



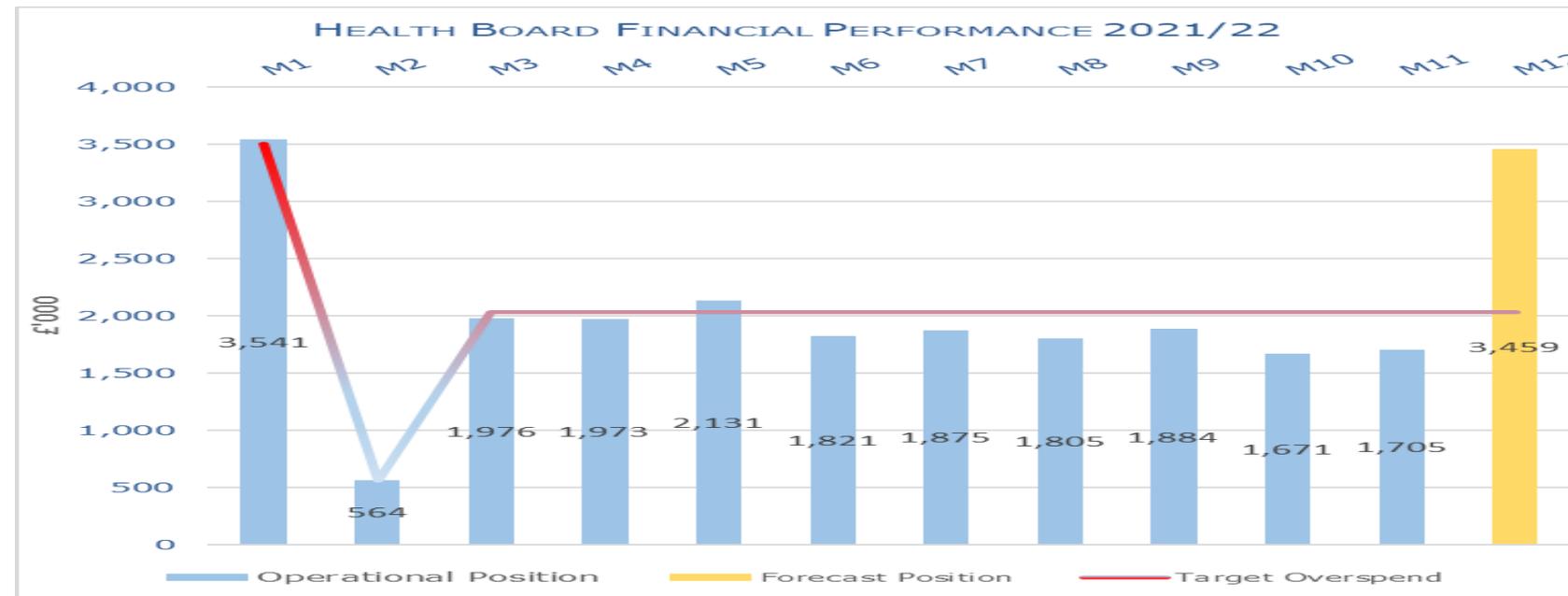
Swansea Bay UHB Month 11 Financial Performance 2021/22 Performance & Finance Committee 29th March 2022



Month 11 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	- 26,224	- 26,418	- 194	- 265,057	- 263,631	1,426
Pay	56,239	55,020	- 1,219	596,486	586,566	- 9,920
Non-Pay	58,401	60,102	1,701	628,086	638,129	10,043
Delegated Position	88,416	88,704	288	959,515	961,064	1,549
Corporate Plan	- 1,417		1,417	- 19,397	-	19,397
Total Position	86,999	88,704	1,705	940,118	961,064	20,946

- 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 of £1.705m is £0.329m below the profile target.
- The cumulative position is £20.946m overspend against a planned deficit of £22.371m, a difference of £1.425m.
- The table provides a summary of the position by income and expenditure type. Please note the income excludes WG Revenue Resource Limit.



