

SWANSEA BAY LHB FINANCE DEPT.

PERFORMANCE & FINANCE COMMITTEE – P12 FINANCE REPORT

Period 12 Data (March 2021)

Revenue		
Financial KPIs : To ensure that net operating costs do not exceed the revenue resource limit set by Welsh Government	Value £'000	Trend
Reported in-month financial position – deficit/(surplus)	1,972	↑
Reported year to date financial position – deficit/(surplus)	24,305	↑
Reported year to date compared to forecast financial plan deficit	-100	↓
Year End Forecast surplus/(deficit)	24,405	↔

Capital		
Capital KPIs: To ensure that costs do not exceed the Capital resource limit set by Welsh Government		
Current reported year end forecast – deficit/(surplus)	(28)	↑
Reported in-month financial position – deficit/(surplus)	(28)	↑

PSPP		
PSPP Target : To pay a minimum of 95% of all non NHS creditors within 30 days of receipt of goods or a valid invoice	Value %	Trend
Cumulative year to date % of invoices paid within 30 days (by number)	93.89	↑

Revenue

- The Health Board forecast a deficit year-end position of £24.405m. This was aligned to the Health Board initial plan for 2020/21.
- The Health Board finalised year-end position was a deficit of £24.305m, which is £0.1m below the forecast.
- This position must be considered a draft final position at this point as it remains subject to audit.

PSPP

- The number of invoices paid within 30 days in March again exceeded the 95% target with in month performance being 96.38%. This continued the improvement of recent months with December being 93.63%, January 94.62% and February 96.26%.
- The March performance increased the cumulative compliance for the year from 93.58% at the end of February to 93.89% at the end of March. However, the poor performance earlier in the financial year has meant that despite the improved performance in recent months it was not possible to achieve a cumulative compliance of 95% for the 2020/21 financial year.

Capital

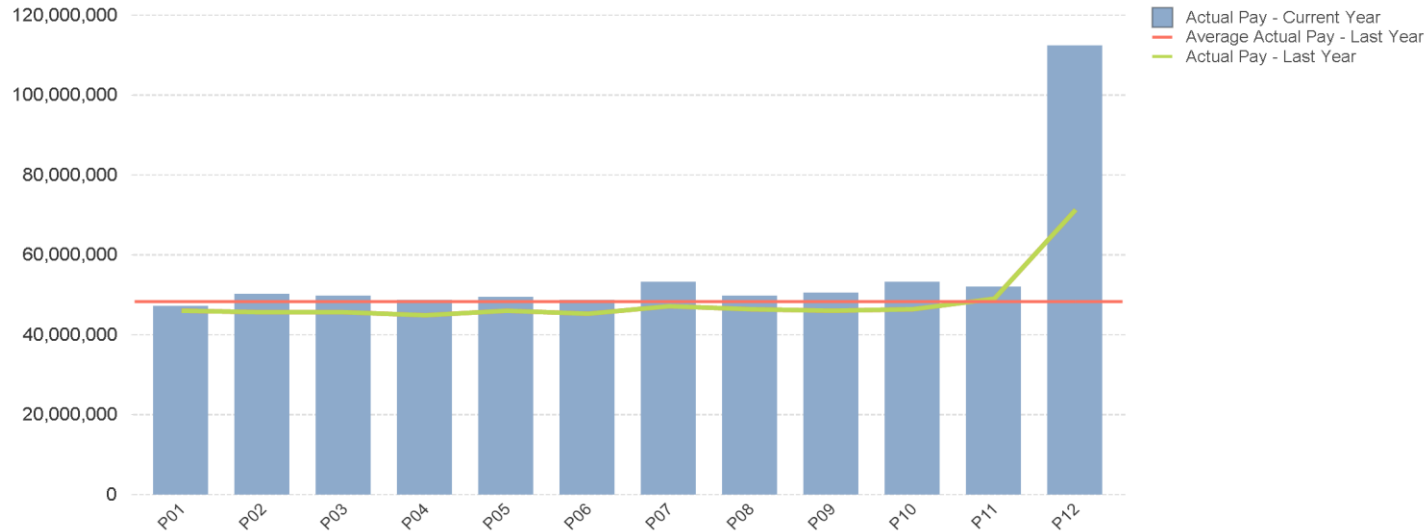
- Approved CRL value for 20/21 issued on 12/03/21 is £47.984m which includes Discretionary Capital and the schemes under the All Wales Capital Programme.
- Underspend for the year relates to a combination of factors. The net impact was a small closing underspend of £28k.

