

SWANSEA BAY LHB FINANCE DEPT.

PERFORMANCE & FINANCE COMMITTEE – P11 FINANCE REPORT

Period 11 Data (February 2021)



In Month

£ 1,757,124 overspent

	Cur Month Budget (£'000)	Cur Month Actual (£'000)	Cur Month Variance (£'000)	% Variance
Income	-23,393	-22,817	577	2.47%
Pay	50,705	52,227	1,522	3.00%
Non Pay	64,092	63,750	-341	0.53%
Total	91,403	93,161	1,757	1.92%

Cumulative

£ 22,332,588 overspent

Type	YTD Budget (£'000)	YTD Actual (£'000)	YTD Variance (£'000)	% Variance	COVID Funding Adjustments	Adjusted YTD Variance
Income	-251,743	-244,160	7,583	3.01%	6835	748
Pay	540,836	552,811	11,976	2.21%	26,690	-14,984
Non Pay	621,145	623,919	2,774	0.45%	-33,795	36,567
Total	910,238	932,571	22,333	2.45%	0	22,333

- The Health Board established a forecast for 2020/21 through the Q3/Q4 Operational Plan.
- The forecast has moved significantly through the course of the financial year as COVID costs and funding sources have become more certain.
- The Health Board forecast has been held at £24.4m deficit since Month 8. In delivering a £24.4m deficit the Health Board will achieve its original planned deficit.
- The in-month position is consistent with the delivery trajectory of the £24.4m forecast deficit.

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) – Red	1,758	↓
Reported year to date financial position – deficit/(surplus) – Red	22,333	↑
Reported year to date compared to forecast financial plan deficit – Red	38	↓
Year End Forecast surplus/(deficit) - Red	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) – Forecast Red	2,101	↑
Reported in-month financial position – deficit/(surplus) – Forecast Red	(4,964)	↑

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) – Forecast Red	93.58	↑

Revenue

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PSPP

- The number of invoices paid within 30 days in February exceeded the 95% target for only the 2nd time this financial year, with in month performance being 96.26%. This continued the improvement of recent months with December and January being 93.63% and 94.62% respectively.
- The February performance has increased the cumulative compliance for the year to date from 93.25% at the end of January to 93.58% at the end of February. However, the cumulative position to the end of February means that whatever the compliance figure achieved in month in March, it will not be possible to achieve a cumulative compliance of 95% for the 2020/21 financial year.

