

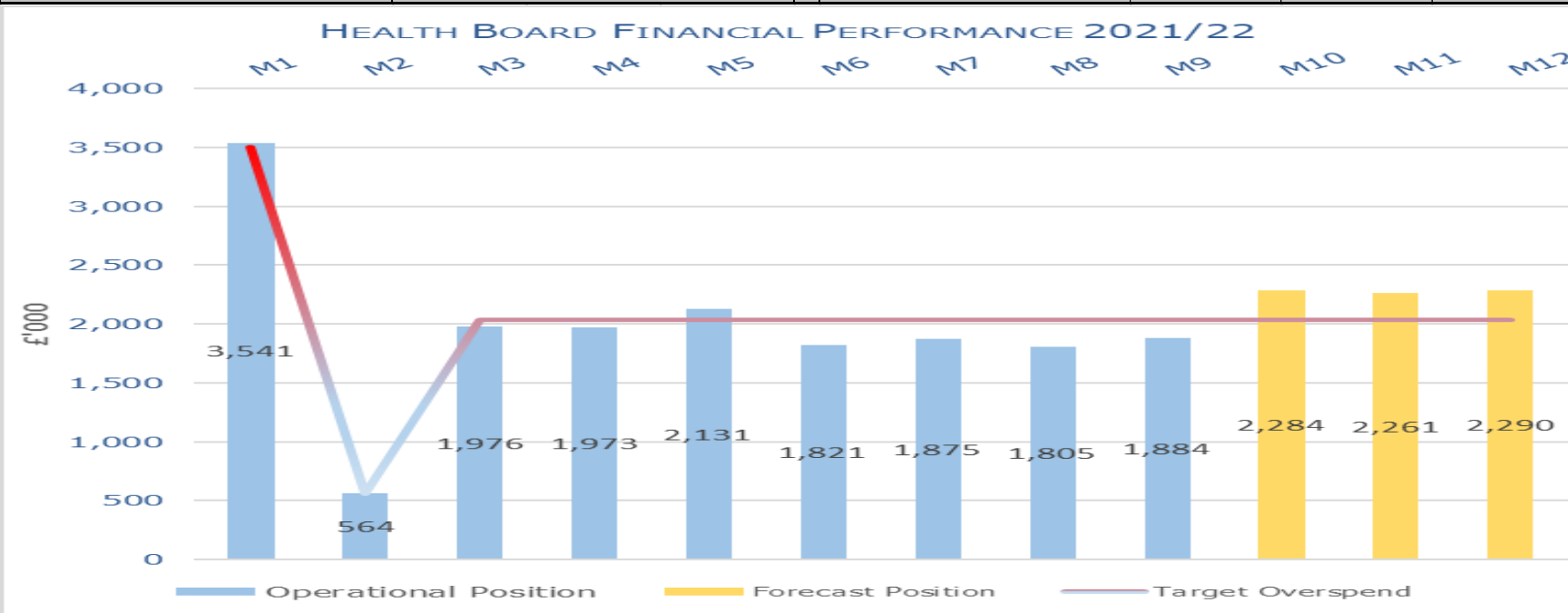


Swansea Bay UHB Month 9 Financial Performance 2021/22 Performance & Finance Committee Update 25th January 2022



Month 9 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	- 23,538	- 22,954	584	Income	- 215,889	- 213,706	2,183
Pay	55,233	53,593	- 1,640	Pay	482,249	474,048	- 8,201
Non-Pay	60,390	61,913	1,523	Non-Pay	508,874	515,898	7,024
Delegated Position	92,085	92,552	467	Delegated Position	775,234	776,240	1,006
Corporate Plan	- 1,417		1,417	Corporate Plan	- 16,562	-	16,562
Total Position	90,668	92,552	1,884	Total Position	758,672	776,240	17,568



- 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 £1.884m is £0.15m below the profile target.
- The cumulative position is £17.568m overspend against a planned deficit of £18.304m, a difference of £0.736m.
- The table provides a summary of the position by income and expenditure type. Please note the income excludes WG Revenue Resource Limit.