OUR P12 FINANCIAL PERFORMANCE AT SDU LEVEL 2020/2021

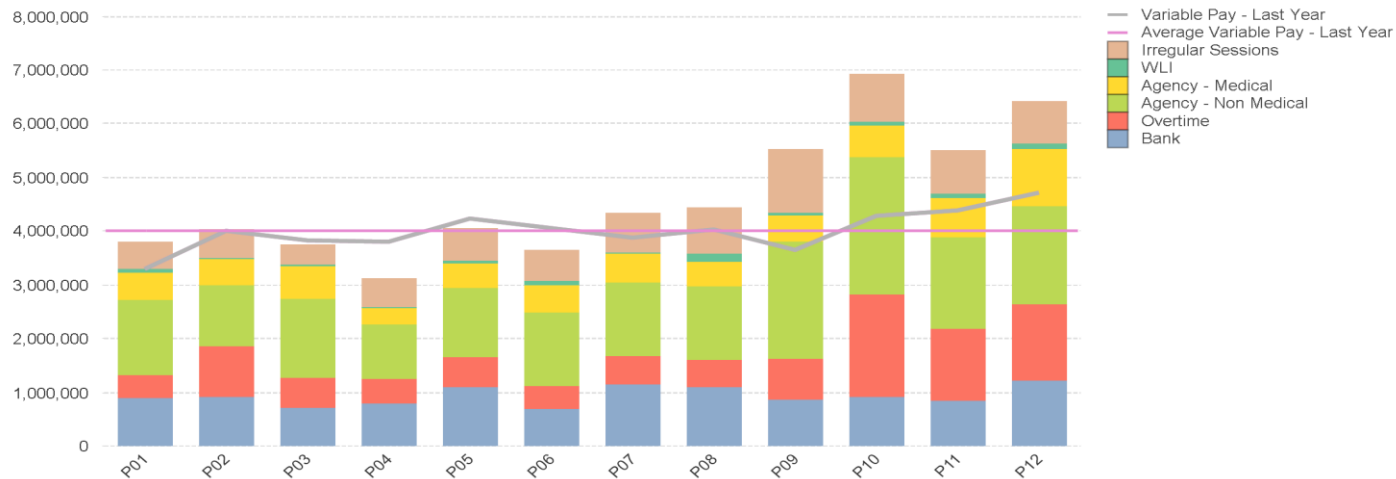
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Cumulative
	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	Position
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Service Groups													
Mental Health & LD	192	294	18	449	323	349	385	482	£000	455	238	730	4,376
Morrison	-286	77	226	806	955	1,282	1,873	1,501	0	2,154	2,324	2,797	15,189
NPT & Singleton	509	779	1,203	1,140	1,551	1,014	945	1,503	1,283	1,762	901	1,710	14,702
PC & Community	308	93	-109	568	501	221	710	531	1,480	263	323	-300	3,544
Directorates													
Board Secretary	15	21	29	27	28	30	15	29	0	26	-13	66	311
Chief Operating Officer	-102	95	-60	111	98	84	171	214	0	226	336	668	1,973
Director of Strategy (excluding COVID)	1	8	-6	22	24	-44	8	-31	38	-18	-8	-78	-119
COVID	2,047	6,176	-3,314	-969	1,620	151	787	874	132	538	327	1,014	11,042
Director of Transformation	6	12	23	25	20	28	28	33	3	-43	-6	-254	-99
Finance	5	-1	-3	7	2	-3	-58	-5	1,791	-16	-19	-143	-237
Digital	153	218	172	-38	105	114	105	15	29	-163	-64	-332	-18
Medical Director	23	34	16	72	11	-78	11	14	-3	10	6	-368	-244
Nurse Director	9	17	9	18	16	10	10	-3	-303	-4	-55	-140	-61
Workforce & OD	98	217	145	148	24	82	81	25	5	15	48	-85	822
Clinical Medical School	-31	-14	-14	-15	-4	-26	10	1	52	-42	-49	34	-162
Research & Development	0	0	37	13	13	12	13	12	24	13	12	58	196
Corporate I&E	97	143	255	373	227	210	302	139	-12	201	424	641	2,864
Delegated Budget Position	3,044	8,169	-1,373	2,757	5,514	3,436	5,396	5,334	4,519	5,359	4,725	6,018	54,079
Corporate Plan	2,367	2,079	2,077	2,078	2,077	-19,303	-3,362	-3,415	5,700	-3,474	-2,932	-3,523	-29,083
													0
Hosted Services													
Delivery Support Unit	-15	-15	-5	-35	-9	-35	-18	-8	0	10	-35	-93	-262
EMRTS	0	0	0	1	0	0	0	0	0	0	0	-430	-429
Health Board Position	5,396	10,233	699	4,801	7,582	-15,902	2,016	1,911	10,219	1,895	1,758	1,972	24,305