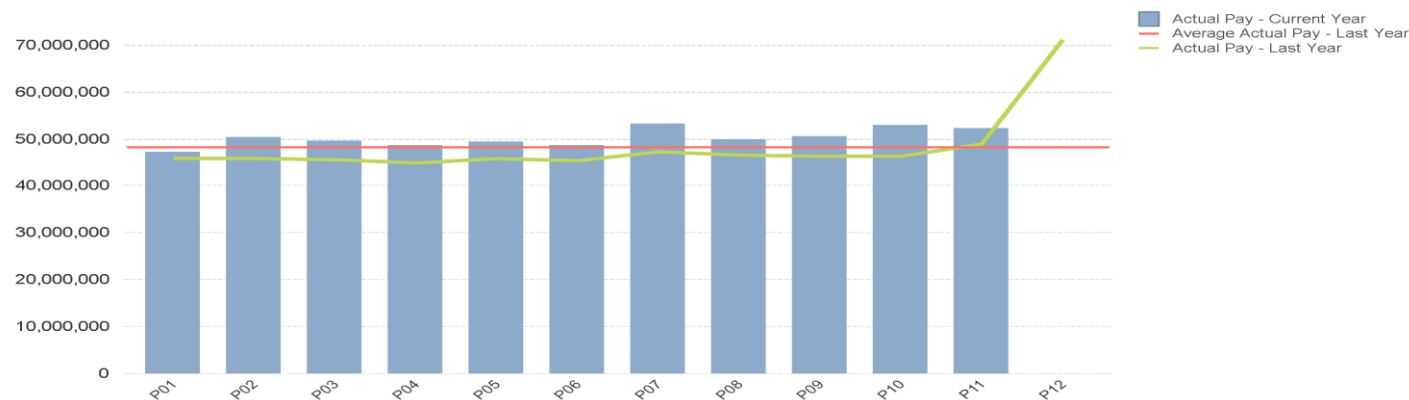
Capital

- Approved CRL value for 20/21 issued on 04/03/21 is £45.883m which includes Discretionary Capital and the schemes under the All Wales Capital Programme.
- Overspend to date relates to a number of schemes as detailed in the Annex.
- There are 7 All Wales Capital schemes reported to Welsh Government as high risk. These are being closely monitored and discussed at the monthly progress meeting with Welsh Government.
- The forecast outturn position for 20/21 is £2.101m overspent. Allocations on 5 schemes are anticipated from WG which will balance this position.

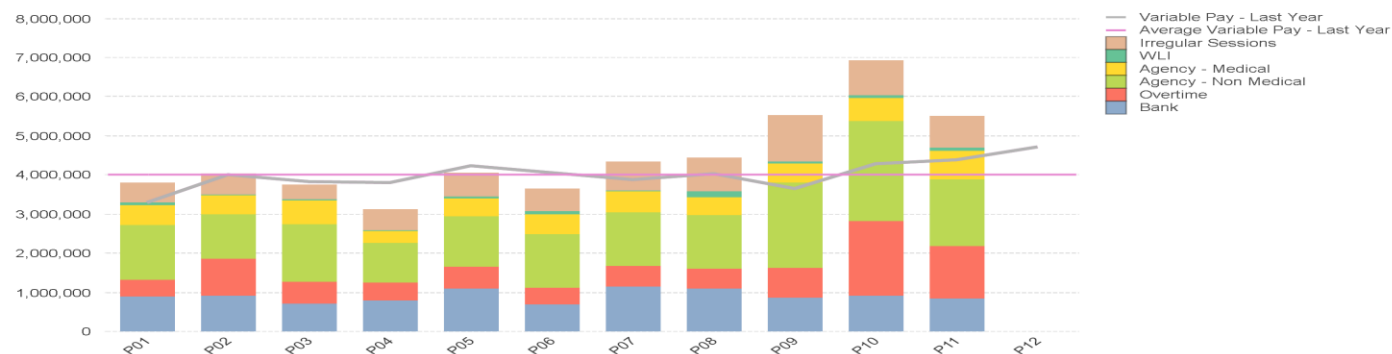
	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Cumulative
	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	In Month	Position
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Service Groups												
Mental Health & LD	192	294	18	449	323	349	385	482	461	455	238	3,646
Morrison	-286	77	226	806	955	1,282	1,873	1,501	1,480	2,154	2,324	12,392
NPT & Singleton	509	779	1,203	1,140	1,551	1,014	945	1,503	1,703	1,762	901	13,010
PC & Community	308	93	-109	568	501	221	710	531	435	263	323	3,844
Directorates												
Board Secretary	15	21	29	27	28	30	15	29	38	26	-13	245
Chief Operating Officer	-102	95	-60	111	98	84	171	214	132	226	336	1,305
Director of Strategy (excluding COVID)	1	8	-6	22	24	-44	8	-31	3	-18	-8	-41
COVID	2,047	6,176	-3,314	-969	1,620	151	787	874	1,791	538	327	10,028
Director of Transformation	6	12	23	25	20	28	28	33	29	-43	-6	155
Finance	5	-1	-3	7	2	-3	-58	-5	-3	-16	-19	-94
Digital	153	218	172	-38	105	114	105	15	-303	-163	-64	314
Medical Director	23	34	16	72	11	-78	11	14	5	10	6	124
Nurse Director	9	17	9	18	16	10	10	-3	52	-4	-55	79
Workforce & OD	98	217	145	148	24	82	81	25	24	15	48	907
Clinical Medical School	-31	-14	-14	-15	-4	-26	10	1	-12	-42	-49	-196
Research & Development	0	0	37	13	13	12	13	12	13	13	12	138
Corporate I&E	97	143	255	373	227	210	302	139	-148	201	424	2,223
Delegated Budget Position	3,044	8,169	-1,373	2,757	5,514	3,436	5,396	5,334	5,700	5,359	4,725	48,079
Corporate Plan	2,367	2,079	2,077	2,078	2,077	-19,303	-3,362	-3,415	-3,752	-3,474	-2,932	-25,560
												0
Hosted Services												
Delivery Support Unit	-15	-15	-5	-35	-9	-35	-18	-8	-4	10	-35	-169
EMRTS	0	0	0	1	0	0	0	0	0	0	0	1
Health Board Position	5,396	10,233	699	4,801	7,582	-15,902	2,016	1,911	1,944	1,895	1,758	22,351

