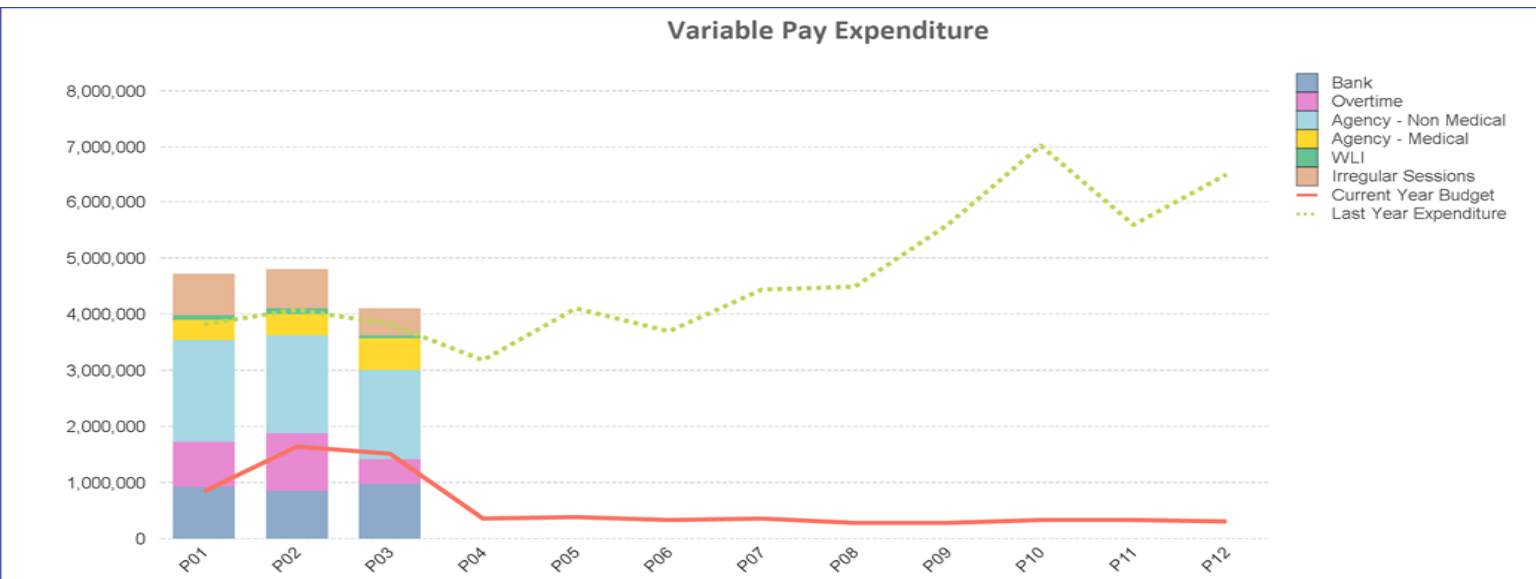
Income

Income - Month 3	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
Revenue Resource Limit	- 87,275	- 87,275	-	- 254,472	- 254,472	-
Income from Activities	- 20,938	- 20,805	133	- 62,474	- 61,773	701
Other Income	- 4,884	- 4,794	90	- 9,394	- 9,295	99
Total Income	- 113,097	- 112,874	223	- 326,340	- 325,540	800

- The cumulative income budget to Month 3 is £326.34m.
- The actual income achieved in this period is £325.54m.
- There is an under-achievement of income of £0.800m.
- The key element of the underachievement is dental income recovery £0.655m. This is partially offset by reduced dental charges, however there is a net adverse impact of £0.115m for quarter 1 which has been funded through COVID response. The funding however has been applied to non-pay, leaving the pressure shown within income.
- 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.

