

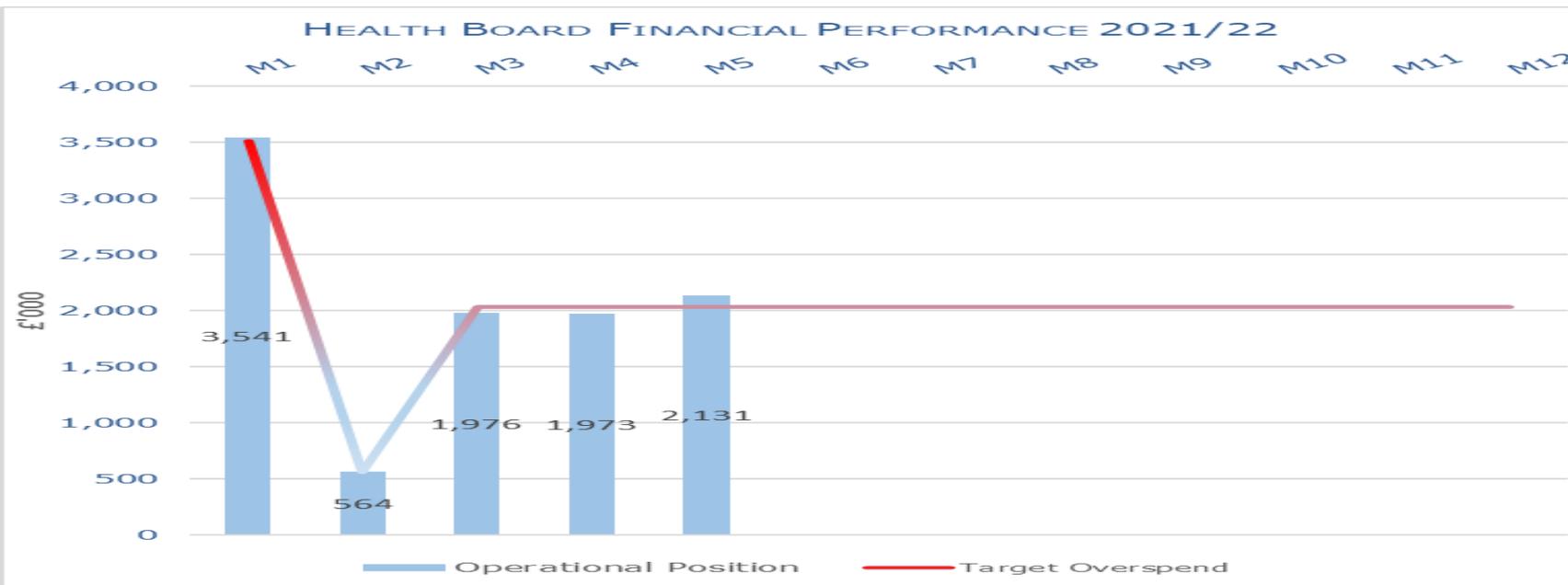


## Swansea Bay UHB Month 5 Financial Performance 2021/22 Performance and Finance Committee 28<sup>th</sup> September 2021



# Month 5 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	- 22,881	- 22,767	114	- 117,917	- 116,812	1,105
Pay	52,755	51,993	- 762	257,362	254,433	- 2,929
Non-Pay	57,128	57,973	845	276,728	278,669	1,941
<b>Delegated Position</b>	<b>87,002</b>	<b>87,199</b>	<b>197</b>	<b>416,173</b>	<b>416,290</b>	<b>117</b>
Corporate Plan	- 1,934	-	1,934	- 10,068	-	10,068
<b>Total Position</b>	<b>85,068</b>	<b>87,199</b>	<b>2,131</b>	<b>406,105</b>	<b>416,290</b>	<b>10,185</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 £0.1m above the profile target, which reflects some increasing pay and non-pay pressures.
- The cumulative position is £10.185m overspend against a planned deficit of £10.169m, a difference of £0.016m.
- The table provides a summary of the position by income and expenditure type. Please note the income excludes WG Revenue Resource Limit.

