

Bundle Finance Committee 25 June 2019

- 1 14:00 - GOVERNANCE
 - 1.1 Welcome and Apologies
Presenter: Chair
 - 1 3 Unapproved Finance Committee Minutes 20 05 19
 - 1.2 Declarations of Interest
Presenter: All
 - 1.3 Unapproved Minutes of Previous Meeting Held on 20th May 2019
Presenter: Chair
 - 1 4 Finance Committee Table of Actions 20 05 19
 - 1.4 Matters Arising and Table of Actions from Meeting Held on 20th May 2019
Presenter: Chair
 - 1 4 Finance Committee Table of Actions 20 05 19
- 2 14:10 - FOR DISCUSSION
 - 2.1 Finance Report Month 2
Presenter: Huw Thomas
 - 2 1 Finance Report Month 2 SBAR
 - 2 1 Appendix 1 Month 2 Finance Committee Presentation A
 - 2 1 Appendix 2 Month 2 Finance Committee Presentation B
 - 2.1a Financial Projections Report Month 2
Presenter: Huw Thomas
 - 2 1a Financial Projections Month 2 SBAR
 - 2.2 Turnaround Report Month 2
Presenter: Andrew Carruthers
 - 2 2 Turnaround SBAR Finance Committee June 19
 - 2 2 Appendix 1 Turnaround Report
 - 2.3 RTT Month 2
Presenter: Keith Jones
 - 2 3 RTT Month 2
 - 2.4 Establishment Control
Interactive Demonstration
Presenters: Michelle James/Adam Moore
 - 2.5 Capital Financial Management
Presenter: Huw Thomas
 - 2 5 Capital Financial Management June 19
 - 2.6 External Finance Review
Presenter: Huw Thomas (verbal)
 - 2.7 Benchmarking Network Summary Report
Presenter: Huw Thomas
 - 2 7 Benchmarking Network Summary Report SBAR
 - 2 7 Appendix 1 NHSBC Opportunity Report HywelDdaUHB
 - 2 7 Appendix 2 Benchmarking Network Summary Report Discussion-Summary
- 3 15:20 - FOR INFORMATION
 - 3.1 Finance Committee Terms of Reference
Presenter: Chair
 - 3 1 Finance Committee Terms of Reference v6 for Board approval 300519
 - 3.2 Strategic Financial Planning Group Update Report to the Integrated Enabling Group (from Meetings Held on 14th November 2018, 2nd May 2019 and 3rd June 2019)
Presenter: Huw Thomas
 - 3 2 SFPG Update Report (June 2019)

- 3.3 Finance Committee Update Report to Board from Previous Committee Meeting
Presenter: Chair
3 3 Finance Committee Update Report to Board - 20th May 2019
3 3 Appendix 1 Finance SoD March19revised
- 3.4 Finance Committee Annual Workplan
Presenter: Chair
3 4 Finance Committee workplan 2019-20 v7
- 3.5 Reflective Summary
Presenter: Huw Thomas (verbal)
- 4 ANY OTHER BUSINESS
- 5 DATE OF NEXT MEETING: Monday 22nd July 2019; 9.30 - 12:30; Boardroom, Ystwyth
- 6 15:40 - STRATEGY WORKSHOP
- 6.1 Implementing Value
Presenter: Mark Bowling
6 1 SBAR_Presentation_FinValueStrategy_Jun19
6 1 Presentation_FinValueStrategy_Jun19
- 6.2 Implementing Contracting
Presenter: Shaun Ayres
6 2 Implementing Contracting SBAR
6 2 Appendix 1 Contract Strategy
6 2 Contract Strategy Presentation
- 6.3 Implementing Finance Strategy
Presenter: Fiona Powell/Rhian Davies
6 3 Finance Strategy Update Presentation
- 6.4 Finance Delivery Unit
Presentation to follow
Presenter: Hywel Jones

**COFNODION HEB EU CYMERADWYO O GYFARFOD Y PWYLLGOR CYLLID/
UNAPPROVED MINUTES OF THE FINANCE COMMITTEE MEETING**

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| Date and Time of Meeting: | 9.30 am 20 th May 2019 |
| Venue: | Boardroom, Ystwyth Building, St. David's Park, Carmarthen |

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| Present: | Mr Michael Hearty, Associate Member (Chair) Mr Steve Moore, HDdUHB Chief Executive Mrs Judith Hardisty, Interim Chair of HDdUHB Mr Paul Newman, Interim Vice Chair, HDdUHB Mr Mike Lewis, Independent Member (Vice Chair) Mrs Lisa Gostling, Director of Workforce & OD Mr Huw Thomas, Director of Finance Mr David Powell, Independent Member Mr Joe Teape, Director of Operations/Deputy CEO Mr Andrew Carruthers, Turnaround Director Mrs Ann Taylor-Griffiths, Union Representative |
| In Attendance: | Mrs Sarah Bevan, Committee Services Officer (Secretariat) Mrs Fiona Powell, Assistant Director of Finance |

| AGENDA ITEM | ITEM | |
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| FC(19)65 | INTRODUCTIONS AND APOLOGIES FOR ABSENCE | Action |
| | The Chair Mr Michael Hearty welcomed everyone to the meeting. Apologies were received from: <ul style="list-style-type: none"> Mr Keith Jones, Directorate General Manager | |

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| FC(19)66 | DECLARATIONS OF INTERESTS | |
| | There were no declarations of interest made. | |

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| FC(19)67 | MINUTES OF PREVIOUS MEETING HELD ON 25TH APRIL 2019 | |
| | RESOLVED – that the minutes of the Finance Committee meeting held on 25 th April 2019 be APPROVED as a correct record, subject to the following amendment: <ul style="list-style-type: none"> FC(19)52 Finance Report Month 12 2018/19 – to amend 'This review will be presented to the May 2018 Committee meeting' to This review will be presented to the May 2019 Committee meeting. | |

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| FC(19)68 | MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 25TH APRIL 2019 | |
| | An update was provided on the Table of Actions from the meeting held on 25 th April 2019 and confirmation received that all outstanding actions had been progressed. | |

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| FC (19)69 | <p>FINANCE COMMITTEE OUTCOME OF SELF-ASSESSMENT OF PERFORMANCE 2018/19</p> <p>Members were presented with the Finance Committee Outcome of Self-Assessment of Performance 2018/19 report. Mr Huw Thomas highlighted two issues; the first in relation to differences in the nature of the information presented during Committee meetings between the slide presentations in advance of the meetings and the written reports. Mr Thomas advised that this is often intentional as the aim of the presentation is to provide more informative physicals that are driving the financial position. Mr Thomas informed Members that effort is being applied to more closely align the links between presentations and the written reports.</p> <p>The second issue is in relation to the lateness of papers for distribution. Mr Thomas explained that this can be a challenge when meetings fall relatively early within the month however assured Members that the Finance team would work with the Corporate Governance team to ensure the prompt distribution of papers 7 days in advance of Committee meetings.</p> <p>A comment was made that only 2 In-Attendance member responses had been submitted. Mr Mike Lewis queried whether the views from this group could be teased out informally. Mr Thomas and Mr Hearty both welcomed feedback from In-Attendance members regarding the process or the effectiveness of the Finance Committee.</p> <p>Whilst noting that responses from In-Attendance members were more critical than Members' responses, it was agreed that having only received 2 responses did not necessarily provide a consensus view of all In Attendance Members.</p> <p>Mr Hearty acknowledged the observation was that the Committee had been focused on short term financial delivery during 2018/19 and recognised that the focus in 2019/20 would be on progressing the Health Board's underlying deficit, which would inform the development of a longer term strategy.</p> <p>Mr Thomas advised that a focus on strategic items would feature on the Finance Committee agenda for 2019/20, commencing with a workshop session at the June 2019 Finance Committee meeting. Mr Steve Moore suggested there is an immediate issue to focus upon in the medium term in terms of the Integrated Medium Term Plan (IMTP) and that the Committee would need to consider its role in testing the IMTP through the next 6 months. Mr Hearty and Mr Thomas undertook to meet to discuss how to shape the Finance Committee's engagement with medium term strategic planning.</p> | MH/HT |
| | <p>The Committee:</p> <ul style="list-style-type: none"> • DISCUSSED the findings of the Finance Committee self-assessment exercise 2018/19; • SUPPORTED the suggested actions by the Corporate Governance Team and the Finance Team; | |

- **CONSIDERED** any further improvements that could be made to increase the Committee's effectiveness.

FC (19)70

FINANCE REPORT MONTH 1

Members were presented with the Finance Report Month 1. Mr Thomas informed Members that Hywel Dda University Health Board's (HDdUHB) control total is £25m. The £24m savings to deliver has now increased to a £28.8m total savings plan requirement for the year. The identified savings total of assured schemes with marginal risk to delivering is £18.5m to month 1; of which £11.9m are assured. Mr Thomas informed Members that there has been a shift from the RAG status rating to the identification of schemes as assured schemes (green), schemes with marginal risk (amber) and pipeline opportunities (red).

Mr Thomas referred to the budgeting issues from the previous year with the closure of the Aseptic Unit in Glangwili General Hospital (GGH) having a twofold impact on immediate costs and opportunity costs. This has been identified as a £0.5m risk.

Mr Thomas informed Members that the month 1 deficit is £2.9m which is a £0.4m adverse position against plan. This is mainly due to surge bed pressures in unscheduled care, notably in Wthybush General Hospital (WGH) and Critical Care.

The current gap in identified assurance savings schemes is £10.3m, against which pipeline opportunities of £8.3m have been identified and are actively being pursued. Opportunities will need to be developed into actionable plans in order to close this gap in savings.

Whilst acknowledging the change in classification of the RAG rating system, Mr Lewis enquired if there are assured schemes of £11.9m and schemes with some risk of £6.6m, whether this would bring the risk to delivery to approximately £17m. Mr Thomas responded that some risk is around the margin and some schemes have measures in place to de-risk; the £6.6m plan is to be delivered in year. Mr Thomas assured Members that the Holding To Account (HTA) meetings held the previous week focused upon how many schemes could be de-risked to assured schemes.

Ms Ann Taylor-Griffith queried whether the £0.4m adverse against plan attributed by surge pressures had been as a result of staffing issues during the Easter bank holiday. Mr Thomas confirmed that this had been largely due to staffing and that it had been an issue throughout the month of April and not only contributed to by the Bank Holiday period.

Mr Thomas advised that HDdUHB is £0.6m adrift on pay at month 1, mainly due to bed pressures within unscheduled and critical care. Mrs Judith Hardisty queried the alternative to not opening surge beds if HDdUHB is unable to access staff. Mr Teape advised that the Accident and Emergency Service within WGH had been consistently full for the month of April and that there had been an extraordinary growth observed in ambulance activity. Ms Hardisty suggested that if HDdUHB were adrift

to this extent in month 1 then perhaps the demand in April had not been foreseen.

Mr Paul Newman enquired whether the data is comparable to previous years. Mr Teape responded that a number of beds had since been closed and have therefore become surge beds. Mr Teape went on to confirm that comparisons can be applied from an activity perspective, with a 7% increase observed, and from a length of stay perspective with an increase to 3 days in the month. Members agreed that this could potentially be an area of deep dive at a future Committee meeting. Members recognised the need to gain a perspective on the analytics involved and the identification of any lead indicators or trigger indicators.

Ms Taylor-Griffiths informed Members that the number of admissions to Out of Hours services, which has recently increased 3 fold, had a majority age profile of 80 years. This in turn impacted upon the length of time to improve the patient condition to enable discharge. Whilst acknowledging this, Mr Andrew Carruthers advised that admissions across HDdUHB had reduced and Mr Hearty commented that this is an example of classic demand management territory.

Mr Newman queried whether, as the winter planning debrief suggests, the ambition to close beds was ever considered deliverable. Mr Teape responded that the situation is different across the different sites, i.e. the use of surge beds in Prince Philip Hospital (PPH), is low compared to WGH where all such beds have been opened.

Mr Thomas presented the key run rate charts. The impact of month 1 in surge pressures did not show within pay due to an issue in how the budget had been set. Regardless of reliance on agency, an underspend/neutral position was reflected. Mr Thomas assured Members that the budget for 2019/20 reflects establishment and where staff are located on the pay scale. There will also be more tracking applied between pay overspend and bed base.

Mr Thomas highlighted that Continuing Health Care (CHC) is difficult to forecast and that growth will need to be controlled for 2019/20. Mr Newman queried whether this provokes any discussion with Welsh Government. Mr Thomas assured Members of the work currently ongoing with commissioning groups and the National Collaborative Commissioning Unit (NCCU) to review care packages.

Mr Thomas highlighted the issue of No Cheaper Stock Obtainable (NCSO). Mr Thomas also highlighted that there had been a significant uplift in the drugs budget for 2019/20 with an increase in drugs related to oncology. Mr Hearty recognised that the impressive achievements currently on-going on with drug related work.

With regard to savings delivery, Mr Thomas highlighted the level of growth and the anticipation to deliver within the budget profile for 2019/20. This includes the impact of the additional £5m savings to deliver in the control total.

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| | <p>Mr Thomas informed Members that the forecast delivery for the remainder of the year is in line with the total requirement of £28.8m. There is a risk to outturn of £10.3m although there are a number of identified pipeline opportunities to deliver this gap. The residual gap stands at £2m.</p> <p>Mr Moore informed Members that at the last Targeted Intervention meeting, the Director General requested a formal update following the HTA meetings to note progress each month. Mr Moore acknowledged the realistic optimism observed from the directorates.</p> <p>Mr Thomas was positive in the delivery of the original £28.9m deficit position. However the control total had not yet been reached. Mr Carruthers remarked that the pipeline model will now enable a more continuous process to be applied.</p> <p>Mr Hearty requested clarity on at what point within the year the Finance Committee should be concerned should the gap remain. The Finance Committee would want to see the gap decreasing in order to provide assurance to the Board. Mr Newman agreed with the need to see delivery of targets achieved. Mr Carruthers confirmed that this would be included in the Turnaround and Savings updates.</p> <p>Mr Thomas continued with the Finance Projections report, presenting an overview of what the in-month position needs to look like to enable delivery of the £25m control total requirement. Members noted that a large reduction will be required from month 6 onwards when the control total requirement has been planned in.</p> <p>Variance to breakeven requires a £2.5m against budget in month. With the addition of operational pressures and the impact of the Aseptic Unit closure, the total variance is £2.9m in month. The end of year projection represents a risk of £39.6 re the control total of £25m.</p> <p>Mr Hearty queried whether the £2m residual gap included the £0.5m end of year projection assigned to the Aseptic Unit closure. Mr Thomas responded that a recovery plan is required for the £0.5m and that, due to the overspend in month 1 totalling £1.9m, the residual gap risk stands at £3m. Mr Thomas undertook to provide an update on progress with the Aseptic Unit to the Committee in June 2019.</p> | <p>AC</p> <p>HT</p> |
| | <p>The Committee NOTED and DISCUSSED the financial position for Month 1 and the Financial Projections report.</p> | |
| <p>FC (19)71</p> | <p>TURNAROUND REPORT MONTH 1 AND SAVINGS PLAN</p> <p>Members were presented with the Turnaround Report Month 1 and Mr Carruthers invited questions on the detail within the report.</p> <p>Mrs Judith Hardisty queried whether the Scheduled Care Directorate's savings plan includes outpatient improvement. Mr Carruthers confirmed that this is included and that £0.5m in the plan is for referral follow up plans. Mr Carruthers also provided assurance that pathway redesign and changes to service delivery feature within the plans.</p> | |

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| | <p>Mrs Hardisty enquired whether consultants had been involved in discussions around this work otherwise plans may be vested in the few people involved.</p> <p>Mr Teape commented that there is a need to understand the specialties, with all those involved being required to consistently perform well in order to be able to expect a significant reduction in the follow up backlog.</p> <p>Ms Taylor-Griffiths referenced the Bronglais General Hospital (BGH) Unscheduled Care Directorate's savings plan and the action to reduce the deficit through close monitoring of Health Care Support Worker (HCSW) spend. Ms Taylor-Griffiths informed Members that BGH is exhibiting an increasing amount of Enhanced Patient Care (EPC) and that there is insufficient HCSWs in the bank to supplement those in substantive roles.</p> <p>Mr Carruthers informed Members that discussions had been held with the Directorate the previous week highlighting that a focus on HCSW rostering had lapsed with more being rostered than required; the Directorate wished to re-focus on this. Mrs Gostling acknowledged the link to the Establishment Control work that is currently ongoing.</p> <p>Mr Hearty commended the clarity of the report and queried whether the schemes detailed in section 3 were less mature schemes. Mr Carruthers confirmed that these are more pan-organisational themes with the expectation that, with the attribution of Director level leadership, these schemes would look different going forward.</p> <p>Mr Hearty identified the common themes running through each of the schemes, whilst suggesting these should be viewed from an overall perspective in order to gain oversight of cost and efficiency. This may in turn require objectives to be reshaped.</p> <p>Whilst acknowledging that the schemes detailed in section 3 provide some clarity on how they will be phased, Mr Powell queried when the Finance Committee should begin to be concerned over their delivery. Mr Carruthers undertook to include a narrative on this in future reports.</p> | AC |
| | The Committee NOTED and DISCUSSED the Turnaround Programme update report. | |

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| FC (19)72 | FINANCIAL PROJECTIONS REPORT (CONSOLIDATED RISKS FROM HTA PROCESS) | |
| | Members were presented with the Financial Projections Report, which was discussed and noted as part of the Finance Report Month 1 agenda item. | |

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| FC (19)73 | RTT MONTH 1 | |
| | Members were provided with the RTT Month 1 report which Mr Teape presented in Mr Keith Jones' absence. | |

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| | <p>The total forecast cost of delivery 2019/20 is approximately £5.5m which will compose of a mix of outsourcing and internal spend. The appended report illustrated that HDdUHB are currently within plan at Month 1 spend with 1.3m agreed for orthopaedics and ophthalmology.</p> <p>A savings target to the value of £1.4m had been agreed spanning ophthalmology, orthopaedics and breast surgery. Activity to Month 1 illustrated total additional expenditure of £244.5k. This was below expected levels during Month 1 due to the impact on activity levels of the Easter holiday period, reduced Ophthalmology outsourced activity and the absence of externally provided Neurology clinics during the month. Mr Teape assured Members that the finance team will be tracking delivery of £1.4m through savings plans</p> <p>Mr Teape highlighted the breaches resulting from the effects of end of year annual leave and the Bank Holiday period which reduced activity levels. Mr Powell enquired whether a profile had been applied to anticipate the 213 breaches. Mr Teape noted that this is reported to Welsh Government and that the aim is to return to zero breaches by the end of June 2019 and to maintain this throughout the year. Mr Teape added that the 213 breaches were across services however the majority of these occurred within orthopaedics and ophthalmology due to a reduction in activity.</p> <p>Mr Teape informed Members that the MRI scanner at BGH is out of service indefinitely. Mitigations in place include the commissioning of a mobile scanner at BGH and activity being sent to Werndale to maintain capacity. 40 breaches were incurred throughout April 2019.</p> <p>Mrs Hardisty enquired whether Bank Holidays could be factored in to provide extra allocation within 2019/20 as Easter 2020 may also fall within the 2019/20 financial year. Mr Teape confirmed that this is predicted and accounted for within current figures.</p> | |
| | <p>The Committee NOTED progress to Month 1 (April 2019) in respect of the financial plan and planned expenditure trajectory to support Referral to Treatment (RTT), Diagnostic and Therapy service waiting times delivery for 2019/20.</p> | |

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| FC (19)74 | ESTABLISHMENT CONTROL | |
| | Deferred to June 2019 Finance Committee meeting. | |

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| FC (19)75 | CAPITAL FINANCIAL MANAGEMENT | |
| | Members were presented with the Capital Financial Management Report. | |
| | Acknowledging its presentation early on in the year, no questions were raised by Members. | |
| | <p>The Committee:</p> <ul style="list-style-type: none"> • NOTED the Capital Resource Limit for 2019/20, along with expenditure allocations and profile • NOTED the work being done to manage the financial risks | |

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| FC (19)76 | CONTRACTING UPDATE | |
| | Deferred to June 2019 Finance Committee meeting. | |
| FC (19)77 | FINANCE TEAM STRATEGY | |
| | Deferred to June 2019 Finance Committee meeting. | |
| FC (19)78 | YEAR END DEBRIEF | |
| | <p>Mr Thomas provided a verbal update on the Year End Debrief which had been recently arranged to deliver a summary of the directorates which were overspent in 2018/19 and therefore in escalation. The debrief panel consisted of the Chair of the Finance Committee, HDdUHB's Director of Finance, HDdUHB's Chief Executive and members of the Finance Delivery Unit. The focus of the exercise was to establish lessons learned from the previous year to define processes and budget setting for 2019/20. Mr Thomas noted that it had been a positive exercise where assurance had been gained and detailed scrutiny and attention applied by those present. However, Mr Thomas suggested that although he had chaired this debrief it may have been more appropriate to have had an independent chair.</p> <p>Mr Hearty commented that he had found it very interesting as he had not previously been involved with all of the HTA meetings. Mr Hearty singled out the review of work undertaken within medicines management which had been excellent in its recognition of greater use of analytics in managing cost and demand which contributed to live management of the situation.</p> <p>Mr Hearty also acknowledged that the feedback on business partnering had been positive to reflect upon.</p> <p><i>Mr Teape left the Committee meeting.</i></p> | |
| | The Committee NOTED the verbal update on the Year End Debrief report. | |
| FC (19)79 | EXTERNAL FINANCE REVIEW | |
| | <p>Mr Thomas presented Members with a verbal update on the External Finance Review.</p> <p>Members were informed that Welsh Government and HDdUHB are commissioning external advisors to prepare a report on the deficit position, similar to that already carried out in Betsi Cadwalader University Health Board. The review will focus on the underlying deficit and, if a control total is imposed, will be followed up with external scrutiny to provide assurance regarding delivery of the control total.</p> <p>The review will commence with underlying deficit resulting in the outcome of a deliverable action plan. This will allow insight into what can be</p> | |

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| | <p>targeted in the short term and what will need to wait until the strategy is fully implemented in a few years' time.</p> <p>Mr Thomas informed Members that the draft specification for the external finance review indicates that a report is required, which includes an action plan, to be submitted to Welsh Government by the end of August 2019. A HDdUHB representative will be on the panel to appoint the firm of consultants to carry out the review.</p> <p>Ms Hardisty queried what would make this review different to the Deloitte review. Mr Thomas explained that part of the tender specification is to review how the recommendations of the Deloitte review are to be implemented. Mr Thomas also noted that many of the key recommendations from the Deloitte review have been implemented as part of developing the finance strategy. Mr Thomas clarified that, where the Deloitte review focussed on high level efficiency in HDdUHB, the external review will make specific recommendations for actioning.</p> <p>Mr Newman noted that the deadline stated in the Corporate Risk Register is December 2019. Mr Thomas assured Members that this would be updated accordingly.</p> | |
| | The Committee NOTED the External Finance Review verbal update. | |

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| FC (19)80 | <p>ADDRESSING RECOMMENDATIONS FROM THE DELOITTE ZERO BASED REVIEW</p> <p>Members were presented with the recommendations from the Deloitte Zero Based Review which had been commissioned by Welsh Government as a review of acute healthcare services.</p> <p>The review made four recommendations on what needs to be implemented to progress opportunities to improve efficiencies in the short, medium and long term. The recommendations are summarised below, together with their status of implementation:</p> <ul style="list-style-type: none"> • To consider the extent to which unavoidable costs are accounted for in the current allocation formula - Completed; • To consider the way the clinical strategy can support by providing the right care to a changing population - Strategy now being developed; • To continue to develop further efficiency areas and drive these forward - Process is in place to identify pipeline opportunities; • To consider what temporary measures may be appropriate in areas where costs are avoidable only in the medium or long term - Mr Thomas highlighted that this recommendation predates the Turnaround process that has been implemented since the Deloitte review was published; therefore, all recommendations have been implemented and will continue on an ongoing basis. <p>Mr Thomas assured Members that the external finance review, as detailed in the preceding agenda item, will determine whether these recommendations have been implemented.</p> | |
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| | The Committee DISCUSSED the actions being taken to progress opportunities highlighted in the Review. | |
| FC (19)81 | <p>CORPORATE RISKS</p> <p>Members were presented with the Corporate Risks Report. Mr Thomas informed Members that risk 630 will be changed to be replaced with a new risk which is currently in draft form. Mr Thomas assured the Committee that there are no significant changes from 2018/19.</p> <p>Mr Newman enquired whether all directorates had signed the accountability letters as part of the HTA process. Mr Thomas confirmed that there are still some areas outstanding; however, most of the major directorates had now signed. Mr Thomas undertook to provide an update position on the signing of the accountability letters to the June 2019 Finance Committee meeting and assured Members that those that had not yet signed would be escalated to the Chief Executive.</p> <p>The Committee NOTED:</p> <ul style="list-style-type: none"> • The identified controls are in place. • The actions to be implemented within the stated timescales which will reduce the risk further and/or mitigate the impact, if the risk materialises. • The challenges where assurances are inadequate. | HT |
| FC (19)82 | <p>FINANCE OPERATIONAL RISKS</p> <p>Members were presented with the Finance Operational Risks report.</p> <p>Mr Thomas informed Members that the finance team had received risk management training from the Assurance and Risk team which has enabled finance colleagues to scrutinise how finance risks are being logged. Further work is required to ensure consistency in the logging of risks against the Finance impact domain. Mr Thomas highlighted that the logging of risks under the Finance domain should not be perceived by services as a way of bidding for further cash.</p> <p>Mr Powell queried the rationale given to risk 525 within the report, regarding scheduled care financial pressures due to continuation of the BGH theatres compensatory rest policy, as it states that progress is at an impasse with staff side relations; Mr Powell requested further detail as to the next steps to address this risk. Mrs Hardisty noted that there is further detail on the additional risk action required in Appendix 4.</p> <p>Ms Taylor-Griffiths commented that this issue is due to staffing and the requirement to ensure safety. Mr Hearty noted that this risk is not for the Committee and Members agreed that it is not a financial risk but an operational risk.</p> <p>Members noted that the recommendation at end of the report is for the Committee to provide the necessary assurance to the Board that these risks are being managed effectively. Mr Hearty remarked that this is a challenging request based on the information currently available. Members discussed putting a framework in place to further scrutinise the detail and appropriateness of the risks assigned against the finance</p> | |

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| | <p>domain. Mrs Gostling informed Members that this approach had been successfully applied within the Workforce & Organisational Development Directorate and was happy to share the mechanism used with Mr Thomas.</p> <p><i>Mr Teape re-joined the Committee meeting.</i></p> <p>Mr Hearty acknowledged the improved report to those previously received by the Committee in terms of the information provided. However, Directorates need to understand the organisational risk appetite compared to the local risk appetite. The example given was the highest ranked risk, 519, in relation to the health records risk of the inability to balance their budget in 2018/19 affecting the whole of HDdUHB. Mr Newman accepted that the risk score of 20 was applicable in terms of medical operational risk but not applicable for a finance risk.</p> <p>Mr Hearty requested that the risks identified within the report are reframed. Mr Thomas assured Members that further work would be undertaken to scrutinise and review the risks for propriety and to enable the Committee to gain assurance that all relevant controls and mitigating actions are in place.</p> | <p>LG</p> <p>HT</p> |
| | <p>The Committee:</p> <ul style="list-style-type: none"> • REVIEWED and SCRUTINISED the risks included within the report to seek assurance that all relevant controls and mitigating actions are in place. • DISCUSSED whether the planned action will be implemented within stated timescales and will reduce the risk further and/or mitigate the impact should the risk materialises. | |

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| FC (19)83 | <p>WINTER PLANNING 2018-19</p> <p>Members were presented with the Winter Planning 2018-19 report.</p> <p>Mr Teape advised that the intent of the report is not to provide an evaluation of the work that occurred as part of winter planning 2018/19 but rather to detail the processes that were put in place.</p> <p>HDdUHB's initial allocation, confirmed in November 2018, amounted to £1.9m. This formed part of a broader NHS Wales allocation of £20m and was determined based on a direct needs formula applied by Welsh Government. Of the £20m, a sum amounting to £4m was top sliced from the allocation and directed to nationally agreed priorities promoted by the National Programme for Unscheduled Care. HDdUHB's benefit from these initiatives was valued at approximately £0.4m.</p> <p>Mr Teape provided details of the approach to demand and capacity centred on a baseline bed model. There was agreement to suspend bed closure plans designed into HDdUHB's annual plan and to direct an equivalent amount of money, which would have been gained from activating bed closure plans, from the winter allocation into the bottom line. This figure amounted to £1 million towards the overall recovery plan.</p> | |
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Members were assured that a system had been established with the finance team, where weekly meetings were held to review what was spent, what had happened and to determining the diversion of funds, for example, to surge beds. This enabled the curtailment of other planned spending in order to manage within resource.

