



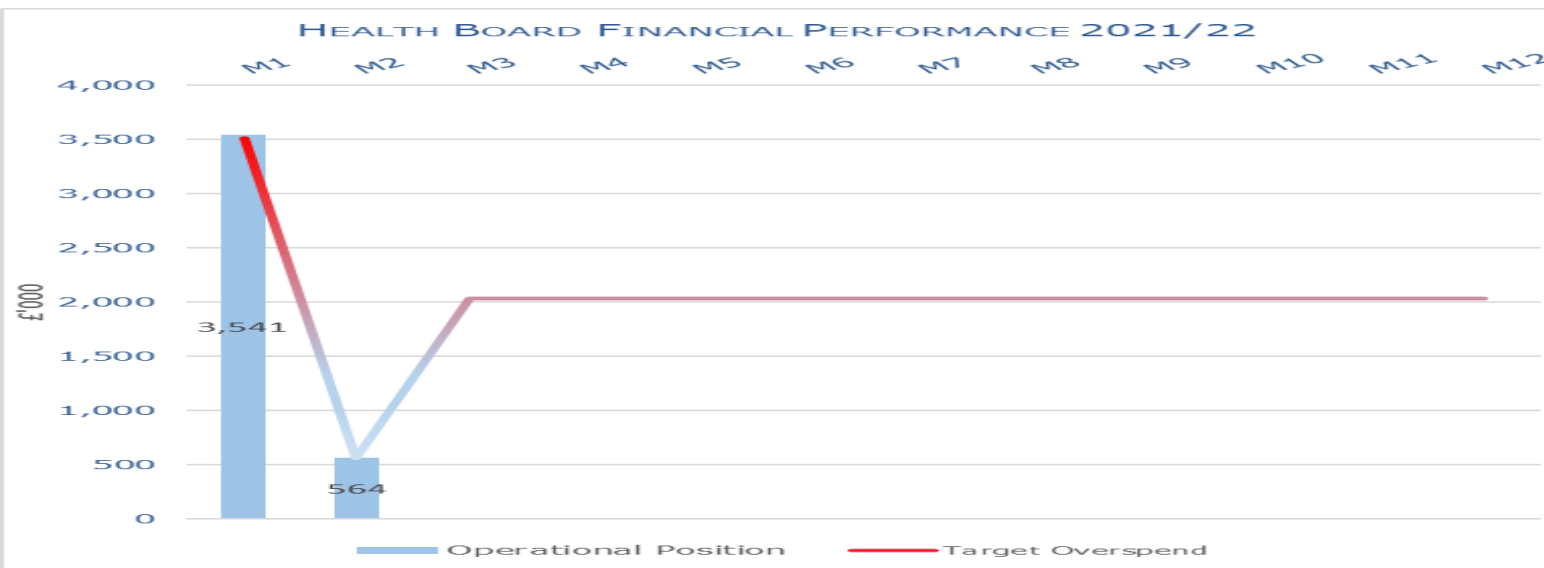
## Swansea Bay UHB Month 2 Financial Performance 2021/22 Performance and Finance Committee Update 22nd June 2021



# Month 2 21/22 - Overall Financial Position

Type	In Month Budget	In Month Actual (£)	In Month Variance (£)	YTD Budget (£)	YTD Actual (£)	YTD Variance (£)
Income	(22,606,221)	(22,385,016)	221,205	(46,046,024)	(45,468,728)	577,297
Pay	51,087,144	50,773,802	(313,343)	100,841,897	101,167,029	325,132
Non Pay	53,165,373	53,785,061	619,687	103,284,669	106,487,670	3,203,001
<b>Total</b>	<b>81,646,296</b>	<b>82,173,846</b>	<b>527,549</b>	<b>158,080,542</b>	<b>162,185,972</b>	<b>4,105,430</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.
- As two months of the £17.672m funding has been applied in Month 2, the anticipated overspend is £0.561m against the reported position of £0.564m overspend.
- The cumulative position is £4.105m overspend against a planned deficit of £4.067m, a difference of £0.038m
- The table provides a summary of the position by income and expenditure type.