- The year-end position was broadly aligned to forecast.
- There key area of movement was in EMRTS where a significant underspend arose late in the year. This is a hosted service and as such EASC as the service commissioners were informed of the underspend, but the HB were advised to retain this underspend within our HB position.

Actual Pay Expenditure This Year and Last Year

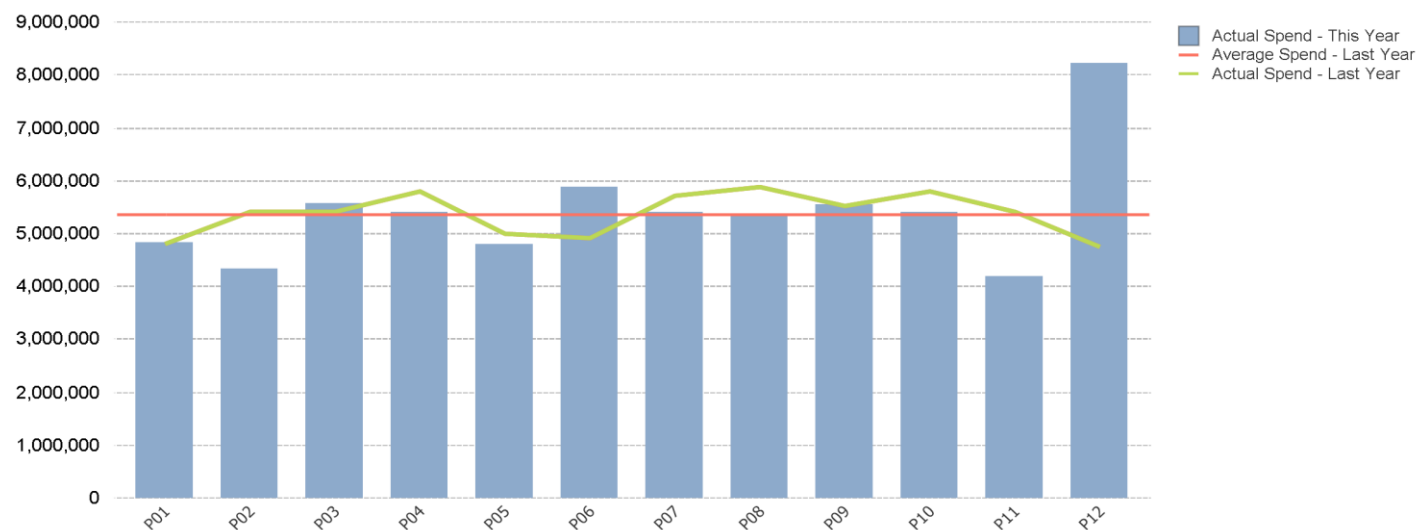


Variable Pay Expenditure This Year and Last Year



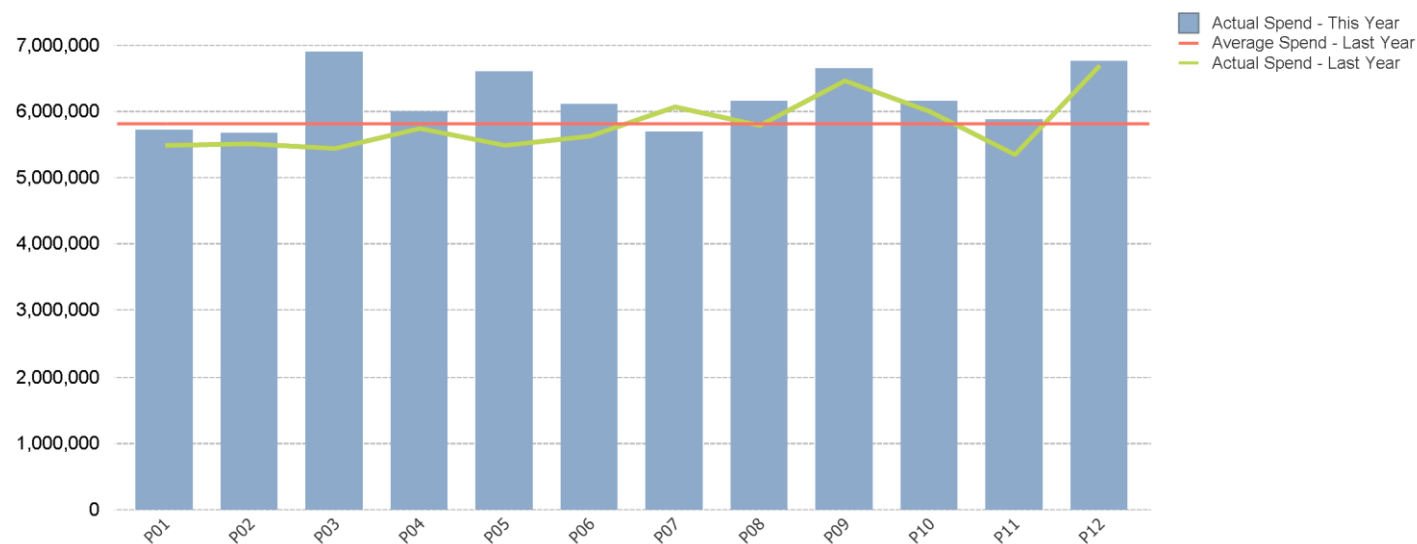
- The actual pay expenditure trend is skewed by a number of year-end events for which the Health Board has received funding. These include :
 - Annual Leave £14m
 - Bonus Pay £15m
 - Pension 6.3% £25m