Mr Teape highlighted that the outturn of expenditure on acute bed capacity surpassed planned expenditure, particularly in January, February and March 2019. However a source of funds was available on which to charge spending on surge beds against.

Mr Teape summarised that there had been good processes in place for 2018/19 which were well supported by the finance team to ensure that HDdUHB lived within its allocation and available funding. A comprehensive winter review document regarding the wider plan would be presented to Board on 30th May 2019.

Mr Powell queried whether the increased spend on acute bed capacity had impacted upon other areas. Mr Teape confirmed that this had not been the case and that community services received funding for the first time which went towards services such as Care At Home in Pembrokeshire.

Mr Newman commented that short term decisions can have long term impact, for example the investment in community equipment.

Mrs Hardisty enquired as to what constitutes winter in terms of service demand, as there is a requirement to look at how services are managed despite the weather being cold. Consideration should be given to what can be planned in the immediate term to be utilised all year round. Mrs Hardisty queried whether feedback could be provided to Welsh Government that funds are required earlier on the year, rather than in November, and that perhaps investment earlier on in the year could have an improved impact. Consideration also needs to be given on what could be embedded permanently to increase efficiency and reduce pressures.

Mr Carruthers commented that, from a Welsh Government perspective, consideration needs to be given to managing the unscheduled care system throughout the year. Mr Carruthers acknowledged that winter is a busy period which has a different demand to summer. Mr Carruthers also acknowledged that RTT and unscheduled care need to sit within the plan rather than requiring the need to request additional funding.

Mr Thomas advised that funding had not been announced until September 2018, however, HDdUHB will be in a better position going into 2019/20 with £1m identified as part of this budget settlement. Mr Thomas also suggested there may be further opportunities identified as winter 2019 approaches.

The Committee **RECEIVED** and **NOTED** the content of the Winter Planning 2018/19 report.

Ms Jenny Pugh-Jones introduced the Deep-dive into Medicines Management and Aseptic Unit presentation:

- Horizon Scanning & NICE/HED Modelling: allows the NHS to prepare for cost impact and implementation of guidance well in advance of change. Public Health will use Horizon Scanning to produce a booklet to provide a rough estimation per 100,000 population. Local intelligence will be utilised to provide a Welsh perspective and cost modeling is currently underway to determine part year cost implications. The process will also provide a high level profile on what to expect next year. Ms Pugh-Jones informed Members that the 2019/20 allocation for secondary care is £2.6m; mainly allocated to oncology and haematology. Ms Pugh-Jones assured Members that the Horizon Scanning and Finance Group will be reporting directly to the Medicines Management Sub-Committee to enable the further review and development of actions.
- NCSO: over the previous 2 year there has been a significant increase to over £0.3m per month; either due to the global market or to Brexit. This has had a significant impact on community pharmacies especially in relation to repeat prescriptions. In the hospital sector, it has been difficult to source drugs from other areas. Ms Pugh-Jones commented that the position is getting critical and that the position can change overnight. Difficulties in mitigating risks involve the impracticalities of switching drugs within short timescales; this is particularly difficult for primary care. Ms Pugh-Jones informed Members that Department of Health (DoH) legislation changes to accommodate pressures associated with Brexit arrangements will allow community pharmacy to change to a drug within a similar drug group rather than having to be referred back to the GP for authorisation. Although this has not yet been enacted, it is in place. Members acknowledged the significant and unpredictable cost pressures associated with this issue. Mr Newman queried the underlying factor and whether this was UK wide. Ms Pugh-Jones responded that shortages of some drugs are worldwide but this is possibly UK specific. A leap in shortages was previously observed in March 2017 which may be as a result of a number of large pharmaceutical companies producing their own generics and therefore buying out generic companies. This has in turn reduced the number of facilities producing generics.
- Medicines Management CIP 2019/20 (Primary Care): Ms Pugh-Jones informed Members that the target for Pharmacy and Medicines Management is £2.9m. The growth in items dispensed has increased year on year by 1-2% for the past 5 years, with the exception of 2018/19 where a decrease was demonstrated. Ms Pugh-Jones advised that a review of the repeat prescription process is underway. With the support of 1,000 Lives, 5 practices within HDdUHB have been targeted and have seen a 1% reduction in repeat prescribing. The aim to replicate this across other practices has the potential to reduce costs to approximately £1.09m. Ms Pugh-Jones reiterated however that this is dependent on Cat M, NCSO and capacity. There is also a review of the

polypharmacy process with the aim to validate whether all of a patient's medications are still necessary.

Mr Teape left the Committee meeting.

- Provision of Aseptic Technical Services – Ms Pugh-Jones informed Members that standards have been increasing over the years and that 3 units no longer meet critical criteria. The unit in GGH closed in December 2018 and the remaining 2 units in WGH and BGH require refurbishment; the anticipation is to repatriate all those outsourced in September 2019. The long term solution is to build a standalone unit, aligned with Transforming Access to Medicines (TRAMS), with the aim of being in place by June 2021. Ms Pugh-Jones highlighted the separate risk of radio-pharmacy and that the closure of the unit in WGH would result in patients being diverted to Singleton Hospital which is already at capacity. This in turn will present implications for the Single Cancer Pathway.

Questions were invited from Members. Mr Lewis enquired when the new legislation regarding NCSO would be enacted and whether discussions were taking place with Community Pharmacy. Mrs Pugh-Jones confirmed that the legislation has been passed, however the DoH is reluctant to enact it until Brexit is implemented. Ms Pugh-Jones confirmed that Community Pharmacy have been engaged at a high level and assured Members that Medicines Management will be working with GPs and community pharmacists locally to consider how they work together.

Mrs Hardisty enquired who inspects the Aseptic Units and who signs off the assurance work involved. Ms Pugh-Jones informed Members that they are inspected by the National Health Regulatory Authority (NHRA) and by an all Wales inspector. HDdUHB is working in collaboration with inspectors to establish what is acceptable. Once the refurbishment is complete, approval will be sought on their acceptability.

Mrs Hardisty queried whether the work with the 5 practices had been rolled out to other practices. Ms Pugh-Jones confirmed that the work would be shared with other practices, however there are 50 practices and only a small Medicines Management workforce. A toolkit has been developed to inform practices on how to implement reductions with the anticipation that sharing news of reductions would build momentum across HDdUHB. Mr Thomas highlighted the challenge of bringing unidentified savings into the savings plan and how this will be monitored.

Mr Powell enquired in relation to Aseptic Units, whether TRAMS would determine the location of the proposed standalone unit. Ms Pugh-Jones responded that TRAMS have identified a way forward for Welsh Government and that, within this remit, they have identified HDdUHB as a high priority to be allocated resources for continuation.

Mr Hearty thanked Ms Pugh-Jones, on behalf of Members, for the presentation.

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| | <i>Mr Moore left the Committee meeting.</i> | |
| | The Committee NOTED the Medicines Management and Aseptic Unit presentation. | |
| FC (19)85 | DEEP-DIVE INTO CONTINUING HEALTH CARE | |
| | Deferred to July 2019 Finance Committee meeting. | |
| FC (19)86 | DRAFT ANNUAL ACCOUNTS 2018/19 | |
| | Members were presented with the Draft Annual Accounts 2018-19. Mr Thomas informed Members that the draft Annual Accounts 2018/20 had been submitted to Audit and Risk Assurance Committee (ARAC) at its meeting held on 7 th May 2019 and were being presented to Finance Committee for information. As Chair of ARAC, Mr Newman commented that the auditors did not present the accounts which he would have perhaps anticipated. | |
| | The Committee NOTED the draft annual accounts 2018/19. | |
| FC (19)87 | IMPACT OF INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS) 16 | |
| | Mr Thomas presented members with the Impact of International Financial Reporting Standard (IFRS) 16 report for information. IFRS 16 is a new accounting standard which will be effective from 1 st April 2020. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and replaces previous accounting standards related to leases. Under IFRS 16, items currently being leased and classed as revenue expenditure, which are not required to be disclosed on the balance sheet, will in future have to be classed as capital assets and accounted for on this basis. Mr Thomas informed Members that the biggest impact will be on the number of operational leases which will be tested to see if there is an underlying asset or borrowing against the asset. Rather than a flat line lease over the life of the lease term, the interest will be frontloaded meaning that the expense is higher at the start of the lease term and will reduce as the lease progresses. This may affect managed service contracts, for example pathology, which encompasses consumables in addition to equipment values. Significant work is currently being carried out by the finance team to identify relevant contracts/regular financial payments in order for an assessment to be made as to whether they would be classified as capital items and placed onto the balance sheet. Further work on the impact of IFRS 16 is being co-ordinated at an all Wales level by the Capital Technical Accounting Group. Welsh Government will require HDdUHB's assessment of the impact of IFRS 16 by early August 2019 in order to understand the impact on capital expenditure and depreciation for 2020/21. | |

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| | The Committee NOTED the work being undertaken in relation to the Impact of International Financial Reporting Standard (IFRS) 16. | |
| FC (19)88 | <p>DEFINING VALUE-BASED HEALTHCARE IN THE NHS – CEBM</p> <p>The Defining Value-based Healthcare (DVBC) in the NHS report was presented to Members for information. The Centre for Evidence Based Medicine (CEBM) report provides an overview of progress made across the UK and assists in providing the Committee with an overview and background of HDdUHB's financial role to effectively support the development of VBHC. HDdUHB's VBHC strategy was agreed by Executive Team in November 2018. A VBHC Group was then established in January 2019, chaired by the Medical Director and Director of Clinical Strategy, of which there is finance team representation within its membership.</p> <p>The Committee NOTED the content of the Defining Value-based Healthcare (DVBC) in the NHS report for information.</p> | |
| FC (19)89 | <p>FINANCIAL EFFICIENCY FRAMEWORK</p> <p>Members were presented with the Financial Efficiency Framework. Mr Thomas informed Members that all health boards across Wales are required to engage with this framework and incorporate the outcomes of the framework into their planning processes. Improved use of business intelligence will identify good practice and promote better use of resources. Significant work is underway to identify areas of highest opportunity and to refresh analysis undertaken in 2018/19. Mr Thomas provided an overview on the themes adopted for further analysis.</p> <p>Mr Lewis queried whether this work superseded the work being undertaken by HDdUHB and noted there were no timescales for output within the report. Mr Thomas advised that as outputs come through, for example the letters published and provided in appendices 3 and 4, they will be reviewed to determine opportunities for the finance team.</p> <p>Mr Thomas assured Members that this will tie in with the Turnaround process with a procedure in place to flag up any opportunities. Mr Thomas noted that a bespoke report setting out key messages has been commissioned by the Financial Delivery Unit (FDU) and the finance team is working to convert the messages within that report into actionable opportunities for change. This Benchmarking Network summary report will be presented to the Finance Committee in June 2019, for information.</p> <p>Mr Carruthers raised the need to ensure that the Turnaround report details how opportunities coming through are being scoped or discounted.</p> <p>With reference to the letter received from Welsh Government in April 2019, Mr Newman highlighted Welsh Government's concern over the progress of minimum requirements for clinical coding completeness. An audit report has since been published and Mr Newman queried how this can be utilised to improve outcomes. Mr Thomas stated that outcomes are difficult to determine but assured Members that this will be considered via the Efficiency, Healthcare Value and Improvement Group. Mr Thomas</p> | HT |

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| | <p>added that this is being successfully applied in lung cancer but not so successfully in other areas. Mr Carruthers remarked that performance measures are very acute and secondary care focused as opposed to primary care focused.</p> <p>Mrs Hardisty acknowledged the need to benchmark against similar models although was in agreement that efficiency measures are very acute focused and therefore may be hard to measure.</p> <p>Mr Carruthers highlighted that the Value-based Healthcare work and work being undertaken with Swansea Bay University Health Board (SBUHB) will provide an opportunity to be at the forefront of reshaping this.</p> | |
| | The Committee DISCUSSED the approach adopted and NOTED the work currently underway in advance of the 2020/21 planning round. | |
| FC (19)90 | FINANCE COMMITTEE UPDATE REPORT TO PREVIOUS BOARD | |
| | Members were presented with the Finance Committee Update Report to the previous Board meeting for information. | |
| | The Committee NOTED the Finance Committee Update Report to Board. | |
| FC (19)91 | SCHEME OF DELEGATION | |
| | <p>Members were presented with the Financial Scheme of Delegation. Mr Hearty noted that this agenda item calls for the Finance Committee to recommend proposed changes to the Corporate Scheme of Financial Delegation to Board for consideration and approval.</p> <p>Mr Thomas informed Members that the change proposes the limits for the Director of Finance under Charitable Funds to be increased from £5,000 to £25,000 in line with the current limits assigned to Executive Directors.</p> <p>Members agreed to the recommendation of the proposed change for Board approval.</p> | |
| | The Committee DISCUSSED and RECOMMENDED the proposed change to the Corporate Scheme of Financial Delegation to the Board for approval. | |
| FC (19)92 | WELSH GOVERNMENT MONITORING RETURNS MONTH 1 | |
| | <p>Mr Thomas presented Members with the Welsh Government Monitoring Returns report Month 1 to illustrate and provide assurance that consistent information is provided both internally and externally to Welsh Government.</p> <p>Mr Thomas highlighted that Mr Teape is Mr Moore's delegate for signing off reports for submission to Welsh Government and requested the Finance Committee approve the notion that Ms Fiona Powell be Mr Thomas' delegate for sign off for submission to Welsh Government. Members were happy to approve this delegation structure.</p> | |

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| | The Committee NOTED the Welsh Government Monitoring Returns report Month 1 and APPROVED the delegation structure of sign off of reports to Welsh Government | |
| FC (19)93 | FINANCE COMMITTEE ANNUAL WORKPLAN Members were presented with the Finance Committee Annual Workplan. Members considered that in light of the outcome of the Finance Committee Self-Assessment of Performance 2018/19, the workplan could illustrate the shift in emphasis from short term focus to medium/long term focus. Going forward, consideration to the agenda setting process will consider a quarterly review of strategic items as a solution to this outcome. | SB |
| | The Committee NOTED the Finance Committee Annual Workplan. | |
| FC (19)94 | REFLECTIVE SUMMARY Mr Thomas outlined the key topics discussed during the meeting for inclusion in the Finance Committee update report to the next Public Board meeting: <ul style="list-style-type: none"> • The identified action to focus on strategy, which will feature in the June 2019 Finance Committee meeting; • Month 1 report highlighted the continuation of surge bed pressures; • The identified action to update the Operational Risk Register following further investigation of risks to determine which are financial risks as opposed to operational risks which are being reported against a financial impact; • The discussions around Winter planning 2018/19 processes and opportunities arising from lessons learned for 2019/20 • The deep dive into Medicines Management and Aseptic Unit which was well received and deemed very informative; • The upcoming External Finance Review. | |
| | The Committee NOTED the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting. | |
| FC (19)95 | ANY OTHER BUSINESS No other business was raised. | |
| FC(19)96 | DATE OF THE NEXT MEETING 2.00pm, Tuesday 25 th June 2019, Boardroom, Ystwyth Building, St. David's Park, Carmarthen | |

**TABLE OF ACTIONS FROM
FINANCE COMMITTEE (FC) MEETING
HELD ON 20th May 2019**

| MINUTE REFERENCE | ACTION | LEAD | TIMESCALE | PROGRESS |
|---------------------|---|-------|-------------|---|
| FC(19)67 | Minutes of Previous Meeting held on 25th April 2019 – FC(19)52 Finance Report Month 12 2018/19 – to amend ‘This review will be presented to the May 2018 Committee meeting’ to ‘This review will be presented to the May 2019 Committee meeting’. | SB | June 2019 | Action complete |
| FC(19)69 | Finance Committee Outcome Of Self-Assessment Of Performance – to discuss how to shape the Finance Committee’s engagement with the IMTP | MH/HT | June 2019 | A workshop style session will be indicated on the agenda on a quarterly basis to provide further insight into various aspects of Finance Committee business |
| FC(19)70/71 | Finance Month 1/Turnaround Report Month 1 –to include a timeline of when the Committee should begin to have concerns over the delivery of savings schemes | AC | June 2019 | Forward planned for inclusion within the Turnaround Report for June 2019. |
| FC(19)81 | Corporate Risk Report – an update position of Directorates that have signed the accountability letters to be presented to a future Committee meeting. | HT | June 2019 | Forward planned for inclusion on the Finance Committee agenda for June 2019. |
| FC(19)82 | Finance Operational Risks Report – to share details of the approach successfully applied by the Workforce & Organisational Development Sub-Committee | LG/HT | July 2019 | |
| FC(19)82 | Finance Operational Risks Report –to scrutinise and review the operational risks for propriety and to enable the Committee to gain assurance that all relevant controls and mitigating actions are in place. | HT | August 2019 | Forward planned for inclusion on the Finance Committee agenda for August 2019 |

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| FC(19)89 | Financial Efficiency Framework – to present the Finance Delivery Unit's Benchmarking Network Summary to the June 2019 Finance Committee meeting for information | HT | June 2019 | Forward planned for inclusion on the Finance Committee agenda for June 2019. |
| FC(19)93 | Finance Committee Annual Workplan – to incorporate strategic items within the workplan to illustrate the shift in emphasis from short term focus to medium/long term focus. | SB | June 2019 | Forward planned for inclusion on the Finance Committee agenda for June 2019. |



PWYLLGOR CYLLID FINANCE COMMITTEE

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| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 25 June 2019 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Finance Update – Month 2, 2019 |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Huw Thomas, Director of Finance |
| SWYDDOG ADRODD: REPORTING OFFICER: | Fiona Powell, Assistant Director of Finance |

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The purpose of this report is to outline Hywel Dda University Health Board's (HDdUHB's) financial position to date against the Annual Plan and Control Total requirement and assess the key financial projections and risks for the financial year. Further detail is provided at Appendix 1.

Cefndir / Background

HDdUHB's financial position at the end of Month 2 represented an adverse variance against plan of £0.6m, which brings the cumulative variance to £1.0m. This position was driven by surge bed pressures in Unscheduled and Critical Care, in addition to the continued closure of the Aseptic Unit.

£0.9m of savings schemes were delivered in Month 2, which although demonstrating an improvement on Month 1, is £0.1m less than Plan. The total required savings is £28.7m for the year. The current gap in identified assured savings schemes is £8.5m, against which there are identified pipeline opportunities of £6.4m.

Current projections indicate:

- A gap of £8.5m in fully identified savings schemes;
- Operational forecasts in excess of budget of £6.4m, giving a projection of £14.9m adverse variance to plan.

This would equate to a year end deficit position of £39.9m. However, pipeline schemes are being developed which would reduce the position by £6.4m, and further actions are in place to identify opportunities to close the gap.

Asesiad / Assessment

HDdUHB's key targets are as follows:

- Revenue: to contain the overspend within HDdUHB's planned deficit
- Savings: to deliver savings plans to enable the revenue budget to be achieved
- Capital: to contain expenditure within the agreed limit

- Public Sector Payment Policy (PSPP): to pay 95% of Non-NHS invoices within 30 days of receipt of a valid invoice
- Cash: While there is no prescribed limit for cash held at the end of the month, Welsh Government encourages this to be minimised and a rule of thumb of 5% of monthly expenditure is used. For HDdUHB, this is broadly £4.0m.

| Key target | | Annual limit | YTD limit | Actual delivery | Forecast Risk |
|-----------------|-----|--------------|-----------|-----------------|---------------|
| Revenue | £'m | 25.0 | 5.0 | 6.0 | High* |
| Savings | £'m | 28.8 | 1.8 | 1.7 | High* |
| Capital | £'m | 39.3 | 4.1 | 4.1 | Medium |
| Non-NHS PSPP | % | 95 | 95 | n/a in Month 2 | Low |
| Period end cash | £'m | 4.0 | 4.0 | 1.2 | Medium** |

* Inclusive of the Welsh Government Control Total requirement.

** Assumes Welsh Government strategic repayable support for the planned deficit position.

Argymhelliad / Recommendation

The Finance Committee is asked to note and discuss the financial position for Month 2.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

| | |
|--|---|
| Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor: | 4.5 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, giving early warning on potential performance issues and making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern. |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score: | BAF S09-PR20 – score 16 BAF SO10-PR33 – score 12 |
| Safon(au) Gofal ac Iechyd: Health and Care Standard(s): | 5. Timely Care 7. Staff and Resources |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | All Strategic Objectives are applicable |
| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement | Improve Population Health through prevention and early intervention |

| Gwybodaeth Ychwanegol: Further Information: | |
|--|--|
| Ar sail tystiolaeth: Evidence Base: | Monitoring returns to Welsh Government based on HDdUHB's financial reporting system. |
| Rhestr Termau: Glossary of Terms: | BGH – Bronglais General Hospital CHC – Continuing Healthcare CIP – Cost Improvement Programme ENT – Ear, Nose and Throat DES – Direct Enhanced Services FNC – Funded Nursing Care FYE – Full Year Effect GGH – Glangwili General Hospital GMS – General Medical Services MHLD – Mental Health & Learning Disabilities MDT – Multi-Disciplinary Team NICE – National Institute for Health and Care Excellence OOH – Out of Hours PPH – Prince Philip Hospital PSPP – Public Sector Payment Policy RTT – Referral to Treatment Time T&O – Trauma & Orthopaedics VC – Video Conferencing VFM – Value For Money WG – Welsh Government WGH – Withybush General Hospital WRP – Welsh Risk Pool WHSSC – Welsh Health Specialised Services Committee YTD – Year to date |
| Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee: | HDdUHB's Finance Team HDdUHB's Management Team Executive Team |

| Effaith: (rhaid cwblhau) Impact: (must be completed) | |
|---|--|
| Ariannol / Gwerth am Arian: Financial / Service: | Financial implications are inherent within the report. |
| Ansawdd / Gofal Claf: Quality / Patient Care: | The impact on patient care is assessed within the savings schemes. |
| Gweithlu: Workforce: | The report considers the financial implications of our workforce. |
| Risg: Risk: | Financial risks are detailed within the report. |

| | |
|------------------------------------|---|
| Cyfreithiol: Legal: | HDdUHB has a legal duty to deliver a breakeven financial position over a rolling three-year basis and an administrative requirement to operate within its budget within any given financial year. |
| Enw Da: Reputational: | Adverse variance against HDdUHB's financial plan will affect our reputation with Welsh Government, the Wales Audit Office, and with external stakeholders. |
| Gyfrinachedd: Privacy: | Not applicable |
| Cydraddoldeb: Equality: | Not applicable |

Financial Performance – Month 2

Health Board confirmed control total of £25m

Month 2 position

- Month 2 position is £0.6m variance to plan (£1.0m YTD)
 - Operational surge impact of £0.2m
 - Aseptic Unit £0.1m
 - Facilities £0.1m
 - Primary Care – Dental £0.1m
 - Recovery and management within available resources critical over Q1

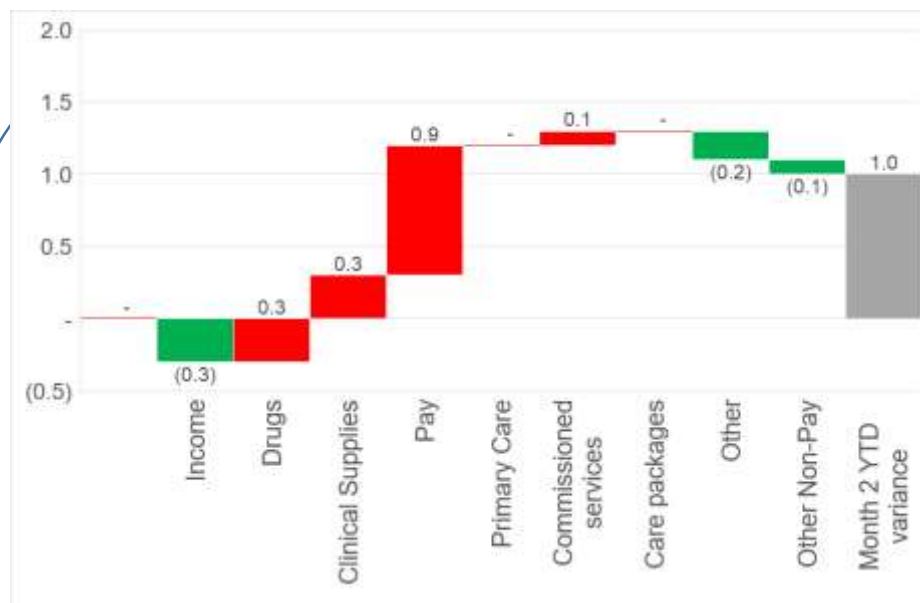
Savings summary

- £28.7m total savings requirement to meet control total
 - £13.6m of secure plans (green)
 - £7.5m of plans with some risk to delivery (amber)
- Risk to delivery is therefore £7.6m

Forecast excluding Savings £5.4m

Further actions

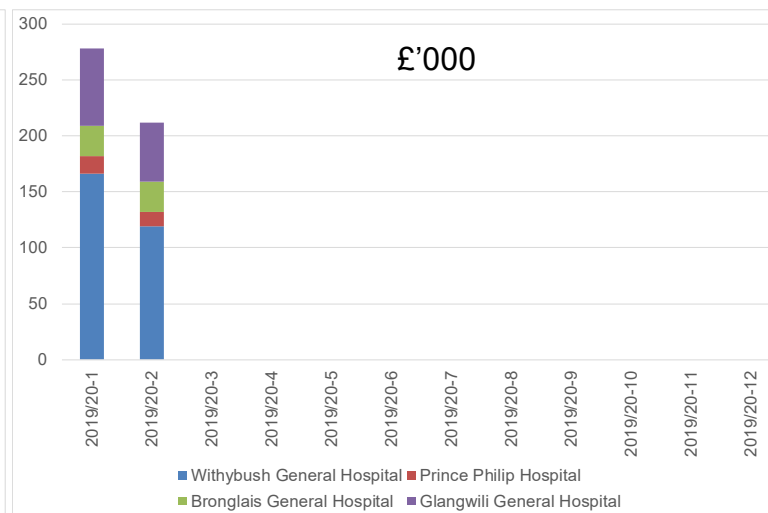
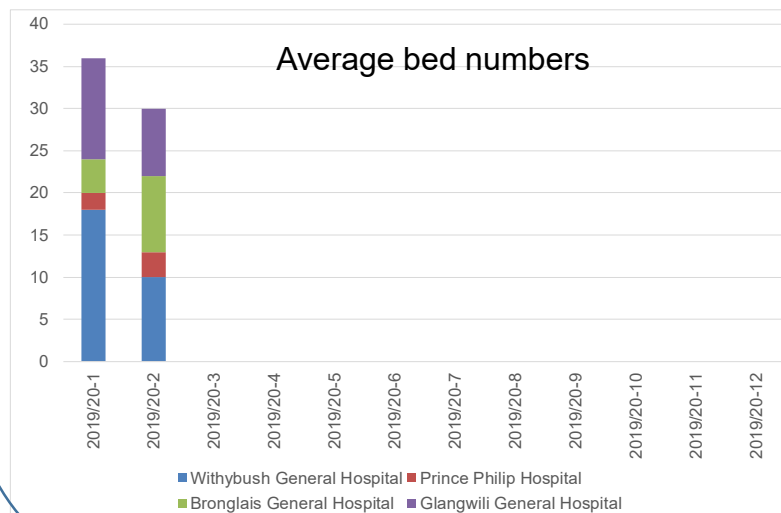
- Opportunity pipeline of £5.8m needs to be actively pursued and developed into actionable plans
- Further opportunities required of £1.8m to close savings gap
- Recovery actions required of £5.4m to recover month 2 YTD position and cost pressures in Directorate projections



