



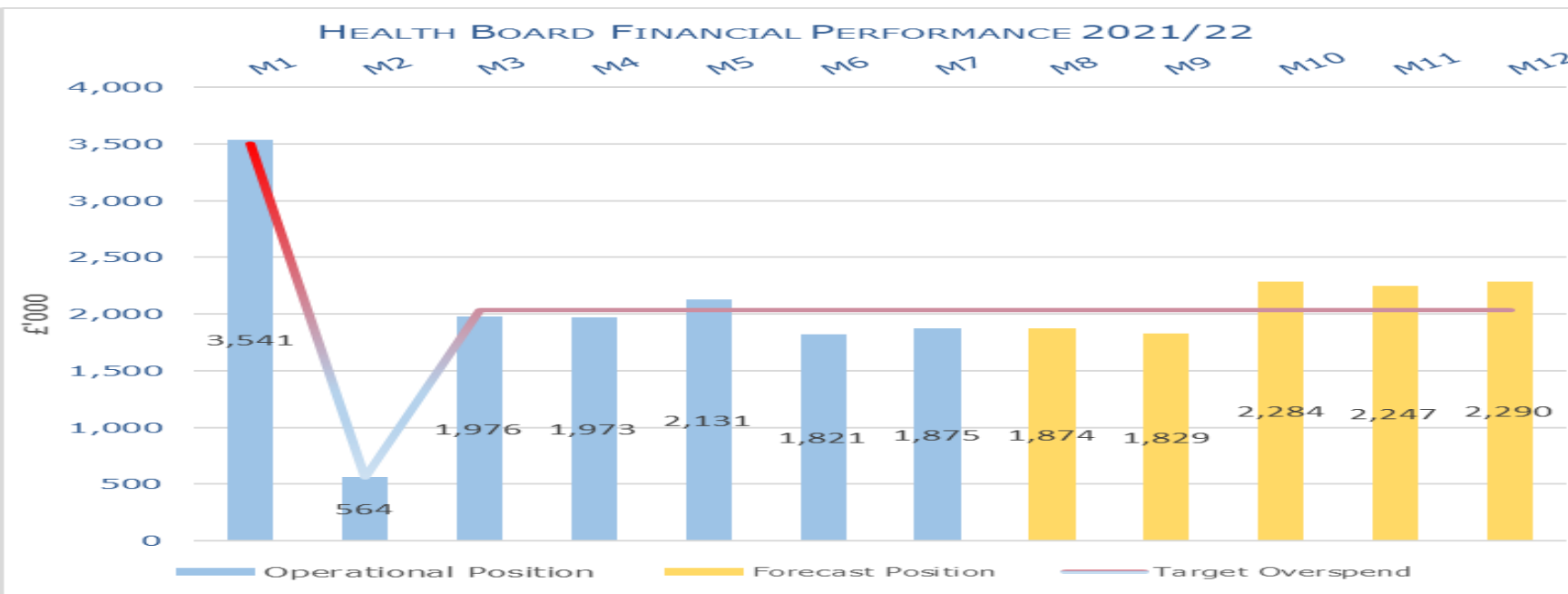
## Swansea Bay UHB Month 7 Financial Performance 2021/22 Performance and Finance Committee Update 23<sup>rd</sup> November 2021



# Month 7 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	- 24,874	- 24,976	- 102	- 168,257	- 167,100	1,157
Pay	53,988	52,959	- 1,029	371,794	366,394	- 5,400
Non-Pay	56,844	58,189	1,345	391,218	395,601	4,383
<b>Delegated Position</b>	<b>85,958</b>	<b>86,172</b>	<b>214</b>	<b>594,755</b>	<b>594,895</b>	<b>140</b>
Corporate Plan	- 1,660		1,660	- 13,740	-	13,740
<b>Total Position</b>	<b>84,298</b>	<b>86,172</b>	<b>1,874</b>	<b>581,015</b>	<b>594,895</b>	<b>13,880</b>

- 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 £0.16m below the profile target.
- The cumulative position is £13.880m overspend against a planned deficit of £14.236m, a difference of £0.356m.
- The table provides a summary of the position by income and expenditure type. Please note the income excludes WG Revenue Resource Limit.