- The Health Board in-month position is an overspend of £1.758m compared to a forecast of £1.9m.
- It can be noted that the delegated position overspend has reduced by around £0.6m. The key reasons for this reduction are;
 - PPE costs from NWSSP significantly lower than expected. This is being reviewed with NWSSP
 - Variable Pay - reduction in non-medical variable pay
- The corporate plan has been used to reflect year end adjustments

Actual Pay Expenditure This Year and Last Year



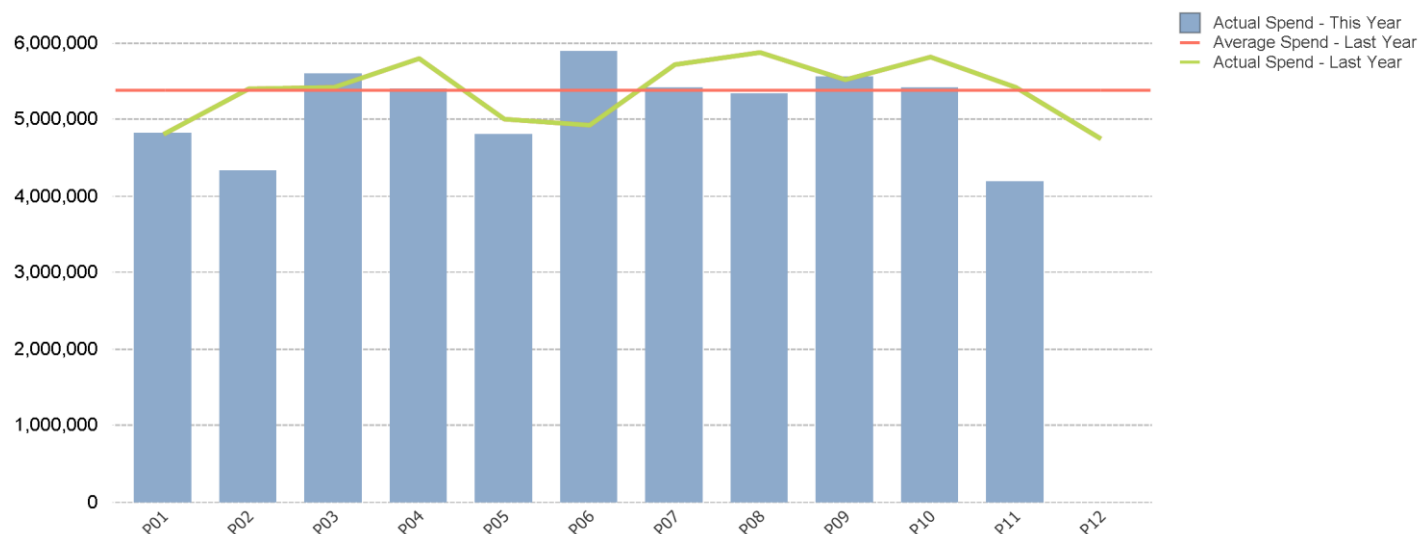
Variable Pay Expenditure This Year and Last Year