Month 9 21/22 – Position by Service Group

	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Cumulative
	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
Service Groups										
Mental Health & LD	246	-129	19	-55	122	-66	18	40	-122	73
Morrison	-110	-42	86	127	184	101	412	424	364	1,546
NPT & Singleton	21	-81	-78	25	1	52	21	226	139	326
PC & Community	8	-1	-137	18	-17	-226	-86	22	-31	-450
Directorates										
Board Secretary	22	22	-6	29	1	3	-11	-5	-4	52
Chief Operating Officer	387	-20	-410	-12	-24	86	-26	51	336	368
Director of Strategy (excluding COVID)	-6	-4	5	-11	-4	3	0	16	-3	-4
COVID	0	0	0	0	0	0	0	0	0	0
Director of Transformation	-6	-14	-8	-14	-14	-9	4	-5	0	-66
Finance	-2	-1	-3	-5	-4	-51	-26	-10	-21	-123
Digital	-3	-3	-29	-22	-35	-28	0	-10	-2	-132
Medical Director	9	17	18	-56	0	-15	-10	-12	-20	-69
Nurse Director	-3	4	-2	-8	-16	-5	-9	-8	-31	-78
Workforce & OD	12	13	-8	6	-24	8	3	1	-12	-1
Clinical Medical School	-20	0	-13	-25	-18	-20	-17	-24	-22	-159
Research & Development	-27	0	27	0	0	0	0	0	0	0
Corporate I&E	-38	239	44	-58	42	-57	-61	-292	-99	-280
Delegated Budget Position	490	0	-495	-61	194	-224	212	414	473	1,003
Corporate Plan	3,056	554	2,494	2,030	1,934	2,012	1,660	1,405	1,417	16,562
										0
Hosted Services										
Delivery Support Unit	-5	11	-23	4	3	33	1	-15	-6	3
EMRTS	0	0	0	0	0	0	0	0	0	0
Health Board Position	3,541	565	1,976	1,973	2,131	1,821	1,873	1,804	1,884	17,568

- 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 is reflecting 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