Month 11 21/22 – Position by Service Group

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Cumulative
	In Month	In Month	In Month	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	£000	£000	£000
Service Groups												
Mental Health & LD	246	-129	19	-55	122	-66	18	40	-122	-2	-38	33
Morrison	-110	-42	86	127	184	101	412	424	364	406	320	2,272
NPT & Singleton	21	-81	-78	25	1	52	21	226	139	227	199	752
PC & Community	8	-1	-137	18	-17	-226	-86	22	-31	-95	-100	-645
Directorates												
Board Secretary	22	22	-6	29	1	3	-11	-5	-4	-12	27	67
Chief Operating Officer	387	-20	-410	-12	-24	86	-26	51	336	460	340	1,168
Director of Strategy (excluding COV)	-6	-4	5	-11	-4	3	0	16	-3	-781	-61	-846
COVID	0	0	0	0	0	0	0	0	0	0	0	0
Director of Transformation	-6	-14	-8	-14	-14	-9	4	-5	0	-20	-6	-92
Finance	-2	-1	-3	-5	-4	-51	-26	-10	-21	-10	-41	-174
Digital	-3	-3	-29	-22	-35	-28	0	-10	-2	-38	-9	-179
Medical Director	9	17	18	-56	0	-15	-10	-12	-20	-18	-23	-110
Nurse Director	-3	4	-2	-8	-16	-5	-9	-8	-31	-35	-29	-142
Workforce & OD	12	13	-8	6	-24	8	3	1	-12	-16	-33	-50
Clinical Medical School	-20	0	-13	-25	-18	-20	-17	-24	-22	-22	-25	-206
Research & Development	-27	0	27	0	0	0	0	0	0	0	0	0
Corporate I&E	-485	232	504	-62	42	-79	-69	-304	-99	250	-238	-308
Delegated Budget Position	43	-7	-35	-65	194	-246	204	402	473	294	283	1,540
Corporate Plan	3,506	561	2,034	2,034	1,934	2,034	1,668	1,417	1,417	1,417	1,417	19,438
												0
Hosted Services												
Delivery Support Unit	-5	11	-23	4	3	33	1	-15	-6	-40	5	-32
EMRTS	0	0	0	0	0	0	0	0	0	0	0	0
Health Board Position	3,544	565	1,976	1,973	2,131	1,821	1,873	1,804	1,884	1,671	1,705	20,946

- 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. This needs to be resolved as part of 22/23 financial plan.*
- The Morrison and NPTS service groups positions now include slippage on savings schemes. A key aspect of this slippage relates to 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 COO position in month continues to reflect the increased costs of energy and also high inflationary effects within provisions. Again this has been mitigated through slippage on investments and funding 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	- 88,433	- 88,433	-	- 976,875	- 976,875	-
Income from Activities	- 23,669	- 23,899	- 230	- 234,961	- 234,224	737
Other Income	- 2,554	- 2,518	36	- 30,095	- 29,406	689
Total Income	- 114,656	- 114,850	194	- 1,241,931	- 1,240,505	1,426

