

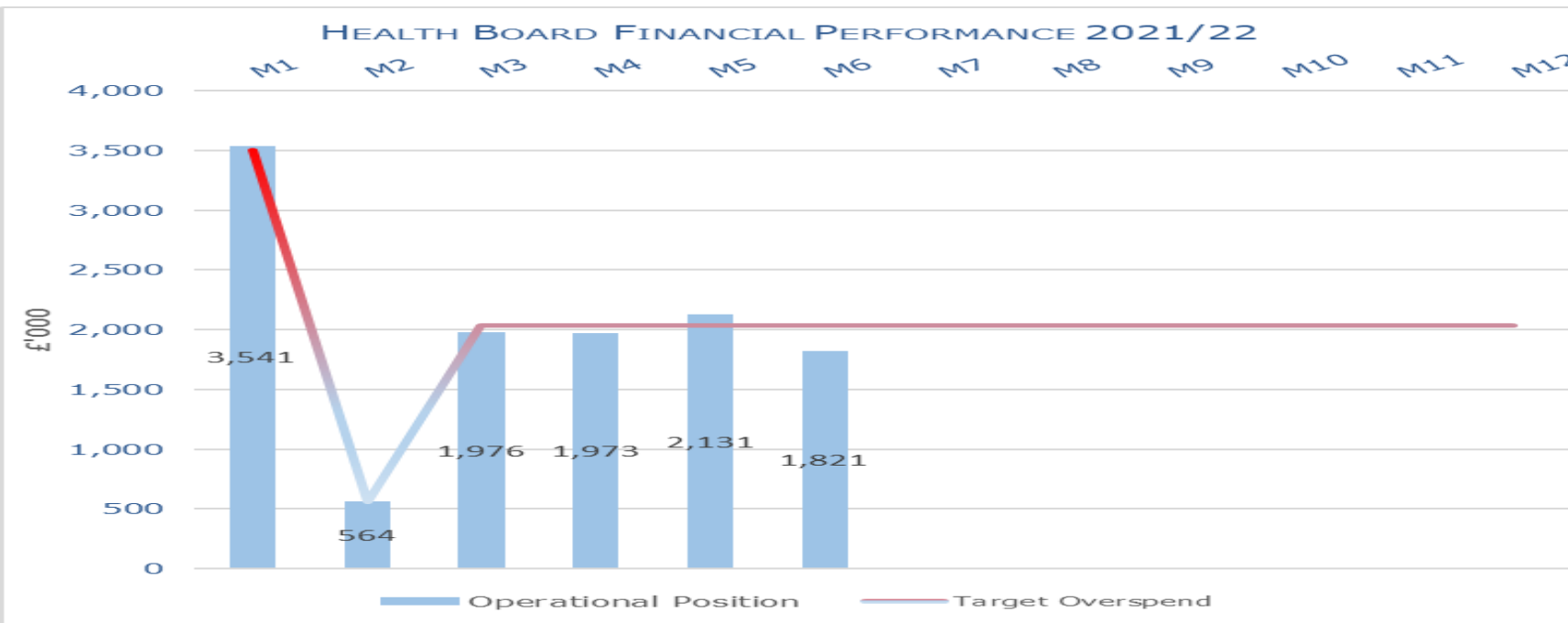


Swansea Bay UHB Month 6 Financial Performance 2021/22 Performance & Finance Committee 26th October 2021



Month 6 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	- 25,466	- 25,312	154	- 143,383	- 142,124	1,259
Pay	60,444	59,002	- 1,442	317,806	313,435	- 4,371
Non-Pay	57,646	58,743	1,097	334,374	337,412	3,038
Delegated Position	92,624	92,433	- 191	508,797	508,723	- 74
Corporate Plan	- 2,012		2,012	- 12,080	-	12,080
Total Position	90,612	92,433	1,821	496,717	508,723	12,006



- 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 £0.2m below the profile target, which reflects the benefits afforded on the application of pay inflation funding on vacant posts, which has been partially offset by increasing expenditure on clinical supplies and services.
- The cumulative position is £12.006m overspend against a planned deficit of £12.202m, a difference of £0.196m.
- The table provides a summary of the position by income and expenditure type. Please note the income excludes WG Revenue Resource Limit.