# Month 2 21/22 – Position by Service Group

	Month 1	Month 2	Cumulative
	In Month	In Month	Position
	£000	£000	£000
<b>Service Groups</b>			
Mental Health & LD	246	-129	117
Morrison	-110	-43	-153
NPT & Singleton	21	-81	-60
PC & Community	8	-1	7
<b>Directorates</b>			
Board Secretary	22	22	44
Chief Operating Officer	387	-20	367
Director of Strategy (excluding COVID)	-6	-4	-10
COVID	0	0	0
Director of Transformation	-6	-14	-20
Finance	-2	-1	-3
Digital	-3	-3	-6
Medical Director	9	17	26
Nurse Director	-3	4	1
Workforce & OD	12	13	25
Clinical Medical School	-20	0	-20
Research & Development	-27	0	-27
Corporate I&E	-38	246	208
<b>Delegated Budget Position</b>	<b>490</b>	<b>6</b>	<b>496</b>
Corporate Plan	3,056	547	3,603
			0
<b>Hosted Services</b>			
Delivery Support Unit	-5	11	6
EMRTS	0	0	0
<b>Health Board Position</b>	<b>3,541</b>	<b>564</b>	<b>4,105</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 has not yet been reviewed and some further realignment of budget and/or savings targets may be required. This will be actioned as part of the Quarter 1 review.
- This analysis highlights :
  - The MHLTD overspend in Month 1 was driven by significant in year ChC growth. Whilst the ChC growth pressure remains, mitigating actions have been identified to support, whilst further longer term actions are developed. The remaining overspend reflects the impact of therapies transfer of operational performance.
  - Morrison and NPTS underspends are driven by non pay underspends linked to service activity limitations offset by pressures on pay budgets, particularly medical and nursing. The level of non-pay underspend has reduced as services recover and reset.
  - COO overspend which was driven by savings gap and pressures on workforce due to use of overtime and agency, has seen some improvement in month, due to increased savings delivery, reduced utilities consumption and classification of COVID costs.
  - Corporate plan position reflects the impact of WG anticipated funding for 2020/21 savings delivery impacts.



# Income

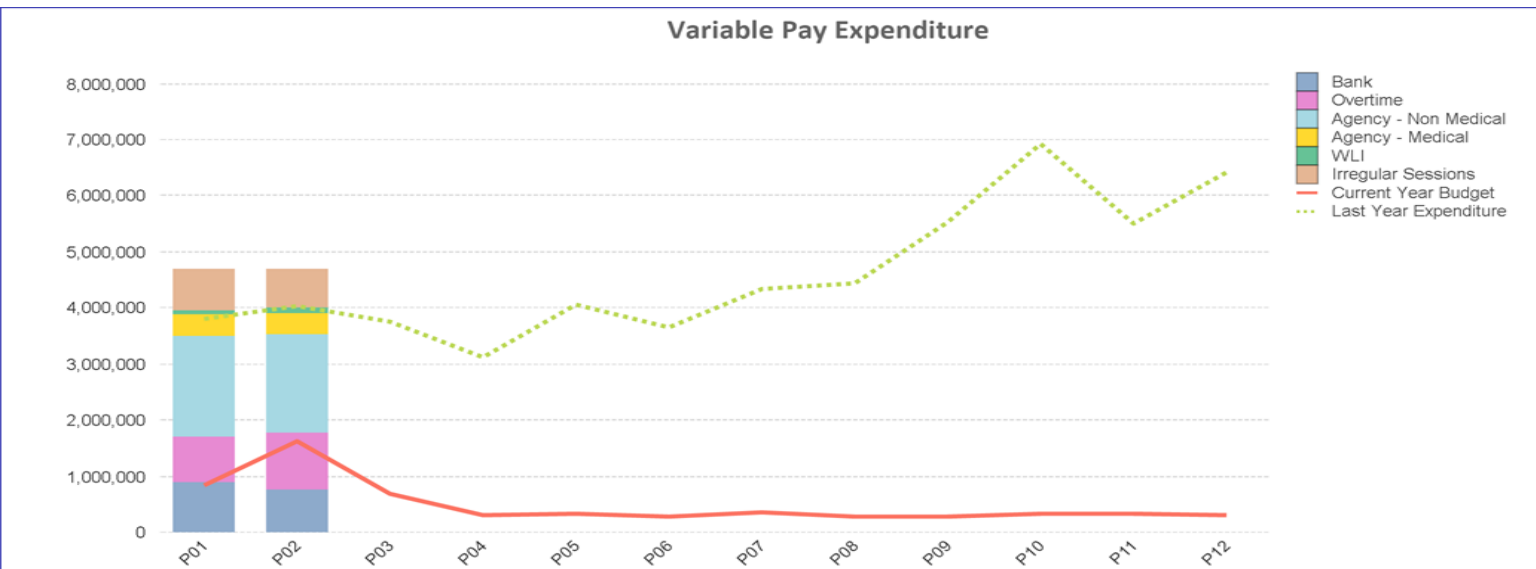
Income - Month 2	Budget	Actual	Variance		Income - Cumulative	Budget	Actual	Variance
	£000	£000	£000			£000	£000	£000
Revenue Resource Limit	- 90,291	- 90,291	-		Revenue Resource Limit	- 167,197	- 167,197	-
Income from Activities	- 20,291	- 20,101	190		Income from Activities	- 41,536	- 40,968	568
Other Income	- 2,253	- 2,284	31		Other Income	- 4,510	- 4,501	9
<b>Total Income</b>	<b>- 112,835</b>	<b>- 112,676</b>	<b>159</b>		<b>Total Income</b>	<b>- 213,243</b>	<b>- 212,666</b>	<b>577</b>