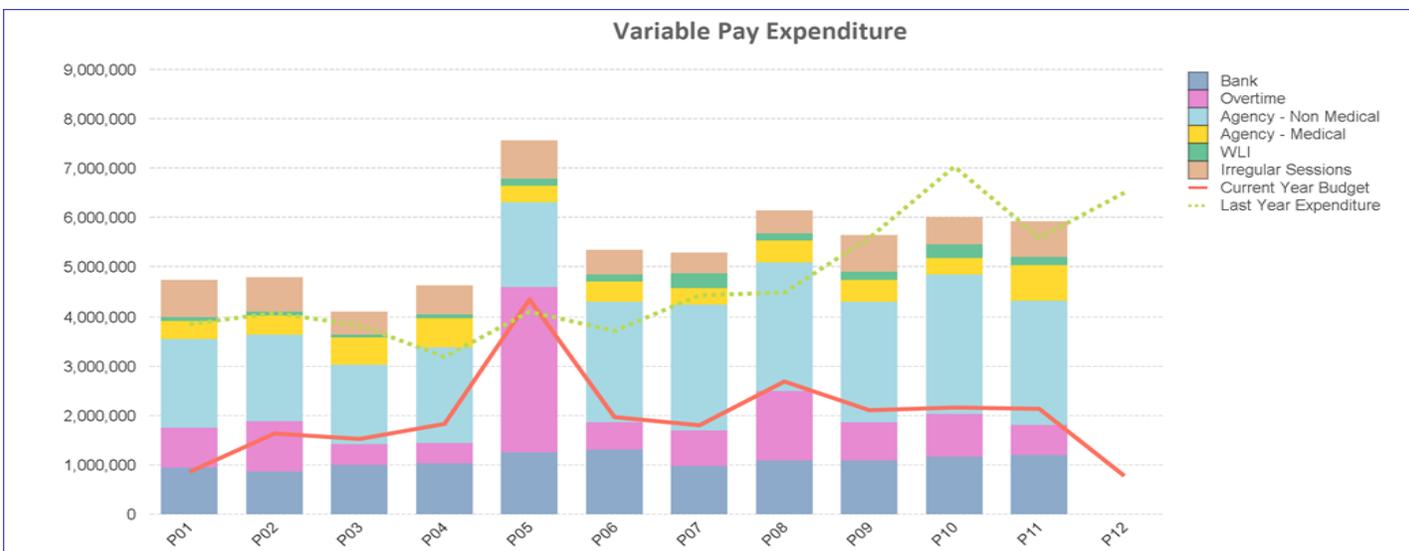
- The cumulative income budget to Month 11 is £1,241.931m.
- The actual cumulative income achieved in this period is £1,240.505m.
- There is an under-achievement of income of £1.43m.
- In month has shown an over-achievement of income, this relates to CTM and DHCW.
- The key areas of under-achievement continue to be dental, catering, rental and other patient related charges and these remain broadly unchanged.
- It should be highlighted that around £0.6m of COVID funding is being applied to income budgets each month, excluding dental.
- The LTA/SLA block arrangement remains in place for this year to negate the pandemic impact on service/activity provision. The performance however continues to be monitored and there could be a significant adverse financial impact if LTA arrangement were “Live”.



Workforce

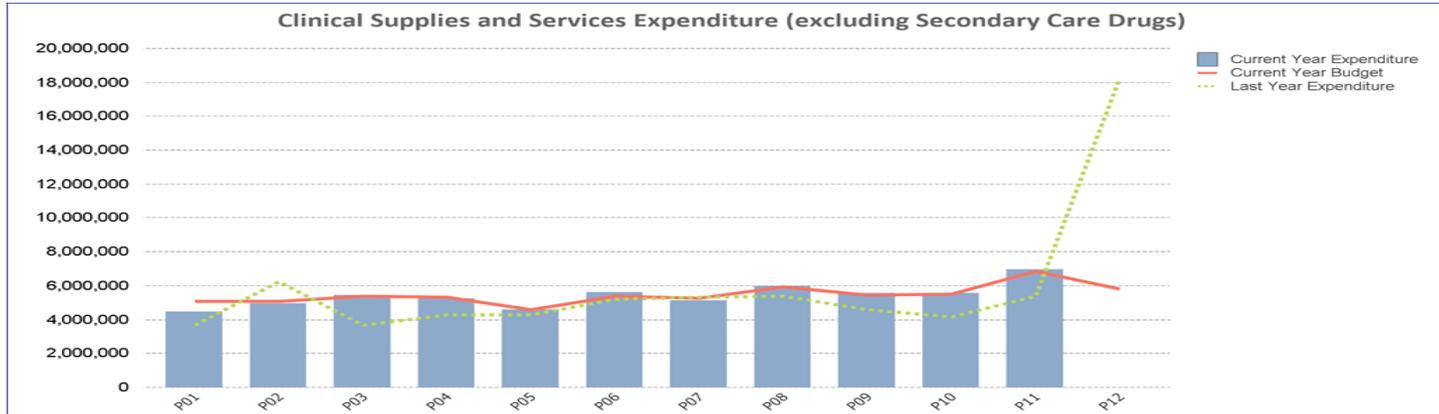
Workforce	Budget	Actual	Variance	Budget	Actual	Variance
	In Month	In Month	In Month	Cumulative	Cumulative	Cumulative
	£000	£000	£000	£000	£000	£000
A&C	8,194	7,663	- 531	86,570	81,936	- 4,634
APST	2,010	1,879	- 131	21,193	20,029	- 1,164
AHP	3,869	3,594	- 275	41,365	38,307	- 3,058
HCS	1,720	1,648	- 72	18,496	17,650	- 846
ACS (Excluding HCSW)	1,646	1,559	- 87	18,254	17,377	- 877
M&D	13,427	13,410	- 17	139,985	141,130	1,145
Nursing (including HCSW)	22,750	22,491	- 259	241,737	239,495	- 2,242
E&A	2,802	2,776	- 26	31,170	30,646	- 524
VF	-	179	-	179	-	179
Total Workforce	56,239	55,020	- 1,219	596,490	586,570	- 9,920