Workforce

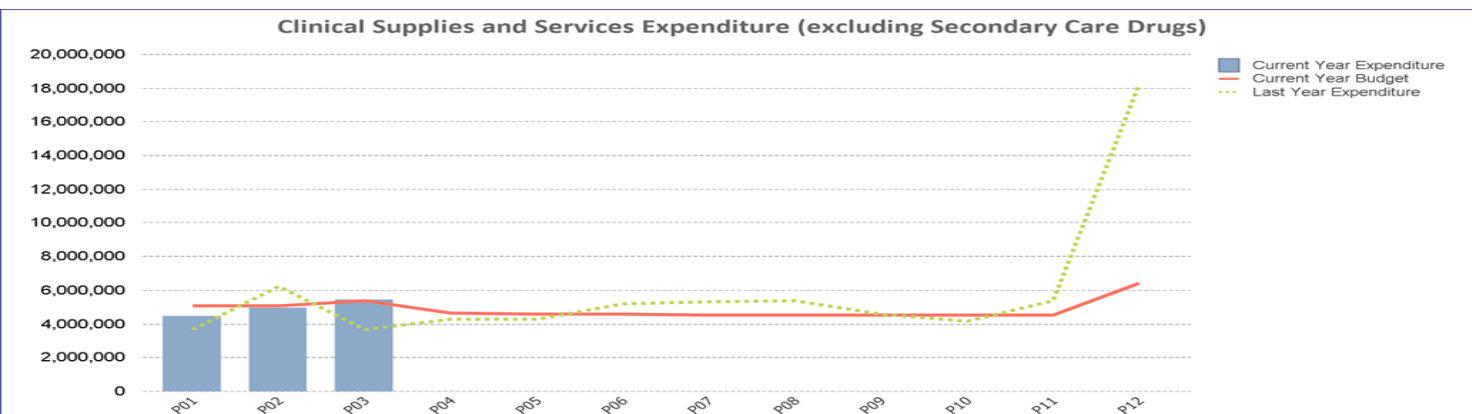
Workforce - Month 3	Budget	Actual	Variance		Budget	Actual	Variance
	In Month	In Month	In Month		Cumulative	Cumulative	Cumulative
	£000	£000	£000		£000	£000	£000
A&C	7,442	7,157	- 285		21,613	20,850	- 763
APST	1,813	1,702	- 111		5,438	5,122	- 316
AHP	3,557	3,216	- 341		10,468	9,846	- 622
HCS	1,597	1,518	- 79		4,728	4,537	- 191
ACS (Exlcuding HCSW)	1,710	1,647	- 63		5,042	4,886	- 156
M&D	12,017	12,129	112		35,911	36,405	494
Nursing (including HCSW & Students)	20,050	19,927	- 123		60,869	61,241	372
E&A	2,819	2,434	- 385		8,252	8,010	- 242
VF	- 237	-	237		- 711	-	711
Total Workforce	50,768	49,730	- 1,038		151,610	150,897	- 713



- The table provides an analysis of the workforce position by staff group.
- This workforce position has further improved in Month 3, although an element of this improvement is the backdating of COVID response funding into Estates and Ancillary. This accounts for around £300k of the improvement.
- The net in-month underspend is around £700k, compared to £300k in Month 2. Positive improvement has been seen across most staff groups, however improvement is yet to be seen in medical staff position.
- It should also be noted that a number of Service Groups and Directorates are currently holding a vacancy factor which requires general workforce budgets to underspend in order to meet this vacancy factor. Progress is being made to reduce or eliminate these and realign budgeted wte, however this is unlikely to meet the deadline of Month 4 reporting, due to the scale of the exercise. This must be completed by the end of Quarter 2 to support budget setting process for
- Variable pay costs have reduced by around £600k in month and this reflects the retraction of enhanced overtime paid agreed in previous year, along with more robust challenge of rosters and management of annual leave.
- 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.

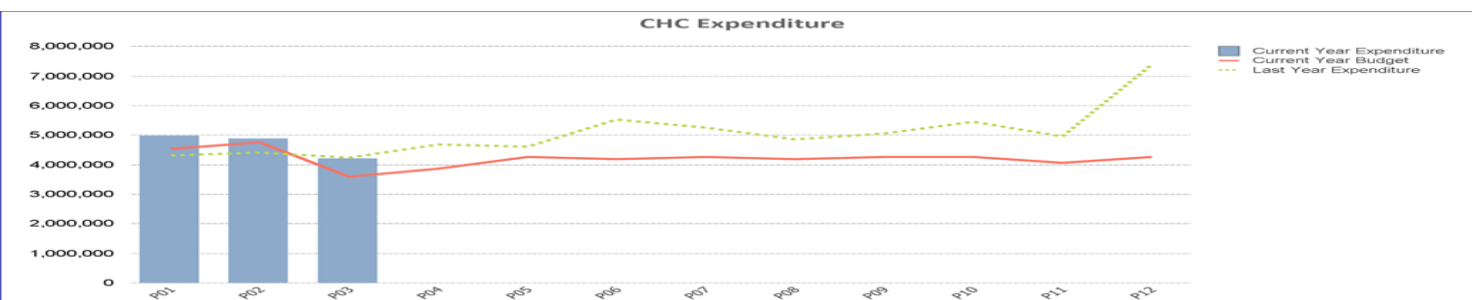
Non Pay

- 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	
	May	June
InPatient_Elective	73%	72%
InPatient_Emergency	87%	90%
InPatient_Transfer	81%	72%
Daycase	69%	71%
RDA	121%	100%
New Att	65%	65%
FU Att	55%	55%
OPP	61%	55%
POA	75%	79%
ED Att	101%	110%

- 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 is being experienced. The initial cost pressure has been mitigated through other recurrent and non-recurrent means. The in-month reduction in cost reflects the release of some non-recurrent opportunities to support the ChC position. Cases numbers are continuing to grow, with work underway to identify opportunities to arrest the growth and/or manage the growth in more cost effective ways.