- The cumulative income budget to Month 2 is £213.2m.
- The actual income achieved in this period is £212.7m.
- There is an under-achievement of income of £0.577m.
- The key element of the underachievement is dental income recovery £0.274m. This is partially offset by reduced dental charges, however there is a net monthly adverse impact of £0.079m which has been funded through COVID response. The funding however has been applied to non-pay.
- It should be highlighted that around £0.5m 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.

# Workforce

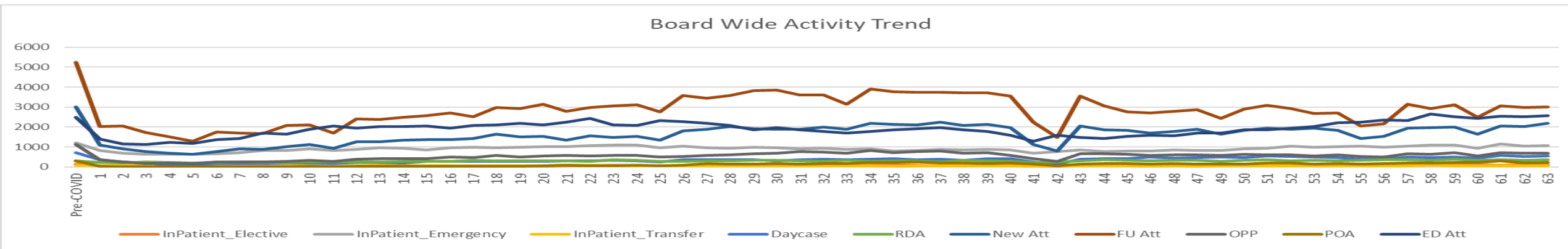
Workforce - Month 2	Budget	Actual	Variance		Workforce - Cumulative	Budget	Actual	Variance
	£000	£000	£000			£000	£000	£000
A&C	7,128	6,876	- 252		A&C	14,171	13,693	- 478
APST	1,802	1,718	- 84		APST	3,625	3,420	- 205
AHP	3,523	3,285	- 238		AHP	6,911	6,630	- 281
HCS	1,580	1,509	- 71		HCS	3,131	3,019	- 112
ACS (Exlcuding HCSW)	1,710	1,647	- 63		ACS (Exlcuding HCSW)	3,332	3,239	- 93
M&D	11,999	12,106	107		M&D	23,894	24,276	382
Nursing (including HCSW & Students)	20,791	20,889	98		Nursing (including HCSW & Students)	40,819	41,314	495
E&A	2,790	2,743	- 47		E&A	5,433	5,576	143
VF	- 237	-	237		VF	- 474	-	474
<b>Total Workforce</b>	<b>51,086</b>	<b>50,773</b>	<b>- 313</b>		<b>Total Workforce</b>	<b>100,842</b>	<b>101,167</b>	<b>325</b>

- The table provides an analysis of the workforce position by staff group. For this purpose HCSW budgets and cost have been extracted from ACS staff group and included within Nursing.
- This workforce position has improved in Month 2, this is reflective of the retraction of enhanced overtime, the management of annual leave and the robust challenge on rosters.
- The key areas of overspend are Medical and Dental, Nursing and Estates and Ancillary, although all saw reduced levels of overspend in May.
- It should also be noted that a number of Service Groups and Directorates are currently holding a vacancy factor which requires general workforce budgets to underspend in order to meet this vacancy factor. The target for the elimination of these is beginning of Quarter 2.
- Variable pay costs are broadly the same level as the previous month.
- The Health Board is incurring around £2.5m per month on COVID workforce response costs. These do not include the costs of staffing for TTP and Vaccination.