Month 6 21/22 – Position by Service Group

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Cumulative
	In Month	In Month	In Month	In Month	In Month	In Month	Position
	£000	£000	£000	£000	£000	£000	£000
Service Groups							
Mental Health & LD	246	-129	19	-55	122	-66	137
Morrison	-110	-42	86	127	184	101	346
NPT & Singleton	21	-81	-78	25	1	52	-60
PC & Community	8	-1	-137	18	-17	-226	-355
Directorates							
Board Secretary	22	22	-6	29	1	3	71
Chief Operating Officer	387	-20	-410	-12	-24	86	7
Director of Strategy (excluding COVID)	-6	-4	5	-11	-4	3	-17
COVID	0	0	0	0	0	0	0
Director of Transformation	-6	-14	-8	-14	-14	-9	-65
Finance	-2	-1	-3	-5	-4	-51	-66
Digital	-3	-3	-29	-22	-35	-28	-120
Medical Director	9	17	18	-56	0	-15	-27
Nurse Director	-3	4	-2	-8	-16	-5	-30
Workforce & OD	12	13	-8	6	-24	8	7
Clinical Medical School	-20	0	-13	-25	-18	-20	-96
Research & Development	-27	0	27	0	0	0	0
Corporate I&E	-38	239	44	-58	42	-57	172
Delegated Budget Position	490	0	-495	-61	194	-224	-96
Corporate Plan	3,056	554	2,494	2,030	1,934	2,012	12,080
							0
Hosted Services							
Delivery Support Unit	-5	11	-23	4	3	33	23
EMRTS	0	0	0	0	0	0	0
Health Board Position	3,541	565	1,976	1,973	2,131	1,821	12,007

- 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 MHLD.*
- The Service Groups have benefited from the impact of pay award funding on vacant posts, which has partially been offset by increased clinical consumable spends.
- This analysis highlights :
 - PCC – around £140k of backdated funding support for Long COVID and Gorseinon surge capacity
 - COO – significant increase in agency spend, which is under review, partly poor process control.