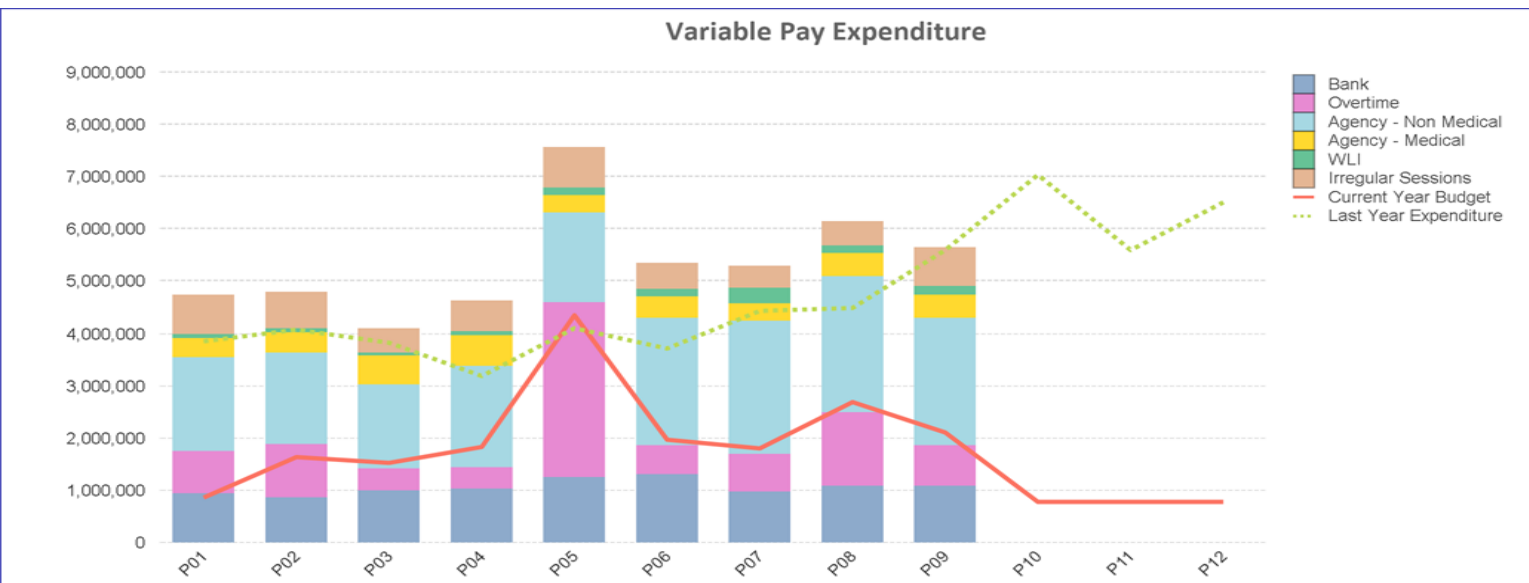
Income	Budget	Actual	Variance	Income - Cumulative	Budget	Actual	Variance
	In Month	In Month	In Month		Cumulative	Cumulative	Cumulative
	£000	£000	£000		£000	£000	£000
Revenue Resource Limit	- 91,963	- 91,963	-	Revenue Resource Limit	- 797,074	- 797,074	-
Income from Activities	- 21,071	- 20,720	351	Income from Activities	- 190,898	- 189,569	1,329
Other Income	- 2,467	- 2,234	233	Other Income	- 24,991	- 24,137	854
Total Income	- 115,501	- 114,917	584	Total Income	- 1,012,963	- 1,010,780	2,183

- The cumulative income budget to Month 9 is £1,012.963m.
- The actual income achieved in this period is £1,010.780m.
- There is an under-achievement of income of £2.183m.
- 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 this year to negate the pandemic impact on service/activity provision. The performance however continues to be monitored and there would be a significant adverse financial impact if LTA arrangement were “Live”.

Workforce

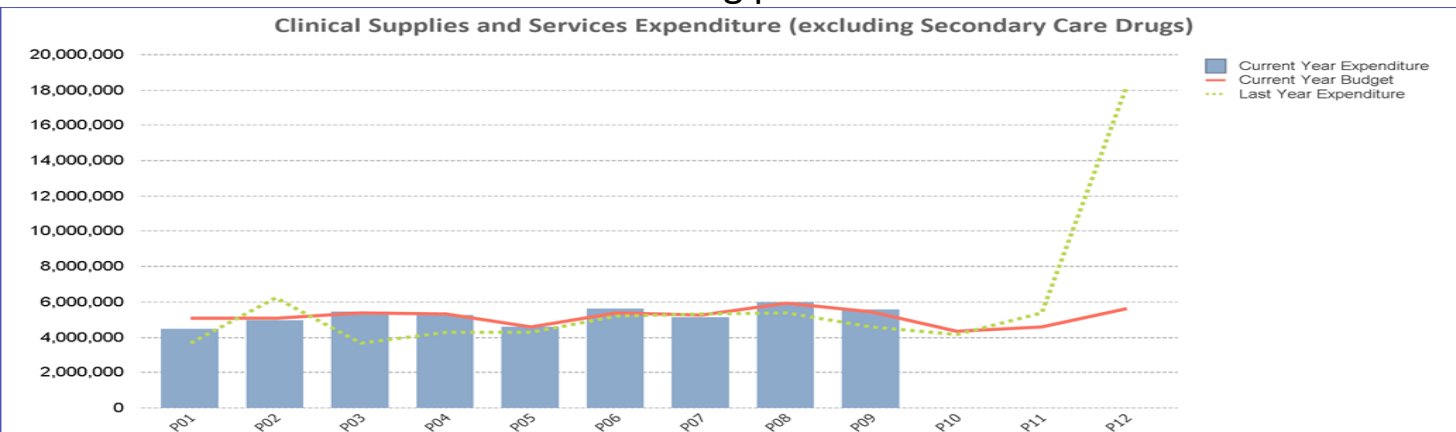
Workforce	Budget	Actual	Variance	Workforce - Cumulative	Budget	Actual	Variance
	In Month	In Month	In Month		Cumulative	Cumulative	Cumulative
	£000	£000	£000		£000	£000	£000
A&C	8,163	7,676	- 487	A&C	69,557	66,013	- 3,544
APST	1,963	1,878	- 85	APST	17,190	16,248	- 942
AHP	3,820	3,535	- 285	AHP	33,467	31,002	- 2,465
HCS	1,684	1,620	- 64	HCS	15,067	14,349	- 718
ACS (Exlcuding HCSW)	1,635	1,493	- 142	ACS (Exlcuding HCSW)	14,732	14,053	- 679
M&D	13,212	13,200	- 12	M&D	113,738	114,380	642
Nursing (including HCSW & Students)	22,206	21,534	- 672	Nursing (including HCSW & Stu	195,129	193,228	- 1,901
E&A	2,705	2,657	- 48	E&A	25,315	24,778	- 537
VF	- 155	-	155	VF	- 1,943	-	1,943
Total Workforce	55,233	53,593	- 1,640	Total Workforce	482,252	474,051	- 8,201