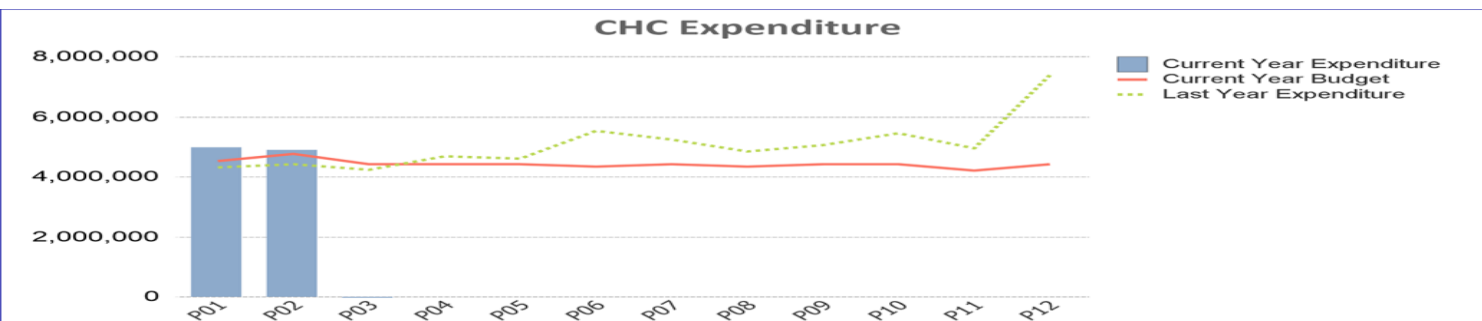


# Non Pay

- 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.



- 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 on high cost packages of care is being experienced. The initial cost pressure has been mitigated through other recurrent and non-recurrent means and work is underway to identify opportunities to arrest the growth and/or manage the growth in more cost effective ways.



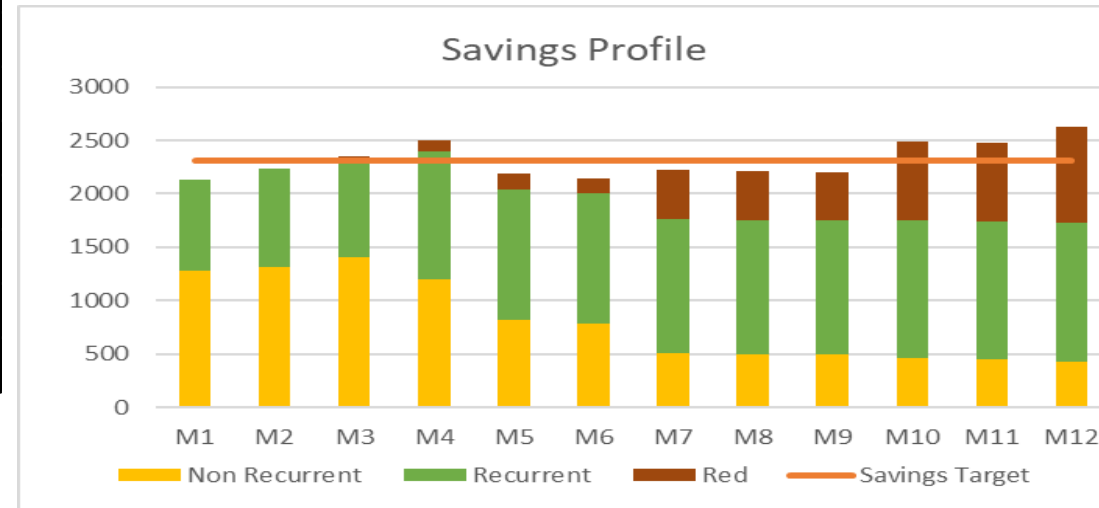
ChC Case Numbers	General	MH	LD
Apr-19	347	135	169
Mar-20	358	141	180
Mar-21	355	152	196
May-21	347	155	196