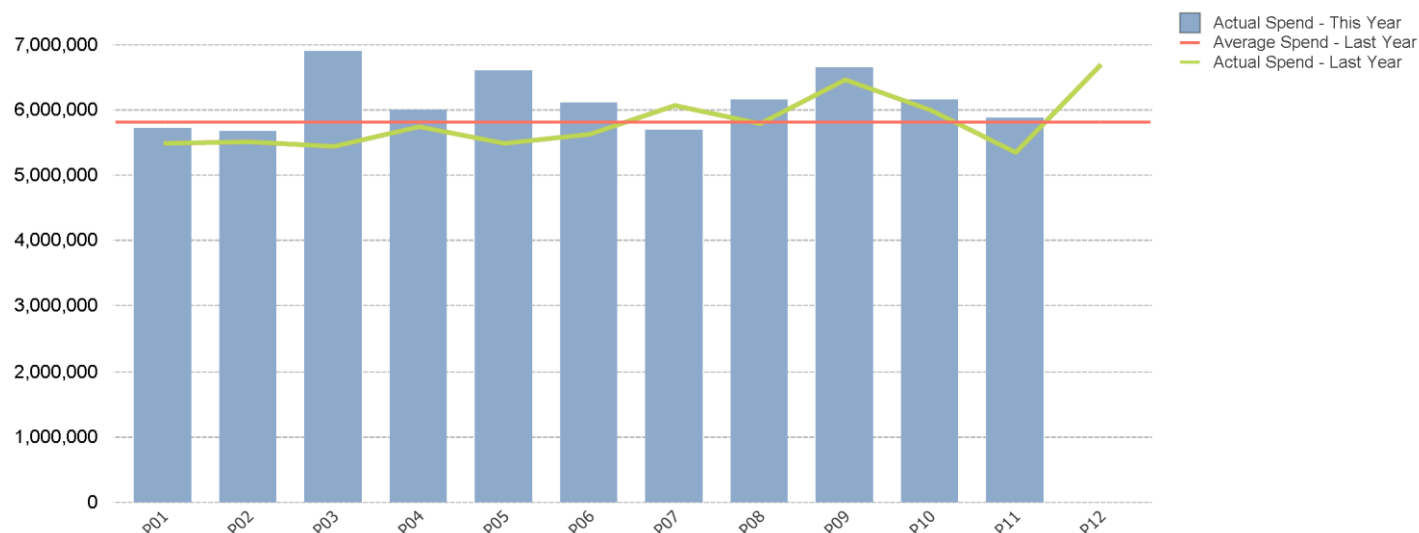
- The overall pay spend in Month 11 is around £0.76m lower.
- Across the two months enhancement levels are broadly consistent and this is as expected.
- There has been a reduction in variable pay costs - £1.4m and an increase in substantive workforce costs £0.6m.
- The substantive workforce increase is being examined to understand the recurrent impact on the Health Board pay run rate.
- The variable pay reduction is shown :
 - £0.56m Overtime
 - £0.85m Non medical Agency
- The Health Board pay costs are around £36.5m higher than last year after accounting for inflation. Around £33.5m of this increase relates to COVID response, with a further £3m due to recruitment and investments.

	2019-20 Month 1-11 Adjusted for inflation	2020-21 Month 1-11	Increase	Increase
	£000	£000	£000	%
Additional Clinical Services	66,416	70,949	4,533	6.83%
Admin & Clerical	70,174	72,446	2,272	3.24%
Allied Health Professionals	34,405	36,066	1,661	4.83%
Estates & Ancillary	27,807	29,630	1,823	6.56%
Healthcare Scientists	15,701	16,289	588	3.74%
Medical and Dental	123,081	136,716	13,635	11.08%
Nursing and Midwifery	161,742	168,923	7,181	4.44%
Prof, Scientific and Technical	16,945	18,174	1,229	7.25%
Students	5	3,625	3,620	72400.00%
Total	516,276	552,818	36,542	7.08%