- The table provides an analysis of the workforce position by staff group.
- This workforce position has reported a continued underspend in month, with underspend in A&C, Nursing and AHPs.
- Variable costs has reduced slightly in month, this is linked to agency non-medical and overtime. Much of these additional costs are funded through winter and COVID non-recurrent funding and are not impacting on the budgetary position.



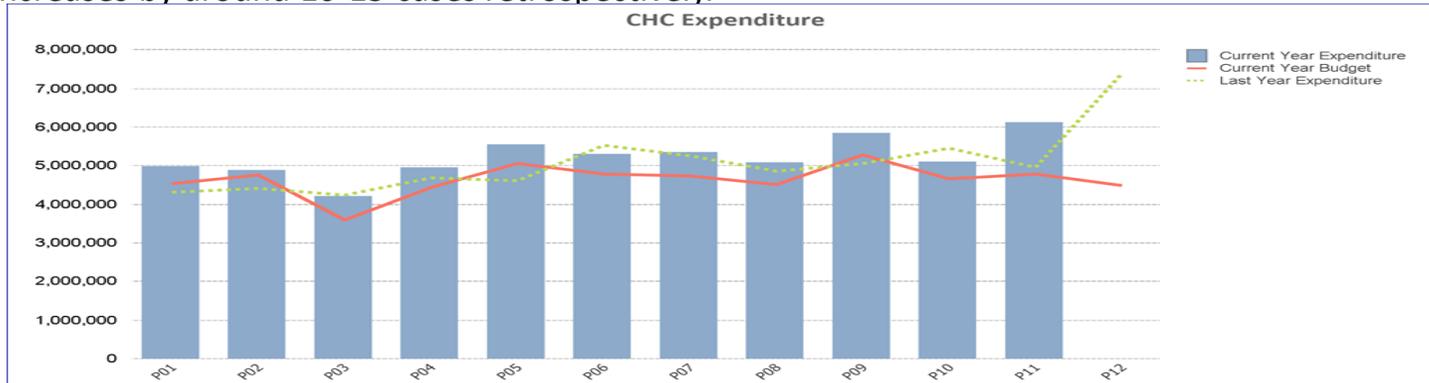
Non Pay

- 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, although costs have plateaued in recent months.