- The overall pay position outside of these year-end events was aligned to forecast.
- Variable pay was high across most pay elements. This reflects significant variable pay deployment to support vaccination programme, along with the drive to ensure all costs are accounted for at year end.

Secondary Care Drugs Trend Analysis



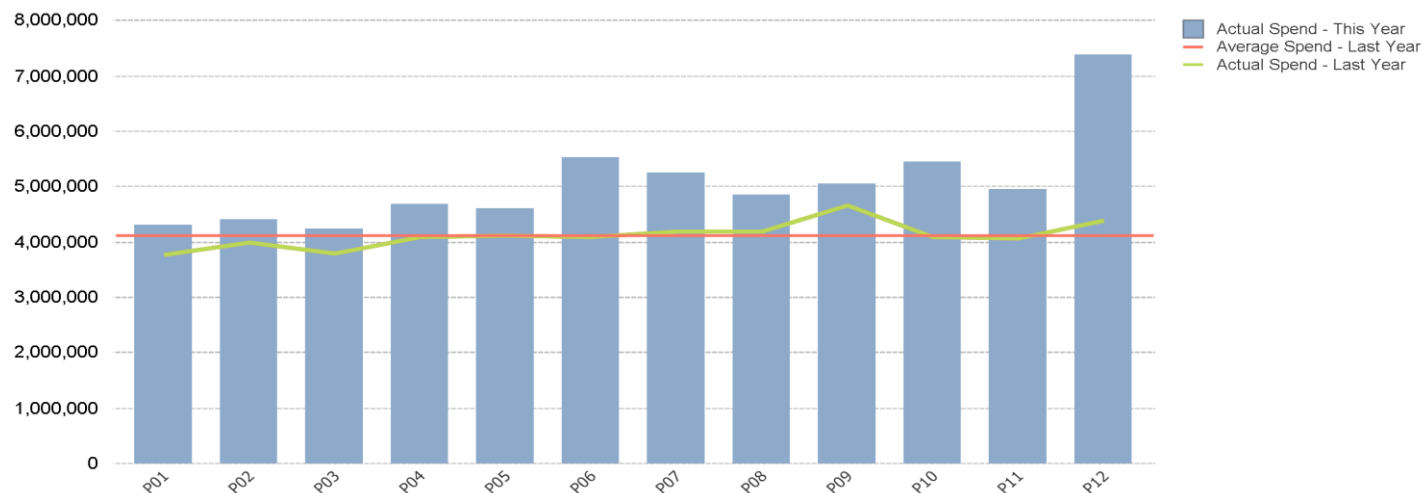
- Secondary care drugs costs were exceptionally low in February and were expected to increase to reflect the increase in service provision.
- The key increases were in oncology, haematology, dermatology and gastroenterology.
- The increase also reflects cyclical cost impact of homecare drugs
- The overall spend on secondary care drugs remained below the forecast spend for the year due to activity restrictions.