Key Actions for In-Month focus areas

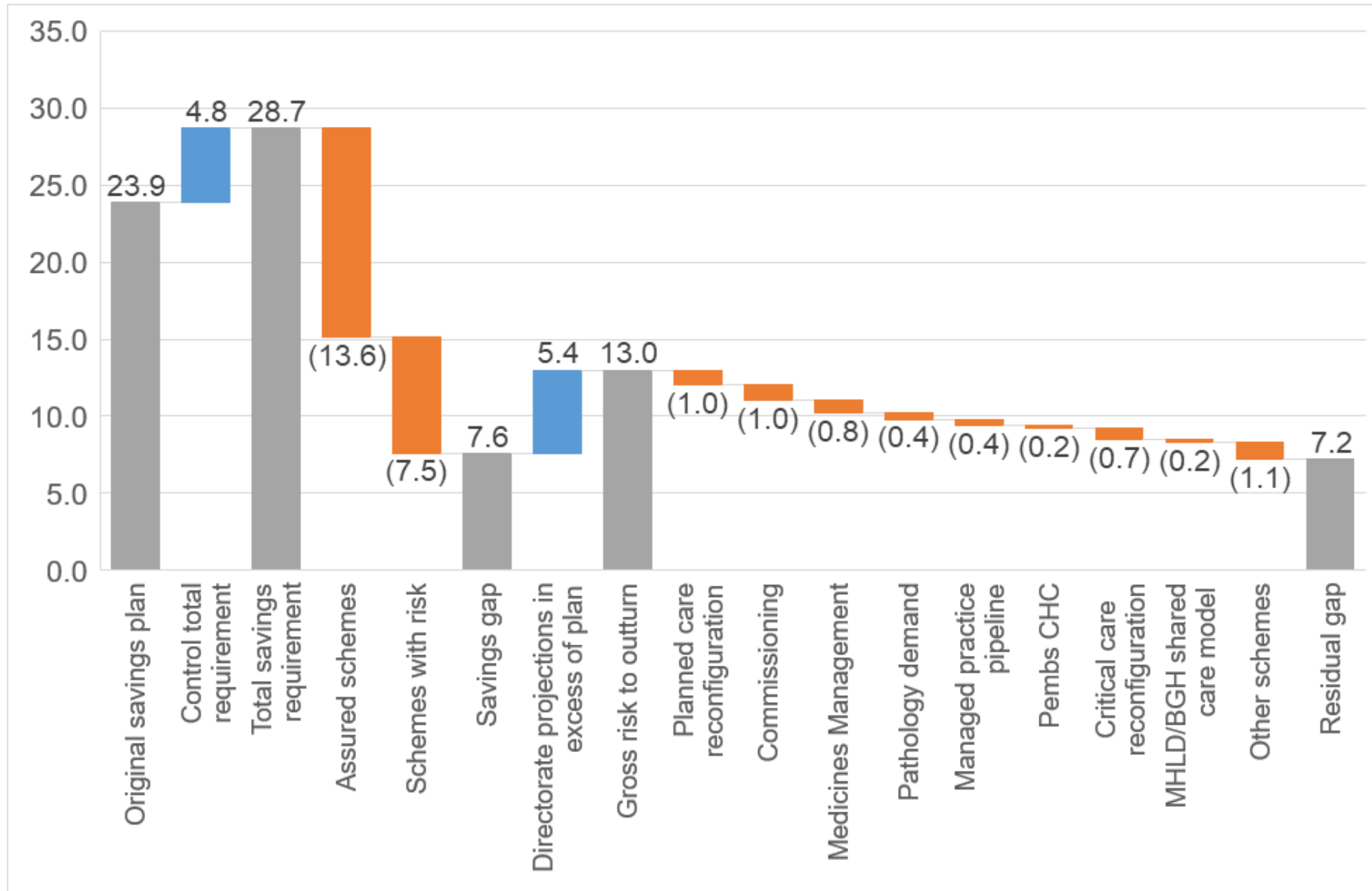
- Urgent review of savings pipeline opportunities to convert into assured schemes;
- Holding to Account Meetings will focus on this and mitigating actions to address operational risks.

Bed pressures



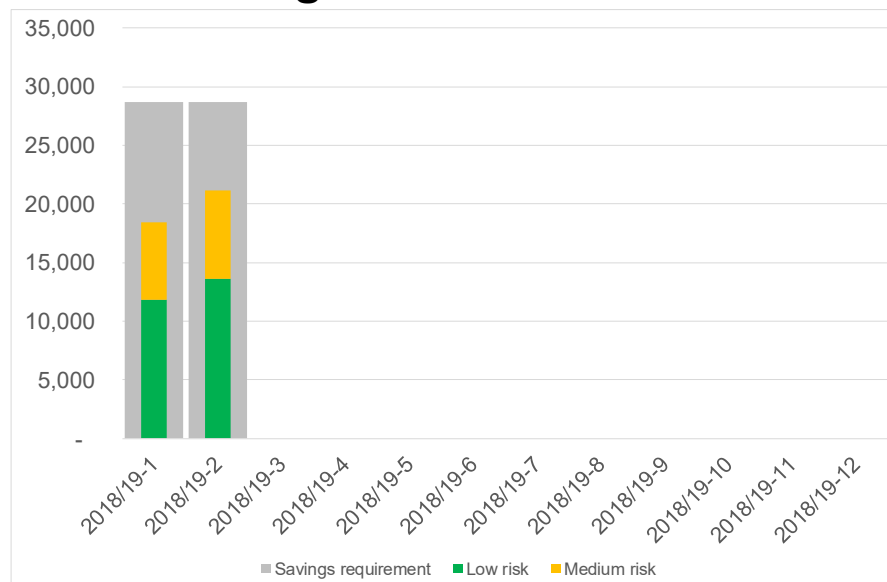
Critical Care surged on 13 occasions in Month 2 (an improvement on 32 in Month 1), which was predominately driven by patient acuity rather than the number of beds.

Position against control total



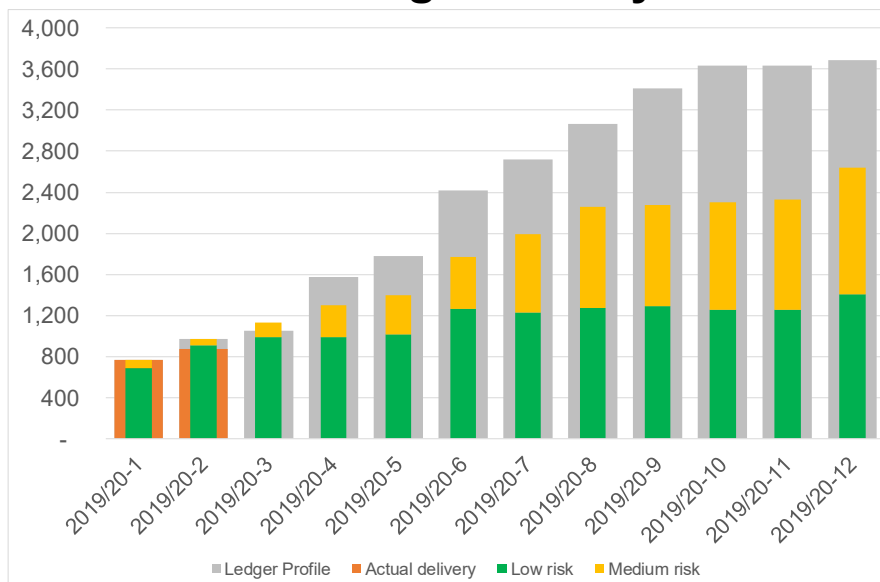
| Savings type | Assured (£'m) | Marginal risk (£'m) | Total (£'m) |
|--------------------------|------------------|---------------------------|----------------|
| Non-recurrent | 2.9 | 1.3 | 4.2 |
| Recurrent | 10.7 | 6.2 | 16.9 |
| Total | 13.6 | 7.5 | 21.1 |
| | | | |
| Pipeline Opportunities | | | 5.8 |
| Residual Gap | | | 1.8 |
| | | | |
| Total requirement | | | 28.7 |

Savings identification



- HTA process focused on deliverable high value opportunities and unidentified balance
- Further opportunities being identified using:
 - Ward staffing work
 - Establishment control work
 - Benchmarking and opportunities framework

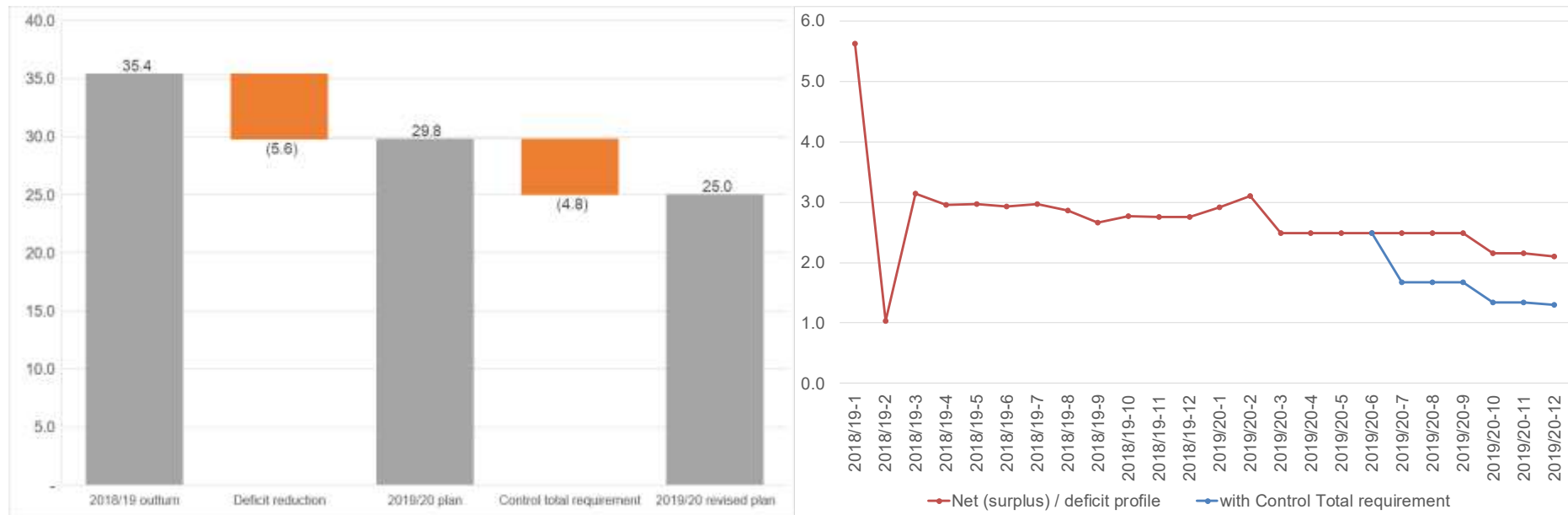
Savings delivery



- In-month achievement of £0.9m is an improvement on Month 1, but £0.1m behind Plan
- Significant acceleration in delivery required from Month 4

Financial Projections Assurance – Month 2

- Draft interim Annual Plan for 2019/20 approved by Board March 2019 with deficit of £29.8m; Welsh Government have since confirmed that the Health Board's Control Total requirement is a deficit of £25.0m.
- Directorate level projections are currently indicating cost pressures of £5.4m.
- To achieve the Control Total requirement additional actionable savings plans will need to be urgently identified, which will rely on both Corporate and Directorate level delivery.



- Control Total requirement profile is a significant step change in financial performance, which presents a significant risk to end of year position.
- Phased from Month 7 to allow time for assured and actionable plans to be developed.

| Variance to breakeven | YTD £'m | EOY Projection £'m |
|-----------------------------------|------------|-----------------------|
| Budget | 5.0 | 25.0 |
| Operational pressures (see below) | 0.9 | 5.4 |
| Savings delivery | 0.1 | 7.6 |
| Current projection | 6.0 | 38.0 |
| Risks (see below) | 0.0 | 1.5 |
| | 6.0 | 39.5 |

Planned Care: £0.4m

- Critical Care Surge
- Premium rate cover of key vacancies

Unscheduled Care: £2.7m

- Establishment control
- Surge bed pressures
- Premium rate cover of key vacancies

Specialist and Support Services: £2.0m

- Oncology – Aseptic Unit closure
- Pathology – patient acuity Welsh Blood Supplies
- Radiology – MRI breakdown BGH
- Women & Children – Diabetic consumables and premium rate locum BGH
- Therapies – Dietetics clinical risk and HSDU instrument sterilisation

Primary Care and Community: £0.5m

- Unfunded Dental Inflation

Mental Health and Corporate: £0.2m

- CHC
- Purchase spot beds

Retrospective CHC, LTAs and Other Healthcare Providers: £0.0m

- Contract monitoring activity reports
- Individual Patient Commissioning activity

Central and Other: £(0.4)m

- Slippage on vacancies in Corporate areas

The following risks currently need action to mitigate:

| | £m | Risk Rating |
|---|------------|-------------|
| Medicines Management – No Cheaper Source Obtainable | 0.6 | Medium |
| Office 365 | 0.2 | Medium |
| Inflationary pressures on CHC exceed budget | 0.2 | Medium |
| Specialised activity exceeds available budget | 0.5 | Medium |
| Total | 1.5 | |

Financial Assurance Framework

- Quantify key income and expenditure categories and sub-analysis categories;
- Identify Secondary and Primary Cost Drivers;
- Determine level of control and response required;
- Plan and implement appropriate mitigating actions.

| Category | Sub-Category | Nature | Secondary Cost Driver | Primary Cost Driver | Response Required |
|----------|--------------------|-------------------|--------------------------|------------------------------------|---------------------------------------|
| Pay | Medical and Dental | Core contractual | Fixed Pay | Rotas | Operational |
| | | Overtime and Bank | Waiting List Initiatives | Capacity | Operational / Strategic |
| | | Medical Locum | Variable Pay | Capacity | Operational |
| | Registered Nursing | Core contractual | Fixed Pay | Sites | Strategic |
| | | Overtime and Bank | Variable Pay | Community Activity | Strategic |
| | | Agency | Variable Pay | Beds | Operational / Strategic |
| Non-Pay | Clinical Supplies | Theatres | Variable Consumables | Activity / Casemix / Market Forces | Operational / Procurement / Strategic |
| | | Disposables | Variable Consumables | | |

< Please refer to second presentation for A3 size slides >

Key Actions

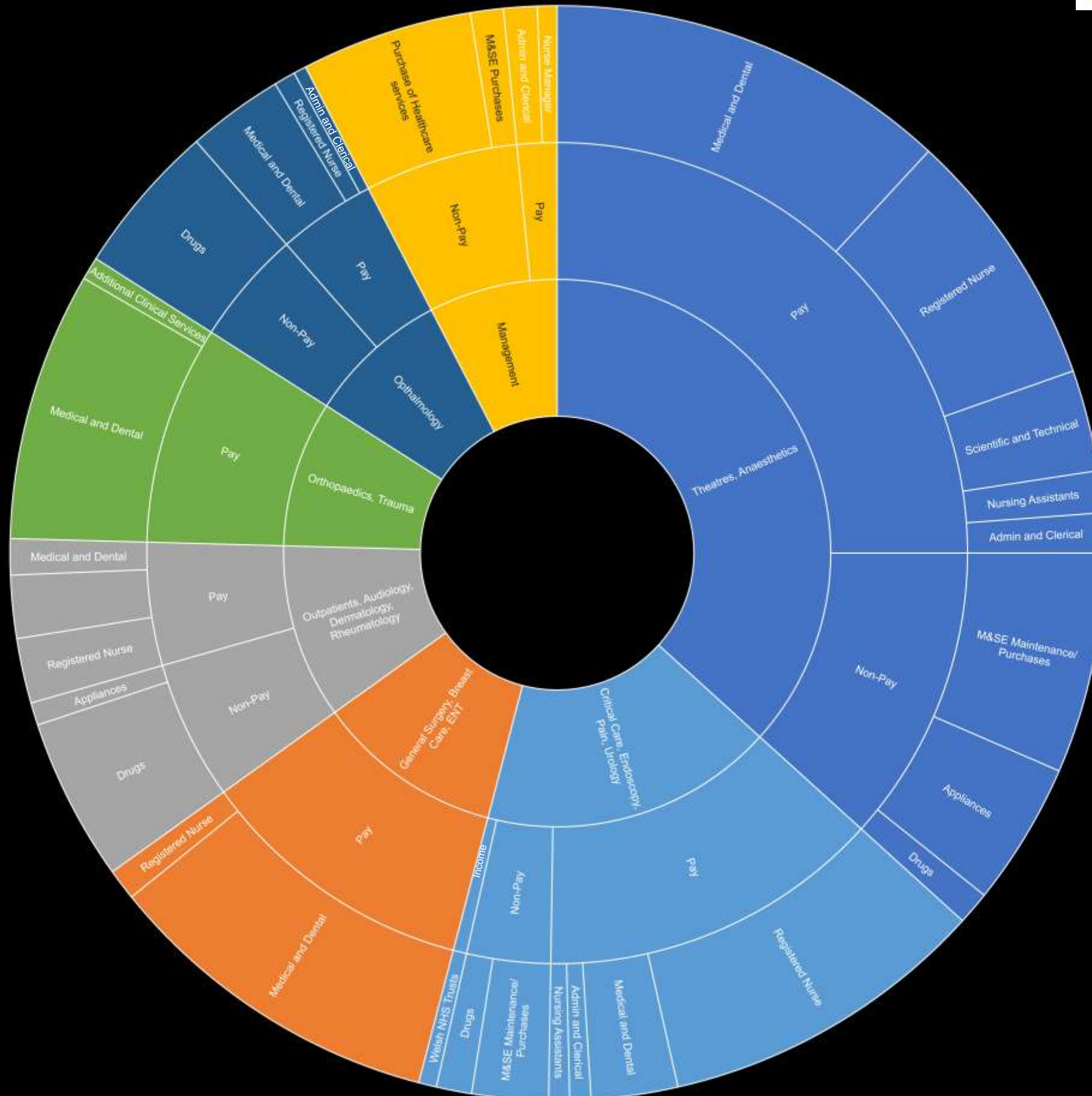
Key Actions to address in-year performance

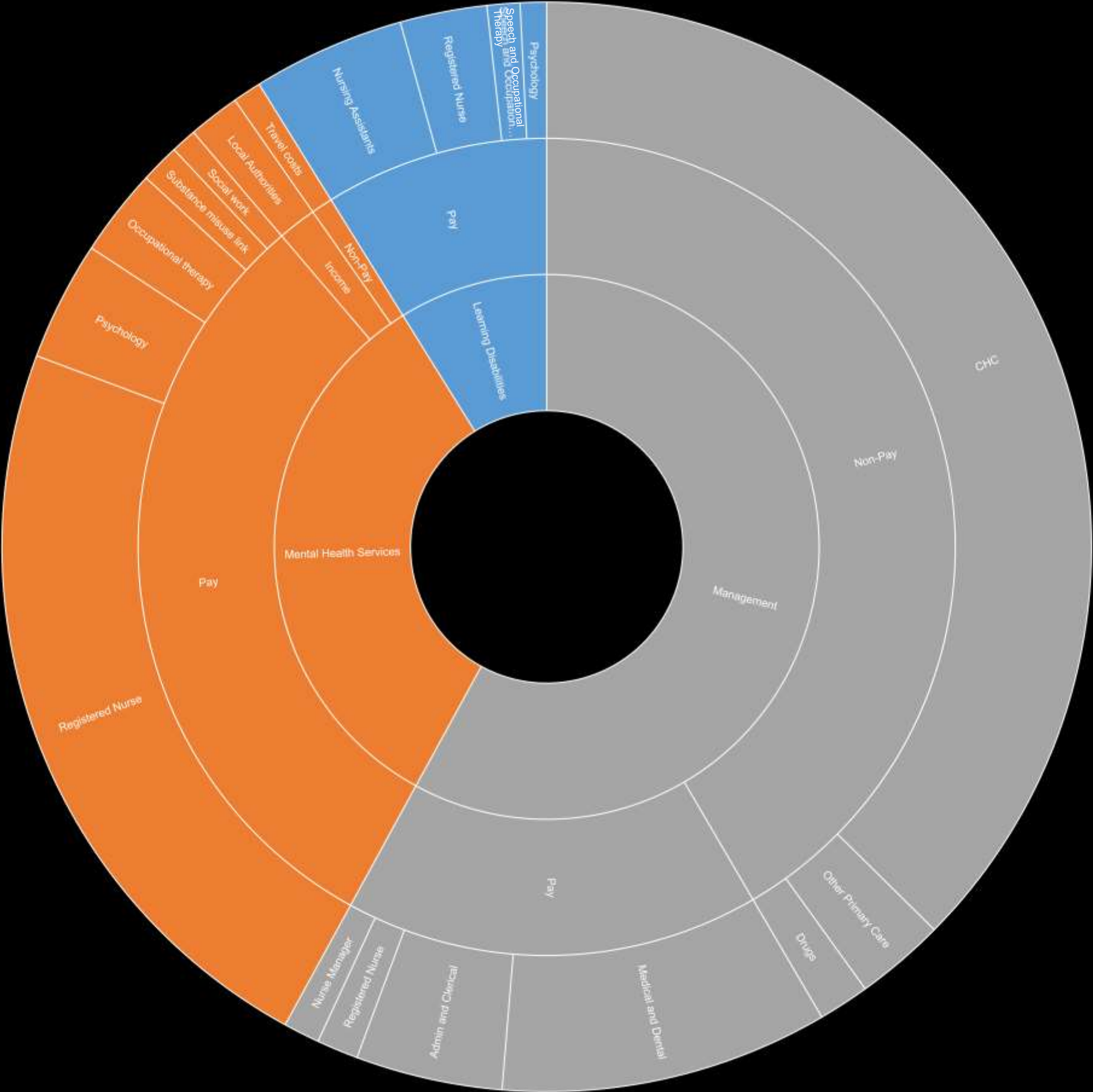
- Further work to identify savings schemes on-going;
- Assurance groups to support delivery of savings;
- Recovery Task and Finish Group in Withybush General Hospital;
- Maintaining escalated status through Holding to Account.

Financial Assurance Framework

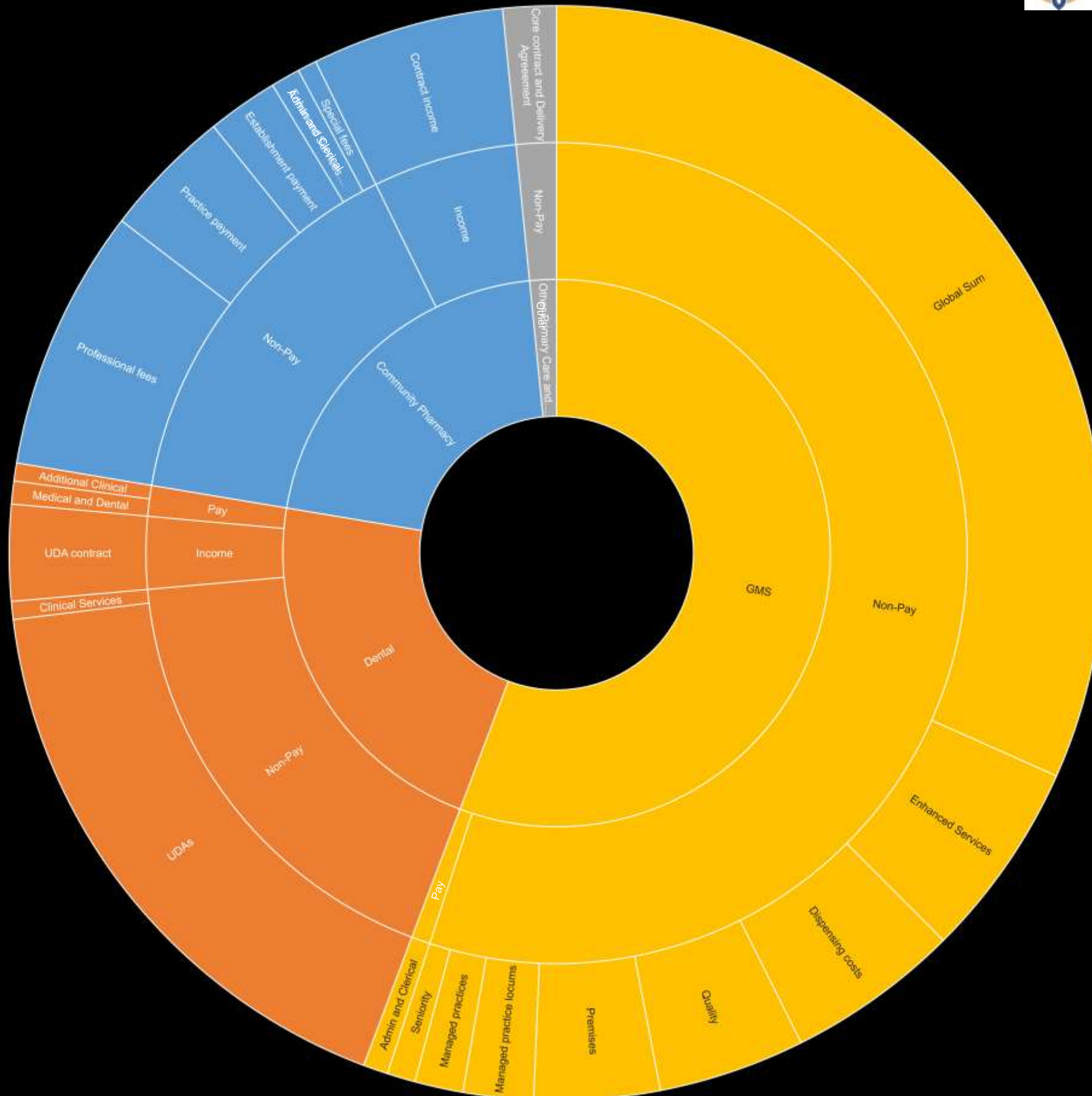
- Develop dashboards for Assurance groups on key expenditure drivers across the Health Board.