- The table provides an analysis of the workforce position by staff group.
- This workforce position has reported a continued underspend in month, with the underspend being higher than in recent months. This is often the case in Month 9 due to reduced levels of annual leave over the Christmas period resulting in lower levels of variable pay.
- There has also been some additional backdated funding to support new Medical Training posts which has resulted in Medical and Dental budgets breaking even for the first time this financial year.
- Despite the aforementioned increased underspend due to lower levels of annual leave and the backdated funding, variable pay costs remain high. These costs however are due to surge capacity and enhanced staffing to support the current COVID wave and these costs are supported by funding, therefore not impacting on the budgetary position.



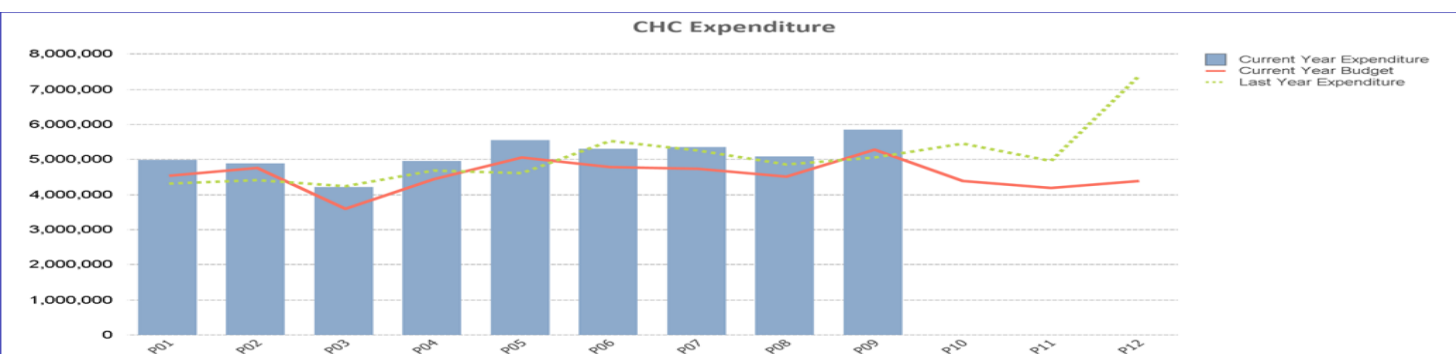
Non Pay

- 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.



