



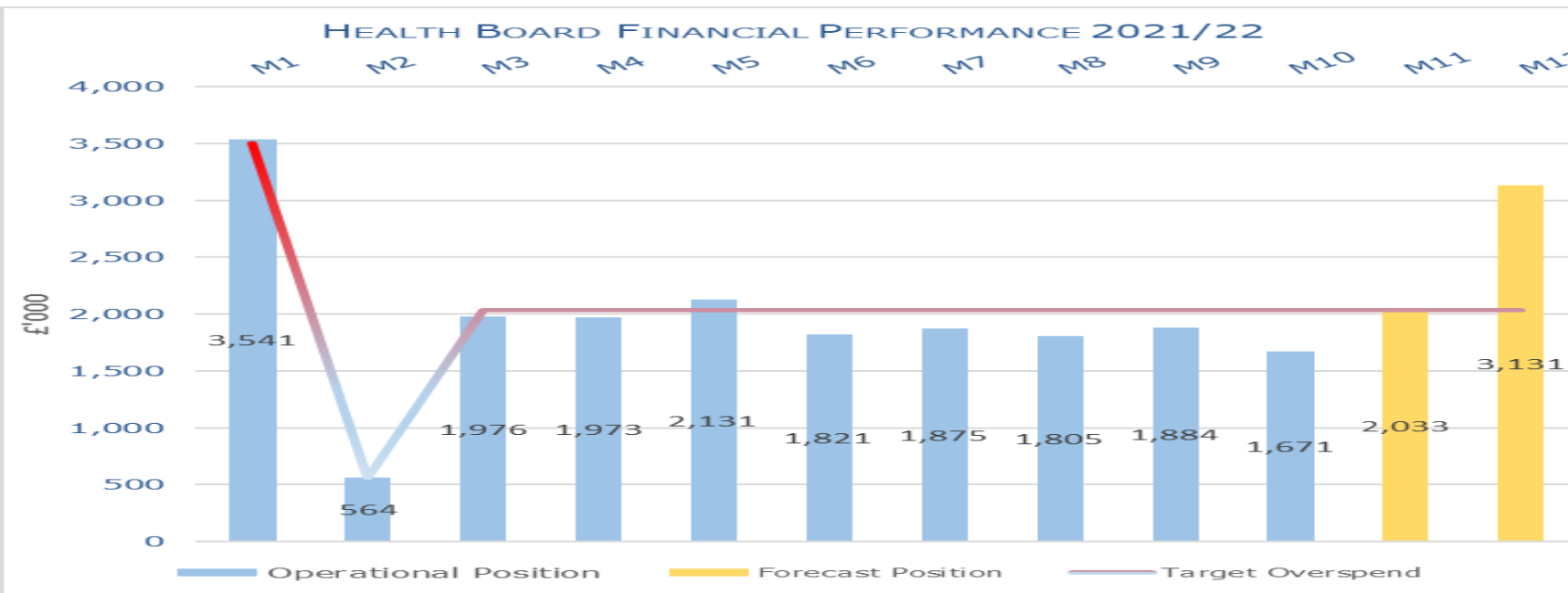
Swansea Bay UHB Month 10 Financial Performance 2021/22 Performance & Finance Committee Update 22nd February 2022



Month 10 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	- 22,944	- 23,507	- 563	- 238,833	- 237,213	1,620
Pay	57,998	57,498	- 500	540,247	531,546	- 8,701
Non-Pay	60,811	62,129	1,318	569,685	578,027	8,342
Delegated Position	95,865	96,120	255	871,099	872,360	1,261
Corporate Plan	- 1,417		1,417	- 17,980	-	17,980
Total Position	94,448	96,120	1,672	853,119	872,360	19,241

- 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 £1.672m is £0.361m below the profile target.
- The cumulative position is £19.241m overspend against a planned deficit of £20.337m, a difference of £1.096m.
- The table provides a summary of the position by income and expenditure type. Please note the income excludes WG Revenue Resource Limit.