Financial Assurance Framework: Planned Care





Financial Assurance Framework: Primary Care





PWYLLGOR CYLLID FINANCE COMMITTEE

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| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 25 June 2019 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Finance Projections Assurance |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Huw Thomas, Director of Finance |
| SWYDDOG ADRODD: REPORTING OFFICER: | Fiona Powell, Assistant Director of Finance |

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

This report outlines to the Finance Committee the financial projection for 2019/20. Please see Appendix 1 for the presentation providing further detail for Members' consideration.

Cefndir / Background

The ability to accurately project financial position is a critical requirement in order to ensure that Hywel Dda University Health Board (HDdUHB) delivers against its plans and can take remedial actions in a timely and proportionate way.

Asesiad / Assessment

- Draft interim Annual Plan for 2019/20 approved by Board March 2019, with deficit of £29.8m; Welsh Government have since confirmed that the HDdUHB's Control Total requirement is a deficit of £25.0m.
- Directorate level projections are currently in line with the Annual Plan of £29.8m.
- To achieve the Control Total requirement additional, actionable savings plans will need to be urgently identified, which will rely on both Corporate and Directorate level delivery.

Argymhelliad / Recommendation

The Finance Committee is asked to note and discuss the financial projection for the year.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference:
Cyfeirnod Cylch Gorchwyl y
Pwyllgor:

4.5 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, giving early

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| | warning on potential performance issues and making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern. |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score: | BAF S09-PR20 BAF SO10-PR33 |
| Safon(au) Gofal ac Iechyd: Health and Care Standard(s): | 5. Timely Care 7. Staff and Resources |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | All Strategic Objectives are applicable |
| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement | Improve Population Health through prevention and early intervention |

| Gwybodaeth Ychwanegol: Further Information: | |
|--|---|
| Ar sail tystiolaeth: Evidence Base: | Monitoring returns to Welsh Government based on the HDdUHB's financial reporting system. |
| Rhestr Termiau: Glossary of Terms: | BGH – Bronglais General Hospital CHC – Continuing Healthcare CIP – Cost Improvement Programme ENT – Ear, Nose and Throat DES – Direct Enhanced Services FNC – Funded Nursing Care FYE – Full Year Effect GGH – Glangwili General Hospital GMS – General Medical Services MHLDD – Mental Health & Learning Disabilities MDT – Multi-Disciplinary Team NICE – National Institute for Health and Care Excellence OOH – Out of Hours PPH – Prince Philip Hospital PSPP – Public Sector Payment Policy RTT – Referral to Treatment Time T&O – Trauma & Orthopaedics VC – Video Conferencing VFM – Value For Money WG – Welsh Government |

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| | WGH – Worthybush General Hospital WRP – Welsh Risk Pool WHSSC – Welsh Health Specialised Services Committee YTD – Year to date |
| Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee: | HDdUHB's Finance Team HDdUHB's Management Team Executive Team |

| Effaith: (rhaid cwblhau) Impact: (must be completed) | |
|---|---|
| Ariannol / Gwerth am Arian: Financial / Service: | Financial implications are inherent within the report. |
| Ansawdd / Gofal Claf: Quality / Patient Care: | The impact on patient care is assessed within the savings schemes. |
| Gweithlu: Workforce: | The report considers the financial implications of our workforce. |
| Risg: Risk: | Financial risks are detailed within the report. |
| Cyfreithiol: Legal: | HDdUHB has a legal duty to deliver a breakeven financial position over a rolling three-year basis and an administrative requirement to operate within its budget within any given financial year. |
| Enw Da: Reputational: | Adverse variance against the Health Board's financial plan will affect our reputation with Welsh Government, the Wales Audit Office, and with external stakeholders. |
| Gyfrinachedd: Privacy: | Not applicable |
| Cydraddoldeb: Equality: | Not applicable |



PWYLLGOR CYLLID FINANCE COMMITTEE

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|--|--|
| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 25 June 2019 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Turnaround Update – Month 2, 2019/20 |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Andrew Carruthers, Turnaround Director |
| SWYDDOG ADRODD: REPORTING OFFICER: | Andrew Carruthers, Turnaround Director |

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

This report provides an update to the Finance Committee on the Turnaround Programme as at Month 2.

Cefndir / Background

The Turnaround Programme was established in 2017 to provide a robust process for the delivery of savings to ensure that Hywel Dda University Health Board (HDdUHB) meets its statutory duty to break-even over a three-year rolling basis.

This report provides an update on Turnaround activities including a savings position, recovery actions agreed, and achievements.

Asesiad / Assessment

The report at Appendix 1 comprises four sections:

Section 1 – Provides a summary of the 2019/20 Month 2 position for Directorates who are being monitored through the Chief Executive Holding to Account (HTA) meetings. These Directorates are at an escalated status due to the assessed risk of them delivering their financial plans.

Schemes are RAG (Red, Amber, Green) rated, in accordance with the approach agreed at Targeted Intervention:

- Green – Delivering
- Amber – Some risk to manage but will deliver
- Red – Pipeline scheme. Needs more scoping and work up before moving to delivery and Amber.

At the Month 2 HTA meetings, the Chief Executive Officer (CEO) requested confirmation that green schemes are on track for delivery. A number of actions were also agreed to move amber and red schemes to green status.

The CEO has made it clear that schemes cannot impact on quality and safety of patient care or Tier 1 performance. Directorates were also asked to identify all risks and mitigating actions.

The next CEO Holding to Account meetings are being held on 12th, 13th and 14th June 2019.

Section 2 - Provides a summary of the 2019/20 Month 2 position for Directorates being monitored through the Turnaround Director Holding to Account meetings. These Directorates were considered to be on track with delivery of their financial plans.

The next Turnaround Director Holding to Account meetings are being held on 13th June 2019.

Section 3 – Sets out the proposed assurance approach to the Turnaround Programme for 19/20.

Argymhelliad / Recommendation

The Finance Committee is asked to discuss and note the Turnaround Programme update report.

| Amcanion: (rhaid cwblhau) Objectives: (must be completed) | |
|--|--|
| Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor: | 5.5.1 Undertaking detailed scrutiny of the organisation's overall: <ul style="list-style-type: none"> • Monthly, quarterly and year to date financial performance; • Performance against the savings delivery and the cost improvement programme; assurance over performance against the Capital Resource Limit and cash flow forecasts; • Oversee and monitor the Health Board's turnaround programme. |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score: | Not Applicable |
| Safon(au) Gofal ac Iechyd: Health and Care Standard(s): | All Health & Care Standards Apply |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | All Strategic Objectives are applicable |

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| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement | Not Applicable |
|--|----------------|

| Gwybodaeth Ychwanegol: Further Information: | |
|--|--|
| Ar sail tystiolaeth: Evidence Base: | Not Applicable |
| Rhestr Termiau: Glossary of Terms: | Included within the body of the report |
| Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee: | Not Applicable |

| Effaith: (rhaid cwblhau) Impact: (must be completed) | |
|---|----------------|
| Ariannol / Gwerth am Arian: Financial / Service: | Not Applicable |
| Ansawdd / Gofal Claf: Quality / Patient Care: | Not Applicable |
| Gweithlu: Workforce: | Not Applicable |
| Risg: Risk: | Not Applicable |
| Cyfreithiol: Legal: | Not Applicable |
| Enw Da: Reputational: | Not Applicable |
| Gyfrinachedd: Privacy: | Not Applicable |
| Cydraddoldeb: Equality: | Not Applicable |

Turnaround update

Section 1 – Summarises 19/20 Directorate savings plans against required savings target of 3.7% for Directorates that are escalated to the Chief Executive Holding to Account meetings. The figures included in this section are based on the known position of Month 2 as at 6th June 2019 and will be subject to change with the identification of further savings opportunities. Figures in square brackets represent the position in the previous month, where different to current month.

| | | | | | | | | | | |
|------------|----------------------------|-------------|------------------------------|--------------|--|-----|-----|------------------|-----------------|-----------|
| Facilities | 19/20 target saving £'000s | 1,385 | Total of saving plans £'000s | | 596 [541] | 596 | 187 | 1,379 [1,324] | Variance £'000s | 6 [61] |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (82) | (73) | 9 | Site-wide cleaning rota scheme and crèche price increase schemes did not deliver as planned in month 2. To be discussed at CEO HTA on 14 th June 19. | | | | | |
| | Amber schemes | 0 | 0 | 0 | Amber schemes are scheduled to start delivering from July 19. | | | | | |
| | Red schemes | 0 | 0 | 0 | £125k savings for internal benchmarking opportunities have been included in the plan, although as there is no clear scheme in place as yet. | | | | | |
| | Total | (82) | (73) | 9 | <u>Other actions agreed</u> £258k projected overspend as a result of use of bank staff to cover substantive staff absence. Plans put in place in May will help to mitigate Month 1 overspend which is mainly as a result of high sickness levels at PPH/GGH. Tighter controls for the approval of shift cover have been introduced to help manage this situation. Directorate to reassess savings profile based on identified additional savings e.g. holding maintenance vacancies and other schemes that have been identified as opportunities but are delivering by next CEO HTA meeting on 14 th June. Opportunities for cook/chill at non-acute sites to be explored and discussed at the next CEO HTA meeting. | | | | | |

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|---------------|---------------------|-------------|--------------------|--------------|--|----------------|-----|------------------|-----------------|------------|
| Mental Health | 19/20 target £'000s | 2,691 | Total plans £'000s | | 1,245 | 1,212 [494] | 112 | 2,689 [1,851] | Variance £'000s | 2 [840] |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (340) | (314) | 26 | Delay of recruitment has delivered £24k out of a planned £58k in Month 2. Review of non-pay budgets has yielded £12k more than planned in Month 2. To be discussed at CEO HTA meeting on 14 th June 19. | | | | | |
| | Amber schemes | (109) | (66) | 43 | The YTD variance is due to the Roster review (£36k) and LD Consultant recruitment (£8k) schemes not delivering as planned in month 1 & 2. To be raised at CEO HTA meeting on 13 th June 19. | | | | | |
| | Red schemes | 0 | 0 | 0 | Collaborative Care Scheme - confirmation of capital funding awaited from the Capital Funding Committee. Project Team is in place. | | | | | |
| | Total | (449) | (380) | 69 | <u>Other actions agreed</u> <ul style="list-style-type: none"> Delivery plan for WG CAMHs transformation and innovation funds to be produced by 17th July 19. Profile of risks and opportunities to be provided at next CEO HTA meeting on 13th June 19. | | | | | |

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|-----------|------------------------|----------------|--------------------|-----------------|--|--------------|--------------|-----|-----------------|-----|
| Pathology | 19/20 target £'000s | 741 | Total plans £'000s | | 192 [106] | 137 [202] | 421 [442] | 749 | Variance £'000s | (8) |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (17) | (17) | 0 | N/A | | | | | |
| | Amber schemes | (0) | (0) | 0 | <ul style="list-style-type: none"> Specification has been submitted to procurement for the standardisation of equipment. Planned savings from Oct, but will depend on timeliness of procurement process. Clear timeline on procurement project to be produced by next CEO HTA meeting on 14th June 19. Paper results - agreement required from medical records to cease the printing of pathology results. Project management is needed to co-ordinate this work. Director of Operations to explore options with Director of Planning for project support with all medical records projects. Plasma viscosity testing – agreement to cease to be made with Consultant Haematologists to cease testing from 1st June 19. | | | | | |
| | Red schemes | 0 | 0 | 0 | Demand optimisation - audit of tests requested has been undertaken and testing profiles/outliers identified. Speciality leads to be contacted directly. Profiles are in place in GGH A&E which has seen some reduction in requesting for some conditions. Interactive dashboards are being developed, with a draft to be finalised by next meeting. By the next meeting, Directorate to identify what business support is needed to get the electronic test requesting up and running and a plan for this scheme to be amber to be produced by next CEO HTA meeting on 14 th June 19. | | | | | |
| | Total | (17) | (17) | 0 | <u>Other actions agreed</u> None | | | | | |

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|----------------|------------------------|----------------|--------------------|-----------------|---|----------------|------------------|-------|-----------------|------|
| Scheduled Care | 19/20 target £'000s | 3,682 | Total plans £'000s | | 1,310 | 1,058 [658] | 1,384 [1,784] | 3,752 | Variance £'000s | (70) |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (140) | (115) | 25 | The YTD variance is in relation to Ophthalmology on-call (£21k) and Loan Kit rationalisation scheme (£3k) . These will be discussed at the CEO HTA meeting on 13 th June 19. | | | | | |
| | Amber schemes | 0 | 0 | 0 | <ul style="list-style-type: none"> Confirmation on what steps/actions are required for Eye Measures scheme (to become amber/green to be provided at CEO HTA on 13th June 19. Cataracts - Job plan review has highlighted opportunities which are being worked through. Purchase additional Phaco trays could increase capacity. Approval given to purchase trays, subject to identification of benefits through costing process i.e. reduction in outsourcing. Successful recruitment to additional Ophthalmologist post. | | | | | |
| | Red schemes | 0 | 0 | 0 | <ul style="list-style-type: none"> Orthopaedics plans to be worked up and confirmation of necessary steps for this to be come amber/green to be provided at next CEO HTA meeting on 13th June 19. Options appraisal to be undertaken for Critical Care provision across the Health Board and consideration given to how £1m reserves could be deployed to support. Endoscopy - looking at clawing back some of the RTT/Breast services activity in Q3/Q4 through a transfer to PPH which will allow the reframing of WGH DSU. Confirmation of | | | | | |

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| | | | | | necessary steps for this to be come amber/green to be provided at next CEO HTA meeting on 13 th June 19. |
| | All schemes | (140) | (115) | 25 | |

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|----------------|----------------------------|--------------------|---------------------------|---------------------|---|------------|------------|------------|------------------------|--------------|
| BGH USC | 19/20 target £'000s | 786 | Total plans £'000s | | 639 | 175 | 162 | 976 | Variance £'000s | (190) |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (87) | (68) | 19 | £24k of roster efficiencies not achieved in Month 2. To be discussed at CEO HTA meeting on 13 th June 19. | | | | | |
| | Amber schemes | 0 | 0 | 0 | Length of Stay plans being developed and progress monitored through the Operational Effectiveness Delivery Programme. Savings profiled to commence from Aug 19. | | | | | |
| | Red schemes | 0 | 0 | 0 | Collaborative Care Scheme - confirmation of capital funding awaited from the Capital Funding Committee. Project Team is in place. | | | | | |
| | Total | (87) | (68) | 19 | | | | | | |

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|----------------|----------------------------|--------------------|---------------------------|---------------------|--|---------------------|----------|-------------------------|------------------------|---------------------|
| GGH USC | 19/20 target £'000s | 1,557 | Total plans £'000s | | 1,176 [1,032] | 383 [229] | 0 | 1,559 [1,261] | Variance £'000s | (2) [296] |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (157) | (160) | 3 | Cumulative overdelivery of roster efficiency savings (£4k) at Month 2. Directorate to reassess savings plan to see if there is scope to increase. | | | | | |
| | Amber schemes | 0 | 0 | 0 | Length of Stay plans being developed and progress monitored through the Operational Effectiveness Delivery Programme. Savings profiled to commence from Oct 19. Approval given at CEO HTA meeting to proceed with recruitment to the Intermediate Care Service. | | | | | |
| | Total | (157) | (160) | 3 | <u>Other actions agreed</u> Cost pressure in relation to an increase in cardiology activity. Implications of repatriation of activity to be worked through. Plan to address savings gap to be provided at next CEO HTA meeting on 14 th June 19. A number of patients waiting for packages of care in GGH is impacting on surge beds. Actions to be identified to reduce surge beds by the next CEO HTA meeting on 14 th June 19. | | | | | |

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|----------------|----------------------------|--------------------|---------------------------|---------------------|--|------------|----------|------------|------------------------|------------|
| PPH USC | 19/20 target £'000s | 931 | Total plans £'000s | | 48 | 645 | 0 | 693 | Variance £'000s | 238 |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (3) | (3) | 0 | All RN B5 posts will be filled with Sept 19 onboarding. Assessment of size of opportunity to be worked through for next CEO HTA meeting on 14 th June 19. | | | | | |
| | Amber schemes | (1) | (1) | 0 | <ul style="list-style-type: none"> In the short-term, current MIU savings are based on opportunistic savings as a result of OOH vacancies. A longer-term solution is being worked through with the next steps being a discussion Llanelli GPs. Recruitment to posts to support the Intermediate Care scheme is underway. | | | | | |

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| | Total | (4) | (4) | 0 | <u>Other actions agreed</u> £81k overspend in Mth 1 driven by HCSW spend. Enhanced Patient Support is also causing a cost pressure. Daily meetings are taking place with Ward Sisters to monitor rosters. Analysis of overspend (by HCSW and RNs) and identified actions to be produced. Plans to move all amber schemes to green to be developed. | | | | |
|--|--------------|------------|------------|----------|--|--|--|--|--|

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|----------------|----------------------------|--------------------|---------------------------|---------------------|--|-------------------|----------|--------------|------------------------|----------|
| WGH USC | 19/20 target £'000s | 1,125 | Total plans £'000s | | 1,125 [828] | 0 [297] | 0 | 1,125 | Variance £'000s | 0 |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (119) | (93) | 26 | Middle Grade appointments (£16k) and Ambulatory Care schemes (£26k) have not delivered as expected in Month 2. Cumulative over-delivery of Ward 8 agency reduction (£6k), sickness management (£3k) and other smaller schemes. | | | | | |
| | Amber schemes | 0 | 0 | 0 | All schemes have now been turned green. | | | | | |
| | Total | (117) | (93) | 26 | <u>Other actions agreed</u> Directorate to produce a project plan, in conjunction with Pembrokeshire County Team to achieve a system-wide solution to a 46 bed reduction for discussion at the next CEO HTA. | | | | | |

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|-----------------------------|----------------------------|--------------------|---------------------------|---------------------|---|--------------------|---------------------|------------|------------------------|---------------------|
| Pembrokeshire County | 19/20 target £'000s | 729 | Total plans £'000s | | 323 [270] | 123 [53] | 108 [388] | 764 | Variance £'000s | (35) [18] |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (73) | (69) | 4 | N/A | | | | | |
| | Amber schemes | 0 | 0 | 0 | Delivery from July 19 | | | | | |
| | Red schemes | 0 | 0 | 0 | Pipeline schemes with planned delivery by March 19. | | | | | |
| | Total | (73) | (69) | 4 | <u>Other actions agreed</u> Directorate to produce a project plan, in conjunction with WGH USC to achieve a system-wide solution to a 46 bed reduction for discussion at the next CEO HTA. | | | | | |

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|------------------------------|----------------------------|--------------------|---------------------------|---------------------|--|----------|----------|------------|------------------------|------------|
| Oncology & Cancer | 19/20 target £'000s | 438 | Total plans £'000s | | 284 | 0 | 0 | 284 | Variance £'000s | 154 |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (49) | (49) | 0 | N/A | | | | | |
| | Total | (49) | (49) | 0 | <u>Other actions agreed</u> <ul style="list-style-type: none"> Aseptic units - Savings investment of £65k approved – this will realise a £165k savings for additional staff resource for Homecare. LTA/SLAs - sorking to identify potential for reduction in sessions. Plans and savings opportunities to be reported back at next CEO HTA meeting on 14th June 19. Funding for 2 Macmillan services expires in Sept, giving a £60k cost pressure. A further £10k cost pressure from month 12 in relation to Lung cancer funding. Both evaluation reports have gone through the Cancer Board, where it was agreed that these services are a higher priority than a clinical post. To be factored into recovery plan. | | | | | |

Section 2 – Summarises 19/20 Directorate savings plans against required savings target of 3.7% for Directorates that are monitored through the Turnaround Director Holding to Account meetings. The figures included in this section are based on the known position of Month 1 as at 10th May 2019 and will be subject to change with the identification of further savings opportunities.

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|------------------------|------------------------|----------------|--------------------|-----------------|---|--------------|---|-----|-----------------|----|
| Carmarthenshire County | 19/20 target £'000s | 884 | Total plans £'000s | | 636 [536] | 189 [289] | 0 | 825 | Variance £'000s | 59 |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (24) | (29) | (5) | <ul style="list-style-type: none"> Amman Valley Hospital – agreement for additional HCSW post that is currently being filled through bank and agency. Paper to go to Executive Team in June 19. Review of commissioned services is delivering and so to be moved from amber to green status. | | | | | |
| | Amber schemes | (10) | (6) | 5 | <ul style="list-style-type: none"> Travel and subsistence – cumulative over-delivery of £4k to Month 2. Discuss moving to green status at next meeting. Savings of high cost high frequency care packages on continence assessment unlikely to deliver until July now. Medicine lockers - awaiting decision from League of friends. Implementation timeline to be produced based on assumption that capital approval is given within the next 2 weeks. Relocation of nursing team – clarity requested on delivery timeline. Update on community nurse attrition scheme requested including the actions that are in place to ensure delivery. | | | | | |
| | Total | (34) | (35) | (0) | <u>Other actions agreed</u> Undertaken an analysis of the CHC position and forecast for 19/20. | | | | | |

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|-------------------|------------------------|----------------|--------------------|-----------------|---|----|---|-----|-----------------|-----|
| Ceredigion County | 19/20 target £'000s | 415 | Total plans £'000s | | 155 | 35 | 0 | 190 | Variance £'000s | 225 |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (26) | (25) | 1 | N/A | | | | | |
| | Amber schemes | (1) | 0 | 1 | N/A | | | | | |
| | Total | (27) | (25) | 2 | <u>Other agreed actions</u> <ul style="list-style-type: none"> County and BGH to work together to identify actions that would release funds from the acute hospital to invest in community services in relation to discharges/LOS. A workshop to be arranged to consider opportunities to meet the savings target deficit. Update on bed plans for Tregaron Hospital to be provided for the next CEO HTA meeting in June 19. | | | | | |

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|------------------|------------------------|----------------|--------------------|-----------------|---|--------------|-----|-----|-----------------|-----|
| Women & Children | 19/20 target £'000s | 1,359 | Total plans £'000s | | 400 [211] | 123 [312] | 108 | 630 | Variance £'000s | 729 |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (14) | (10) | 4 | <ul style="list-style-type: none"> WGH MLU model is awaiting Executive sign off prior to going to partnership forum. WGH ANC - revised position to be produced on the delivery timescales based on slippage along with an understanding of what the non-recurrent opportunities are to mitigate this. | | | | | |
| | Amber schemes | 0 | 0 | 0 | Integration of on call rota - clarity on the CHC position is required. Internal consultation is continuing. An Autumn delivery is now looking likely so there will be slippage from July. | | | | | |
| | Red schemes | 0 | 0 | 0 | <ul style="list-style-type: none"> Caesarean Sections - the last 2 months has seen a improved position in relation to the % of caesarean, with a reduced rate to between 3% and 5%. Work to be done to understand the potential impact on elective and emergency activity and the staffing model. | | | | | |
| | Total | (7) | (3) | 4 | <u>Other agreed actions</u> <ul style="list-style-type: none"> Finance session to be held to understand the impact of the pay settlement. | | | | | |

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|--------------|------------------------|----------------|--------------------|-----------------|--|-----|--------------|------------------|-----------------|------------------|
| Primary Care | 19/20 target £'000s | 790 | Total plans £'000s | | 1,022 [670] | 227 | 436 [388] | 1,685 [1,285] | Variance £'000s | (895) [(436)] |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (32) | (68) | (36) | Return of managed practice scheme amended to green status as it is now delivering. | | | | | |
| | Amber schemes | 0 | 0 | 0 | <ul style="list-style-type: none"> GP Hub due to start saving in July. Plan to be produced in June. Salaried GPs – should start to report saving from Month 2. | | | | | |
| | Red schemes | 0 | 0 | 0 | <ul style="list-style-type: none"> Locum costs - scheme to be reviewed and actions and savings to be validated to ensure planned start date of Sept 19 is met. Red pipeline scheme to be added to plan, potential in-year benefit of £300-£450k in relation to the return of another managed practice. | | | | | |
| | Total | (32) | (68) | 36 | <u>Other agreed actions</u> Potential cost pressure identified in respect of Orthodontics and dental inflationary funding. Confirmation of whether this has been included in the savings plan requested. | | | | | |

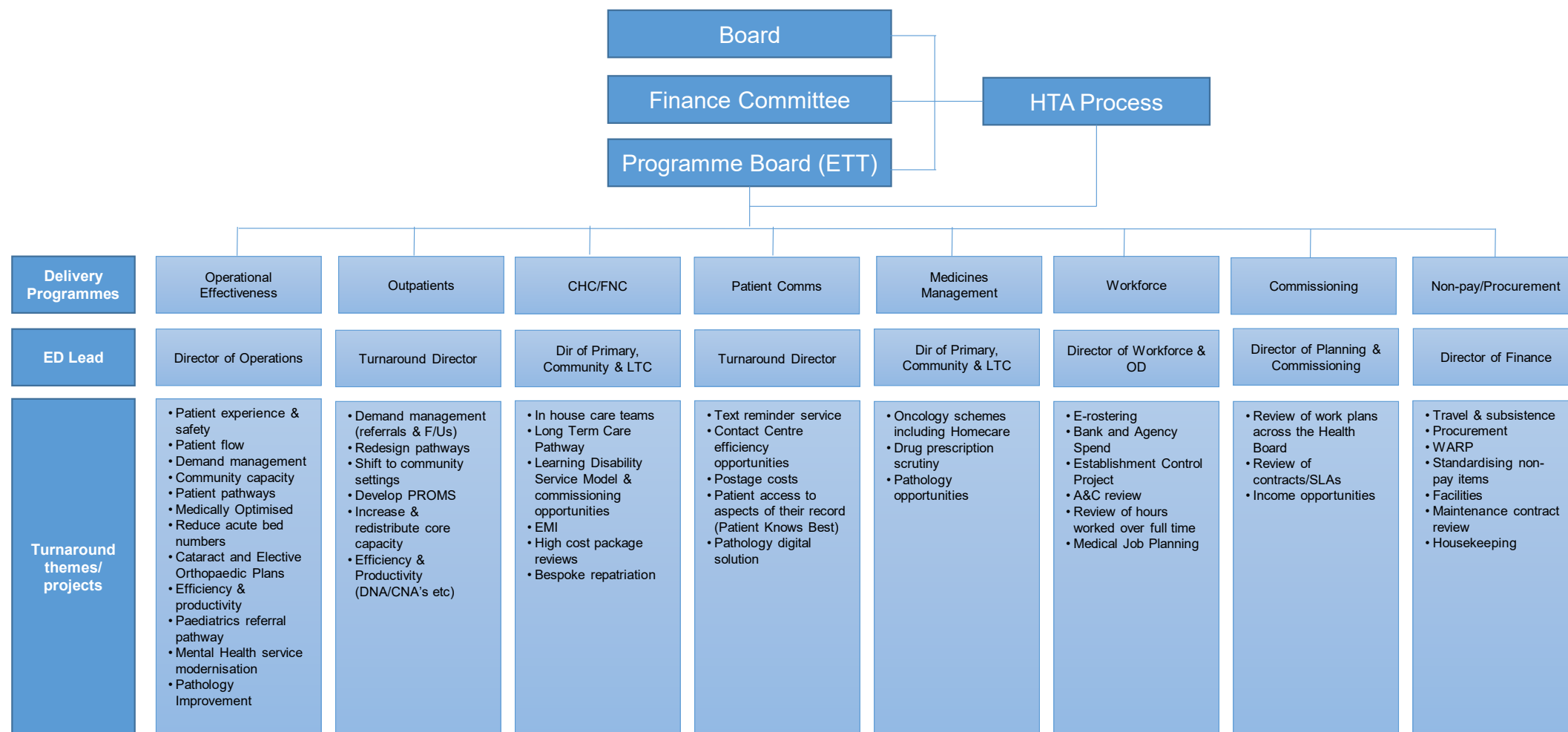
| | | | | | | | | | | |
|-----------|------------------------|----------------|--------------------|-----------------|------------------------------|-----|---|-----|-----------------|-------|
| Radiology | 19/20 target £'000s | 584 | Total plans £'000s | | 390 | 405 | 0 | 795 | Variance £'000s | (211) |
| | Schemes | YTD planned | YTD actual | YTD variance | Mitigating actions | | | | | |
| | Green schemes | (40) | (40) | 0 | N/A | | | | | |
| | Amber schemes | 0 | 0 | 0 | Planned delivery from Aug 19 | | | | | |
| | Total | 0 | 0 | 0 | | | | | | |