Activity	Compared to Pre COVID	
	Nov-21	Dec-21
InPatient_Elective	87%	95%
InPatient_Emergency	91%	84%
InPatient_Transfer	54%	68%
Daycase	86%	81%
RDA	84%	71%
New Att	79%	72%
FU Att	64%	62%
OPP	60%	66%
POA	88%	84%
ED Att	96%	85%

- 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. MH cases have risen sharply in month and this is being reviewed to assess the ongoing implications.

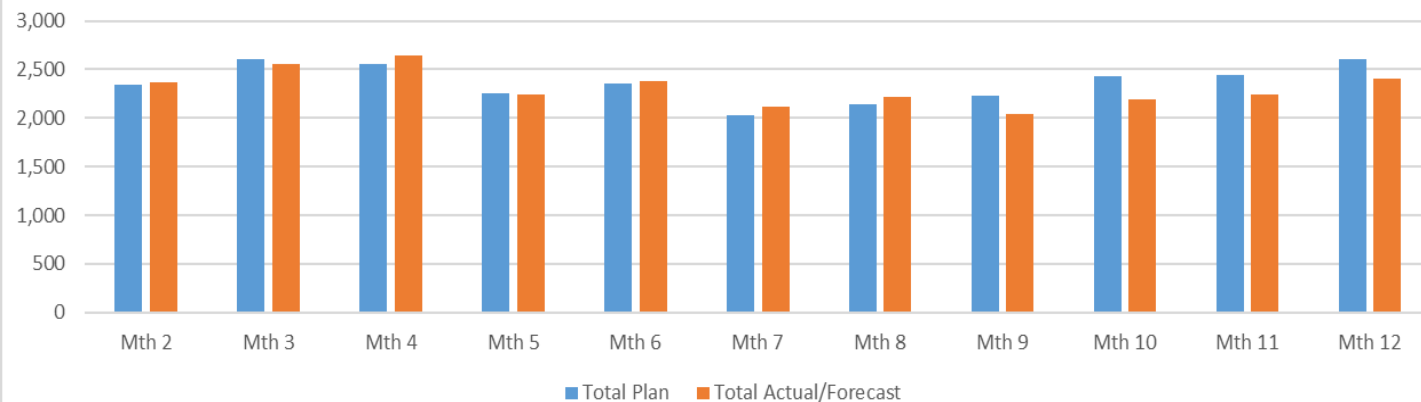


ChC Case Numbers	General	MH	LD
Apr-19	347	135	169
Mar-20	358	141	180
Mar-21	355	152	196
May-21	361	155	196
Jun-21	373	159	198
Jul-21	376	158	198
Aug-21	366	158	197
Sep-21	368	157	200
Oct-21	370	157	200
Nov-21	367	155	199
Dec-21	354	164	199

Savings Profile

Service Group / Division	Total Target	In Year Planned Green & Amber Schemes	In Year Forecast Delivery	Variance From Target	Recurrent Planned Green & Amber Schemes	Recurrent Forecast Delivery	Variance from Target	Full Year Recurrent %
Morrison Hospital	£ 9,105,200	8,750,798	8,256,378	-£ 848,822	8,309,704	7,150,928	-£ 1,954,272	78.54%
MH + LD	£ 3,292,200	3,623,969	3,996,802	£ 704,602	1,976,000	3,007,000	-£ 285,200	91.34%
Singleton+NPT	£ 6,209,200	4,972,066	4,401,983	-£ 1,807,217	5,236,097	6,981,440	£ 772,240	112.44%
Primary Care + Community	£ 3,448,212	2,915,732	3,105,783	-£ 342,429	2,019,385	2,056,385	-£ 1,391,827	59.64%
Nurse Director	£ 126,757	126,757	126,757	£ -	9,214	9,214	-£ 117,543	7.27%
Medical Director	£ 34,481	35,336	35,336	£ 855	0	0	-£ 34,481	0.00%
Workforce +OD	£ 250,249	250,217	250,217	-£ 32	19,413	19,413	-£ 230,836	7.76%
Informatics	£ 546,116	545,748	545,753	-£ 363	354,624	354,624	-£ 191,492	64.94%
Finance	£ 200,791	201,463	208,470	£ 7,679	98,627	98,714	-£ 102,077	49.16%
Board Secretary	£ 119,211	119,365	119,237	£ 26	57,758	57,758	-£ 61,453	48.45%
Chief Operating Officer	£ 2,190,723	2,655,087	2,506,078	£ 315,355	1,980,090	2,620,090	£ 429,367	119.60%
Director of Transformation	£ 32,283	32,708	32,708	£ 425	1,141	1,141	-£ 31,142	3.53%
Director of Strategy	£ 104,572	104,980	104,980	£ 408	79,557	79,557	-£ 25,015	76.08%
Health Board Wide	£ 1,040,005	1,000,000	1,000,000	-£ 40,005	0	0	-£ 1,040,005	0.00%
IMM	£ 1,000,000	2,789,743	2,760,333	£ 1,760,333	2,502,974	2,508,974	£ 1,508,974	250.90%
Grand Total	£ 27,700,000	£ 28,123,968	£ 27,450,816	-£ 249,184	£ 22,644,584	£ 24,945,237	-£ 2,754,763	90.06%