# Month 5 21/22 – Position by Service Group

	Month 1	Month 2	Month 3	Month 4	Month 5	Cumulative
	In Month	In Month	In Month	In Month	In Month	Position
	£000	£000	£000	£000	£000	£000
<b>Service Groups</b>						
Mental Health & LD	246	-129	19	-55	122	203
Morrison	-110	-42	86	127	184	245
NPT & Singleton	21	-81	-78	25	1	-112
PC & Community	8	-1	-137	18	-17	-129
<b>Directorates</b>						
Board Secretary	22	22	-6	29	1	68
Chief Operating Officer	387	-20	-410	-12	-24	-79
Director of Strategy (excluding COVID)	-6	-4	5	-11	-4	-20
COVID	0	0	0	0	0	0
Director of Transformation	-6	-14	-8	-14	-14	-56
Finance	-2	-1	-3	-5	-4	-15
Digital	-3	-3	-29	-22	-35	-92
Medical Director	9	17	18	-56	0	-12
Nurse Director	-3	4	-2	-8	-16	-25
Workforce & OD	12	13	-8	6	-24	-1
Clinical Medical School	-20	0	-13	-25	-18	-76
Research & Development	-27	0	27	0	0	0
Corporate I&E	-38	239	44	-58	42	229
<b>Delegated Budget Position</b>	<b>490</b>	<b>0</b>	<b>-495</b>	<b>-61</b>	<b>194</b>	<b>128</b>
Corporate Plan	3,056	554	2,494	2,030	1,934	10,068
						0
<b>Hosted Services</b>						
Delivery Support Unit	-5	11	-23	4	3	-10
EMRTS	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>10,186</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 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. The anticipated position was an overspend of around £66k. The further deterioration reflects high levels of sickness and the impacts on variable pay.
  - Morrison increasing overspend reflects reductions in non-pay underspends linked to service activity limitations and escalating prices and increasing pressures on pay budgets, particularly medical and nursing.
  - Corporate plan position reflects the impact of WG anticipated funding for 2020/21 savings delivery impacts, including the release of £100k of investment slippage to partially mitigate operational pressures.



# Income

Income	Budget	Actual	Variance	Budget	Actual	Variance
	£000	£000	£000	£000	£000	£000
Revenue Resource Limit	- 84,367	- 84,367	-	- 434,182	- 434,182	-
Income from Activities	- 20,418	- 20,334	84	- 103,011	- 102,407	604
Other Income	- 2,463	- 2,433	30	- 14,906	- 14,405	501
<b>Total Income</b>	<b>- 107,248</b>	<b>- 107,134</b>	<b>114</b>	<b>- 552,099</b>	<b>- 550,994</b>	<b>1,105</b>