Section 3 – Turnaround structure 19/20

- 3.1 Following a review of the overall approach to Turnaround, and as previously discussed at Finance Committee, a new programme structure has been agreed, based on 8 Executive Director-led delivery programmes that build on the previous Turnaround 60 Day Cycle model (Appendix A). These programmes will focus on pan-organisational opportunities to drive patient focused benefits and savings and will provide oversight and coordination of the overall Turnaround Programme across the Health Board.
- 3.2 PIDs have been produced for all Directorate savings schemes and Quality Impact Assessments will be completed for all schemes by 24th June 2019. All schemes are mapped to one of the delivery programmes.
- 3.3 The delivery groups will also act as a support to Directorates in developing pipeline of schemes based on available benchmarking information and will provide assurance to the Health Board on the delivery of saving schemes. The delivery groups will adopt a continuous improvement model as a standard approach.
- 3.4 A generic draft Terms of Reference is attached (Appendix B). These have been shared with led Directors and discussion will take place over the coming weeks to to agree specific objectives of each group that will be used to report against to Finance Committee.
- 3.5 A number of complex, or new for 19/20, schemes that will be key to delivery of the overall financial position have been assigned to Executive Director leads:
- Elective Cataract and Orthopaedic Plan (£1.4m) – Turnaround Director
 - Referral Management and INNU's (£500k) – Director of Operations
 - Aseptic Trams (£500k) – development of long-term solution – Director of Nursing
 - Pathology – optimise demand in Secondary and Primary Care (£500k) – Director of Planning
 - Carmarthenshire transformation (£1.3m) - development of an intermediate care service – Director of Operations
 - Carmarthenshire Bridging Team (500k) – Director of Partnerships
 - WGH Unscheduled Care Improvement Programme- (£500k) – Director of Operations
 - Establishment Control Project (£1m) – Workforce and OD Director
 - Shared Care Ward Scheme (£500k) – Transformation Director

Appendix A

Turnaround Programme Structure 19/20



Operational Effectiveness

Executive Director Lead: Joe Teape

Schemes that have
an ED lead



| Project Title | Directorate | Planned Saving | Description |
|-------------------------------|------------------------|--------------------------|--|
| Ward refurbishment | WGH | PYE: £180k FYE: £- | To relocate patients to Ward 9 to allow for the refurbishment of Ward 10. |
| Critical Care Surge | Scheduled Care | PYE: £100K FYE: £100K | To reduce Delayed Transfers of Care and Surge so that variable pay spend is reduced. |
| LOS | PPH/Carms County | PYE: £526k FYE: £1.1m | To reduce bed demand through the development of an intermediate care service that will avoid hospital admission and support timely discharge back to the community. This service will reduce demand for approximately 21 beds. |
| Ambulatory Care optimisation | WGH | PYE: £297k FYE: £297k | To increase utilisation of ACU, including streaming through from ED, to improve the management of the medical take, reducing pressure in ED, improving quality of care, timely assessments and safety. |
| Critical care reconfiguration | Scheduled Care | PYE: £238k FYE: £286k | To provide an intermediate level of care between ITU and Surgical Ward and to reduce surge into unfunded ITU beds. Reduction of 1 L3 bed on all sites. |
| LOS | GGH/Carms County | PYE: £219k FYE: £438k | To reduce bed demand through the development of an intermediate care service that will avoid hospital admission and support timely discharge back to the community. This service will reduce demand for approximately 14 beds. |
| LOS | BGH/ Cere County | PYE: £175k FYE: £175k | To reduce AVLOS to 7.5 days with a bed occupancy of <98% which will reduce demand on the site by 11 beds (reduction in surge) through a Ceredigion combined County USC plan |
| Bed reduction AVH | Carmarthenshire County | PYE: £93k FYE: £119k | To reduce bed establishment at AVH through the development and implementation of a community-based Ambulatory Emergence Care facility which supports diagnostics and 'hot clinics'. |
| Efficiency Opportunities | Scheduled Care | PYE: £k FYE: £k | To use the data from the Theatres dashboard, focusing on efficiency opportunities around process and pathways. |

Operational Effectiveness cont.

Executive Director Lead: Joe Teape

Schemes that have
an ED lead



| Project Title | Directorate | Planned Saving | Description |
|------------------------------|--------------------|---------------------------------|--|
| Elective Orthopaedic Plan | Scheduled Care | PYE: £1.4m FYE: £1.4m | To move elective Orthopaedic IP activity and associated resources from WGH to PPH, to re-develop the vacant ward as an ambulatory care ward and to further develop the current Day surgery unit for Ophthalmology services. |
| Service Modernisation | MHLD | PYE: £283k FYE: £585k | To modernise adult mental health services through the implementation of a collaborative care model for older adult patients (£163k) and the reconfiguration of services for adults with learning disabilities (£120k). A further £200k saving in variable pay is anticipated (included in Workforce Delivery Programme). |
| Paediatrics Referral Pathway | W&Cs | PYE: £26k FYE: £31k | To improve current outpatient paediatric services through the development and implementation of referral pathways, facilitating better experiences for the patient and their family. |
| Pathology Improvement | Pathology | PYE: £474k FYE: £474k | To optimise demand in Secondary (£421k , £20k) and Primary Care (£33k) and to introduce electronic test requesting across the Health Board in order that testing is appropriate, consistent and cost effective. A number of other savings schemes (16) have been identified by the Directorate that have an associated PYE savings target of £266k (£117k , £149k) and FYE saving of £208k. |
| Scheduled Care Opportunities | Scheduled Care | PYE: £405k FYE: £534k | To review Ophthalmology on-call arrangements at BGH (£250k), introduce biosimilar medicine in Dermatology and Rheumatology (£122k) and to reduce the number of INNU procedures in Scheduled Care (£33k). |
| Outsourcing | Radiology | PYE: £390k FYE: £390k | To reduce outsourcing of radiology reporting through internal efficiencies including improved performance, the introduction of Radiologist trainees, exploring collaboration opportunities with ABMU and the consolidation of the radiology information system. |
| W&C Opportunities | Women & Children's | PYE: £226k FYE: £292k | To review Health Board-wide C-section rates (£108k), to rationalise antenatal clinic provision in WGH & BGH (£19k), to reduce the number of new born transitional care babies requiring antibiotics by 50% (£1k) and to reduce procurement (£8k) |
| OOH MIU | PPH | PYE: £90k FYE: £180k | |
| Reduction in INNUs | Scheduled Care | PYE: £33k FYE: £40k | To reduce low value procedures/INNU's and Do Not Do's to ensure that patients are treated in accordance with the current best evidence of clinical and cost effectiveness in line with the principles of Prudent Healthcare. |

Outpatients

Executive Director Lead: Andrew Carruthers

Schemes that have
an ED lead



| Project Title | Directorate | Planned Saving | Description |
|----------------------------------|--------------------|--------------------------|---|
| Referral Management | Women & Children's | PYE: £13k FYE: £13k | To reduce the number of Gynaecology new and follow up appointments. |
| Referral Management | Women & Children's | PYE: £12k FYE: £12k | To explore opportunities to improve referral management for Gynaecology services . |
| Referral Management | Scheduled Care | PYE: £525k FYE: £700k | To reduce the number of inappropriate referrals across Dermatology & Rheumatology, GS, Ophthalmology, T&O and Urology, Pain & Endoscopy portfolios through list validation, information sharing and education with GPs, direct referrals and improved pathways. |
| Ineffective procedures | Scheduled Care | PYE: £146k FYE: £160k | To reduce ineffective procedures in Dermatology, ENT, Ophthalmology and Orthopaedics |
| Application of Eye Care Measures | Scheduled Care | PYE: £50k FYE: £60k | To provide follow-up appointments in the community for 4,000 glaucoma patients. |
| Remote PSA in Urology | Scheduled Care | PYE: £50k FYE: £60k | To identify all PSA patients on the Follow-up Not Booked list, with a view to providing virtual follow up using consultants and Clinical Nurse Specialists. |

| Project Title | Directorate | Planned Saving | Description |
|-----------------------|--------------|--------------------------|---|
| Reducing CHC spend | Pembs County | PYE: £418k FYE: £418k | To enhance the impact of the Care at Home Team to support Palliative Care patients and offer bridging care. |
| Sustainability Policy | | PYE: £k FYE: £k | To review the sustainability policy and how it can be used to maximum effect |
| Training | | PYE: £k FYE: £k | To undertake a Training Needs Analysis to inform training in CHC decision-making and negotiation skills |
| Decision-making | | PYE: £k FYE: £k | To undertake a root cause analysis of section 117 decisions The top 9 (expensive) Carmarthenshire cases will be reviewed. |

Patient Communications

Executive Director Lead: Andrew Carruthers



| Project Title | Directorate | Planned Saving | Description |
|---------------------------------|----------------|------------------------|--|
| A&E records storage | GGH/PPH | PYE: £10k FYE: £34k | To reduce storage and collection costs for A&E cards at GGH (£5k) and PPH (£5k) |
| Text Reminder Service | Scheduled Care | PYE: £k FYE: £k | To develop a Text reminder service to support the delivery of increased efficiency in outpatients and improved DNA (did not attend) performance. |
| Patient Knows Best | Scheduled Care | PYE: £K FYE: £K | To pilot non-integration and integration of a citizen portal in respiratory |
| Electronic reporting of results | Scheduled Care | PYE: £k FYE: £k | To ensure the patients gets their results, dosage changes and blood forms efficiently as possible |
| Postage efficiencies | Scheduled Care | PYE: £k FYE: £k | To implement a centralised post processing and distribution system |

Medicines Management

Executive Director Lead: Jill Paterson



| Project Title | Directorate | Planned Saving | Description |
|------------------------|-------------------|--------------------------|--|
| Oncology Opportunities | Oncology & Cancer | PYE: £314k FYE: £526k | Pharmacy post medicines management, Detail to be confirmed – no PIDs received |
| Drug Usage | GGH | PYE: £10k FYE: £10k | To review drug usage by ward and outpatient specialty, addressing high cost and high usage drugs by ward/consultant. |
| | | | |

Workforce

Executive Director Lead: Lisa Gostling



| Project Title | Directorate | Planned Saving | Description |
|-----------------------|----------------|------------------------------|--|
| Managed GP practices | Primary Care | PYE: £1,285k FYE: £1,285k | To reduce the costs associated with managed practices through the return to independent contractor status, introduction of a locum cap rate, recruitment of salaried GPs and the in-house commissioning of a GP triage hub. |
| Bank and Agency spend | Multiple | PYE: £1,218k FYE: £1,218k | To reduce bank and agency spend through the recruitment of substantive nursing staff, reconfiguration of services and the development of a "strategic partnership" with agencies to secure cost effective agency cover. |
| E-rostering | Multiple | PYE: £858k FYE: £858k | To achieve efficient roster practices to ensure that staff are paid accurately and on time, rostering practice is maintained in accordance with Health Board policy and the Good Practice Guide and temporary staffing are only used when appropriate. |
| Medical staff | Multiple | PYE: £698k FYE: £710k | To reduce medical staff costs through recruitment to substantive posts as an alternative to locum costs and a review of job plans. |
| Recruitment delays | Multiple | PYE: £446k FYE: £5k | To identify short term opportunities to hold or delay recruitment to vacancies where there is no risk to compromising quality and safety of patient care. |
| Vacancy review | Multiple | PYE: £410k FYE: £195k | To identify efficiencies within the Directorate when vacancies arise through a review of skill mix against Directorate requirements. |
| Radiology provision | Radiology | PYE: £405k FYE: £607k | To optimise the efficiency of radiology provision through a review of on-call and agency cover and a reduction in outsourcing. |
| HR general | Scheduled Care | PYE: £329k FYE: £393k | To resolve outstanding HR issues. |
| Community nursing | Multiple | PYE: £294k FYE: £362k | To review community nursing establishments as vacancies arise, giving consideration as to whether the roles and responsibilities could be done in a more cost effective way where there is no risk to compromising quality and safety. To review WGH MLU staffing cover to core 9-5 period whilst maintaining a safe 24/7 access via support from on-call / community midwives out of hours. |
| Absence management | Multiple | PYE: £162k FYE: £166k | To reduce variable pay costs through targeted action in non-compliant areas in line with All Wales NHS Wales Managing Attendance at work policy to further reduce reliance on variable pay. |

Commissioning

Executive Director Lead: Karen Miles



| Project Title | Directorate | Planned Saving | Description |
|-----------------------|------------------------|--------------------------|--|
| Service Modernisation | MHLD | PYE: £333k FYE: £352k | To review adult mental health packages of care (£275k), to increase supported living provision (£20k) and to review contract arrangements (£38k) |
| Reablement | Carmarthenshire County | PYE: £100k FYE: £100k | To review the Reablement SLA with the Local Authority |
| PPH Antenatal Clinic | Women & Children's | PYE: £89k FYE: £178k | To review the visiting ABMU Antenatal Clinic service at PPH |
| Decommissioning | Ceredigion County | PYE: £60k FYE: £60k | To decommission services provided by the LA, including day care services for people with dementia (£30k) and EMI Social Worker (£30k) |
| Income generation | BGH | PYE: £50k FYE: £50k | To explore LTA/SLA income generation opportunities with Powys THB and BCU UHB. |
| LTAs/SLAs | Scheduled Care | PYE: £45k FYE: £45k | To review current Long Term Agreements and Service Level Agreements |

Non-pay/Procurement

Executive Director Lead: Huw Thomas

| Project Title | Directorate | Planned Saving | Description |
|--------------------------|--------------------|----------------------------|---|
| Maintenance Contracts | Scheduled Care/USC | PYE: £k FYE: £k | To reduce overall maintenance costs for medical devices through the increased use of in-house maintenance provision. |
| Travel & Subsistence | Multiple | PYE: £k FYE: £k | To reduce travel and subsistence costs through a reduction in the use of grey fleet, a review of staff bases and a review of the application of the study leave policy. |
| WARP IT | Health Board wide | PYE: £k FYE: £k | To continue to roll-out the electronic system for distributing, reusing and furniture, equipment, fixtures and fittings within the organisation. |
| Loan kit utilisation | Scheduled Care | PYE: £60k FYE: £60k | To rationalise orthopaedic loan kit utilisation. |
| Facilities Opportunities | Facilities | PYE: £1,324k FYE: £880k | To reduce non-pay spend through reductions in utility costs (£133k, £596k), to increase income generated through an increase in staff dining rooms and an increase in Crèche prices in line with local private providers (£46k) and to reduce pay spend through a review of cleaning rotas, benchmarking savings and gap analysis?? Check with Janine (£408k, £187k). |

Appendix B



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PWYLLGOR CYLLID
FINANCE COMMITTEE

| | |
|--|--|
| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 25 June 2019 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Referral to Treatment Time (RTT) Financial Plan & Trajectory 2019/20– Month 2 Update |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Joe Teape, Deputy Chief Executive |
| SWYDDOG ADRODD: REPORTING OFFICER: | Keith Jones, Assistant Director of Acute Services |

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA
SBAR REPORT

Sefyllfa / Situation

This paper provides the Finance Committee with progress to Month 2 (May 2019) in respect of the financial plan and planned expenditure trajectory to support Referral to Treatment Time (RTT), Diagnostic and Therapy service waiting times delivery for 2019/20.

Cefndir / Background

In May 2019, the Finance Committee received a progress report to Month 1 (April 2019) in respect of the financial plan and planned expenditure trajectory to support RTT, Diagnostic and Therapy service waiting times delivery for 2018/19.

The total financial plan to support RTT, Diagnostics and Therapy delivery proposals for 2019/20, above core operational Directorate and service specific budgets, is summarised below:

| Total forecast cost of delivery 2019/20 (as reflected in Annual Plan) | | |
|--|------------|-------------------|
| Stage 1 additional activity | £719,052 | |
| Stage 2&3 additional activity | £60,000 | |
| Stage 4 additional activity | £3,690,258 | |
| Sub Total | | £4,469,310 |
| Supporting investments | £1,083,000 | |
| Sub Total | | £1,083,000 |
| Total | | £5,552,310 |

Unlike previous years, Welsh Government has requested Hywel Dda University Health Board (HDdUHB) reflect the cost of delivery of these targets into the overall Annual Plan, and supporting

financial plan, for 2019/20. The above sum has therefore been built into recurrent operational financial plans for 2019/20. However, this sum has been held for monitoring purposes as a separate RTT, Diagnostics and Therapy services reserve to be drawn down into individual service budgets as agreed costs are incurred, and is subject to a savings and efficiency and productivity improvement challenge in a similar manner to all operational budgets.

With specific regard to the RTT, Diagnostics and Therapy delivery plan for 2019/20, a savings target to the value of £1.4m has been agreed spanning the following service areas:

- **Ophthalmology** – improvements to internal core capacity levels, which will reduce the dependency and cost of planned outsourcing via the private sector through Quarters 3 and 4 of 2019/20
- **Orthopaedics** – proposals to further increase the volume of elective patients treated at Prince Philip Hospital and reduce forecast backfill and Waiting List Initiative (WLI) costs
- **Breast Surgery** – proposals to reduce operating costs for 2019/20

Based on the above, it is therefore expected that the maximum additional cost of RTT, Diagnostics and Therapy delivery proposals for 2019/20, above core operational Directorate and service specific budgets, will be as follows:

| Total available additional funding to support delivery 2019/20: | |
|--|---------------------|
| Forecast cost of delivery | £5,552,310 |
| Less Savings Target Proposals | (£1,400,000) |
| Sub Total | £4,152,310 |

Consequently, HDdUHB is required to deliver:

- RTT – zero 36 weeks + breaches
- Diagnostics – zero 8 week + breaches in all disciplines
- Therapies – zero 14 week + breaches

Asesiad / Assessment

RTT, Diagnostics & Therapies Delivery Financial Plan 2019/20 – Progress as at Month 2

Progress to Month 2 (May 2019) in respect of the financial plan and planned expenditure trajectory, and any changes to previous assumptions are described below.

A monthly tracker to monitor detailed progress against the financial plan has been jointly developed between the Planned Care Directorate and supporting finance team. Funding released up to Month 2 is based on actual invoices received together with accruals for planned activity not yet invoiced. This illustrates that:

- Activity to Month 2 demonstrates targeted expenditure, above core budgeted levels, of £651k.
- Based on current and future projected expenditure patterns, the total targeted expenditure for 2019/20 is expected to be £4.1m, in accordance with the net budgeted level.

Opportunities continue to be explored to reduce planned dependency on outsourced activity.

Performance

HDdUHB reported 246 36 week + breaches as at the end of May 2019. Recovery towards zero breach performance is expected by the end of Quarter 1, 2019/20. Details by specialty will be reflected in the latest Integrated Performance Assurance Report (IPAR) report.

Argymhelliad / Recommendation

The Finance Committee is requested to note progress to Month 2 (May 2019) in respect of the financial plan and planned expenditure trajectory to support Referral to Treatment Time (RTT), Diagnostic and Therapy service waiting times delivery for 2019/20.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

| | |
|--|---|
| Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor: | 5.5.1 Undertaking detailed scrutiny of the organisation's overall: <ul style="list-style-type: none"> Monthly, quarterly and year to date financial performance; |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score: | Not Applicable |
| Safon(au) Gofal ac Iechyd: Health and Care Standard(s): | 3.1 Safe and Clinically Effective Care |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | 4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners. 5. Deliver, as a minimum requirement, outcome and delivery framework work targets and specifically eliminate the need for unnecessary travel & waiting times, as well as return the organisation to a sound financial footing over the lifetime of this plan |
| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement | Support people to live active, happy and healthy lives |

Gwybodaeth Ychwanegol:

Further Information:

| | |
|--|--|
| Ar sail tystiolaeth: Evidence Base: | Paper reflects delivery plan in support of a key Welsh Government Tier 1 performance target. |
| Rhestr Termau: Glossary of Terms: | Included within the body of the report |

| | |
|---|--|
| Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee: | Welsh Government Delivery Unit Planned Care Directorate |
|---|--|

| Effaith: (rhaid cwblhau) Impact: (must be completed) | |
|---|--|
| Ariannol / Gwerth am Arian: Financial / Service: | Outlined within the body of the report |
| Ansawdd / Gofal Claf: Quality / Patient Care: | Improved waiting times is a key component for patient experience and service quality. |
| Gweithlu: Workforce: | Outlined within the body of the report |
| Risg: Risk: | Outlined within the body of the report |
| Cyfreithiol: Legal: | External outsourcing activity commissioned in accordance with NHS Wales Shared Services guidance and procedures. |
| Enw Da: Reputational: | Reduced waiting times impacts directly on HDdUHB's service and delivery reputation. |
| Gyfrinachedd: Privacy: | Not Applicable |
| Cydraddoldeb: Equality: | Paper reflects plans to reduce waiting times for all patients. |



PWYLLGOR CYLLID FINANCE COMMITTEE

| | |
|--|---|
| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 25 June 2019 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Update on All-Wales Capital Programme - 2019/20 Capital Resource Limit and Capital Financial Management |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Huw Thomas, Director of Finance |
| SWYDDOG ADRODD: REPORTING OFFICER: | Huw Thomas, Director of Finance |

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

This update report is presented to the Finance Committee to:

- Note the Capital Resource Limit for 2019/20 expenditure allocations and profile;
- Note the work being undertaken to manage the financial risks identified.

Cefndir / Background

Further to previous update reports to Finance Committee and the Capital, Estates and Information Management & Technology Sub-Committee, this report provides the latest update on the Capital Resource Limit for 2019/20.

Asesiad / Assessment

Capital Resource Limit (CRL) 2019/20

The CRL for 2019/20 has been issued with the following allocations:

| Expenditure | £m |
|-----------------------------|---------------|
| All Wales Capital Programme | 31.837 |
| Discretionary Programme | 7.421 |
| Balance | 39.258 |

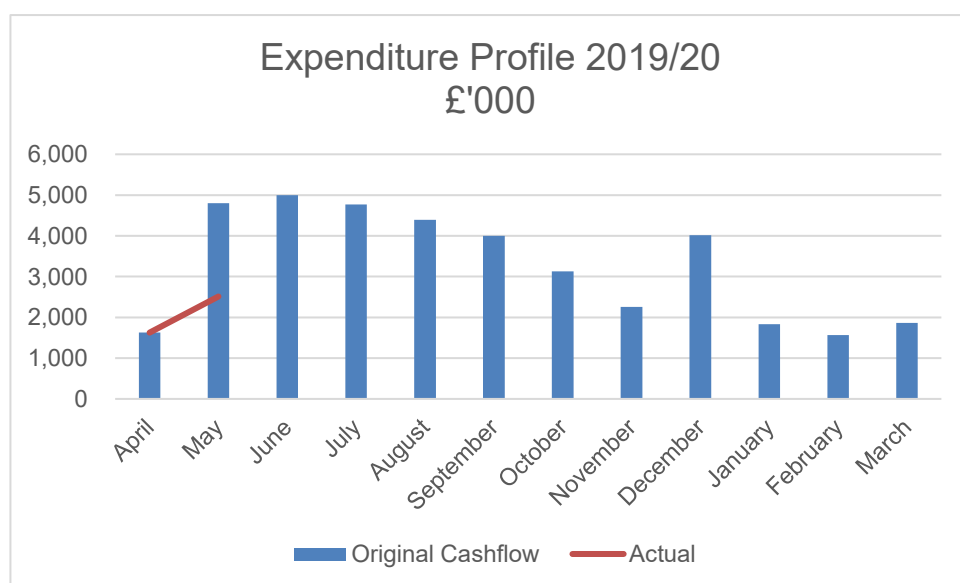
The All Wales Capital Programme (AWCP) schemes being funded in 2019/20 year are:

- Bronglais Hospital Magnetic Resonance Imaging (MRI) Scanner
- Women and Children Phase II Scheme, Glangwili Hospital
- Cardigan Integrated Care Centre
- Aberaeron Integrated Care Centre
- Ward 9 and 10 Refurbishment, Withybush Hospital
- Fees for the development of the Cross Hands Integrated Care Centre Business Case

The following split of the discretionary allocation for 2019/20 has been discussed at the Capital, Estates and IM&T Sub-Committee and agreed at the Business Planning and Performance Assurance Committee in February 2019.

| Expenditure | £m | £m |
|-----------------------------|-------|--------------|
| Pre-commitments | | 3.000 |
| • Withybush Data Centre | 0.300 | |
| • Autoclaves | 0.500 | |
| • Autoclaves(works) | 0.500 | |
| • Penlan Development | 0.700 | |
| • Telepath DCX payback | 0.444 | |
| • IT I2S repayment | 0.150 | |
| • Asbestos W&C payback | | |
| | 0.065 | |
| • W&C provision | 0.341 | |
| Equipment | | 0.500 |
| IM and T | | 0.700 |
| Estates Infrastructure | | 0.500 |
| Estates Statutory | | 0.700 |
| Capital Support | | 0.300 |
| Business Case Development | | 0.350 |
| Contingency | | 0.300 |
| Estates Development | | 0.480 |
| • Residential Accommodation | 0.200 | |
| • Enlli Ward | 0.280 | |
| Aseptic Works | | 0.200 |
| Llanion House | | 0.080 |
| Balance not yet allocated | | 0.311 |
| Balance | | 7.421 |

The expenditure profile for 2019/20 is shown below:



Further work has been undertaken by Hywel Dda University Health Board's (HDdUHB's) cost advisors on the All Wales Capital Programme profiles for 2019/20. The discretionary capital profile will continue to be reviewed with Estates, IT and the Deputy Director of Operations over the next 4-6 weeks.

Expenditure against the £39.258m allocation as at the end of Month 2, was £4.138m.

Financial Risks

During 2019/20, quarterly reviews of resource usage profiles will be undertaken with the cost advisors on the All Wales Capital Programme schemes to ensure regular updates can be provided to Welsh Government and NHS Wales Shared Services on scheme progress.

Interserve update

At the time of preparing this report, there have been no further Cabinet Office updates. The contractor is progressing well with the delivery of the 2 schemes currently on site.

Cylch Caron update

Discussions are currently ongoing with an alternative provider who also submitted a tender for the scheme. The provider was deemed appropriate for consideration to deliver the scheme. Current indication from this provider is that the scheme can be delivered although at an additional capital cost. The Project Board held on 9th May 2019, agreed to explore alternatives to bridge this shortfall in capital. One of the alternatives pursued was the opportunity for Mid Wales Housing Association to apply to Welsh Government for Financial Transaction Capital in the form of a loan. At the Project Board held on 13th June 2019 it was agreed that an application to Welsh Government be progressed. A successful bid would close the funding gap on the project.