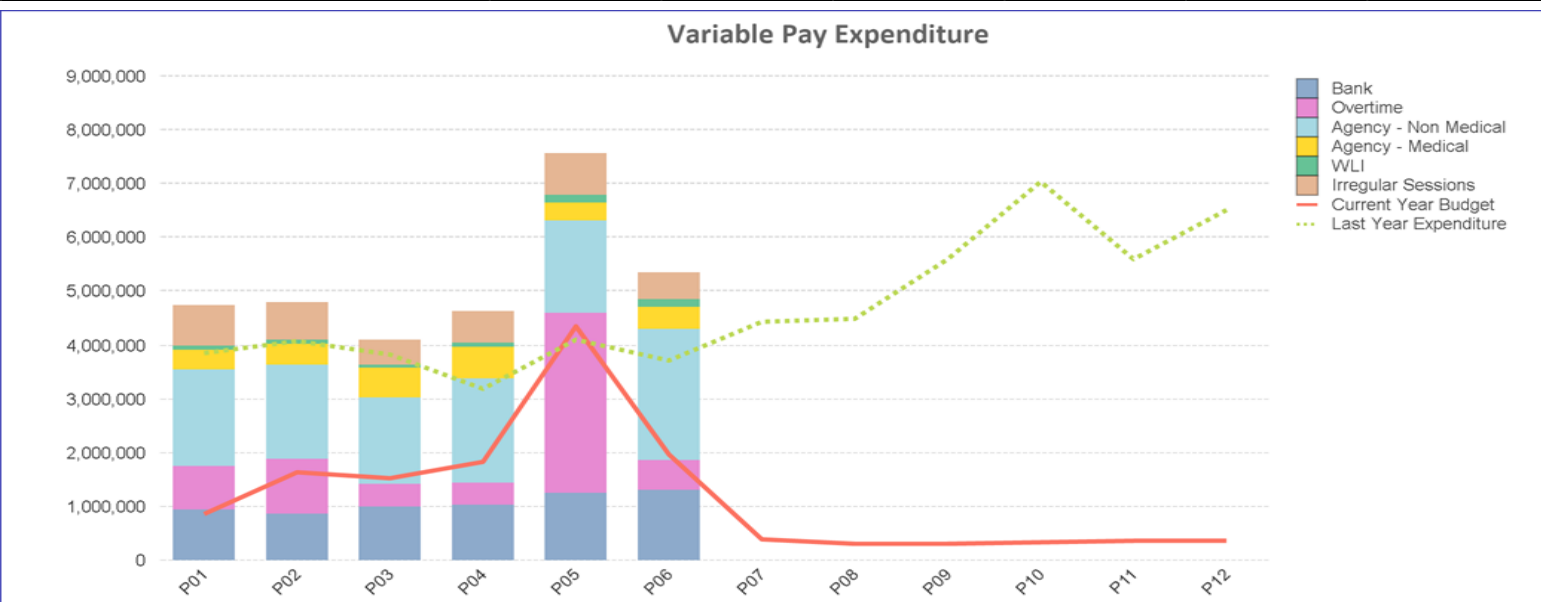
Income

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	- 92,395	- 92,395	-	- 526,577	- 526,577	-
Income from Activities	- 22,913	- 22,798	115	- 125,924	- 125,205	719
Other Income	- 2,553	- 2,514	39	- 17,459	- 16,919	540
Total Income	- 117,861	- 117,707	154	- 669,960	- 668,701	1,259

- The cumulative income budget to Month 6 is £669.960m.
- The actual income achieved in this period is £668.701m.
- There is an under-achievement of income of £1.259m.
- 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

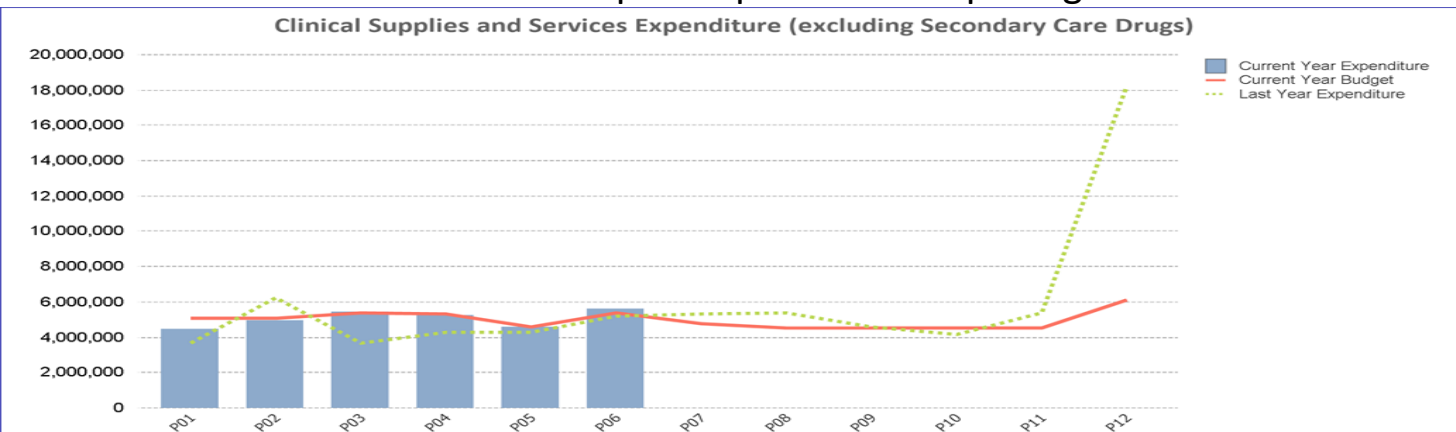
Workforce	Budget	Actual	Variance	Budget	Actual	Variance
	In Month	In Month	In Month	Cumulative	Cumulative	Cumulative
	£000	£000	£000	£000	£000	£000
A&C	8,888	8,316	- 572	45,581	43,406	- 2,175
APST	2,147	2,033	- 114	11,364	10,665	- 699
AHP	4,282	3,978	- 304	22,050	20,503	- 1,547
HCS	1,891	1,817	- 74	9,981	9,536	- 445
ACS (Exlcuding HCSW)	1,805	1,727	- 78	9,865	9,537	- 328
M&D	14,315	13,844	- 471	75,197	75,661	464
Nursing (including HCSW & Students)	24,218	24,102	- 116	128,144	127,535	- 609
E&A	3,203	3,185	- 18	16,969	16,592	- 377
VF	- 304		304	- 1,345	-	1,345
Total Workforce	60,445	59,002	- 1,443	317,806	313,435	- 4,371