Period	Current Year Budget	Current Year Expenditure	Last Year Expenditure
	65,613,389	59,533,659	70,431,481
P01	5,057,229	4,443,636	3,685,587
P02	5,091,018	4,971,658	6,221,515
P03	5,376,182	5,415,241	3,652,342
P04	5,337,808	5,270,354	4,280,737
P05	4,577,702	4,575,296	4,307,336
P06	5,406,338	5,605,586	5,227,096
P07	5,255,356	5,130,330	5,337,057
P08	5,953,013	6,008,835	5,395,315
P09	5,430,974	5,571,089	4,560,382
P10	5,499,124	5,570,360	4,174,320
P11	6,840,241	6,971,274	5,355,119
P12	5,788,404	0	18,234,675

- 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 remained fairly static throughout the year. The in month level appears low, but due to timing issues on case approval/notification, this normally increases by around 10-15 cases retrospectively.



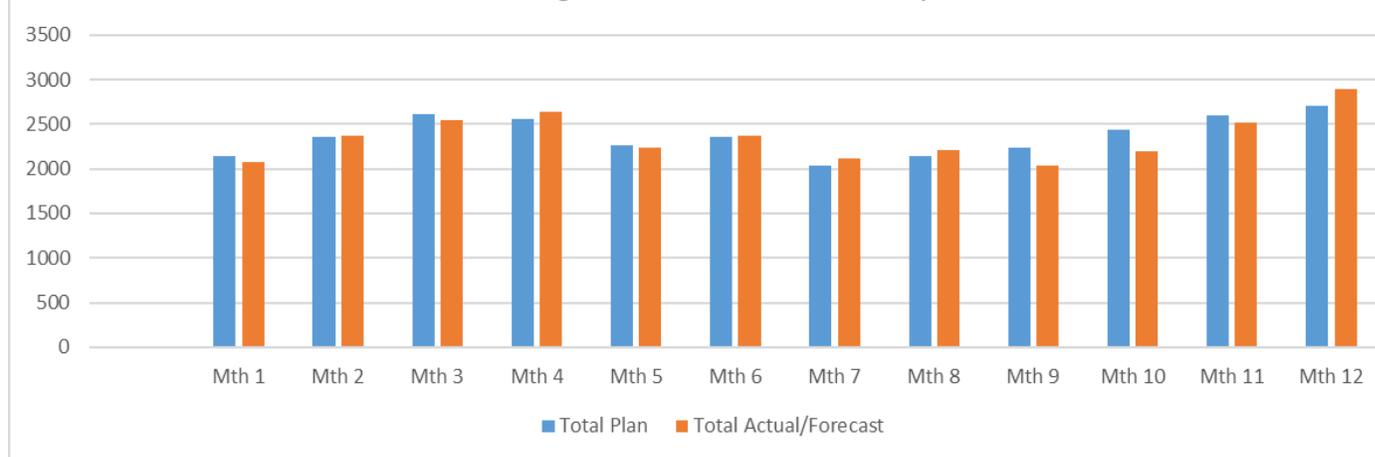
ChC Case Numbers	General	MH	LD
Apr-19	347	135	169
Mar-20	358	141	180
Mar-21	355	152	196
May-21	360	155	196
Jun-21	372	159	198
Jul-21	374	158	198
Aug-21	364	158	197
Sep-21	365	157	200
Oct-21	365	157	200
Nov-21	364	155	199
Dec-21	364	164	199
Jan-22	346	165	196
Feb-22	330	173	195

Savings Profile 2021/22

Service Group/Directorate	Total Target	In Year Planned Green & Amber Schemes	In Year Forecast Delivery	Variance From Target
Morrison	9,105,200	8,751,000	8,254,000	- 851,200
MH&LD	3,292,200	3,624,000	4,048,000	755,800
NPT & Singleton	6,209,200	4,972,000	4,330,000	- 1,879,200
Primary and Community	3,488,212	2,915,000	3,487,000	- 1,212
Nurse Director	126,757	127,000	127,000	243
Medical Director	34,481	35,000	35,000	519
Workforce & OD	250,249	250,000	250,000	- 249
Digital Services	546,116	546,000	546,000	- 116
Finance	200,791	201,000	208,000	7,209
Board Secretary	119,211	119,000	119,000	- 211
Chief Operating Officer	2,190,729	2,655,000	2,506,000	315,271
Transformation	32,283	33,000	33,000	717
Strategy	104,572	105,000	105,000	428
Non-Recurrent	1,000,000	1,000,000	1,000,000	-
Medicines Management	1,000,000	3,127,000	3,253,000	2,253,000
Total	27,700,000	28,460,000	28,301,000	601,000