Savings Plan vs Forecast Delivery



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 £28.124m however there is some slippage forecast against these schemes, reducing the forecast delivery to £27.45m.

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.

The table highlights that due to over-delivery in some areas the overall savings forecast shortfall is constrained to £0.249m. A significant element of the forecast shortfall relates to beds, The graph shows the monthly planned and actual/forecast delivery. As you can see the most forecast slippage is in the later part of the year and is linked to the Amber schemes. It is important that these schemes are kept under constant monitoring to ensure further slippage is not experienced.

The full year effect of this year's recurrent savings programme is £24.9m, which is £2.75m short of the required target. This is being addressed as a matter of urgency.

The £24.9m forecast recurrent delivery includes £5m of amber savings linked to bed utilisation efficiency which is currently considered a risk, with bed efficiency enabling actions being reviewed to ensure clear delivery of benefits. The impact of enabling actions must be demonstrated to allow the savings to be transacted. Future bed requirements will due to service demand growth and occupancy requirements will be included in future years plan.

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 £27.278m 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 and also a suggested split of the 4% savings target into Service Transformation and Efficiency schemes (2.5%) and general savings (1.5%).
- The latter half of the second table provides an update on the local savings identified and the potential impact of more corporately led themes which will deliver savings at Service Group level.
- All Savings will need to be tested to provide assurance on deliverability and impact.

Service Group/Directorate	Indicative 4% Savings Target £	2.5% Service Transformation & Efficiency	1.5% General Savings	Local Savings Identification £	Nursing £	Medical £	Procurement £	Medicines Mgmt £	Total Savings Identified £	% of Target
NPTS	6,361,274	3,975,796	2,385,478	707,120	950,000	591,880	1,400,000	109,000	3,758,000	59.08%
Morritson	9,026,454	5,641,534	3,384,920	-	2,150,000	657,000	-	-	2,807,000	31.10%
MH&LD	3,972,273	2,482,670	1,489,602	1,348,000	250,000	204,000	175,000	25,000	2,002,000	50.40%
PCCT	4,151,148	2,594,467	1,556,680	2,488,750	269,048	128,249	115,954	-	3,002,001	72.32%
Corporate Directorates	3,766,877	2,354,298	1,412,579	-	-	-	-	-	-	-
Total	27,278,025	17,048,766	10,229,259	4,543,870	3,619,048	1,581,129	1,690,954	134,000	11,569,001	42.41%



COVID Income & Expenditure

COVID Funding	Confirmed & Anticipated Funding £000
Testing	3,104
Contact Tracing	13,090
Vaccination	13,578
Extended Flu	1,190
Enhanced Cleaning Standards	2,366
PPE	4,797
Care Homes	2,243
Sustainability	45,198
Long COVID	635
UEC Programmes	4,130
COVID Response	90,331
Recovery	24,295
20/21 Savings Impact	17,672
Bonus Payment Recovery	- 1,130
Total Allocation	131,168

- 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 £131.168m, due to workforce and other physical constraints, any bids for further funding must be approved by the Director of Finance prior to submission.
- Following the issue of funding based on Month 8 forecasts, there have been some further movements within increased forecasts in vaccination and PPE. These increases are able to be managed due to slippage on other areas such as winter, recovery and long COVID.
- 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 around £12m 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 need to be developed quickly to ensure that all funding received is utilised.