Argymhelliad / Recommendation

The Finance Committee is requested to:

- Note the Capital Resource Limit for 2019/20 together with expenditure allocations and profile;
- Note the work being undertaken to manage the financial risks identified.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference:
Cyfeirnod Cylch Gorchwyl y
Pwyllgor:

- | | |
|------|---|
| 4.5 | Provide assurance to the Board that robust arrangements are in place for financial planning, financial performance and financial forecasting. |
| 5.13 | Provide assurance to the Board that arrangements for Capital, Estates and IM&T are robust. |

Cyfeirnod Cofrestr Risg Datix a Sgôr
Cyfredol:

Capital priorities included within service risk registers.
Risk 624 - Ability to maintain and address backlog maintenance and develop infrastructure to support

| | |
|--|---|
| Datix Risk Register Reference and Score: | long term strategic objectives – Current Risk Score 16 |
| Safon(au) Gofal ac Iechyd: Health and Care Standard(s): | All Health & Care Standards Apply |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | 4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners. 5. Deliver, as a minimum requirement, outcome and delivery framework work targets and specifically eliminate the need for unnecessary travel & waiting times, as well as return the organisation to a sound financial footing over the lifetime of this plan |
| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement | Improve efficiency and quality of services through collaboration with people, communities and partners All business cases for capital investment require alignment to the UHB's Well-being Objectives where applicable |

| Gwybodaeth Ychwanegol: Further Information: | |
|---|--|
| Ar sail tystiolaeth: Evidence Base: | Capital Allocation and prioritisation process. Capital Investment procedure and all relevant Welsh Government guidance. |
| Rhestr Termiau: Glossary of Terms: | IM&T – Information Management and Technology |
| Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee: | Capital Monitoring Forum Capital Planning Group Individual Project Boards of Capital Schemes Welsh Government Capital Review Meeting Capital, Estates and IM&T Sub-Committee |

| Effaith: (rhaid cwblhau) Impact: (must be completed) | |
|---|---|
| Ariannol / Gwerth am Arian: Financial / Service: | Capital values noted within the report. Included within individual business cases and Capital prioritisation process. |
| Ansawdd / Gofal Claf: Quality / Patient Care: | Included within individual business cases and Capital prioritisation process |

| | |
|------------------------------------|--|
| Gweithlu: Workforce: | Included within individual business cases and Capital prioritisation process |
| Risg: Risk: | Risk assessment process is integral to the capital prioritisation process and the management of capital planning within HDdUHB |
| Cyfreithiol: Legal: | Included within individual business cases and Capital prioritisation process |
| Enw Da: Reputational: | Included within individual business cases and Capital prioritisation process |
| Gyfrinachedd: Privacy: | Included within individual business cases and Capital prioritisation process |
| Cydraddoldeb: Equality: | Equality assessments are included within individual business cases and Capital prioritisation process when required |



PWYLLGOR CYLLID FINANCE COMMITTEE

| | |
|--|---|
| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 25 June 2019 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | NHS Benchmarking Network Summary Report Review - Further Efficiency Opportunities |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Huw Thomas, Director of Finance |
| SWYDDOG ADRODD: REPORTING OFFICER: | Huw Thomas, Director of Finance |

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The draft financial plan for 2019/20 identified a saving requirement of circa £27m to achieve an in-year deficit of £29.8m. The Finance Committee has agreed the principle that savings should sit where there is the greatest potential to deliver. There is an expectation on all Health Boards that they will constructively engage with the overall NHS Wales Financial Efficiency Framework and the opportunities that it identifies to improve financial performance. Since the last efficiency report to Committee in January 2019, a number of additional potential opportunities have been identified with a view to inclusion within in-year savings strategies. These have been derived from national benchmarks, such as the NHS Benchmarking Network and the Capita CHKS database.

These recommendations are intended to inform service managers of the potential for more efficient ways of delivering services, and ultimately help reduce expenditure without unduly impacting on patient care.

Cefndir / Background

As noted in previous reports to the Finance Committee, the finance department has been working with NHS Wales Finance Delivery Unit and the NHS Benchmarking Network to identify opportunities to improve the financial performance of the Health Board. The NHS Benchmarking Network was asked to create a separate report for Welsh Health Boards identifying variations in quality, efficiency and financial performance. This report was analysed to explore if there were any areas of service delivery within Hywel Dda University Health Board (HDdUHB) that may yield efficiency or financial improvement opportunities. Some 72 different measures were analysed. Calculations were performed to estimate the level of resource released if HDdUHB operated at the average Welsh Health Board level of performance, and also at the average English and Welsh level of performance.

The full report is included at Appendix 1. A summary of the key opportunities is provided at Appendix 2 with the potential reduction in the use of resources calculated by the Finance Value team to show the areas of greatest opportunity.

Asesiad / Assessment

The level of potential resource savings that might be achieved if performance levels were at the Welsh average total some £10.0m. If performance could be improved to deliver at the English / Welsh average, then the resource opportunity increases to around £19.5m. However, many of these opportunities have already been incorporated into savings plans as a result of the first opportunities report that was drafted and approved in January. Other opportunities – such as the excessive quantity of drugs stock held in hospitals – have not previously been considered and may be able to generate further savings if acted upon.

Future work in respect of benchmarking is currently underway. In order to focus effort and management attention, three areas have been selected from the national benchmarking list, namely:

- Managing frailty and Delayed Transfer of Care (DTOC)
- Community Hospitals
- Community Services

Given the significant weight given in HDdUHB's Health and Care Strategy, *A Healthier Mid and West Wales*, to delivering more care at home or closer to home, these three areas have the scope to be either significant enablers, or barriers, to successful implementation. It was therefore considered imperative to undertake a benchmark of these service areas to provide a baseline for comparison as the long-term strategy is implemented.

In addition to these three areas, individual service departments have also elected to take part in three more benchmarks:

- Emergency Care (providers)
- Urgent Care (commissioners)
- Outpatients

Learning Disabilities benchmarking may also be pursued by the service. The Corporate Finance team will provide support to all services that are submitting data as part of the national benchmarking exercises. In addition, reports on the refreshed Opportunity and Efficiency Framework supported by all Welsh Health Board Finance Directors are shortly to be published.

Finally, the Finance Delivery Unit is currently scoping or undertaking further Wales-specific benchmarking activities, including in areas such as Continuing Healthcare, Funded Nursing Care, revised Corporate Services benchmarks, ward based nurse staffing and Sterile Services. Again, these benchmarks are assessed formally for any opportunities to improve finance performance and reports are shortly to be produced and any areas for improvement noted on our opportunities framework.

Argymhelliad / Recommendation

The Finance Committee is asked to note the significant amount of work underway, discuss these proposed savings opportunities and agree their onward cascade throughout the Health Board.

| Amcanion: (rhaid cwblhau) Objectives: (must be completed) | |
|--|---|
| Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor: | <p>5.5.1 Undertaking detailed scrutiny of the organisation's overall:</p> <ul style="list-style-type: none"> • Monthly, quarterly and year to date financial performance; • Performance against the savings delivery and the cost improvement programme; assurance over performance against the Capital Resource Limit and cash flow forecasts; • Oversee and monitor the Health Board's turnaround programme. <p>5.5.2 Receiving assurances in respect of directorate performance against annual budgets, capital plans and the cost improvement programme and innovation and productivity plans.</p> |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score: | Not Applicable |
| Safon(au) Gofal ac Iechyd: Health and Care Standard(s): | 7. Staff and Resources |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | 4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners. |
| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement | Improve efficiency and quality of services through collaboration with people, communities and partners |

| Gwybodaeth Ychwanegol: Further Information: | |
|---|--|
| Ar sail tystiolaeth: Evidence Base: | Included as Appendix 1 to this report |
| Rhestr Termiau: Glossary of Terms: | Included within the body of the report |
| Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee: | Not Applicable |

| Effaith: (rhaid cwblhau) Impact: (must be completed) | |
|---|--|
| Ariannol / Gwerth am Arian: Financial / Service: | Financial impact described within the body of the report |
| Ansawdd / Gofal Claf: Quality / Patient Care: | No direct quality / patient care impact |
| Gweithlu: Workforce: | No direct workforce impact |
| Risg: Risk: | Through identifying and pursuing efficiency opportunities, this enhances HDdUHB's ability to sustain services operationally and financially |
| Cyfreithiol: Legal: | No direct legal impacts |
| Enw Da: Reputational: | By demonstrating the willingness to improve service delivery and financial sustainability, this report seeks to enhance HDdUHB's reputation as being prudently and efficiently run |
| Gyfrinachedd: Privacy: | No direct privacy impacts |
| Cydraddoldeb: Equality: | No direct equality impacts |



GIG
CYMRU
NHS
WALES

Finance Delivery Unit
Uned Gyflawni Cyllid

NHS Benchmarking Network

University Health Board Summary Improvement Opportunity Reports



Hywel Dda University Health Board



March 2019

Introduction

NHS Benchmarking Network's 2018/19 Work Programme

The NHS Benchmarking Network is the world's largest healthcare comparison group with over 300 subscribing member organisations. The Network was established in 1994 in response to a need for NHS organisations to compare services and share learning. The Network delivers unique and timely intelligence on NHS service provision, providing commissioners and providers of NHS healthcare the opportunity to review their services, identify potential efficiency and productivity savings, and evidence the need for investment, workforce development and service redesign.

In 2018/19, the Network's comprehensive work programme of projects covered four sectors, NHS Commissioning, NHS Acute provision, NHS Mental Health provision and NHS Community Services provision. Welsh University Health Boards (UHBs) were included in the commissioning projects, which look at services on a population footprint.

For each project, data was collected from participants using bespoke data surveys, the data was then analysed by the Network, any data anomalies raised with the relevant participants and the results shared through a findings conference, bespoke reports, summary reports and interactive toolkits.

University Health Board Summary Improvement Opportunity Reports

While University Health Board (UHB) participants have received bespoke reports for each project and have access to the interactive toolkits, the volume of comparisons available makes undertaking a full review of all the projects a significant undertaking. While this level of detail may be of use to individual services, colleagues looking to take a strategic view across sectors and services may find a more summarised view useful.

The University Health Board Summary Improvement Opportunity reports have been commissioned by the Finance Delivery Unit and developed for this purpose. For each of the Network's core projects and the National Audit of Intermediate Care, the Network team has selected the top 20 metrics and tested each UHB against them. In addition, the team has undertaken a manual review examining other potential service improvements areas identified in the data submitted. Where this approach indicates a potential improvement opportunity the metrics are included in this report, providing a summary of the most important improvement opportunities in a single report.

In addition, a short section on improvement methodologies is included to support UHB colleagues undertaking such work.

Further detail on all the Network projects highlighted in this report, can be found on the [members' area](#) of the Network website. Please contact Emma Pruce (e.pruce1@nhs.net) if you require a login or have any other queries.

Findings summary

The summary below highlights a sample of the significant improvement opportunities identified. Further improvement metrics are detailed within this report.



Acute

Emergency Care project:

- Above average use of bank and agency staff (page 9)
- Low Consultant numbers (pages 10 & 11)
- High levels of complaints (pages 13 & 14)

Outpatients project:

- Very high number of overdue follow ups (page 16)
- High sickness rate – nurses (page 17)

Pharmacy and Medicines Optimisation project:

- Low percentage of pharmacist time spent on clinical activity (page 19)
- High stock levels (page 20)
- High levels of MRSA and C. diff (page 21)

Radiology project:

- Below average inpatient x-rays performed on day of request (page 23)
- Above average use of locum/agency staff (page 25)

Operating Theatres project:

- Below average finish timeliness (pages 26 & 27)
- High turnaround time (page 28)



Commissioning

Planned Care project:

- High levels of readmissions (page 33)
- Above average spend on elective admissions (page 33)

Urgent Care project:

- High levels of ED attendances (page 35)
- High expenditure on ambulance service (page 38)



Mental Health

Child and Adolescent Mental Health Services (CAMHS) project:

- Below average community caseload (page 41)
- Above average number of patients on waiting list (page 41)

Learning Disabilities project:

- Low staff satisfaction (page 42)
- Very high levels of self-harm (page 43)

Mental Health Inpatient and Community Services project:

- Very high emergency readmissions (page 47)
- Very high bed occupancy (page 47)

National Audit of Intermediate Care:

- Below average spend on intermediate care (page 49)
- Very low levels of intermediate care activity (pages 50, 51 and 52)



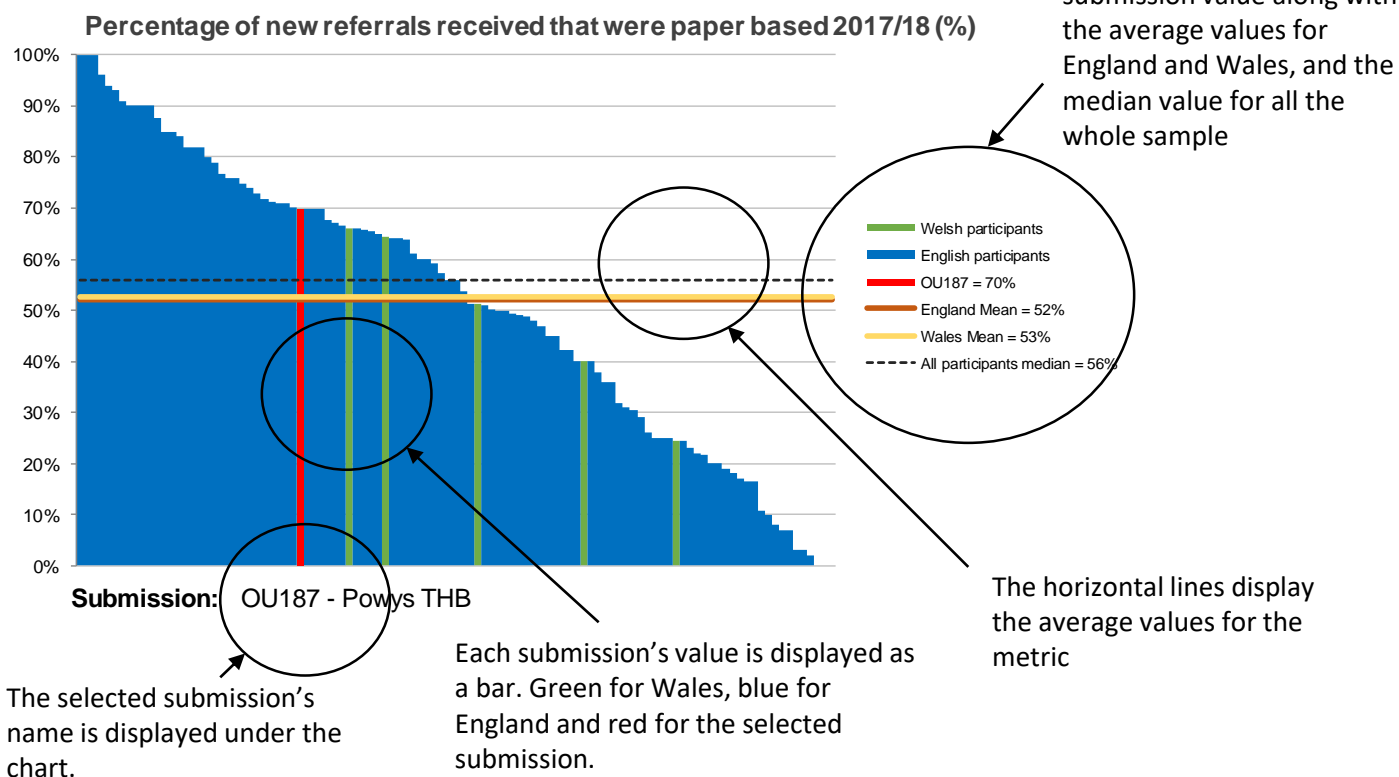
NAIC

Useful information

1. General information

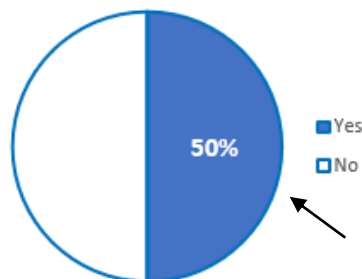
- The data in this reports relates to the 2017/18 financial year.
- In some cases UHBs will have provided data sets by site or locality to a project (a submission). Where a UHB has more than one submission that is flagged for a particular metric, that metric will be repeated for each submission.
- Metrics for this report have been selected based on the submission value falling outside the 65th (or 35rd) percentile of the distribution.
- Although the charts below are labelled with 'England'/'English', the blue bars also includes a small number of Scottish, NI and Channel Island participants.

2. Barcharts



3. Yes / No charts

Does the organisation have a Referral Assessment Services (RAS) in place?



Submission: Aneurin Bevan University Health Board
Response: No

The selected submission's name and response is shown to the right of the chart.

The chart shows the responses for all UK project participants. The blue section represents the 'Yes responses', the white area the 'No' responses.

Index



Acute

Project / Submission(s)

Indicative completion rate

| | |
|--|--------------------------|
| Emergency Care (Type 1 & 2) | Page 6 |
| Glangwili Hospital | Average completion |
| Bronglais Hospital | Below average completion |
| Withybush Hospital | Average completion |
| Managing Frailty | Page 15 |
| Did not take part | na |
| Outpatients | Page 16 |
| Hywel Dda UHB | Average completion |
| Pharmacy | Page 18 |
| Hywel Dda UHB | Below average completion |
| Radiology | Page 23 |
| Hywel Dda UHB | Below average completion |
| Theatres | Page 26 |
| Hywel Dda UHB | Above average completion |



Commissioning

| | |
|---------------------|--------------------------|
| Planned Care | Page 32 |
| Hywel Dda UHB | Below average completion |
| Urgent Care | Page 35 |
| Hywel Dda UHB | Average completion |



Community

| | |
|--|----------------|
| Community Services (District Nursing Service) | Page 39 |
| Did not take part | na |



Mental Health

| | |
|------------------------------|--------------------------|
| CAMHS | Page 40 |
| Hywel Dda UHB | Below average completion |
| Learning Disabilities | Page 42 |
| Hywel Dda UHB | Average completion |
| Mental Health | Page 46 |
| Hywel Dda UHB | Below average completion |



NAIC

| | |
|----------------------|--------------------------|
| Commissioners | Page 49 |
| Carmarthenshire | Below average completion |
| Pembrokeshire | Above average completion |
| Ceredigion | Average completion |
| Providers | Page 54 |
| 8 submissions | na |

| | |
|--|----------------|
| Service improvement methodologies | Page 59 |
| UHB submission codes table | Page 60 |

Emergency Care

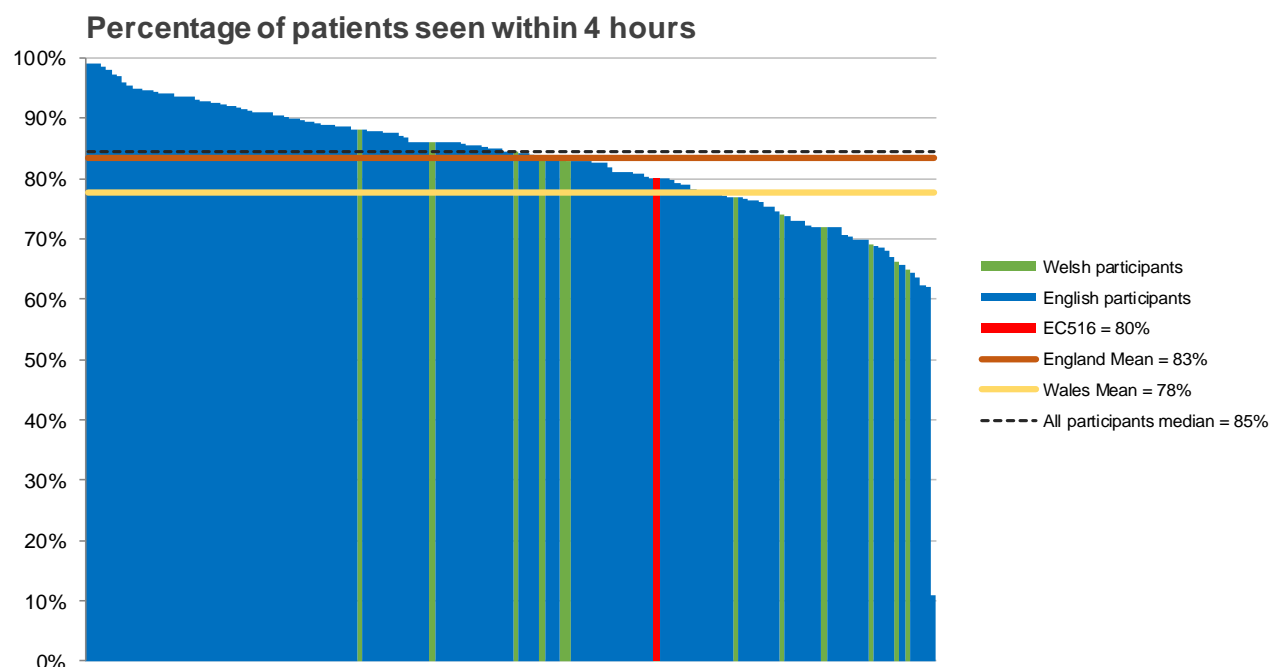
Emergency Care services are under increasing pressure year on year, with the need to optimise the urgent and emergency care system to work as safely, efficiently and effectively as possible.

The project evaluates provision of Accident and Emergency services (type 1 & 2 EDs). Although the sums of money invested in emergency care are highly material, there is limited national benchmarking information available on the service beyond profiling of access arrangements, waiting times and demand levels. The Network project aims to supplement available national metrics with relevant data on service models, infrastructure, capacity, demand, workforce, finance and service quality.

The 2018 project UK findings showed continued demand and pressure on Type 1 EDs with 17% of patients waiting four or more hours in the ED. Encouraging results were found for Consultant staffing levels, which have increased gradually in recent years.

The project also compares Type 3 & 4 EDs.

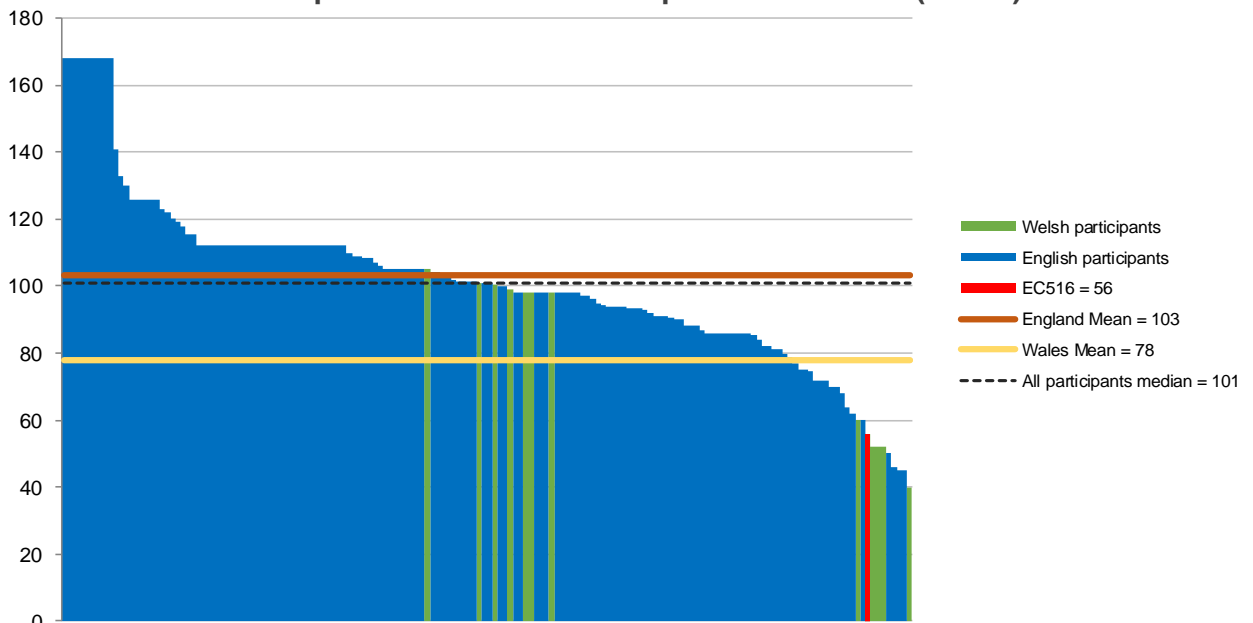
This section looks at opportunities relating to Type 1 & 2 EDs.



Submission: EC516 - Witybush Hospital

The four hour target is one of the most visible targets in the NHS.
The submission response was below average with a value of 80% compared to the median value from all participants, which was 85%.

Number of hours per week a consultant is present in the ED (hours)

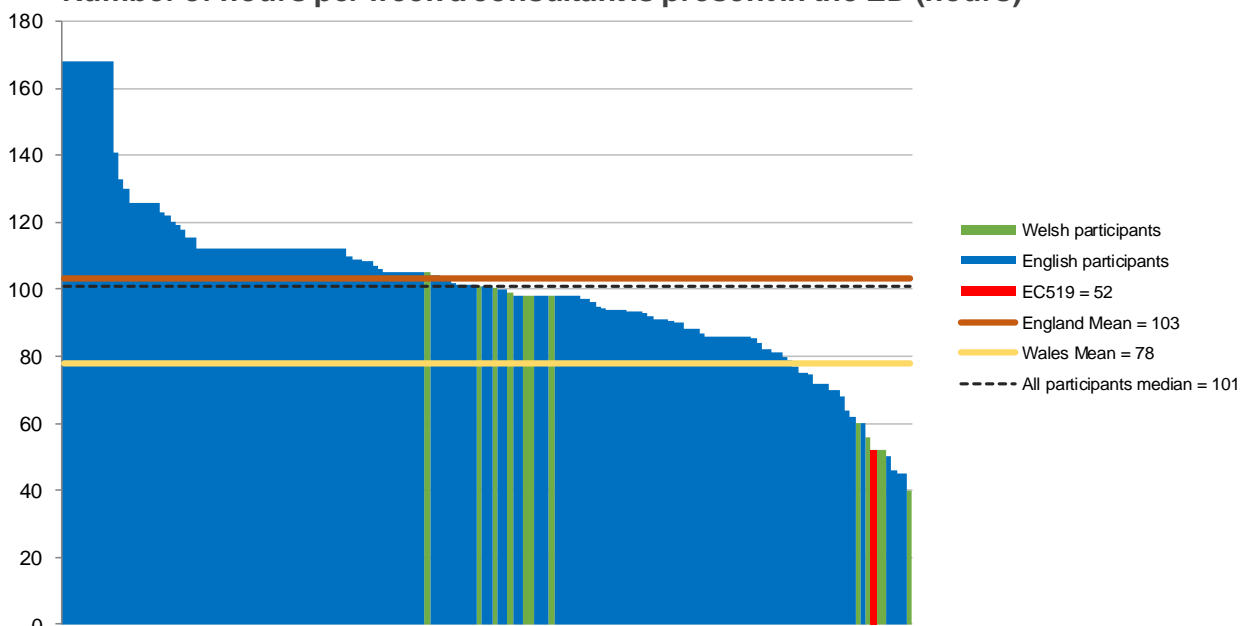


Submission: EC516 - Witybush Hospital

Availability of senior clinicians is important in providing high quality patient care.

The submission response was one of the lowest values with a value of 56 hours compared to the median value from all participants, which was 101 hours.