- The table provides an analysis of the workforce position by staff group.
- This workforce position has reported an increased level of underspend in this period. This increased underspend is due to the application of 3% pay award funding to all recurrent establishments, however due to vacancy levels an element of this funding will not have incurred additional cost as the uplift. The impact of this is estimated to be around £0.5m.
- Medical staff budgets have underspend in month due to the vacancy impact on pay award funding. However it should be highlighted that medical variable pay in Month 6 was the lowest reported in this financial year.
- Non-medical agency costs were significantly higher in month 6. This was in registered nursing, healthcare scientists and estates and ancillary staff groups.
 - Registered nursing position is a combination of overall increasing usage, with much of the usage being more expensive off-contract agency and also increasing levels of late bookings which impact on accounting periods.
 - Estates and ancillary position is being explored further, although there appears to be some reduction in bank usage in this staff group.
 - Healthcare scientists increased usage reflects additional capacity and is supported by funding

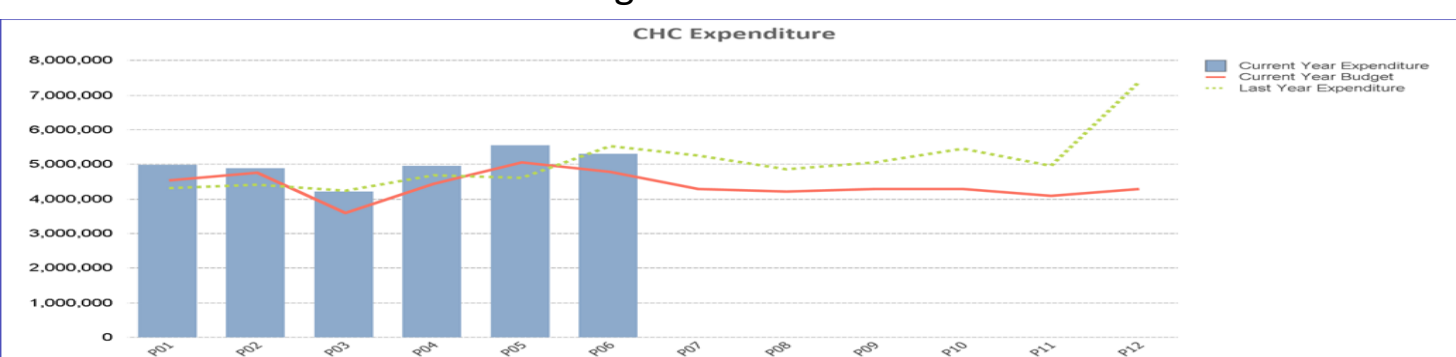
Non Pay

- Clinical consumable budgets are underspent due to activity restrictions. This month has however seen an overspend as the level of activity has increased and there are upward pressures on pricing.