# Savings

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	6,404,000	3,250,000	9,654,000	371,838	10,520,000	104%	113%
MH&LD	1,065,707	2,357,876	3,423,583	1,897,000	1,668,000	3,565,000	141,417	3,157,622	104%	92%
NPT & Singleton	1,949,152	4,312,498	6,261,650	3,847,000	2,422,000	6,269,000	7,350	7,663,000	100%	122%
Primary and Community	973,515	2,153,902	3,127,417	3,908,000	657,000	4,565,000	1,437,583	5,538,000	146%	177%
Nurse Director	39,457	87,299	126,757	9,000	118,000	127,000	243	9,214	100%	7%
Medical Director	10,733	23,748	34,481	-	35,000	35,000	519	-	102%	0%
Workforce & OD	77,898	172,350	250,249	19,000	58,000	77,000	-173,249	19,413	31%	8%
Digital Services	169,997	376,119	546,116	355,000	191,000	546,000	-116	362,699	100%	66%
Finance	62,503	138,288	200,791	92,000	110,000	202,000	1,209	91,714	101%	46%
Board Secretary	37,109	82,103	119,211	58,000	62,000	120,000	789	103,000	101%	86%
Chief Operating Officer	681,939	1,508,790	2,190,729	1,817,000		1,817,000	-373,729	2,141,000	83%	98%
Transformation	10,049	22,234	32,283	1,141	31,567	32,708	425	1,141	101%	4%
Strategy	32,552	72,021	104,572	79,470	25,000	104,470	-102	79,470	100%	76%
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	1,149,000	400,000	1,549,000	549,000	1,298,000	155%	130%
<b>Total</b>	<b>10,000,000</b>	<b>17,700,000</b>	<b>27,700,000</b>	<b>19,635,611</b>	<b>10,027,567</b>	<b>29,663,178</b>	<b>1,963,178</b>	<b>30,984,273</b>	<b>107%</b>	<b>112%</b>
Less Reinvestment			-8,700,000			-1900000		-3227000		
<b>Net Savings Position</b>			<b>19,000,000</b>			<b>27,763,178</b>		<b>27,757,273</b>	<b>100%</b>	<b>100%</b>

- The Health Board has a gross savings requirement of £27.7m of which £27.8m in-year savings have been identified.
- £4.1m of these identified savings are still classified as Red and as such have a high risk of non-delivery.
- There are £27.8m of recurrent savings identified, of which the level of red schemes is £10.9m.
- These red schemes are in the main related to bed efficiencies and capacity and through the UEC Programme a clear plan to deliver, with timescales and milestones must be developed to ensure the deliverability of these schemes and move from red through amber and green.
- Due to the use of non-recurrent savings in the early months of the year, failure to progress the red schemes would put the delivery of the financial position both in year and recurrently at risk.



# Actions

- Medical and Dental
  - All Service Groups required to provide bank and agency plans for each post by 30<sup>th</sup> June 2021 and a trajectory to reduce spend.
  - 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 Heath Board oversight of directorate expenditure and compliance with rate cap.
- Nursing
  - Scrutiny panels in place in all Service Groups and corporate review process also established to review the nursing positions and compliance. Detailed plans required by 30<sup>th</sup> June 2021
  - Test roster policy compliance and authorisation processes including escalation of acuity.
- Estates and Ancillary
  - Review deployment and usage of staff, recruitment requirements and the use of agency and overtime. Deputy COO to identify plans to eradicate the overspend and recover budget by 24<sup>th</sup> June 2021.
- ChC
  - Develop longer term assessment of CHC growth impact and actions to manage
- Clinical Consumables
  - Consider the impact on the financial position of the delivery of 19/20 baseline activity levels.
- Savings
  - Savings delivery, risks and actions to be reviewed through the monthly performance reviews (Service Director, Interim Director of Finance and Interim COO)
  - Amber schemes to be reviewed and clear milestones established to progress to Green by end July 2021 (Service Director)
  - Red schemes must be progressed to green or amber by end of June 2021 to ensure delivery. This will be linked to the Urgent Emergency Care Programme (Service Directors and Urgent and Emergency Care Programme 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.
  - PMO being created to identify, track and monitor CIP delivery across all areas of the Health Board (Interim Director of Finance)







➤ BETTER HEALTH

➤ BETTER CARE

➤ BETTER LIVES



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Bae Abertawe  
Swansea Bay University  
Health Board

➤ IECHYD GWELL

➤ GOFAL GWELL

➤ BYWYDAU GWELL