- 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 £28.460m however there is some slippage forecast against these schemes, reducing the forecast delivery to £28.301m.
- 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. However these are being offset by over-delivery in other areas currently.
- The graph shows the monthly planned and actual/forecast delivery. It can be seen that the last few months has seen and increasing level of slippage, however the last two months anticipates that the savings will be delivered in full.
- Based on the current level of slippage, if similar levels of slippage are recorded in the final month of the financial year, this will be manageable within the overall Health Board forecast due to non-recurrent opportunities.

Savings Plan vs Forecast Delivery



Savings 2021/22 Recurrent

- The recurrent savings target is £27.7m.
- Recurrent Forecast Delivery has reduced by £0.280M linked to Morryston Service Group delivery.
- It is recognised that the target included planned bed utilisation efficiencies. These opportunities required enabling programmes in order to be delivered, however through the pandemic, delays have been experienced in implementation. This has prevented bed capacity being constrained, which has been exacerbated by service demands.
- The enabling schemes agreed in 2021/22 are expected to deliver an efficiency of 127 beds.

Schemes	2022/23
AGPU	6
AEC	10
AMAU	33
Virtual Beds/COTE	36
Home First - Pathway 2	18
Home First - Pathway 4 14 patients	14
Specialist Palliative Care	10
Total Beds	127

- This correlates to the planned bed savings within the savings plans for Morryston and NPTS service groups. The planned savings are £2.987m (circa 60 beds) and £3.982m (circa 72 beds) for Morryston and NPTS respectively.
- There is an agreed expectation for saving sharing with PCC and this has been set at 20%.
- The proposal is that the bed capacity impact is adjusted temporarily from the recurrent savings targets, the adjustments proposed :
 - Morryston £2.390m
 - NPTS £3.185m
 - PCC £1.394m
- The adjusted targets are shown in the table along with the recurrent forecast delivery and variance from target.
- All Service groups and Corporate Directorates need to ensure there are plans to fully deliver the adjusted target recurrently.

	Original Target £	Adjusted Target £	Recurrent Forecast Delivery £	Variance from target £
Morryston	9,105,200	6,715,200	5,224,000	1,491,200
MH&LD	3,292,200	3,292,200	3,358,000	- 65,800
NPT & Singleton	6,209,200	3,024,200	3,049,000	- 24,800
Primary and Community	3,488,212	2,094,212	2,046,000	48,212
Nurse Director	126,757	126,757	85,000	41,757
Medical Director	34,481	34,481	34,481	- 0
Workforce & OD	250,249	250,249	19,413	230,836
Digital Services	546,116	546,116	362,699	183,417
Finance	200,791	200,791	205,393	- 4,602
Board Secretary	119,211	119,211	95,760	23,451
Chief Operating Officer	2,190,729	2,190,729	1,980,090	210,639
Transformation	32,283	32,283	5,467	26,816
Strategy	104,572	104,572	79,557	25,015
Non-Recurrent	1,000,000	1,000,000	500,000	500,000
Medicines Management	1,000,000	1,000,000	1,000,000	-
Total	27,700,000	20,731,000	18,044,860	2,686,140

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 £26.650m 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 which is guided by Service Transformation and Efficiency schemes (2.5%) and general savings (1.5%).
- The Achieved to Date column shows an update on the local savings identified and the potential impact of more corporately led themes which will deliver savings at Service Group level. Within these will be savings based on service transformation, grip and control, shift left, and efficiency gains.
- Circa £19m savings identified, which is 71% of CIP target
- All Savings will need to be tested to provide assurance on deliverability and impact.