# Month 7 21/22 – Position by Service Group

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Cumulative
	In Month	In Month	In Month	In Month	In Month	In Month	In Month	Position
	£000	£000	£000	£000	£000	£000	£000	£000
<b>Service Groups</b>								
Mental Health & LD	246	-129	19	-55	122	-66	18	155
Morriston	-110	-42	86	127	184	101	412	758
NPT & Singleton	21	-81	-78	25	1	52	21	-39
PC & Community	8	-1	-137	18	-17	-226	-86	-441
<b>Directorates</b>								
Board Secretary	22	22	-6	29	1	3	-11	60
Chief Operating Officer	387	-20	-410	-12	-24	86	-26	-19
Director of Strategy (excluding COVID)	-6	-4	5	-11	-4	3	0	-17
COVID	0	0	0	0	0	0	0	0
Director of Transformation	-6	-14	-8	-14	-14	-9	4	-61
Finance	-2	-1	-3	-5	-4	-51	-26	-92
Digital	-3	-3	-29	-22	-35	-28	0	-120
Medical Director	9	17	18	-56	0	-15	-10	-37
Nurse Director	-3	4	-2	-8	-16	-5	-9	-39
Workforce & OD	12	13	-8	6	-24	8	3	10
Clinical Medical School	-20	0	-13	-25	-18	-20	-17	-113
Research & Development	-27	0	27	0	0	0	0	0
Corporate I&E	-38	239	44	-58	42	-57	-59	113
<b>Delegated Budget Position</b>	<b>490</b>	<b>0</b>	<b>-495</b>	<b>-61</b>	<b>194</b>	<b>-224</b>	<b>214</b>	<b>118</b>
Corporate Plan	3,056	554	2,494	2,030	1,934	2,012	1,660	13,740
								0
<b>Hosted Services</b>								
Delivery Support Unit	-5	11	-23	4	3	33	1	24
EMRTS	0	0	0	0	0	0	0	0
<b>Health Board Position</b>	<b>3,541</b>	<b>565</b>	<b>1,976</b>	<b>1,973</b>	<b>2,131</b>	<b>1,821</b>	<b>1,875</b>	<b>13,882</b>

- 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 Morriston 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.