Compared to Pre COVID	Compared to Pre COVID	
	August	September
InPatient_Elective	77%	86%
InPatient_Emergency	89%	89%
InPatient_Transfer	65%	59%
Daycase	66%	72%
RDA	110%	64%
New Att	65%	73%
FU Att	52%	61%
OPP	50%	54%
POA	73%	74%
ED Att	103%	105%

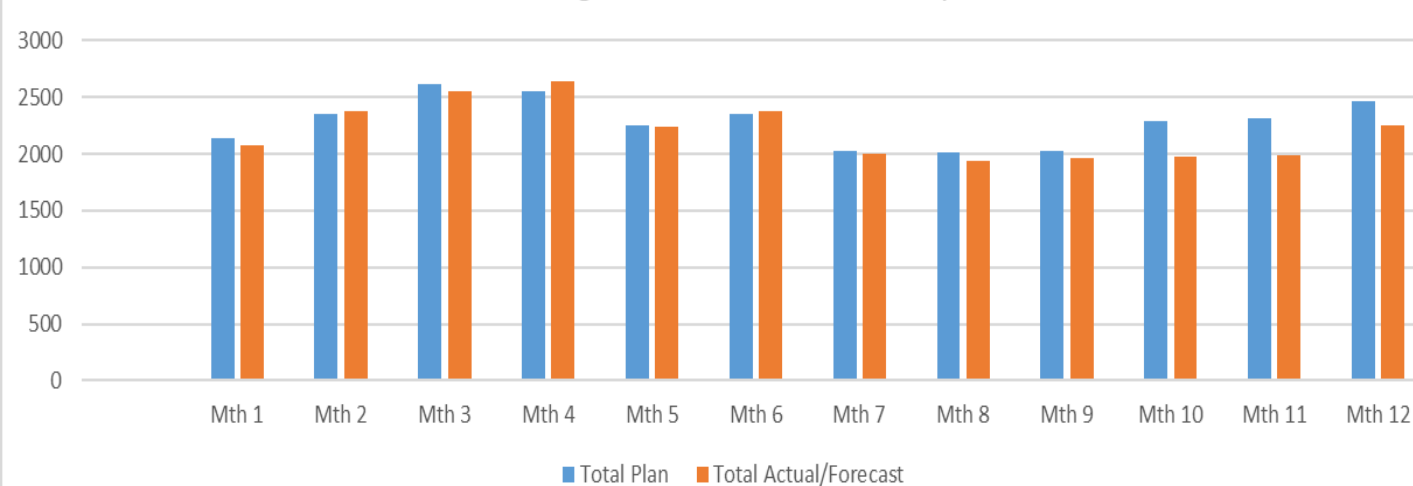
- ChC expenditure is an area of cost pressure, with expenditure running above budget. The key driver of this is MH and LD ChC, where significant growth in high cost packages of care from 2019/20 is being experienced. The initial cost pressure has been mitigated through other recurrent and non-recurrent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