Service Group	Provisional Target 22/23 £k	B/F from 2021/22 £k	Total 22/23 Target £k	22-23 In Year			22-23 Recurrently		
				Achieved to Date 22/23 £k	%	Shortfall from target £	Achieved Recurrently £k	%	Shortfall from target £
MHLD	3,203	-66	3,137	3,353	104.7%	-216	2,152	67.2%	985
Morrison	8,956	1,491	10,447	5,220	58.3%	5,227	7,030	78.5%	3,417
NPTS	6,189	-25	6,164	4,576	73.9%	1,589	4,459	72.0%	1,706
PCC	3,457	48	3,505	3,532	102.2%	-27	1,828	52.9%	1,677
Service Group Sub Total	21,805	1,449	23,254	16,681	76.5%	6,573	15,469	70.9%	7,785
Corporate Inc IMM*	5,195	1,237	6,432	2,597	50.0%	3,835	2,597	50.0%	3,835
Total	27,000	2,686	29,686	19,278	71.4%	10,408	18,066	66.9%	11,620



COVID Income & Expenditure

COVID Funding	Confirmed & Anticipated Funding £000
Testing	3,104
Contact Tracing	13,090
Vaccination	13,621
Extended Flu	1,191
Enhanced Cleaning Standards	2,366
PPE	4,797
Care Homes	2,243
Sustainability	45,198
Long COVID	635
UEC Programmes	4,130
COVID Response	90,375
Recovery	24,988
20/21 Savings Impact	17,672
Bonus Payment Recovery	- 1,130
Total Allocation	131,905

COVID Expenditure	YTD Spend £000	Forecast Spend £000
Testing	3,000	3,254
Tracing	11,426	12,686
Vaccination	13,143	14,392
Extended Flu	1,191	1,191
Cleaning Standards	2,169	2,366
Recovery	19,584	24,987
Long COVID	326	635
Urgent Emergency Care	2,954	4,130
Sustainability :		
Primary Care Prescribing	5,319	5,773
PPE	4,710	5,110
Care Homes	2,203	2,242
Staffing	24,703	29,179
Other Non Pay/Income Loss	8,470	8,605
	99,198	114,550

- The initial table provides a summary of the COVID funding received or anticipated in 2021/22. All funding has now been received with the exception of extended flu and some of the UEC programme funding.
- Given the challenges in being able to fully deploy the £131.905m, 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.
- It is likely that there will be slippage against both the planned/bid for funding and the generally allocated funding. There has been significant slippage against outsourced activity due to capacity constraints. The recovery position needs to be closely managed through the Planned Care Board to minimise slippage and identify opportunities to utilise the funding during the final quarter although the operational pressure impact is recognised.
- Further contingency expenditure plans and opportunities are being developed and managed to mitigate the risk of underspending.

Actions

- **Savings Actions**

- Further schemes must be identified to bridge 2021/22 Recurrent gap of £2.6m as a matter of urgency and until that time 2021/22 planned investments not yet committed will need to be held to ensure there is no adverse impact on the Health Board underlying financial position, Service Directors/Executive Directors/PMO March 2022;
- Adjust bed savings profile and mitigate the slippage in this plan with alternative plans and solutions.

- **COVID Response and Recovery**

- Develop alternative opportunities to ensure allocated recovery 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

- 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 signed off phase I – further ideas needed) – COO, Deputy COO and Deputy Finance Director

- **2022/23 Plan**

- Continue to develop schemes and themes to meet and 100% by end of March 2022. Service and Corporate Directors as per set timescales.
- Service Group directors to work with the COO/DOF to assess all COVID response costs for exit plans to be presented to CEO and DoF – First draft of detailed exit plans by March 2022