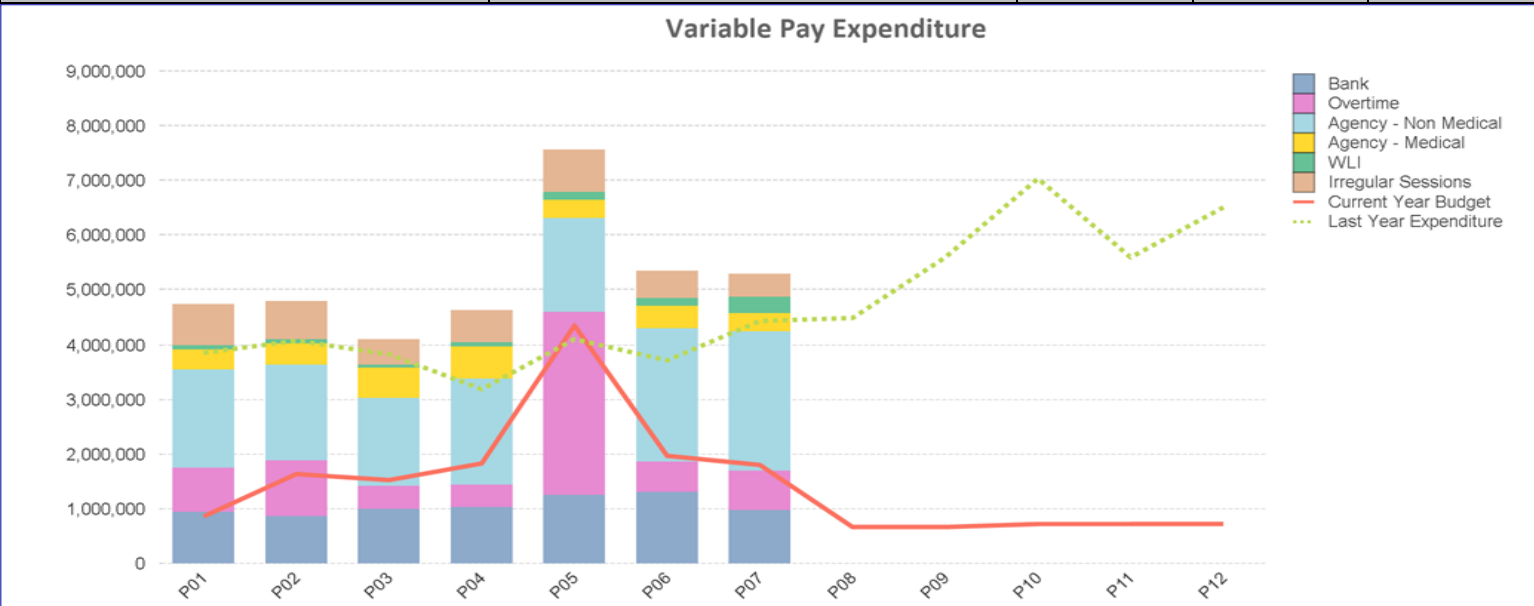
# Income

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	- 90,656	- 90,656	-	- 617,233	- 617,233	-
Income from Activities	- 22,309	- 22,180	129	- 148,233	- 147,385	848
Other Income	- 2,565	- 2,796	231	- 20,024	- 19,715	309
<b>Total Income</b>	<b>- 115,530</b>	<b>- 115,632</b>	<b>102</b>	<b>- 785,490</b>	<b>- 784,333</b>	<b>1,157</b>

- The cumulative income budget to Month 7 is £785.490m.
- The actual income achieved in this period is £784.333m.
- There is an under-achievement of income of £1.159m.
- This month has seen a slight recovery of the income position
- 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

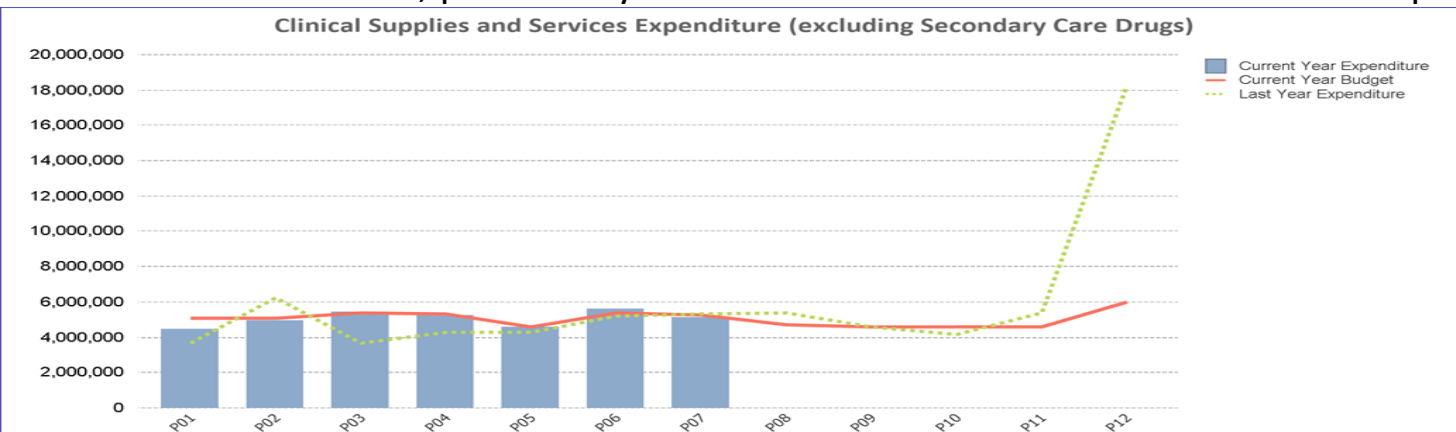
Workforce	Budget	Actual	Variance	Budget	Actual	Variance
	In Month	In Month	In Month	Cumulative	Cumulative	Cumulative
	£000	£000	£000	£000	£000	£000
A&C	7,760	7,350	- 410	53,341	50,756	- 2,585
APST	1,894	1,832	- 62	13,258	12,497	- 761
AHP	3,760	3,425	- 335	25,810	23,928	- 1,882
HCS	1,691	1,604	- 87	11,672	11,140	- 532
ACS (Exlcuding HCSW)	1,588	1,493	- 95	11,453	11,030	- 423
M&D	12,462	12,585	123	87,659	88,246	587
Nursing (including HCSW & Students)	22,234	21,907	- 327	150,378	149,442	- 936
E&A	2,829	2,765	- 64	19,798	19,357	- 441
VF	- 228		228	- 1,573	-	1,573
<b>Total Workforce</b>	<b>53,990</b>	<b>52,961</b>	<b>- 1,029</b>	<b>371,796</b>	<b>366,396</b>	<b>- 5,400</b>