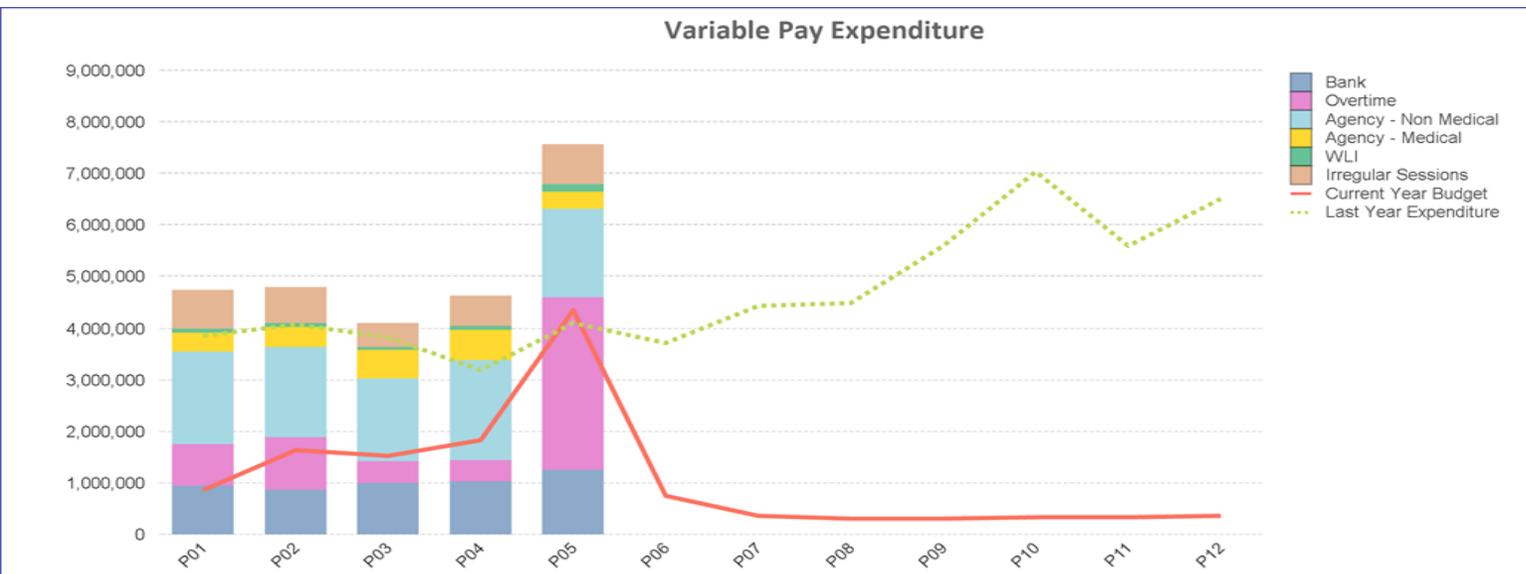
- The cumulative income budget to Month 5 is £552.099m.
- The actual income achieved in this period is £550.994m.
- There is an under-achievement of income of £1.105m.
- The key areas of under-achievement are dental, catering, rental and other patient related charges.
- It should be highlighted that 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

	Budget	Actual	Variance	Budget	Actual	Variance
	In Month	In Month	In Month	Cumulative	Cumulative	Cumulative
	£000	£000	£000	£000	£000	£000
A&C	7,614	7,205	- 409	36,693	35,090	- 1,603
APST	1,890	1,785	- 105	9,217	8,632	- 585
AHP	3,675	3,390	- 285	17,768	16,525	- 1,243
HCS	1,748	1,669	- 79	8,090	7,719	- 371
ACS (Exlcuding HCSW)	1,374	1,309	- 65	8,060	7,810	- 250
M&D	12,040	12,239	199	60,882	61,817	935
Nursing (including HCSW & Stude	21,729	21,636	- 93	103,926	103,431	- 495
E&A	2,813	2,760	- 53	13,766	13,407	- 359
VF	- 129		129	- 1,041	-	1,041
<b>Total Workforce</b>	<b>52,754</b>	<b>51,993</b>	<b>- 761</b>	<b>257,361</b>	<b>254,431</b>	<b>- 2,930</b>

- The table provides an analysis of the workforce position by staff group.
- This workforce position has continued to report an underspend in month, however the level of underspend has reduced, due to service pressures and increases in sickness.
- Medical staff budgets have continued to overspend.
- Variable pay costs have increased significantly by £3m in Month 5. However £2.816m of this relates to the arrears payment for the settlement of the overtime annual leave agreement. This £2.816m reflects a retrospective payment for the period October 2018 to March 2021. Further payments will be made in six month blocks during 2021/22. These costs have been covered by WG funding.
- The Health Board is incurring around £2.8m per month on COVID workforce response costs. These do not include the costs of staffing for TTP and Vaccination.