Month 10 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	Cumulative
	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
Service Groups											
Mental Health & LD	246	-129	19	-55	122	-66	18	40	-122	-2	71
Morrison	-110	-42	86	127	184	101	412	424	364	406	1,952
NPT & Singleton	21	-81	-78	25	1	52	21	226	139	227	553
PC & Community	8	-1	-137	18	-17	-226	-86	22	-31	-95	-545
Directorates											
Board Secretary	22	22	-6	29	1	3	-11	-5	-4	-12	40
Chief Operating Officer	387	-20	-410	-12	-24	86	-26	51	336	460	828
Director of Strategy (excluding COVID)	-6	-4	5	-11	-4	3	0	16	-3	-781	-785
COVID	0	0	0	0	0	0	0	0	0	0	0
Director of Transformation	-6	-14	-8	-14	-14	-9	4	-5	0	-20	-86
Finance	-2	-1	-3	-5	-4	-51	-26	-10	-21	-10	-133
Digital	-3	-3	-29	-22	-35	-28	0	-10	-2	-38	-170
Medical Director	9	17	18	-56	0	-15	-10	-12	-20	-18	-87
Nurse Director	-3	4	-2	-8	-16	-5	-9	-8	-31	-35	-113
Workforce & OD	12	13	-8	6	-24	8	3	1	-12	-16	-17
Clinical Medical School	-20	0	-13	-25	-18	-20	-17	-24	-22	-22	-181
Research & Development	-27	0	27	0	0	0	0	0	0	0	0
Corporate I&E	-485	232	504	-62	42	-79	-69	-304	-99	250	-70
Delegated Budget Position	43	-7	-35	-65	194	-246	204	402	473	294	1,257
Corporate Plan	3,506	561	2,034	2,034	1,934	2,034	1,668	1,417	1,417	1,417	18,021
											0
Hosted Services											
Delivery Support Unit	-5	11	-23	4	3	33	1	-15	-6	-40	-37
EMRTS	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	19,241

- 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 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	- 91,368	- 91,368	-	- 888,442	- 888,442	-
Income from Activities	- 20,394	- 20,756	- 362	- 211,292	- 210,325	967
Other Income	- 2,550	- 2,751	- 201	- 27,541	- 26,888	653
Total Income	- 114,312	- 114,875	- 563	- 1,127,275	- 1,125,655	1,620

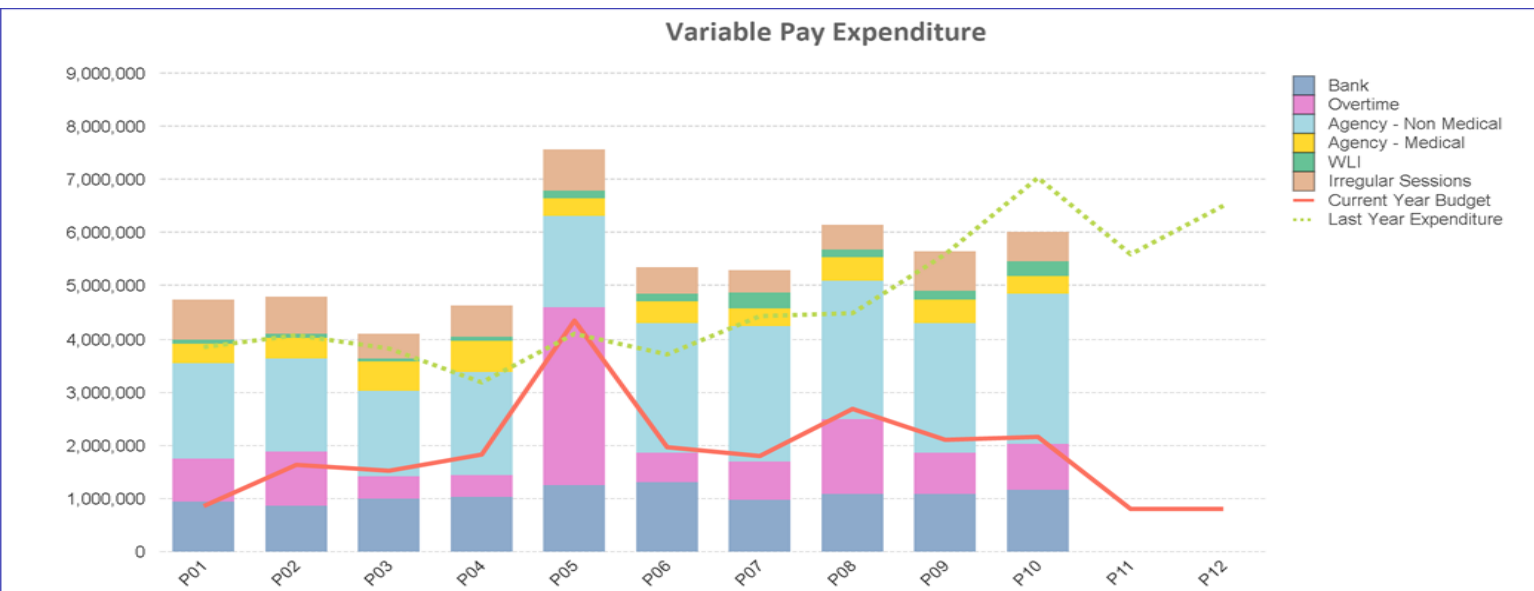
- The cumulative income budget to Month 10 is £1,127.275m.
- The actual income achieved in this period is £1,125.655m.
- There is an under-achievement of income of £1.62m.
- In month has shown an over-achievement of income, however this relates to backdated R&D income, which is offset by costs and a retrospective adjustment to the reporting of the CTM GPOOH SLA.
- 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