Primary Care Drugs Trend Analysis

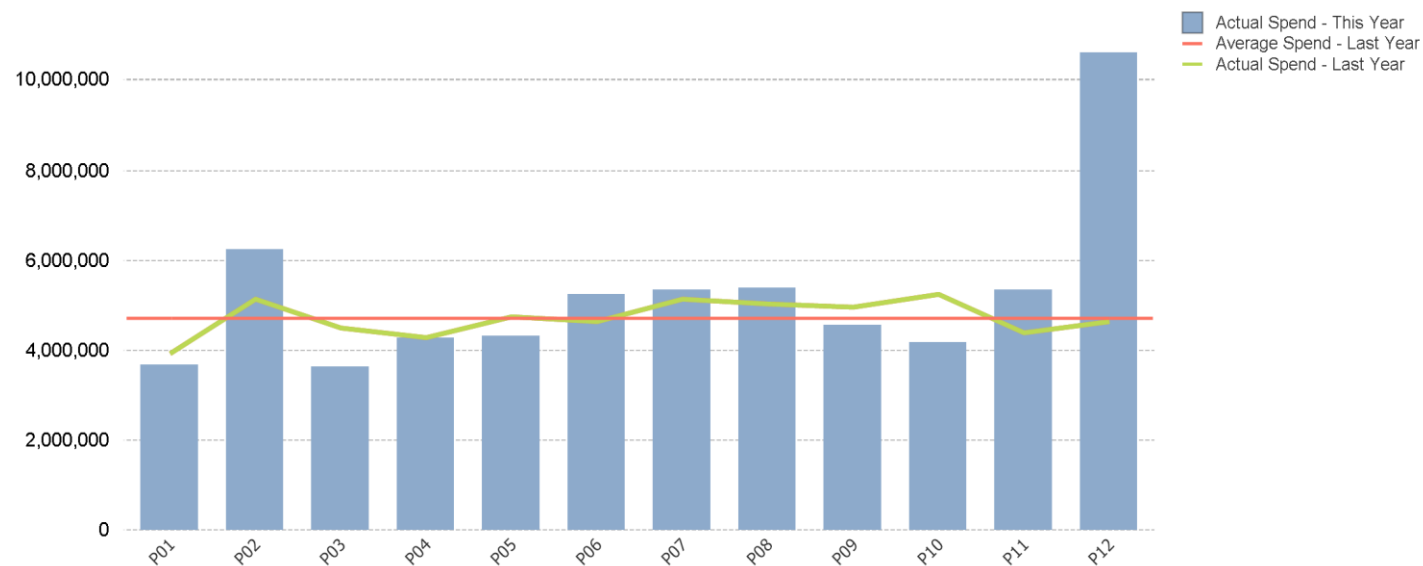


- As Primary Care prescribing data has a two month reporting lag. The latest data reflects actual costs to the end of January, which are then used to forecast costs for the following two months.
- There is significant growth in items such as DOACs and diabetes prescribing coupled with the ongoing impact of price concessions, which has driven primary care prescribing costs this year. These are expected to continue into the next financial year.

CHC Trend Analysis



Clinical Supplies and Services Trend Analysis (excluding Secondary Care Drugs)



- The increase in ChC expenditure in March, reflects the inclusion of a number of disputed cases and the provision of outstanding costs which have been included in the year-end position.
- General CHC numbers are starting to increase from the low point in January, however the case numbers are still lower than those in March 2020.
- Growing pressures have however continued to be experienced on MH and LD case numbers and complexity.
- The increase in Clinical Supplies costs reflects usual year-end expenditure profiling and reductions in stock holding. This level of increase was included in the HB forecast.