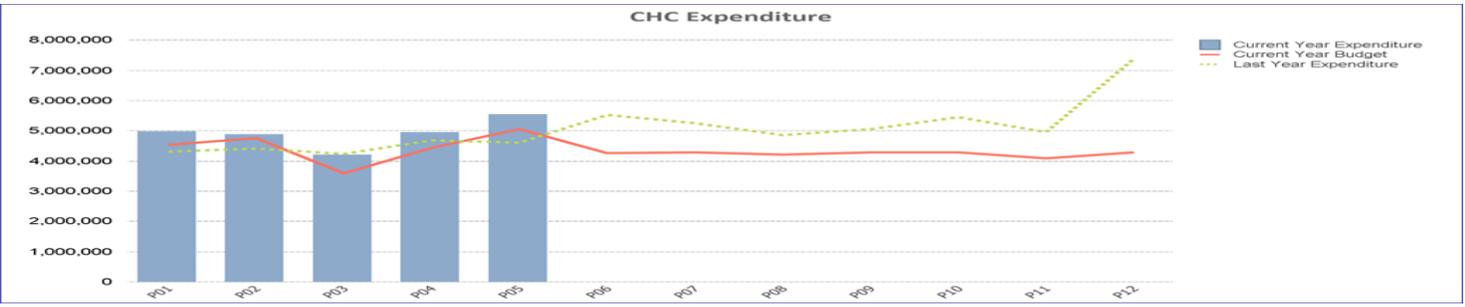
# Non Pay

- 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. There are also increased price issues being experienced.



Activity Comparison	Compared to Pre COVID	
	July	August
InPatient_Elective	76%	82%
InPatient_Emergency	88%	89%
InPatient_Transfer	71%	71%
Daycase	73%	70%
RDA	104%	76%
New Att	69%	69%
FU Att	57%	55%
OPP	53%	50%
POA	92%	79%
ED Att	106%	101%

- 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.



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
Aug-21	353	158	197

# 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%
<b>Total</b>	<b>27,700,000</b>	<b>20,434,611</b>	<b>10,878,567</b>	<b>31,313,178</b>	<b>3,613,178</b>	<b>32,281,738</b>	<b>113%</b>	<b>117%</b>
Less Reinvestment	-8,700,000			-1900000		-3227000		
<b>Net Savings Position</b>	<b>19,000,000</b>			<b>29,413,178</b>		<b>29,054,738</b>	<b>106%</b>	<b>105%</b>

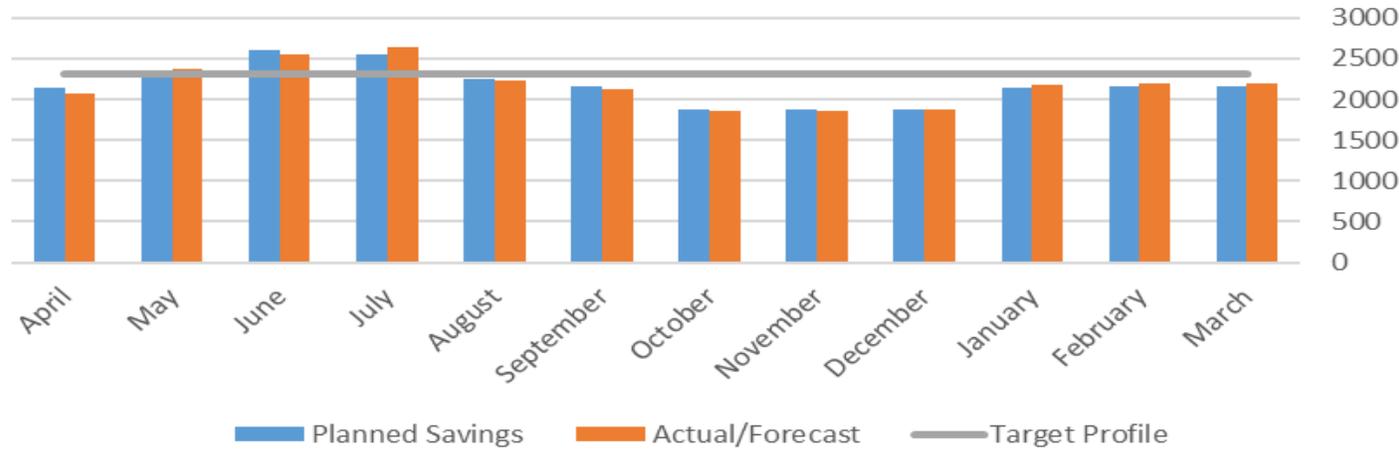
- The Health Board has a gross savings requirement of £27.7m of which £29.4m in-year savings have been identified. This £29.4m adjusts for a double count of bed savings between service groups.
- £3.3m of these identified savings are still classified as Red and as such have a high risk of non-delivery.
- 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. This is a priority for September.
- 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.
- A full update on both the in-year and recurrent savings position will be provided in early October.