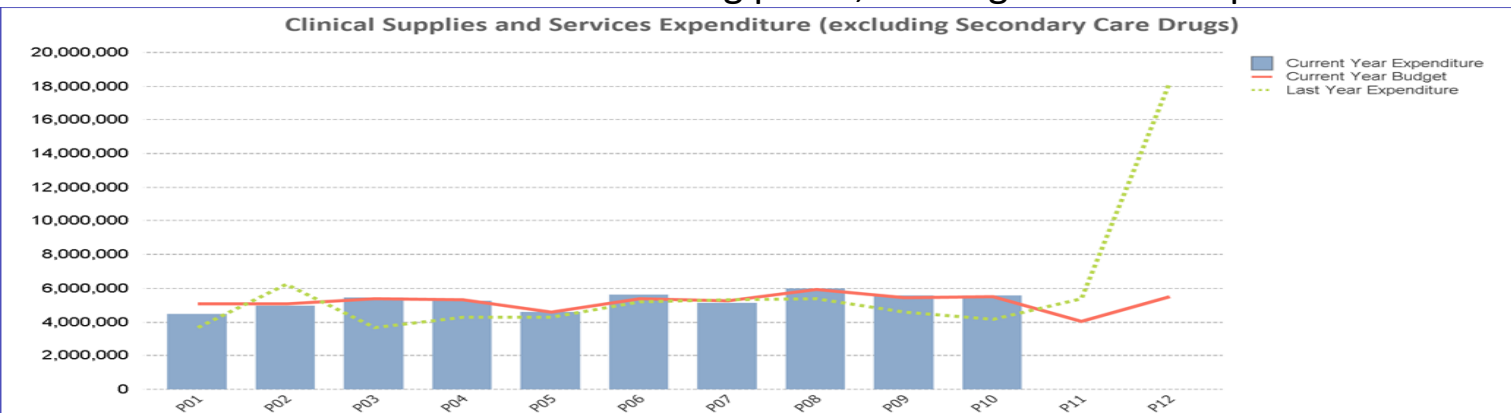
Workforce	Budget	Actual	Variance	Budget	Actual	Variance
	In Month	In Month	In Month	Cumulative	Cumulative	Cumulative
	£000	£000	£000	£000	£000	£000
A&C	8,819	8,260	- 559	78,376	74,273	- 4,103
APST	1,993	1,902	- 91	19,183	18,150	- 1,033
AHP	4,029	3,711	- 318	37,496	34,713	- 2,783
HCS	1,709	1,653	- 56	16,776	16,002	- 774
ACS (Excluding HCSW)	1,876	1,765	- 111	16,608	15,818	- 790
M&D	12,820	13,340	520	126,558	127,720	1,162
Nursing (including HCSW & Students)	23,858	23,776	- 82	218,987	217,004	- 1,983
E&A	3,053	3,092	39	28,368	27,870	- 498
VF	- 158	-	158	- 2,101	-	2,101
Total Workforce	57,999	57,499	- 500	540,251	531,550	- 8,701