- 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 consistent with Month 6, however Month 6 included an element of backdated inflation which effectively means that Month 7 variable pay was around £270k higher than the Month 6 position. The key reasons for the increase are :
  - Increased WLI payments, which is reflective of the recovery work underway across the Health Board.
  - Increased overtime costs, this reflects both increased level of overtime being undertaken to support service demands and recovery and also the impact of the enhanced overtime rates. To date the enhanced rate impact is only £25k.
- There have been offsetting reductions in variable pay across bank and medical agency. Medical agency has reduced by around £90k in month.

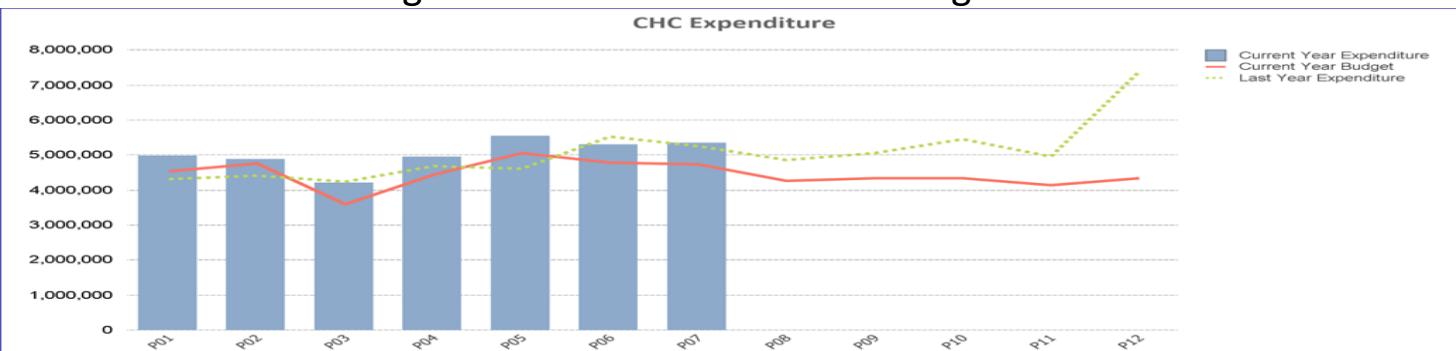
# Non Pay

- Clinical consumable budgets are underspent due to activity restrictions. This month has seen costs reduce which reflects reduced activity in a number of areas, particularly in the last week of October. This is a similar pattern to previous years activity profile.



Activity compared to Pre-COVID	September	October
InPatient_Elective	80%	82%
InPatient_Emergency	90%	88%
InPatient_Transfer	59%	61%
Daycase	81%	77%
RDA	97%	69%
New Att	73%	74%
FU Att	60%	60%
OPP	59%	54%
POA	74%	76%
ED Att	105%	100%

- 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.