Service Group/Directorate	Green	Amber	Red
Morrison	8,277,000	496,750	880,250
MH&LD	3,519,000	60,000	
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
<b>Total</b>	<b>23,849,178</b>	<b>2,236,750</b>	<b>3,327,250</b>



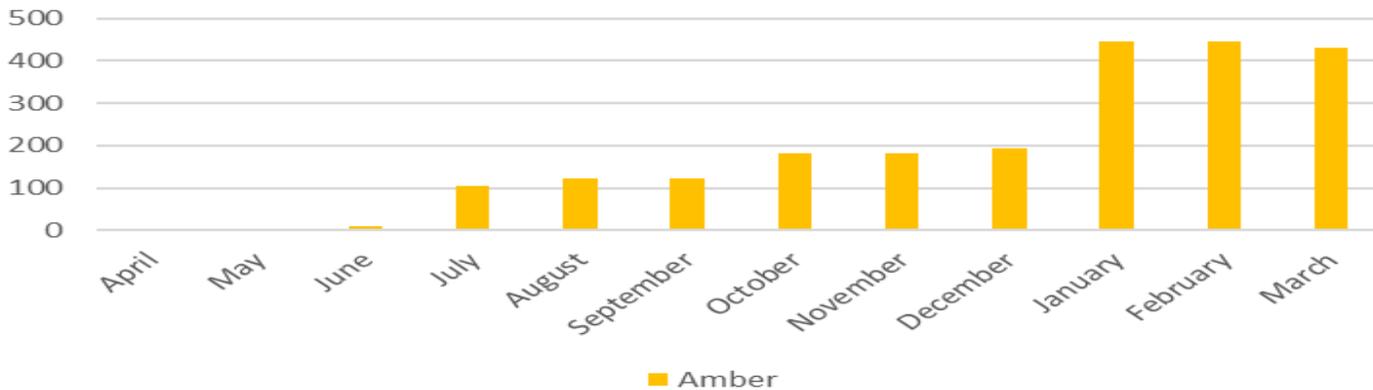
# Savings Profile

## 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 £27k delivery surplus.
- 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