- The table provides an analysis of the workforce position by staff group.
- This workforce position has reported a continued underspend in month, the reduction in the in-month underspend, is in part related to the CTM GPOOH SLA reporting adjustment.
- During the month, the non-consolidated additional 1% payment has been made to staff who are eligible.
- Variable costs have further increased, this is particularly seen in non-medical areas, with very high levels of bank, agency and overtime, reflecting workforce unavailability and additional staffing to support the service pressures being experienced this winter. Much of these additional costs are funded through winter and COVID non-recurrent funding and are not impacting on the budgetary position.

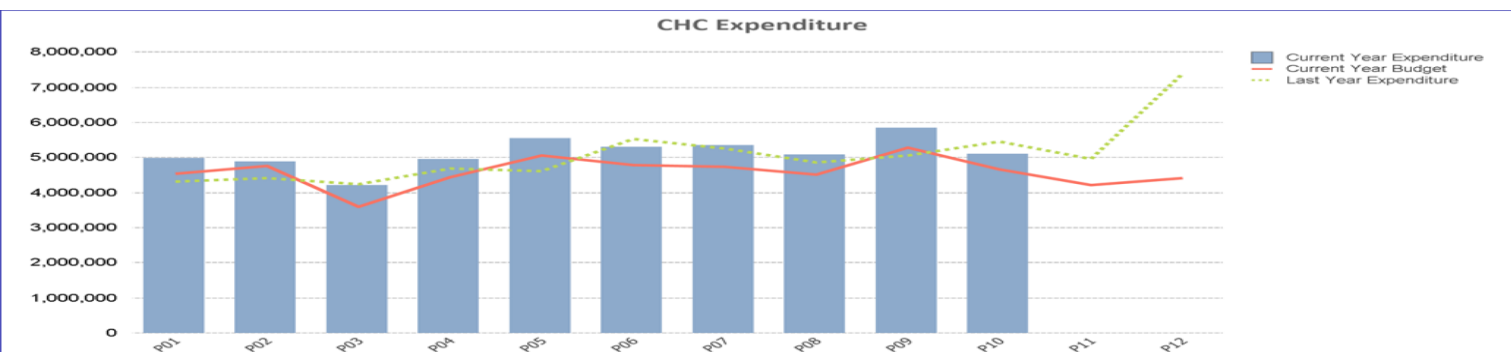


Non Pay

- 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.



- 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.



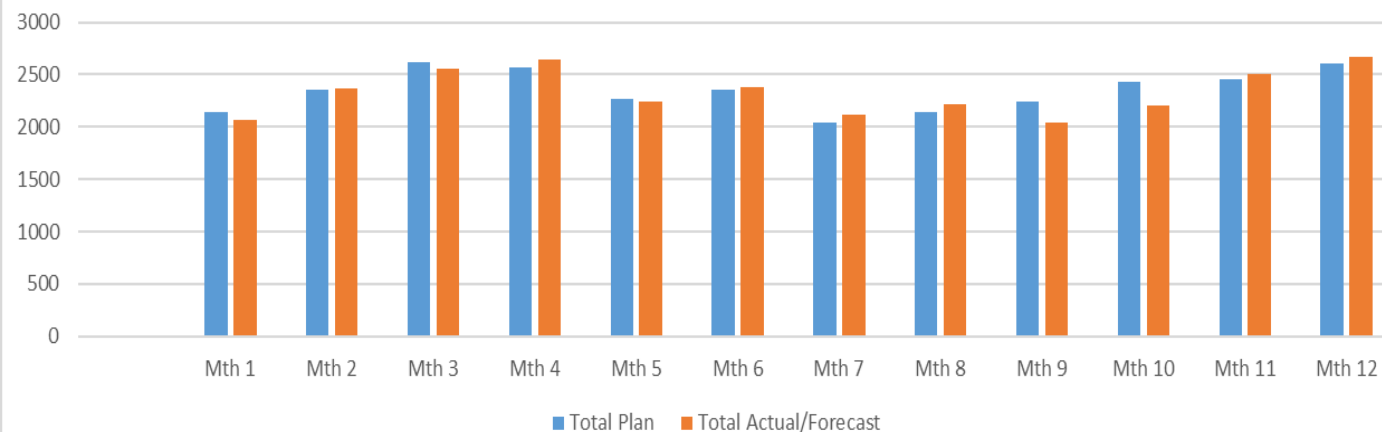
ChC Case Numbers	General	MH	LD
Apr-19	347	135	169
Mar-20	358	141	180
Mar-21	355	152	196
May-21	361	155	196
Jun-21	373	159	198
Jul-21	376	158	198
Aug-21	366	158	197
Sep-21	367	157	200
Oct-21	368	157	200
Nov-21	367	155	199
Dec-21	368	164	199
Jan-22	344	165	196