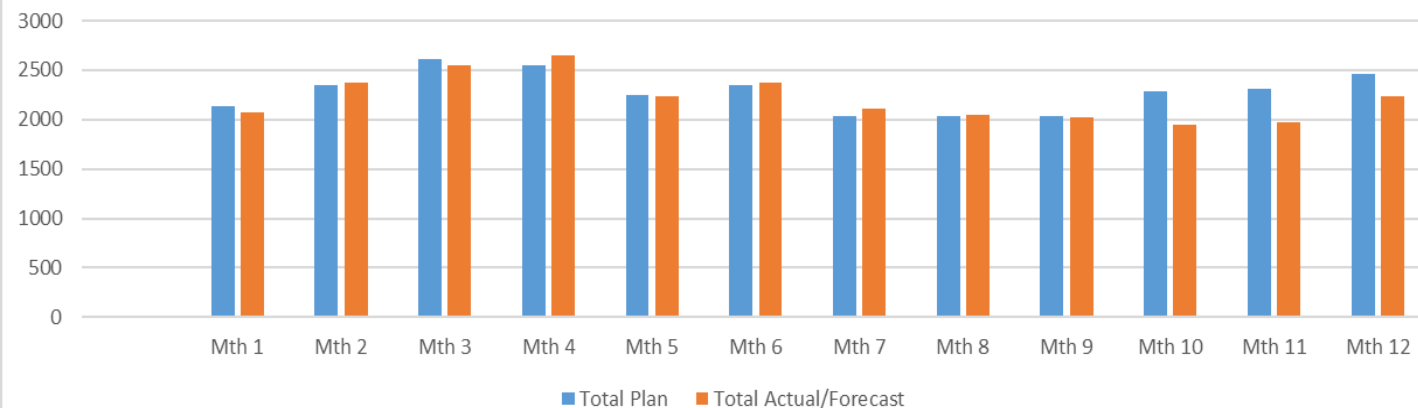
ChC Case Numbers	General	MH	LD
Apr-19	347	135	169
Mar-20	358	141	180
Mar-21	355	152	196
May-21	364	155	196
Jun-21	375	159	198
Jul-21	379	158	198
Aug-21	369	158	197
Sep-21	370	157	200
Oct-21	360	157	200



# 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
Morrison	9,105,200	8,751,000	8,256,000	- 849,200	8,491,000	7,151,000	-1,954,200
MH&LD	3,292,200	3,579,000	3,662,000	369,800	2,856,000	2,962,000	- 330,200
NPT & Singleton	6,209,200	4,972,000	4,330,000	- 1,879,200	6,838,000	6,809,000	599,800
Primary and Community	3,488,212	2,916,000	3,191,000	- 297,212	2,300,000	2,300,000	-1,188,212
Nurse Director	126,757	127,000	127,000	243	9,000	9,000	- 117,757
Medical Director	34,481	35,000	35,000	519	0	-	- 34,481
Workforce & OD	250,249	195,000	195,000	- 55,249	19,000	19,000	- 231,249
Digital Services	546,116	546,000	546,000	- 116	363,000	363,000	- 183,116
Finance	200,791	201,000	208,000	7,209	92,000	99,000	- 101,791
Board Secretary	119,211	119,000	119,000	- 211	103,000	103,000	- 16,211
Chief Operating Officer	2,190,729	2,495,000	2,324,000	133,271	2,620,000	2,620,000	429,271
Transformation	32,283	33,000	33,000	717	1,000	1,000	- 31,283
Strategy	104,572	105,000	105,000	428	80,000	80,000	- 24,572
Non-Recurrent	1,000,000	1,000,000	1,000,000	-			-1,000,000
Medicines Management	1,000,000	2,341,000	2,467,000	1,467,000	2,148,000	2,227,000	1,227,000
<b>Total</b>	<b>27,700,000</b>	<b>27,415,000</b>	<b>26,598,000</b>	<b>- 1,102,000</b>	<b>25,920,000</b>	<b>24,743,000</b>	<b>-2,957,000</b>