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

Savings

Service Group/Directorate	Total Target	In Year Recurrent	In Year Non Recurrent	Total Planned	Variance	Full year Recurrent	In Year %	Full Year Recurrent %
Morriston	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	7,322,000	98%	118%
Primary and Community	3,488,212	3,908,000	668,000	4,576,000	1,087,788	5,524,000	131%	158%
Nurse Director	126,757	9,000	118,000	127,000	243	9,214	100%	7%
Medical Director	34,481	-	35,000	35,000	519	-	102%	0%
Workforce & OD	250,249	19,000	101,000	120,000	-130,249	19,413	48%	8%
Digital Services	546,116	355,000	191,000	546,000	-116	366,000	100%	67%
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	215,000	2,195,000	4,271	2,620,000	100%	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	1,987,000	400,000	2,387,000	1,387,000	1,498,000	239%	150%
Total	27,700,000	20,435,611	10,309,567	30,745,178	3,045,178	31,009,952	111%	112%
Less Reinvestment	-8,700,000			-1900000		-3227000		
Net Savings Position	19,000,000			28,845,178		27,782,952	104%	100%

- The Health Board has a gross savings requirement of £27.7m of which £28.8m in-year savings have been identified.
- £3.4m of these identified savings are still classified as Red and as such have a high risk of non-delivery.
- There are £27.8m of recurrent savings identified, of which the level of red schemes is £7.3m.
- In the last month, the overall level of identified savings has increased by £1.1m.
- The green schemes have increased by £2.7m, with amber reducing by £0.9m and red schemes reducing by £0.7m. This demonstrates a good flow through the pipeline from red to amber to green.
- The Health Board now has 84% of its savings requirement covered by Green schemes.

	In Year RAG		
Service Group/Directorate	Green	Amber	Red
Morriston	8,278,000	495,750	880,250
MH&LD	3,513,000	66,000	
NPT & Singleton	2,937,000	1,291,087	1,838,913
Primary and Community	2,554,000	74,000	48,000
Nurse Director	127,000		
Medical Director	35,000		
Workforce & OD	120,000		
Digital Services	546,000		
Finance	202,000		
Board Secretary	105,000	15,000	
Chief Operating Officer	2,045,000	150,000	
Transformation	32,708		
Strategy	104,470		
Non-Recurrent	1,000,000		
Medicines Management	1,607,000	100,000	680,000
Total	27,782,952	310,750	1,518,163



Forward Look

	Q1 Variance	Q2 Variance
	£000	£000
Income	800	750
Pay	-713	-900
Non Pay	-107	150
Delegated Position	-20	0
Corporate Plan	6101	6101
Overall Position	6081	6101

- The Health Board is reporting a forecast position of £24.405m to WG. This is based on the £42.077m annual plan submission less the £17.672m assumed funding to offset the 2020/21 saving impact.
- The table provides a high level forward look to Q2 by income and expenditure type. It has been assessed that delegated budgets will breakeven in Q2, however there will be underspends on pay budgets offsetting income and non-pay.
- Income budgets are expected to perform in a similar way to Q1, with the most significant variance being dental income. Further WG guidance is awaited on dental contract expectations.
- Pay budgets are expected to underspend. This is due to current levels of vacancy, that are not being backfilled and also deployment of staff to support COVID response and recovery, resulting in underspends in core service.
- The level of underspend has reduced in recent months as activity levels, especially emergency activity increases. However the dental underspends are anticipated to continue.
- This forward look is being developed at a service group and directorate level to identify specific risks and opportunities and to support mitigation actions being rapidly developed.

Actions

- Medical and Dental
 - 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 Heath 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, Interim 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. The majority of the current red schemes are linked to the Urgent Emergency Care Programme (Service Directors and Urgent and Emergency Care Programme Director) and a PID is being developed to support this aspect of the savings.
 - Further savings opportunities must continue to be sought even where service groups have met the target to enable mitigation of the risks and pressures.
 - Temporary Vacancy Freeze in Director of Workforce and OD budgets and MH&LD CHC recovery plan
 - PMO being created to identify, track and monitor CIP delivery across all areas of the Health Board (Interim Director of Finance)





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