Secondary Care Drugs Trend Analysis



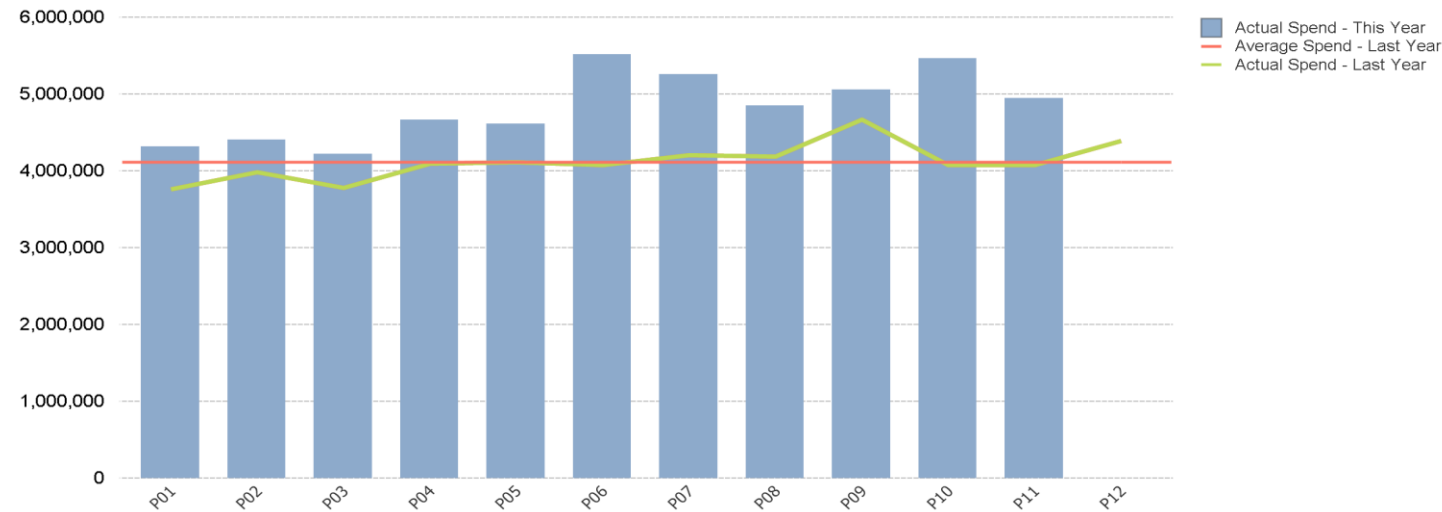
Primary Care Drugs Trend Analysis



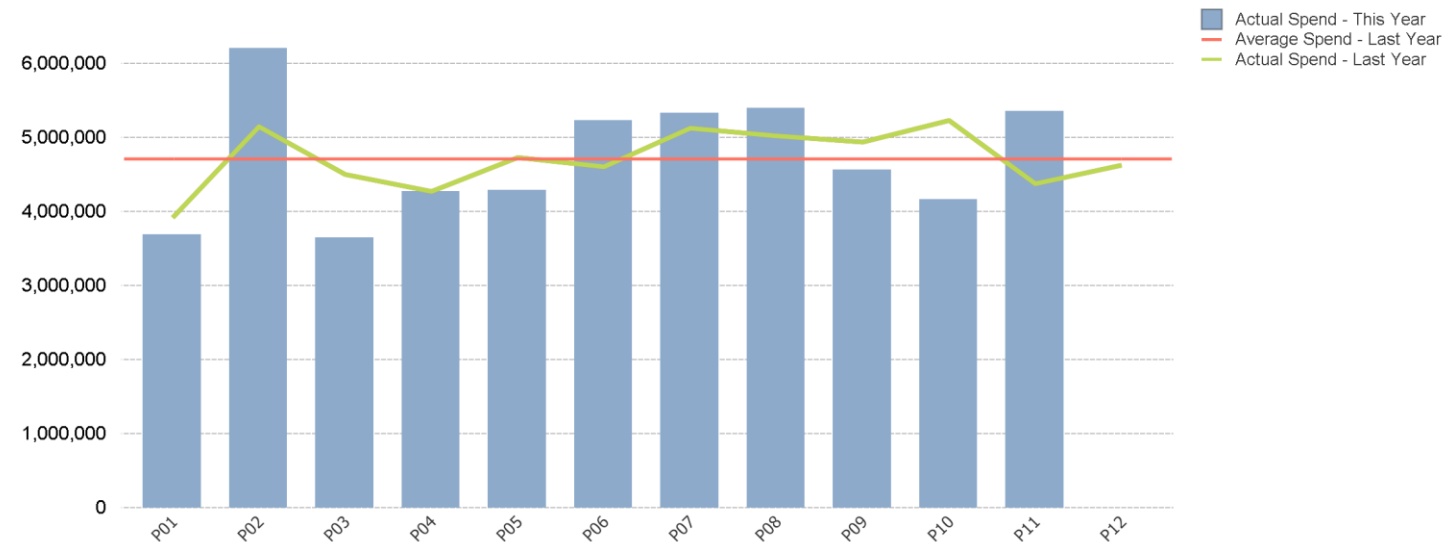
- Secondary care drugs costs have reduced significantly in February (£1.2m)
- The reduction in expenditure was across both NICE and non-NICE drugs and is being further investigated by Medicines Management team.
- The key areas of reduction in NICE drugs is Cancer £250k and MS (Ocrelizimab) £95k.

- As Primary Care prescribing data has a two month reporting lag. The latest data reflects actual costs to the end of December, 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 are expected to continue for the rest of the financial year.

CHC Trend Analysis



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



- The CHC expenditure in the last few months has been skewed due to the payment of the COVID payments as per the WG agreement. This has amounted to around £2.2m paid over the last 6 months.
- General CHC numbers have started to show signs of reduction in recent months and this has continued in December. This is in part linked to Nursing Home pressures with many closed to admissions and the significant impact the pandemic has had on this element of the population.
- Growing pressures have however continued to be experienced on MH and LD case numbers and complexity.
- Clinical Supplies costs increased in February as elective services are brought back on line.

	Annual Plan	Forecast Annual Delivery	Forecast Slippage	Forecast Delivery	YTD Plan	YTD Delivery	YTD Slippage	YTD Delivery