COVID Expenditure	YTD Spend £000	Forecast Spend £000
Testing	2,370	3,104
Tracing	9,030	13,089
Vaccination	10,853	14,379
Extended Flu	885	1,190
Cleaning Standards	1,775	2,366
Recovery	11,901	23,505
Long COVID	240	385
Urgent Emergency Care	1,419	4,130
Sustainability :		
Primary Care Prescribing	4,426	5,788
PPE	3,692	4,892
Care Homes	2,028	2,243
Staffing	21,289	25,523
Other Non Pay/Income Loss	8,806	12,901
	78,714	113,495



Forward Look

	2021-22 Plan Update £m	Current Position £m
20/21 Core Underlying Position	24.405	24.405
20/21 Savings COVID impact	17.672	17.672
20/21 Underlying Position	42.077	42.077
Cost pressures	25.600	27.100
WG Allocation	-15.100	-15.100
Investment Commitments	8.500	8.500
Planned Savings	-27.700	-26.600
Investments to enable Savings	8.700	2.500
Slippage on Plan		3.600
Forecast Position pre-COVID	42.077	42.077
Less 20/21 Savings impact	-17.672	-17.672
Forecast Position post-COVID	24.405	24.405

	2021/22 estimated costs	2022/23 full year plan	
7 Day Working	150,000	750,000	Plan not yet approved
Frailty	250,000	911,000	
Rehab/ICOP	-	700,000	No plan approved
H2H Pathway 2	395,000	1,006,000	
ACT/Virtual Ward	580,000	1,231,000	
HASU	100,000	500,000	No plan approved
			Specialist Palliative care cases & Cancer performance cases approved
Cancer	300,629	1,500,000	
Endoscopy	-	500,000	No plan approved
Q&S	218,333	355,000	
Consultant Contract	-	500,000	No plan approved
Health & Wellbeing	300,000	300,000	
Savings PMO	180,000	450,000	
Total	2,473,962	8,703,000	

- The first table provides a comparison of the Health Board current position to the 2021/22 plan.
- The key movements are :
 - Cost pressures due to higher than anticipated costs in NICE/HCD, ChC and general inflationary pressures in non-pay.
 - Planned Savings – with a £1.1m shortfall on forecast savings delivery
 - Investments – there have been significant delays in formulating, agreeing and implementing plans which has resulted in significant slippage.
- The second table provides some further detail of the planned investment funding and the estimated commitments in 2021/22.



Actions

Savings

- Confirm impact of bed utilisation efficiency enablers and the relevant implications to service group recurrent savings position to allow this to be transacted. UEC Programme Director, Deputy Director of Finance, Deputy COO – 23rd December 2021 (extended due to more work required on bed paper)
- Review all non-bed related amber schemes to provide assurance of delivery, actions required or alternative opportunities to bridge £3m recurrent gap in plans outside of bed savings. Service and Corporate Directors and PMO – 23rd December 2021
- Urgently develop schemes and themes to meet at least 50% of the indicative 22/23 savings target by the end of November and 85% by the end of December. Service and Corporate Directors – November/December 2021

COVID Response and Recovery

- Develop alternative opportunities to ensure allocated 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

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 to sign off) – COO, Deputy COO and Deputy Finance Director – 23rd December 2021





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➤ BETTER CARE

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➤ GOFAL GWELL

➤ BYWYDAU GWELL