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	8,961,000	8,257,000	- 848,200
MH&LD	3,292,200	3,624,000	4,297,000	1,004,800
NPT & Singleton	6,209,200	4,972,000	4,330,000	- 1,879,200
Primary and Community	3,488,212	2,915,000	3,488,000	- 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	2,495,000	2,346,000	155,271
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	2,883,000	2,837,000	1,837,000
Total	27,700,000	28,266,000	27,978,000	278,000

- 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 £28.266m however there is some slippage forecast against these schemes, reducing the forecast delivery to £27.978m.
- 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 two months 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

	Original Target £	Adjusted Target £	Recurrent Forecast Delivery £	Variance from target £
Morrison	9,105,200	6,715,200	5,504,000	1,211,200
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	18,324,860	2,406,140

- The recurrent savings target is £27.7m.
- 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 Morrison and NPTS service groups. The planned savings are £2.987m (circa 60 beds) and £3.982m (circa 72 beds) for Morrison 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 :
 - Morrison £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.

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 £16m savings identified, which is 60% 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		Achieved to Date 22/23 £k		%	Shortfall from target £
MHLD	3,968	-66	3,903		2,713		68.4%	1,190
Morrison	8,956	1,211	10,167		2,821		31.5%	7,346
NPTS	6,189	-25	6,165		4,368		70.6%	1,797
PCC	4,147	48	4,196		3,523		84.9%	673
Corporate	3,389	1,237	4,626		2,542		75.0%	2,084
Total	26,650	2,406	29,056		15,967		59.9%	13,089



COVID Income & Expenditure

COVID Funding	Confirmed & Anticipated Funding £000
Testing	3,104
Contact Tracing	13,094
Vaccination	13,578
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	90,336
Recovery	24,295
20/21 Savings Impact	17,672
Bonus Payment Recovery	- 1,130
Total Allocation	131,173

- 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 £131.173m, 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.
- There remains over £9m of Recovery funding to be spent in the final quarter of the financial year and 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.

COVID Expenditure	YTD Spend £000	Forecast Spend £000
Testing	2,659	3,168
Tracing	10,297	13,093
Vaccination	12,059	14,379
Extended Flu	1,190	1,190
Cleaning Standards	1,972	2,366
Recovery	14,288	23,505
Long COVID	283	385
Urgent Emergency Care	2,208	4,130
Sustainability :		
Primary Care Prescribing	4,865	5,773
PPE	4,303	5,103
Care Homes	2,135	2,244
Staffing	22,870	27,078
Other Non Pay/Income Loss	10,041	11,085
	89,170	113,499



Actions

- **Savings Actions: -**
 - Further schemes must be identified to bridge 2021/22 Recurrent gap of **£2.4m** 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 February 2022;**
 - **Continue to develop** schemes and themes to meet at least 85% by the end of February 2022 and 100% by end of March 2022. **Service and Corporate Directors as per set timescales**
- **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**
 - **Service Group directors to work with the COO to assess all COVID response costs for exit plans to be presented to CEO and DoF – February 2022**
- **Base Position**
 - **Action that 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**



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