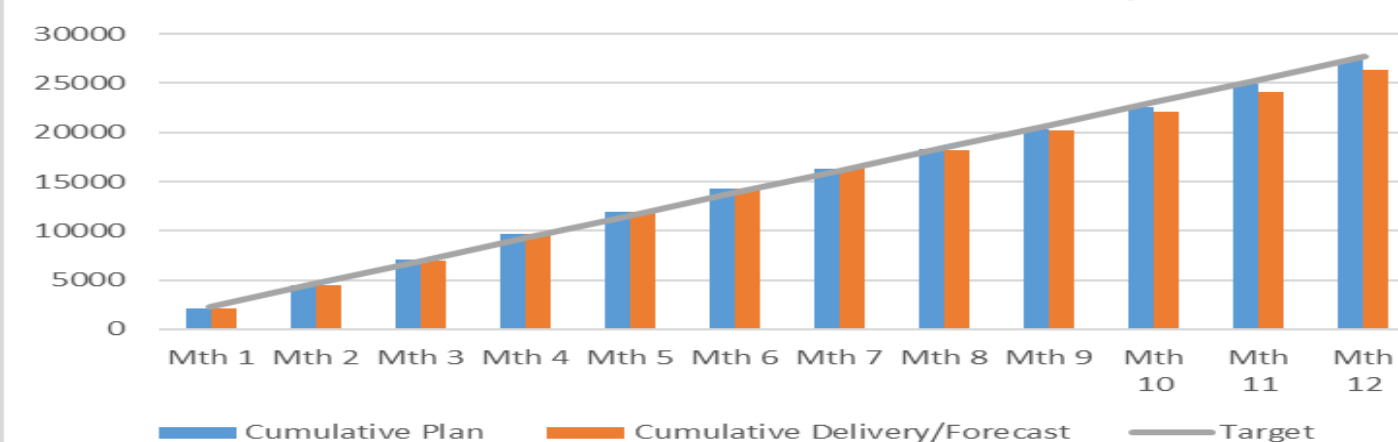
ChC Case Numbers	General	MH	LD
Apr-19	347	135	169
Mar-20	358	141	180
Mar-21	355	152	196
May-21	358	155	196
Jun-21	371	159	198
Jul-21	374	158	198
Aug-21	363	158	197
Sep-21	355	157	200

Savings Profile

Savings Plan vs Forecast Delivery



Cumulative 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 £27.369m, however there is some slippage forecast against these schemes, reducing the forecast delivery to £26.356m.
- The first 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 second graph provides a cumulative view of savings plans and forecast delivery against the target requirement.
- The current reported slippage will be able to be offset by non-recurrent investment slippage. However all service groups and directorates must continue to seek further opportunities both recurrent and non-recurrent.
- 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. Further work on bed modelling is being undertaken.

COVID Expenditure

	YTD Spend	Forecast Spend
	£000	£000
Testing	1,838	3,524
Tracing	5,559	12,972
Vaccination	7,255	13,265
Extended Flu	-	1,160
Cleaning Standards	1,184	2,366
Recovery	6,663	22,554
Long COVID	-	635
Urgent Emergency Care	862	862
Sustainability :		
Primary Care Prescribing	3,049	5,773
PPE	2,293	5,143
Care Homes	1,480	2,227
Staffing	15,055	28,455
Other Non Pay/Income Loss	5,288	10,969
	50,526	109,905

- 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 and £0.127m for community health checks for chronic conditions. The Health Board has been advised of additional indicative allocations for cancer, ophthalmology, dermatology and supporting patients whilst waiting, these have not been included until the proposals are agreed by WG.
- It is anticipated that the £109.9m is fully met by WG funding in 2021/22. Much of this has now been confirmed reducing any potential risk.
- There are elements of the costs that are likely to have longer term impacts eg changes to primary care prescribing practices, PPE and Cleaning Standards, extended flu. These will need to be considered as part of ongoing financial plans alongside WG policy.
- In addition, the sustainability staffing and other non-pay, includes expenditure supporting additional capacity and changes to service models which will be challenging to reverse. This is likely to add pressure to future financial plans.