	Annual Plan	Forecast Annual Delivery	Forecast Slippage	Forecast Delivery
	£000	£000	£000	%
ChC	550	120	430	22%
Commissioned Services	99	-	99	0%
Medicines Management	2,084	1,041	1,043	50%
Non Pay	7,487	1,553	5,934	21%
Pay	12,532	3,614	8,918	29%
Income Generation	248	77	171	31%
Total	23,000	6,405	16,595	28%

Narrative

- The Health Board financial plan identified a requirement to deliver £23m savings.
- At the start of the financial year around £13m of plans were considered green or amber, which the remaining £10m planned but not sufficiently progressed to be considered green and amber.
- The COVID19 pandemic has clearly impacted on the delivery and development of savings.
- The Health Board savings delivery for 2020/21 is £6.405m which is 28% of the planned savings requirement.
- The full year effect of the 2020/21 savings is £5.3m, which gives a recurrent savings shortfall of £17.7m.
- Whilst the pandemic has impact significantly on savings delivery in 2020/21, it is crucial that work commences to enable savings to be identified, planned and delivered during 2021/22. The key themes and opportunities identified within the KPMG report are still relevant and provide a solid base on which plans can be developed.

2021/22 Savings Progress Update

Service Group/Directorate	General CIP	Efficiency Target	Total Target	In Year Recurrent	In Year Non Recurrent	Total Planned	Variance	Full year Recurrent	In Year %	Full Year Recurrent %
Morrison	2,889,389	6,392,773	9,282,162	6,385,000	1,436,000	7,821,000	-1,461,162	8,529,000	84%	92%
MH&LD	1,065,707	2,357,876	3,423,583	1,897,000	1,668,000	3,565,000	141,417	3,158,000	104%	92%
NPT & Singleton	1,949,152	4,312,498	6,261,650	3,847,000	2,422,000	6,269,000	7,350	7,563,000	100%	121%
Primary and Community	973,515	2,153,902	3,127,417	2,962,000	238,000	3,200,000	72,583	4,485,000	102%	143%
Nurse Director	39,457	87,299	126,757	9,000	59,000	68,000	-58,757	9,000	54%	7%
Medical Director	10,733	23,748	34,481			-	-34,481		0%	0%
Workforce & OD	77,898	172,350	250,249	19,000		19,000	-231,249	19,000	8%	8%
Digital Services	169,997	376,119	546,116	177,000	100,000	277,000	-269,116	185,000	51%	34%
Finance	62,503	138,288	200,791	92,000	89,000	181,000	-19,791	92,000	90%	46%
Board Secretary	37,109	82,103	119,211	50,000	38,000	88,000	-31,211	95,000	74%	80%
Chief Operating Officer	681,939	1,508,790	2,190,729	4,000		4,000	-2,186,729	4,000	0%	0%
Transformation	10,049	22,234	32,283	1,000	32,000	33,000	717	1,000	102%	3%
Strategy	32,552	72,021	104,572	80,000	20,000	100,000	-4,572	80,000	96%	77%
Non-Recurrent	1,000,000	-	1,000,000		1,000,000	1,000,000	0	-	100%	0%
Medicines Management	1,000,000	-	1,000,000	1,000,000		1,000,000	0	1,000,000	100%	100%
Total	10,000,000	17,700,000	27,700,000	16,523,000	7,102,000	23,625,000	-4,075,000	25,220,000	85%	91%
Less Reinvestment			-8,700,000			-1900000		-3227000		
Net Savings Position			19,000,000			21,725,000		21,993,000	78%	79%

- Gross savings target £27.7m
- Savings trackers are showing £23.625m for 2021-22 and £25.220m full year recurrent. This equates to 85% and 91% respectively.
- There is however a double count of savings on the trackers as PCCT have included a one third share of bed efficiency savings that are included in Morrison and NPT Singleton.
- The overstatement is £1.9m in 2021-22 and £3.227m full year recurrent.
- The net savings are therefore £21.725m in 2021-22 and £21.993m full year recurrent. This equates to 78% and 79% respectively.
- The four service groups combined have identified 86% of service target in-year and 90% full year recurrent.
- Further work is required on corporate directorates, particularly COO.

- The Health Board forecast year-end position was a deficit of £24.405m, this is aligned to the pre-COVID planned deficit.
- **The Health Board reported a year-end deficit of £24.305m, which was £0.1m below the forecast position.**
- **The year-end cash position was a balance of £1.164m which is in line with the WG target.**
- **The Health Board has reported a £28k underspend against the £48.1m capital resource limit.**