Number of hours per week a consultant is present in the ED (hours)

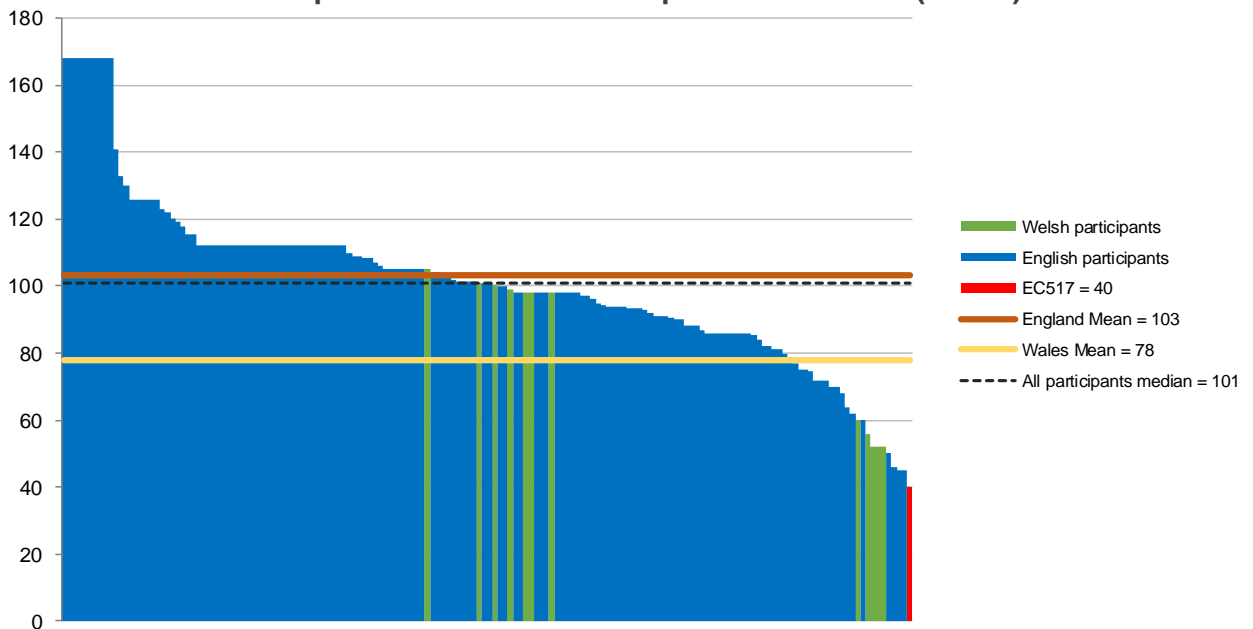


Submission: EC519 - Glangwili Hospital

Availability of senior clinicians is important in providing high quality patient care.

The submission response was one of the lowest values with a value of 52 hours compared to the median value from all participants, which was 101 hours.

Number of hours per week a consultant is present in the ED (hours)

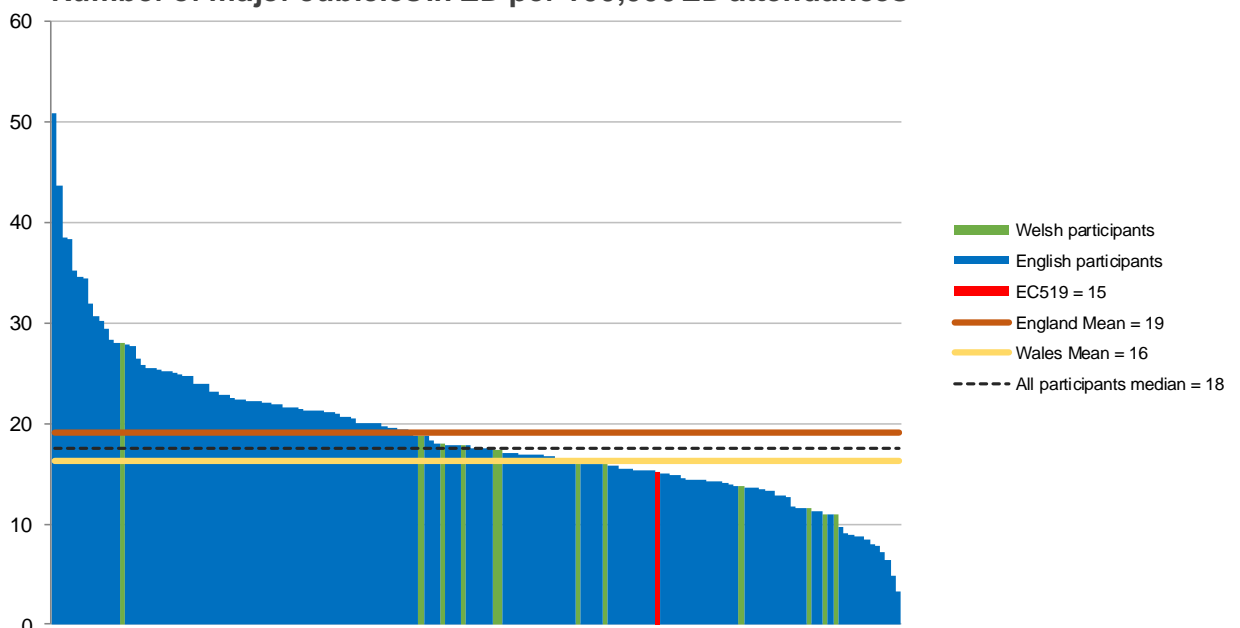


Submission: EC517 - Bronglais Hospital

Availability of senior clinicians is important in providing high quality patient care.

The submission response was one of the lowest values with a value of 40 hours compared to the median value from all participants, which was 101 hours.

Number of major cubicles in ED per 100,000 ED attendances

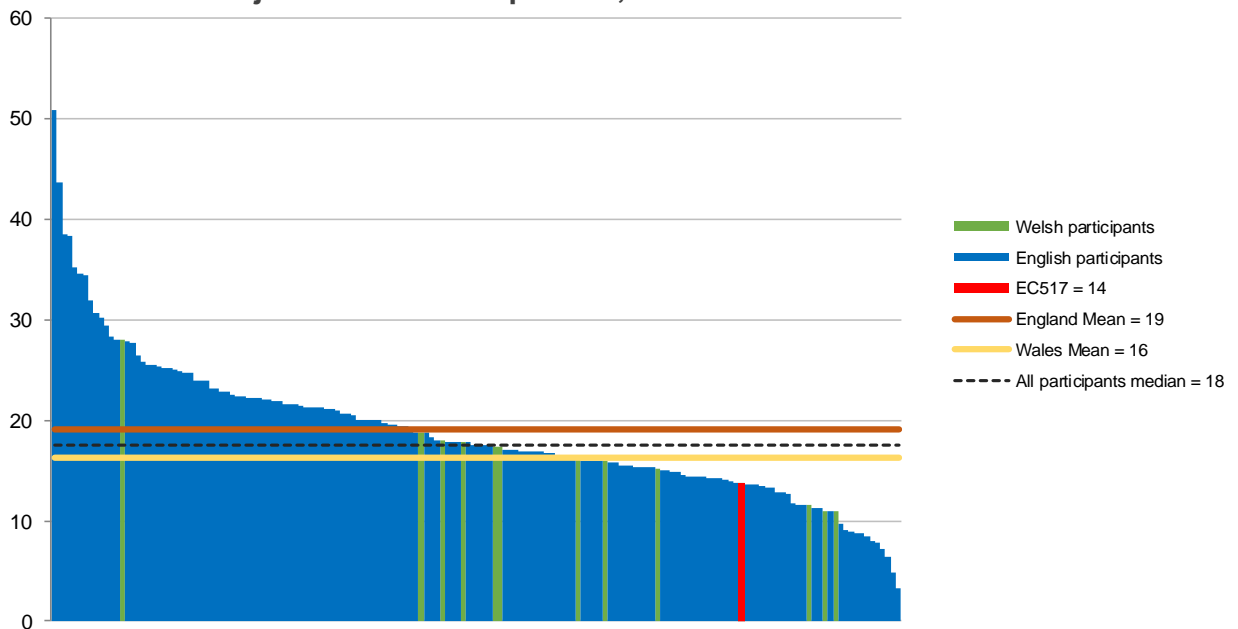


Submission: EC519 - Glangwili Hospital

Inadequate facilities may hamper patient flow and reduce the efficiency of the department.

The submission response was below average with a value of 15 compared to the median value from all participants, which was 18.

Number of major cubicles in ED per 100,000 ED attendances

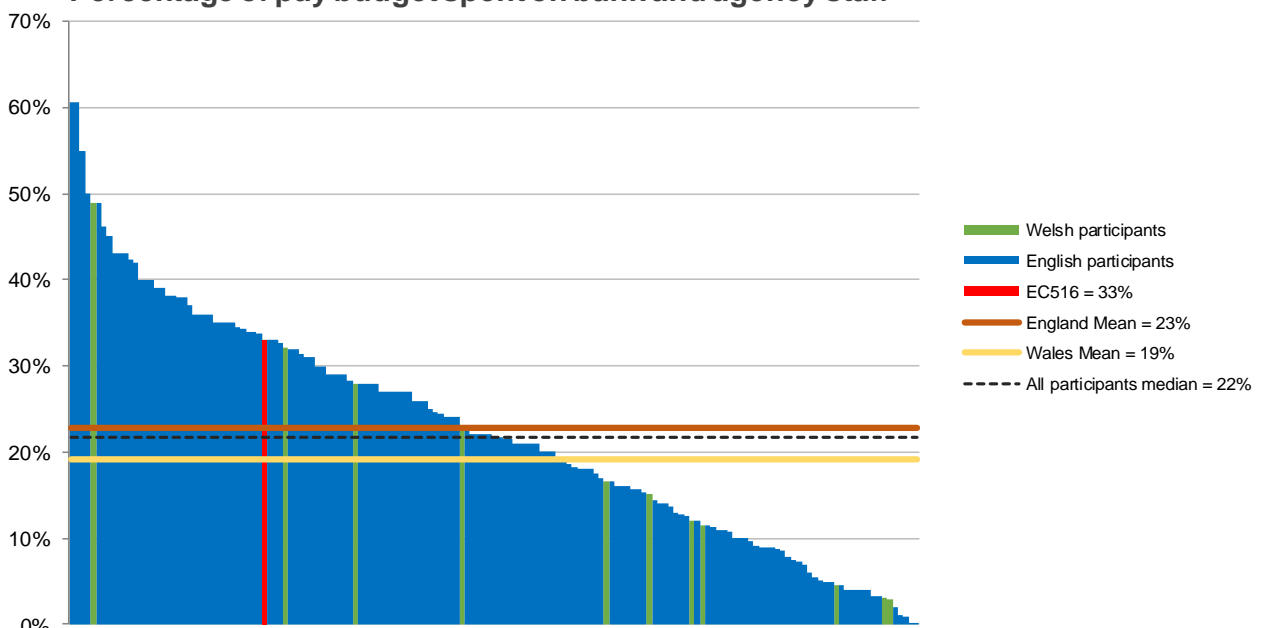


Submission: EC517 - Bronglais Hospital

Inadequate facilities may hamper patient flow and reduce the efficiency of the department.

The submission response was considerably below average with a value of 14 compared to the median value from all participants, which was 18.

Percentage of pay budget spent on bank and agency staff

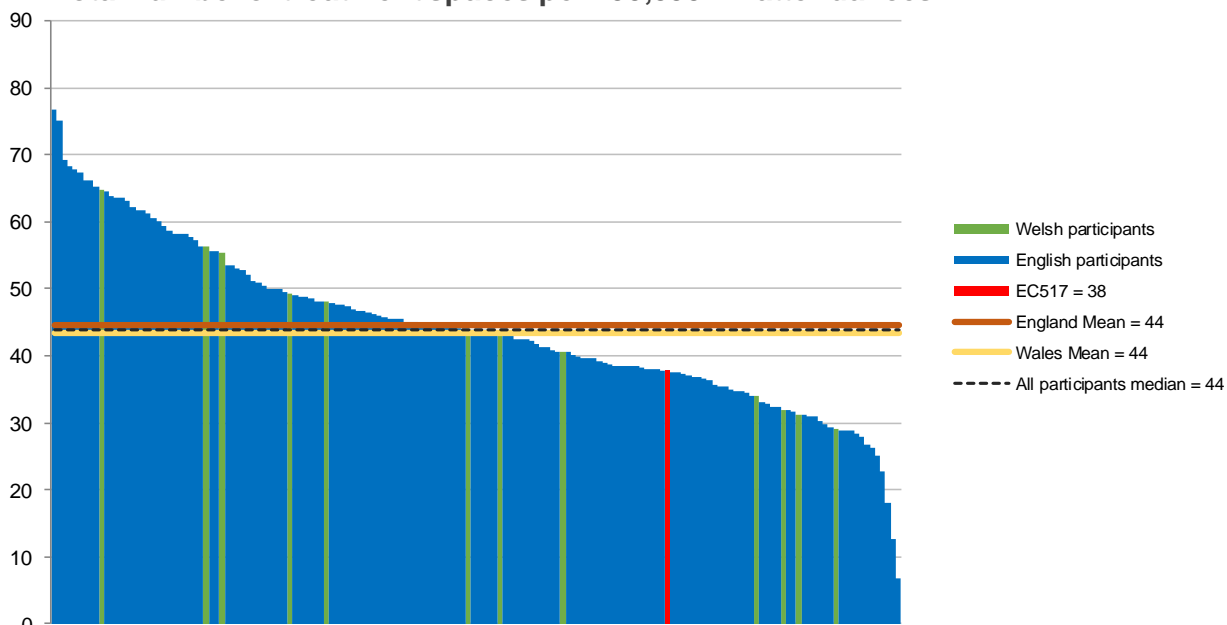


Submission: EC516 - Withybush Hospital

The use of agency and bank staff raises costs and may be indicative of staffing problems.

The submission response was above average with a value of 33% compared to the median value from all participants, which was 22%.

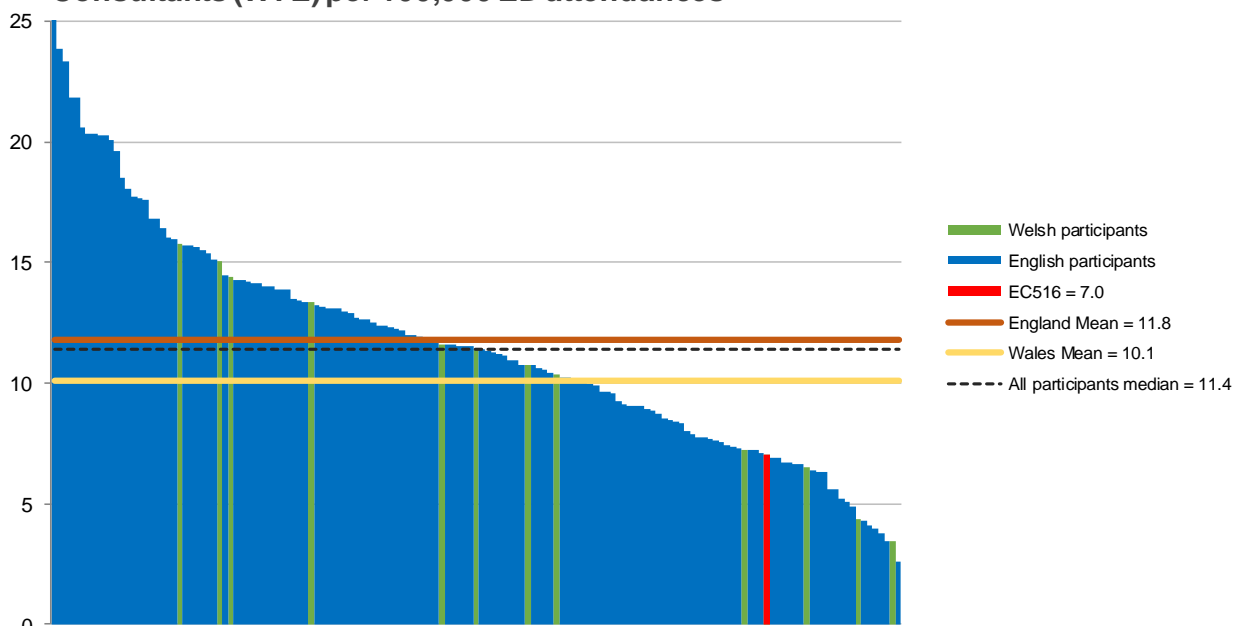
Total number of treatment spaces per 100,000 ED attendances



Submission: EC517 - Bronglais Hospital

Inadequate facilities may hamper patient flow and reduce the efficiency of the department. The submission response was below average with a value of 38 compared to the median value from all participants, which was 44.

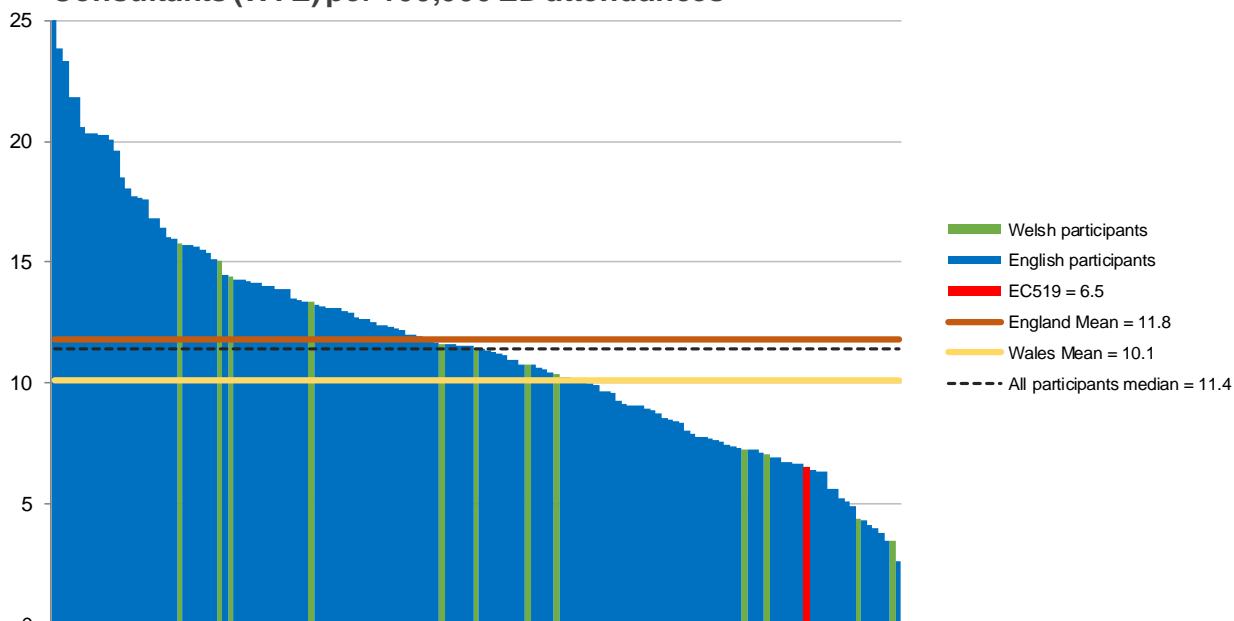
Consultants (WTE) per 100,000 ED attendances



Submission: EC516 - Witybush Hospital

The chart shows the total number of Consultants employed (WTE) per 100,000 ED attendances. The submission response was considerably below average with a value of 7.0 compared to the median value from all participants, which was 11.4.

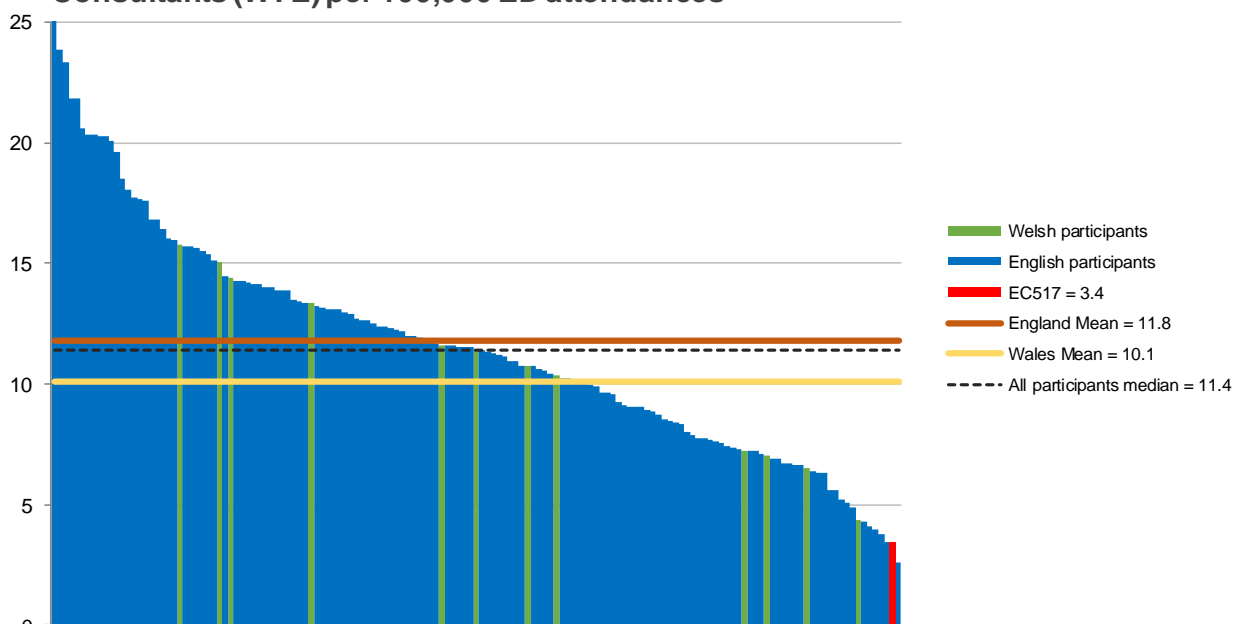
Consultants (WTE) per 100,000 ED attendances



Submission: EC519 - Glangwili Hospital

The chart shows the total number of Consultants employed (WTE) per 100,000 ED attendances. The submission response was considerably below average with a value of 6.5 compared to the median value from all participants, which was 11.4.

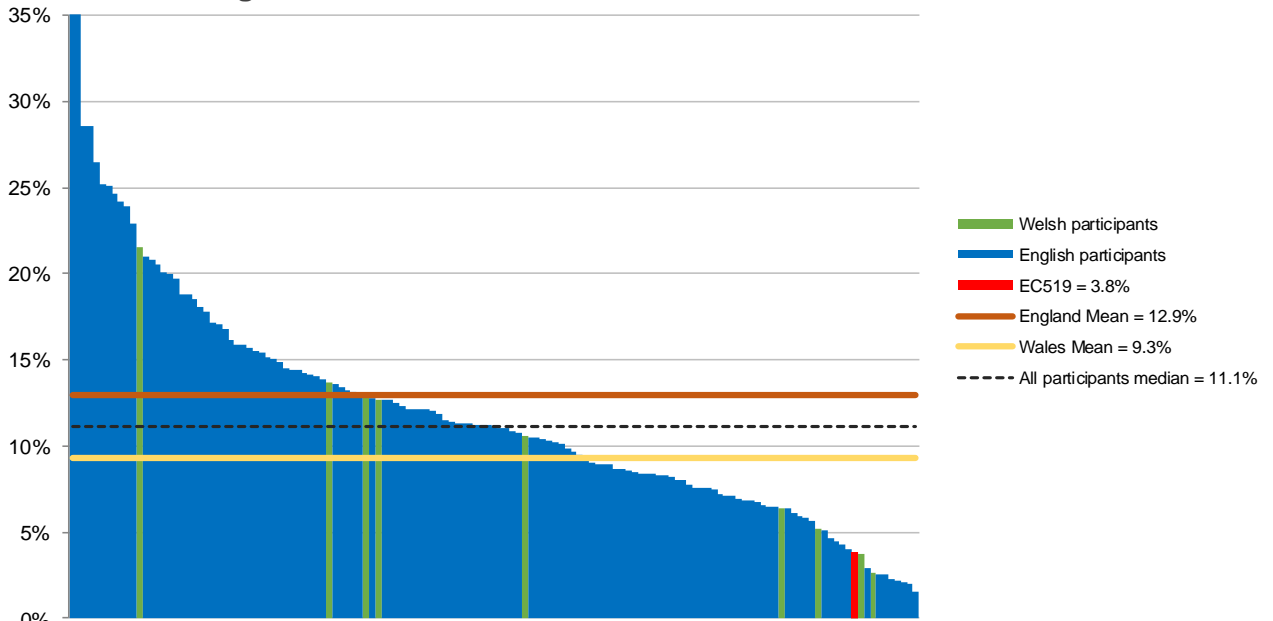
Consultants (WTE) per 100,000 ED attendances



Submission: EC517 - Bronglais Hospital

The chart shows the total number of Consultants employed (WTE) per 100,000 ED attendances. The submission response was one of the lowest values with a value of 3.4 compared to the median value from all participants, which was 11.4.

% of nursing staff that are either ANPs or ENPs

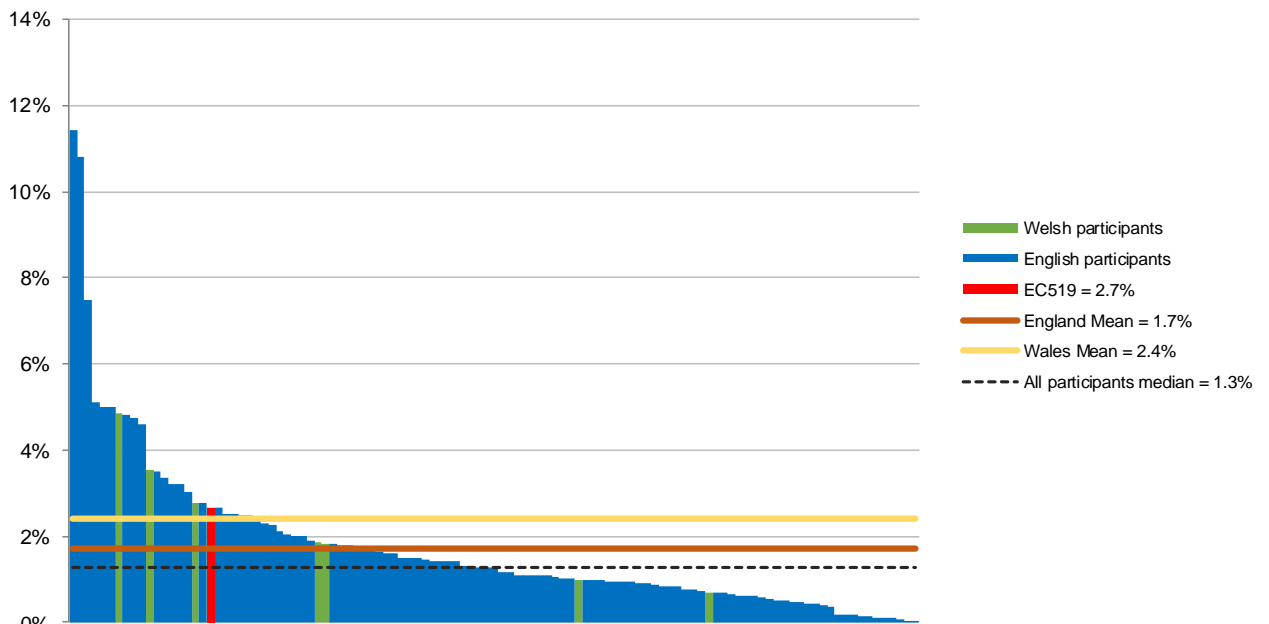


Submission: EC519 - Glangwili Hospital

ANPs and ENPs deliver a range of advanced skills to support the ED.