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	85,004	90,755	92,696	91,807	91,954	91,807	91,719	112,568	496,429	1,068,983
Capital Donation / Government Grant Income (Health Board only)	Actual/F'cast	0	0	0	0	0	0	0	0	0	0	0	421	0	421
Welsh NHS Local Health Boards & Trusts Income	Actual/F'cast	8,481	8,513	8,909	8,929	8,584	8,912	8,572	8,572	8,572	8,572	8,572	8,572	52,328	103,761
WHSSC Income	Actual/F'cast	9,622	9,645	9,764	9,725	9,726	11,868	9,793	9,793	9,793	9,793	9,793	9,793	60,350	119,106
Welsh Government Income (Non RRL)	Actual/F'cast	595	624	689	487	577	597	574	574	574	574	574	574	3,568	7,010
Other Income	Actual/F'cast	3,607	3,066	5,297	3,428	3,146	3,010	3,197	3,197	3,197	3,197	3,197	3,197	21,554	40,734
Income Total		99,372	102,813	103,098	106,768	107,036	115,143	114,831	113,942	114,089	113,942	113,854	135,125	634,229	1,340,015
Primary Care Contractor (excluding drugs, including non resource limited expenditure)	Actual/F'cast	9,189	9,666	9,335	11,800	10,202	9,823	11,346	9,538	9,538	9,538	9,538	11,431	60,015	120,943
Primary Care - Drugs & Appliances	Actual/F'cast	7,047	6,556	6,582	6,593	6,805	6,415	6,833	6,833	6,833	6,833	6,833	6,833	39,998	80,994
Provided Services - Pay	Actual/F'cast	49,002	49,071	48,377	49,140	50,532	57,540	51,991	52,772	52,770	53,176	53,261	53,158	303,662	620,791
Provider Services - Non Pay (excluding drugs & depreciation)	Actual/F'cast	9,733	8,893	11,533	10,914	10,885	11,726	12,405	12,430	12,467	12,368	12,359	22,756	63,685	148,469
Secondary Care - Drugs	Actual/F'cast	5,939	7,084	5,482	6,510	6,037	6,506	7,063	7,063	7,063	7,063	7,063	7,063	37,560	79,942
Healthcare Services Provided by Other NHS Bodies	Actual/F'cast	13,356	13,411	13,509	14,268	14,689	14,865	14,080	14,080	14,080	14,080	14,080	14,276	84,097	168,774
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	5,108	5,522	4,969	4,902	4,969	4,969	4,768	4,970	31,175	60,722
Other Private & Voluntary Sector	Actual/F'cast	555	588	667	807	929	825	1,831	1,829	1,829	1,830	1,830	2,012	4,371	15,532
Joint Financing and Other	Actual/F'cast	988	970	800	1,105	1,162	1,163	3,799	3,799	3,799	3,799	3,799	12,371	6,188	37,556
Losses, Special Payments and Irrecoverable Debts	Actual/F'cast	44	146	249	107	433	192	(21)	184	184	184	184	184	1,170	2,071
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	2,328	2,328	2,328	2,328	2,328	2,328	2,328	2,328	13,967	27,933
AME Donated Depreciation/Impairments	Actual/F'cast	45	45	121	21	58	58	58	58	58	58	58	58	347	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	109,167	116,963	116,681	115,817	115,919	116,228	116,102	137,441	646,235	1,364,420
Net surplus/ (deficit)		(3,541)	(565)	(1,976)	(1,972)	(2,131)	(1,821)	(1,850)	(1,874)	(1,829)	(2,284)	(2,247)	(2,316)	(12,006)	(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
 - Monitor the impact of the actions agreed at the CEO led medical staffing meetings
 - Review vacancies and reduce costs in overall medical staff establishments by £2m recurrent
- Nursing
 - Monitor performance against expenditure reduction plans through scrutiny panels.
 - Executive Nurse Director to prepare plans with Service Group Nurse Directors to reduce costs
 - Review vacancies and reduce costs in overall nursing staff establishments by £2m recurrent
- 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)
 - Ongoing identification of savings pipeline and delivery of planned savings, including 50% of 2022/23 anticipated savings target by end of September. This will be reported to Management Board at the end of October. (All)Full report on 2021/22 savings delivery assurance to be produced by end of September (Director of Finance)
 - Review of bed modelling to support the agreement to core bed plan and alignment to recurrent efficiency opportunities.
- COVID
 - Review COVID response cost, exit strategies and assess potential ongoing impacts for review by the CEO – Service Directors and Corporate Directors by end of October.



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