# COVID Expenditure

	YTD Spend	Forecast Spend
	£000	£000
Testing	1,513	2,709
Tracing	4,485	13,568
Vaccination	6,385	12,520
Extended Flu	-	1,160
Cleaning Standards	960	2,304
Recovery	4,819	16,243
Long COVID	-	635
Sustainability :		
Primary Care Prescribing	2,595	5,773
PPE	1,798	5,073
Care Homes	1,240	3,060
Staffing	11,115	27,375
Other Non Pay/Income Loss	5,461	11,271
	<b>40,371</b>	<b>101,691</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.
- This forecast does not currently include the impact of the 3% pay award.
- The COVID Recovery costs only reflect the initial agreed funding at this point.
- It is anticipated that the £101.7m is fully met by WG funding in 2021/22.
- 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	100,694	87,824	87,086	87,187	87,618	87,494	109,198	405,673	1,052,771
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	8,572	8,572	8,572	8,572	8,572	8,572	8,572	43,416	103,421
WHSSC Income	Actual/F'cast	9,622	9,645	9,764	9,725	9,726	9,793	9,793	9,793	9,793	9,793	9,793	9,793	48,482	117,032
Welsh Government Income (Non RRL)	Actual/F'cast	595	624	689	487	577	574	574	574	574	574	574	574	2,971	6,986
Other Income	Actual/F'cast	3,607	3,066	5,297	3,428	3,146	3,197	3,197	3,197	3,197	3,197	3,197	3,197	18,544	40,920
<b>Income Total</b>		<b>99,372</b>	<b>102,813</b>	<b>103,098</b>	<b>106,768</b>	<b>107,036</b>	<b>122,829</b>	<b>109,958</b>	<b>109,221</b>	<b>109,322</b>	<b>109,753</b>	<b>109,629</b>	<b>131,754</b>	<b>519,086</b>	<b>1,321,550</b>
Primary Care Contractor (excluding drugs, including non resource limited expenditure)	Actual/F'cast	9,189	9,666	9,335	11,800	10,202	13,645	9,397	9,397	9,397	9,397	9,397	12,372	50,192	123,195
Primary Care - Drugs & Appliances	Actual/F'cast	7,047	6,556	6,582	6,593	6,805	6,766	6,766	6,766	6,766	6,766	6,766	6,766	33,583	80,943
Provided Services - Pay	Actual/F'cast	49,002	49,071	48,377	49,140	50,532	59,050	50,705	50,075	50,073	50,479	50,564	53,166	246,123	610,236
Provider Services - Non Pay (excluding drugs & depreciation)	Actual/F'cast	9,733	8,893	11,533	10,914	10,885	12,627	12,141	12,100	12,137	12,137	12,129	19,948	51,958	145,178
Secondary Care - Drugs	Actual/F'cast	5,939	7,084	5,482	6,510	6,037	6,345	6,339	6,339	6,339	6,339	6,339	6,341	31,053	75,436
Healthcare Services Provided by Other NHS Bodies	Actual/F'cast	13,356	13,411	13,509	14,268	14,689	14,325	14,325	14,325	14,325	14,325	14,325	14,521	69,233	169,700
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	5,034	5,041	4,974	5,041	5,041	4,840	5,042	25,652	60,666
Other Private & Voluntary Sector	Actual/F'cast	555	588	667	807	929	1,650	1,652	1,650	1,650	1,652	1,652	1,814	3,546	15,268
Joint Financing and Other	Actual/F'cast	988	970	800	1,105	1,162	3,002	3,002	3,002	3,002	3,002	3,002	11,430	5,025	34,469
Losses, Special Payments and Irrecoverable Debts	Actual/F'cast	44	146	249	107	433	(15)	184	184	184	184	184	184	978	2,069
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	2,384	2,346	2,346	2,346	2,346	2,346	2,346	11,638	28,101
AME Donated Depreciation/Impairments	Actual/F'cast	45	45	121	21	58	58	58	58	58	58	58	58	289	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
<b>Cost - Total</b>		<b>102,913</b>	<b>103,378</b>	<b>105,074</b>	<b>108,740</b>	<b>109,167</b>	<b>124,872</b>	<b>111,957</b>	<b>111,218</b>	<b>111,320</b>	<b>111,727</b>	<b>111,603</b>	<b>133,986</b>	<b>529,271</b>	<b>1,345,955</b>
<b>Net surplus/ (deficit)</b>		<b>(3,541)</b>	<b>(565)</b>	<b>(1,976)</b>	<b>(1,972)</b>	<b>(2,131)</b>	<b>(2,043)</b>	<b>(1,999)</b>	<b>(1,997)</b>	<b>(1,998)</b>	<b>(1,975)</b>	<b>(1,974)</b>	<b>(2,234)</b>	<b>(10,185)</b>	<b>(24,405)</b>

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)
  - Full report on 2021/22 savings delivery assurance to be produced by end of September (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)