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 £27.415m, however there is some slippage forecast against these schemes, reducing the forecast delivery to £26.598m.
- 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 £1.1m. 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 £24.7m, which is £3m short of the required target. This must be addressed as a matter of urgency.
- The £24.7m also includes £6m of amber savings linked to bed utilisation efficiency which is currently considered a risk. 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

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	470,000	546,688	591,880	490,683	750,000	2,849,251
Morrison	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	304,000	386,275	159,736	76,756	75,000	1,001,768
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	3,168,000	2,000,000	2,000,000	2,000,000	1,000,000	10,168,000

- 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.





# COVID Expenditure

COVID Expenditure	YTD Spend	Forecast Spend
	£000	£000
Testing	2,119	3,524
Tracing	6,821	12,971
Vaccination	8,265	13,264
Extended Flu	290	1,160
Cleaning Standards	1,381	2,366
Recovery	8,531	22,787
Long COVID	154	635
Urgent Emergency Care	1,005	3,031
Sustainability :		
Primary Care Prescribing	3,503	5,773
PPE	2,814	5,789
Care Homes	1,706	2,243
Staffing	16,848	28,076
Other Non Pay/Income Loss	6,881	11,349
	<b>60,318</b>	<b>112,968</b>

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
<b>Recovery Funding</b>	<b>22,787</b>
Ophthalmology	524
Cancer	563
Dermatology	79
Managing Patients Waiting	264
<b>Total Recovery Funding</b>	<b>24,217</b>

- 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.
- The COVID Recovery costs now include the initial £16.243m plus a further £5.656m for diagnostics and mental health, £0.528m for critical care/PACU, £0.127m for community health checks for chronic conditions and £0.233m DOLS/LPS backlog. The Health Board has been advised of additional £1.430m for cancer, ophthalmology, dermatology and supporting patients whilst waiting, these have not been included as the notification was received after the month end close.
- It is anticipated that the £112.968m is fully met by WG funding in 2021/22. Much of this has now been confirmed reducing any potential risk.
- 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.



# 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
<b>20/21 Underlying Position</b>	<b>42.077</b>	<b>42.077</b>
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
<b>Forecast Position pre-COVID</b>	<b>42.077</b>	<b>42.077</b>
Less 20/21 Savings impact	-17.672	-17.672
<b>Forecast Position post-COVID</b>	<b>24.405</b>	<b>24.405</b>

	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	
<b>Total</b>	<b>2,473,962</b>	<b>8,703,000</b>	

- 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.



# 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 – 10<sup>th</sup> December 2021**
- **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 – 26<sup>th</sup> November 2021**
- **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**
- **Agree** test and challenge process for savings to review and provide assurance on service impacts and to ensure consistency of approach. **PMO - end of November 2021**
- **CEO to meet Corporate and Service Group Directors to discuss savings in December**

## COVID Response and Recovery

- **Establish** robust forecast of recovery schemes/actions, in terms of activity/service delivery and expenditure. **Planned Care Board supported by Deputy COO, Deputy Director of Finance – End of November 2021.**
- **Develop** alternative opportunities to ensure allocated funding is fully utilised. **Planned Care Board supported by Deputy COO, Deputy Director of Finance – 10<sup>th</sup> December 2021.**
- **Agree** Urgent Emergency Care commitments and further actions aligned to Winter Plans – **UEC Board supported by Deputy COO, Deputy Director of Finance – End of November 2021.**

## Base Position

- **Review** all investment plans to identify areas of expenditure that can be expedited and other areas of expenditure to support longer term strategy and improve patient care. **CEO and DOF, supported by Service and Corporate Directors – 3<sup>rd</sup> December 2021.**
- **Action** that all recovery funds related to planned care and diagnostics are fully committed in 2021/22 – **COO, Deputy COO and Planned Care Board.**





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