	£000	£000	£000	%	£000	£000	£000	%
ChC	550	120	430	22%	500	110	390	22%
Commissioned Services	99	-	99	0%	82	-	82	0%
Medicines Management	2,084	1,041	1,043	50%	1,910	930	980	49%
Non Pay	7,487	1,553	5,934	21%	6,840	1,352	5,488	20%
Pay	12,532	3,519	9,013	28%	11,411	3,285	8,126	29%
Income Generation	248	77	171	31%	226	70	156	31%
Total	23,000	6,310	16,690	27%	20,969	5,747	15,222	27%

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 current forecast delivery has increased slightly from £6.233m to £6.310m, giving slippage of £16.690m.
- The year to date position is planned savings £20.969m, actual delivery £5.747m, giving slippage of £15.222m. The actual delivery is therefore 27% of the planned delivery levels.
- 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.

- The Health Board forecast is £24.405m, this is aligned to the pre-COVID planned deficit. The Health Board remains on track to deliver this forecast.
- The key focus for forthcoming months will be :
 - Management of the financial position to the year end, recognising the range of variables that are need to be managed to deliver the year-end forecast.
 - Developing clear efficiency opportunities to support the underlying financial position in 2021/22
 - Strengthen current Value Based Healthcare arrangements for increase profile and impact within the Health Board
 - Supporting the development of the Operational plan for 2021/22, aligning service, workforce and financial requirements
 - Maintenance of strong governance and decision making for business as usual and major incident command structures.