The submission response was considerably below average with a value of 3.8% compared to the median value from all participants, which was 11.1%.

Medical staff sickness rate

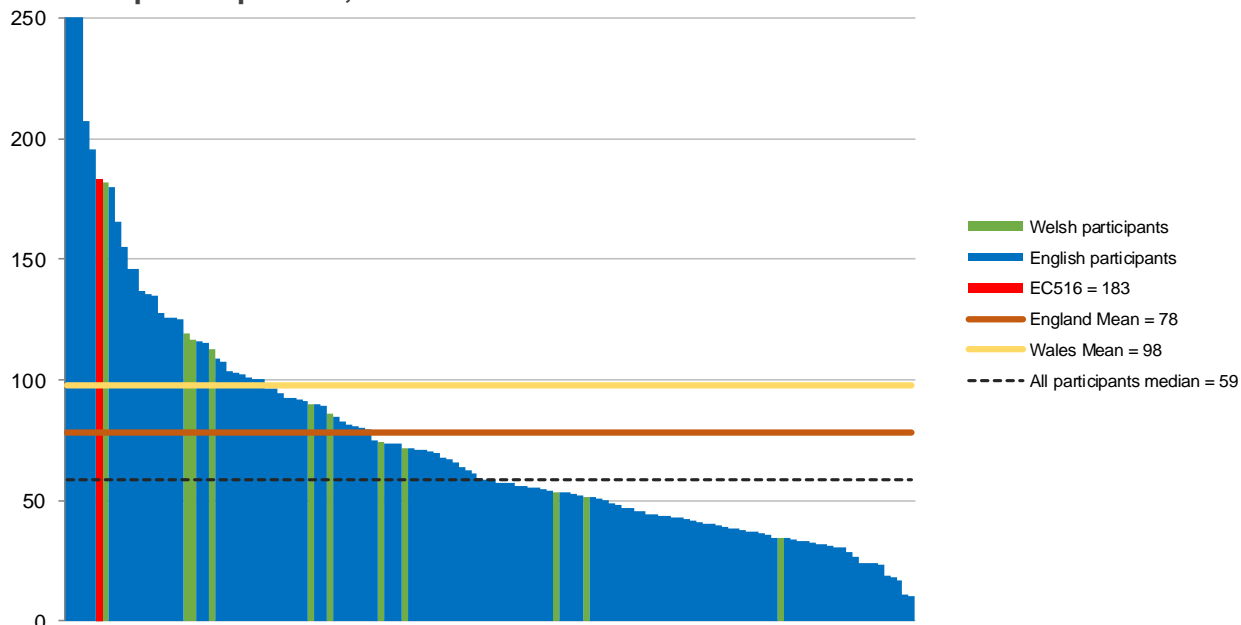


Submission: EC519 - Glangwili Hospital

High sickness rates can cause problems for efficient service delivery.

The submission response was considerably above average with a value of 2.7% compared to the median value from all participants, which was 1.3%.

Complaints per 100,000 ED attendances

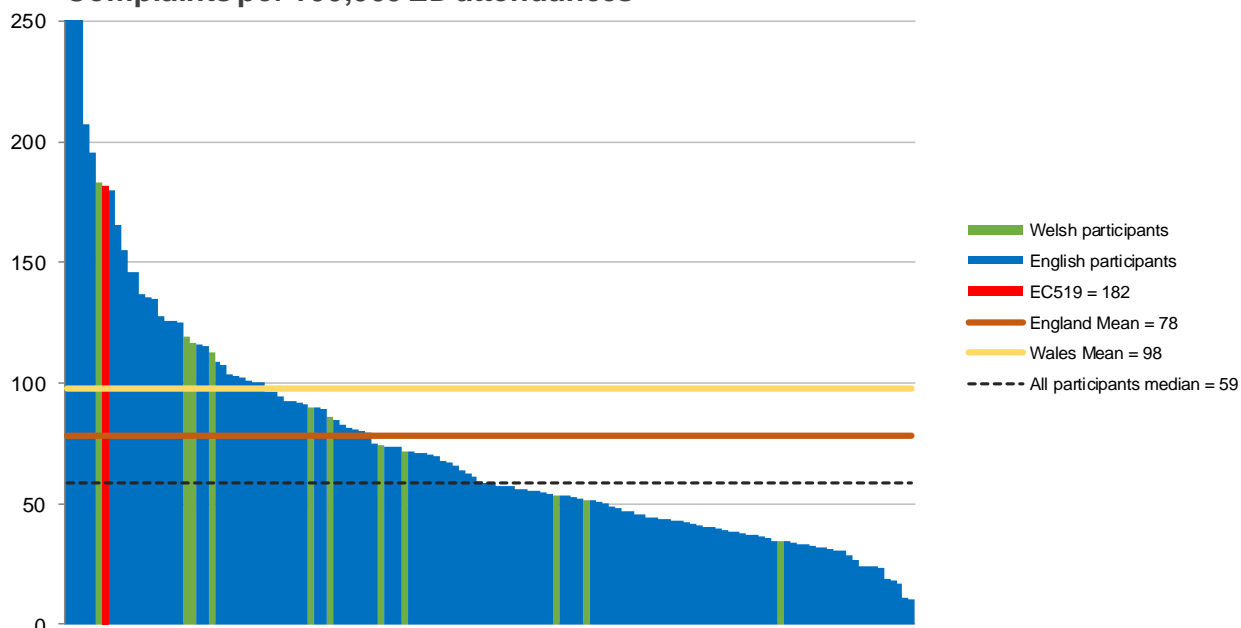


Submission: EC516 - Withybush Hospital

It is important to ensure patient views are being addressed.

The submission response was one of the highest values with a value of 183 compared to the median value from all participants, which was 59.

Complaints per 100,000 ED attendances

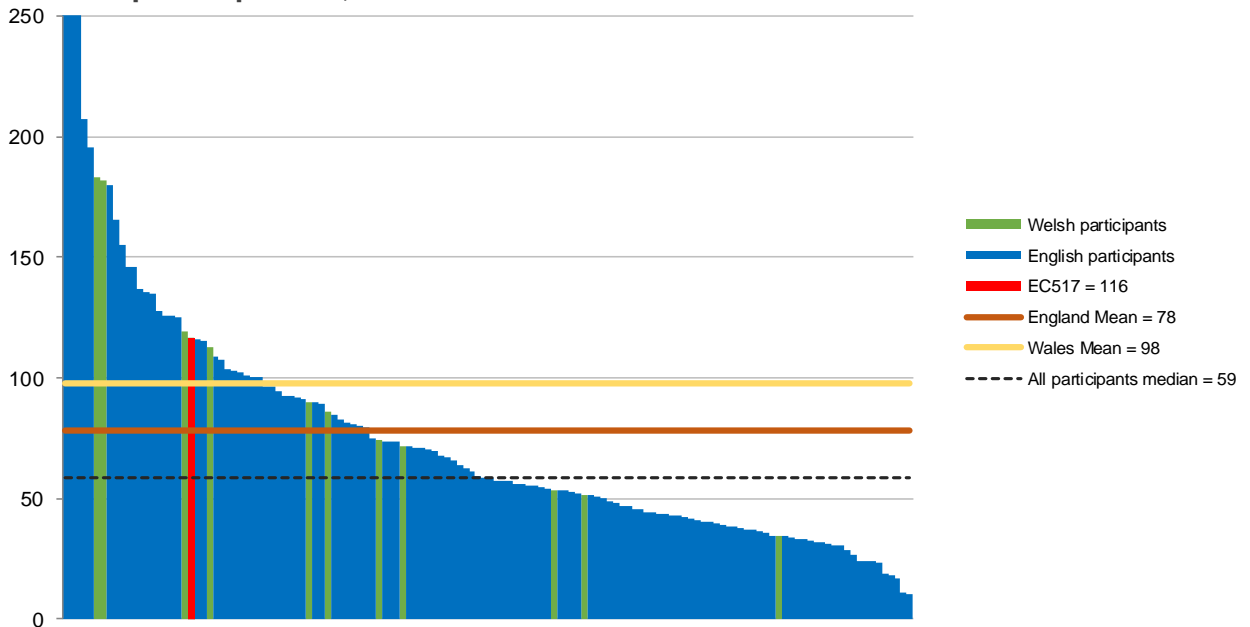


Submission: EC519 - Glangwili Hospital

It is important to ensure patient views are being addressed.

The submission response was one of the highest values with a value of 182 compared to the median value from all participants, which was 59.

Complaints per 100,000 ED attendances

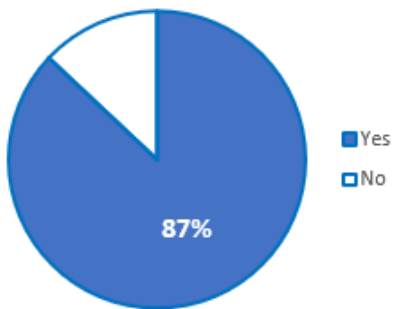


Submission: EC517 - Bronglais Hospital

It is important to ensure patient views are being addressed.

The submission response was considerably above average with a value of 116 compared to the median value from all participants, which was 59.

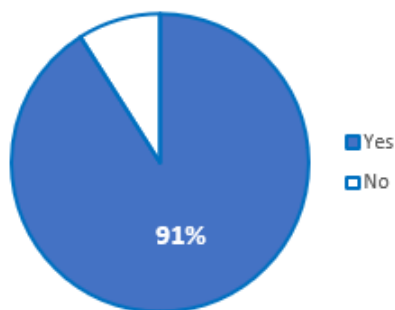
Is a doctor trained in emergency medicine available in the ED 24 hours a day?



Submissions: Withybush Hospital
Glangwili Hospital
Bronglais Hospital

Response: No (x3)

Does the ED have 24/7 access to x-ray, ultrasound & CT



Submissions: Withybush Hospital
Glangwili Hospital
Bronglais Hospital

Response: No (x3)

Managing Frailty and Delayed Transfers of Care in the Acute Setting

The NHS is faced with the demands of an ageing population and increasing numbers of people with multiple long-term conditions. Whilst much can be done to keep people as independent as possible and keep them safely at home, at some point in their journey of care, many people living with frailty and older people will need to be admitted to hospital for a period of acute care. In addition, older people, often living with frailty, can be subject to delayed transfers of care (DToc).

The project builds on the Older People's Care in Acute Settings and Delayed Transfers of Care projects and focuses on the pathway of frail older people through the acute setting, covering admission avoidance in A&E, assessment functions, inpatient care and supported discharge.

The 2018 project UK findings showed that 64% of participants report having a dedicated frailty unit, an increase on the 51% reported in the Older People's Care in the Acute Setting project in 2016. 32% of participants reported that routine identification of frailty takes place on admission to an inpatient ward for people aged 65 and over. Comprehensive Geriatric Assessment takes place on 78% of care of older people's wards, but only on 33% of other specialty wards.

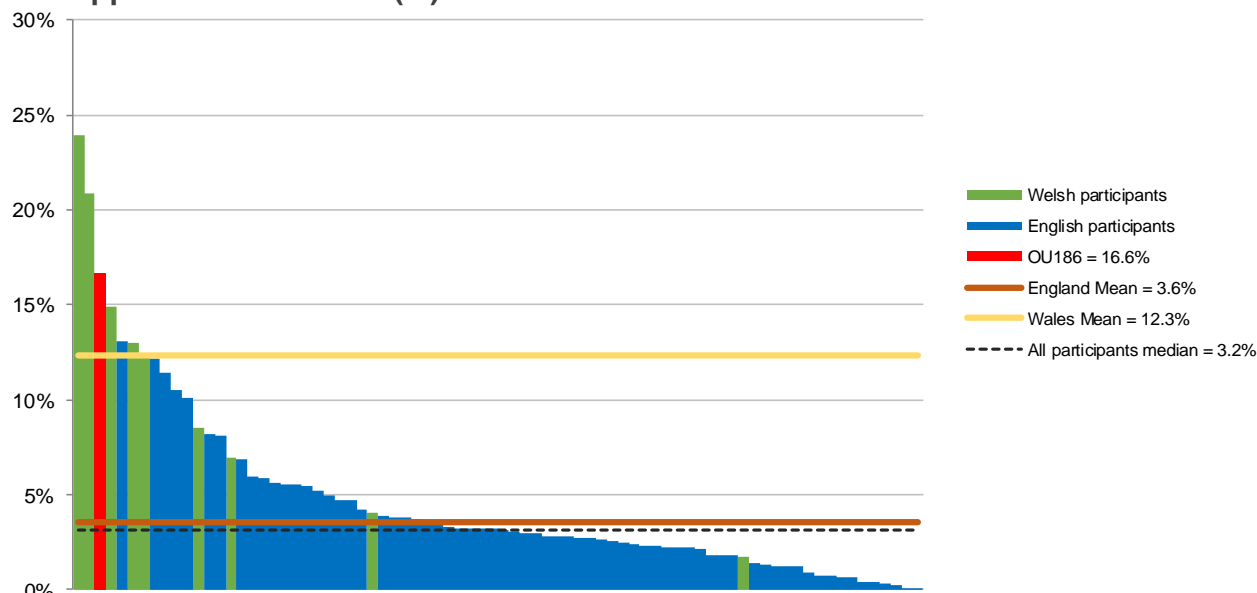
Hywel Dda University Health Board did not take part in the project in 2018/19.

Outpatients

Outpatients departments are moving from traditional outpatient service provision, redesigning the way outpatients is delivered. This includes embracing technology, to better serve patients’ needs and use NHS resources efficiently. The Outpatients project provides benchmarked analytics across all Outpatient departments. The project includes profiling of service models, access and availability, activity, workforce, finance and quality. Specific deep-dive areas include referral and clinic management, appointment slot issues, IT systems and overdue follow-ups.

The 2018 project UK findings showed that there is considerable variation in how departments are managed, with 34% of participants reporting that responsibility for outpatient service management is placed within multiple divisions. 77% of participants reported having a central booking team. The number of hours per day that outpatient services run on a weekday ranged from 8 hours to 13.5 hours. The mean average was 9.4 hours which is a similar to the reported figure in 2016/17. 12% of all appointments booked (attendance status classified as ‘attend’ or ‘did not attend’) were classed as appointment cancelled by, or on behalf of, the patient, and 12% were cancelled or postponed by the health care provider; therefore, a quarter of all appointments booked are cancelled.

Overdue follow ups at 31/3/2018 as a percentage of total follow-up appointments 2017/18 (%)

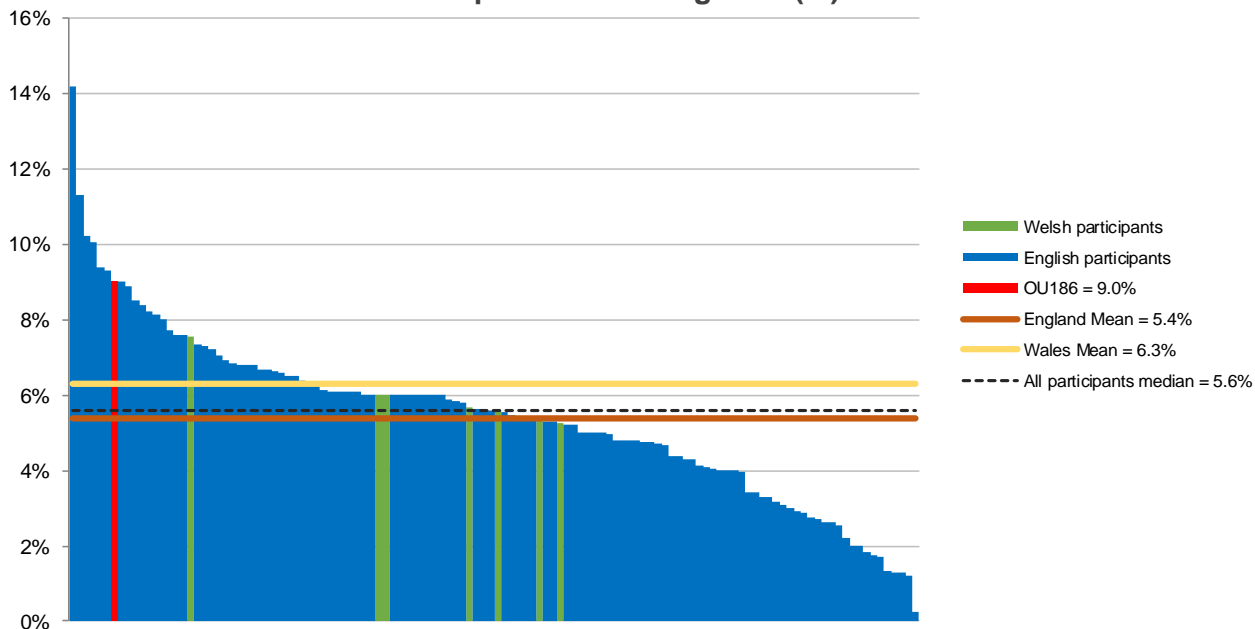


Submission: OU186 - Hywel Dda UHB

The chart shows the number of overdue follow-up appointments as a percentage of total follow-up appointments.

The submission response was one of the highest values with a value of 16.6% compared to the median value from all participants, which was 3.2%.

Sickness/absence rate – Outpatients Nursing team (%)



Submission: OU186 - Hywel Dda UHB

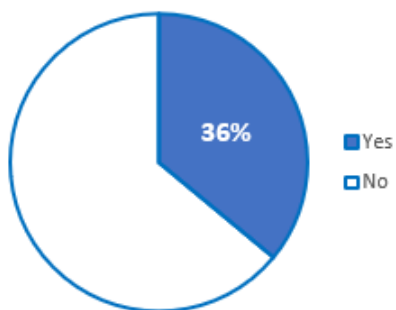
High sickness rates can cause significant problems for service delivery.

The submission response was considerably above average with a value of 9.0% compared to the median value from all participants, which was 5.6%.

If a referral is rejected, does the organisation contact the patient directly to inform them?

Submission: Hywel Dda UHB

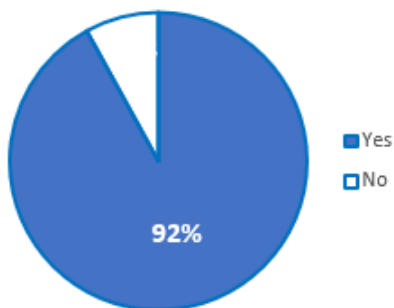
Response: No



Do some or all clinicians use digital dictation for letters?

Submission: Hywel Dda UHB

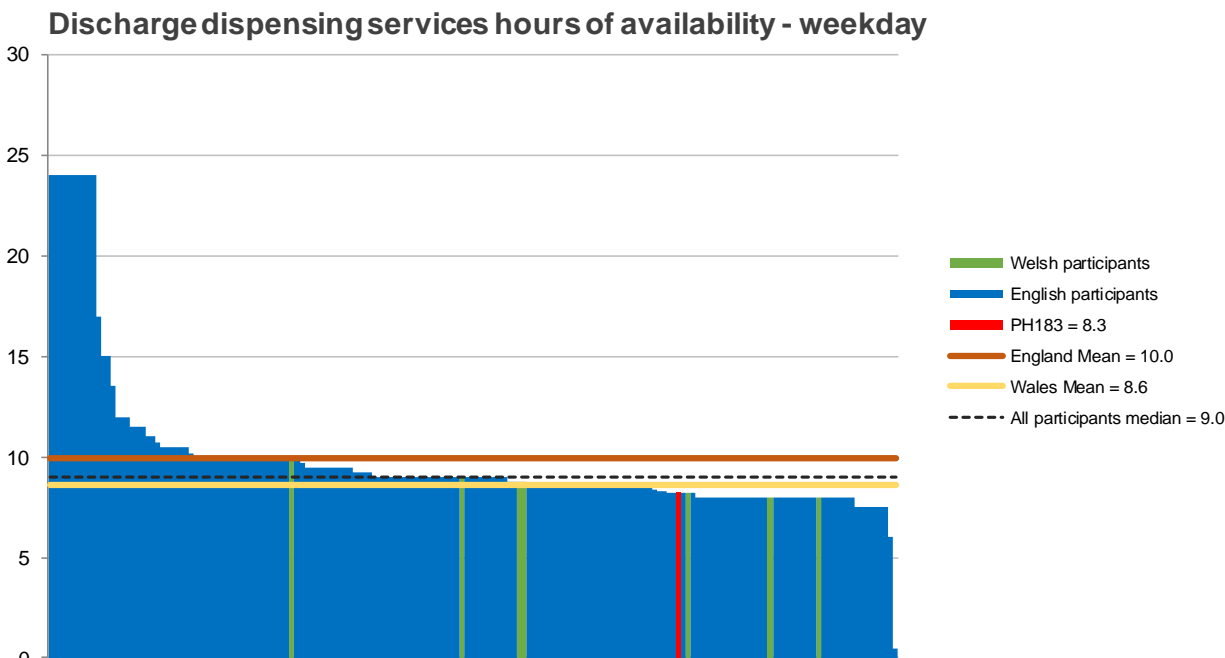
Response: No



Pharmacy and Medicines Optimisation

Each year the NHS spends £18bn on medicines. Good management and prescribing practices have a significant impact on both patient health and the medicines bill. Despite the huge importance, there is great variation between localities in the level of spend, prescribing practices and management approaches. The Pharmacy project has been developed in partnership with NHS Pharmacists, the Department of Health & Social Care, Public Health England and the Royal Pharmaceutical Society (RPS).

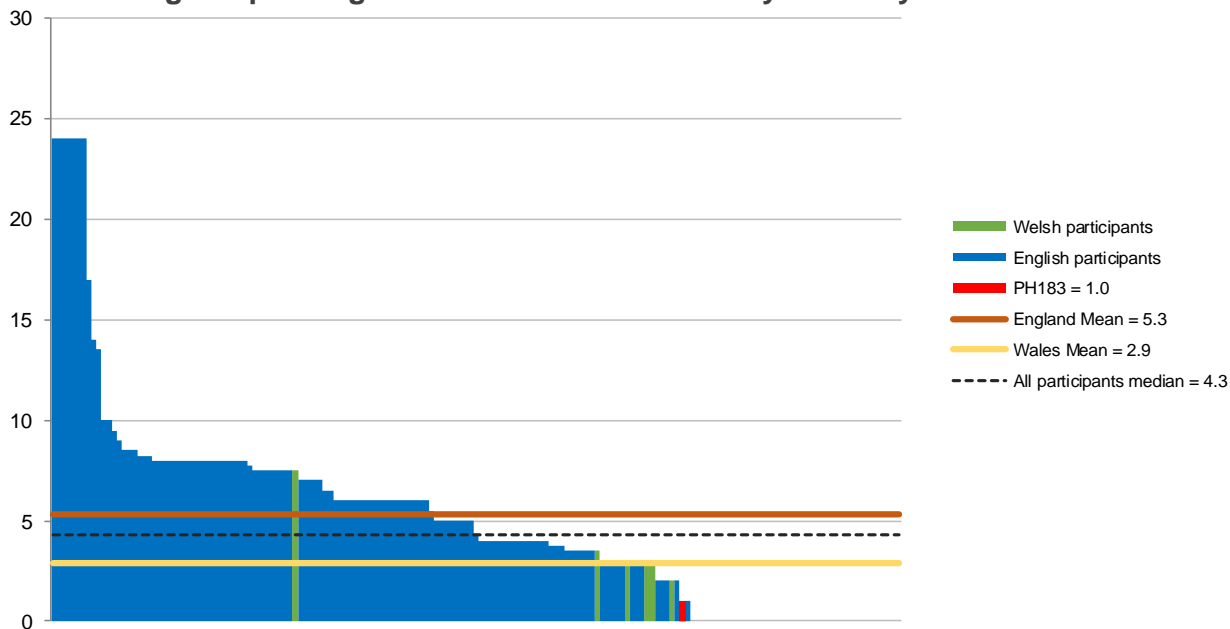
The 2018 project UK findings showed that the work undertaken to reduce the growth in medicines expenditure has been increasingly effective, and the project continued to track the growing focus on clinical pharmacy. Pharmacy services remain one of the most rapidly evolving areas in the NHS, with change driven by new medicines, new technologies and cost pressures. The project looked at staffing levels on Saturday and Sunday. This showed considerable variation between participants. On average, Saturday staffing levels were 16% of weekday levels and on Sunday 12% of weekday levels. Participants reported 73% of pharmacist time was spent on clinical activities, up from 69% in 2016/17, and 29.6% of pharmacists were qualified as prescribers, up from 27.2% in 2016/17.



Submission: PH183 - Hywel Dda UHB

Availability of medicines for discharge is important to ensure smooth patient flow. The submission response was below average with a value of 8.3 hours compared to the median value from all participants, which was 9.0 hours.

Discharge dispensing services hours of availability - Sunday

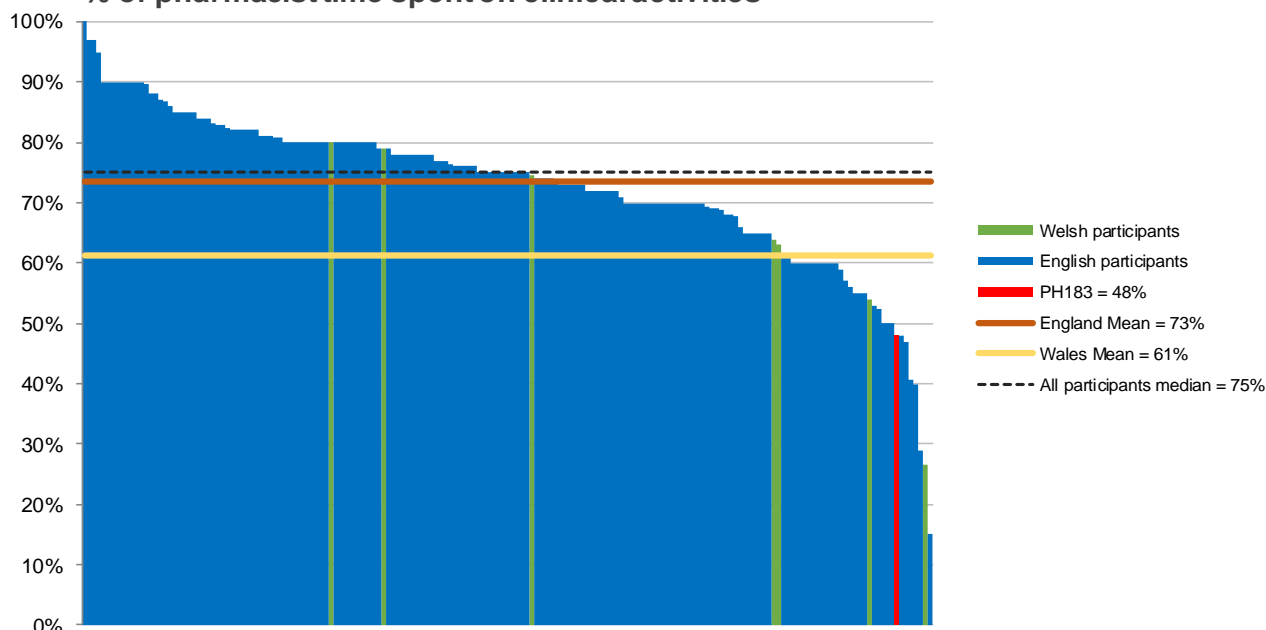


Submission: PH183 - Hywel Dda UHB

Availability of medicines for discharge is important to ensure smooth patient flow.

The submission response was below average with a value of 1.0 hours compared to the median value from all participants, which was 4.3 hours.

% of pharmacist time spent on clinical activities

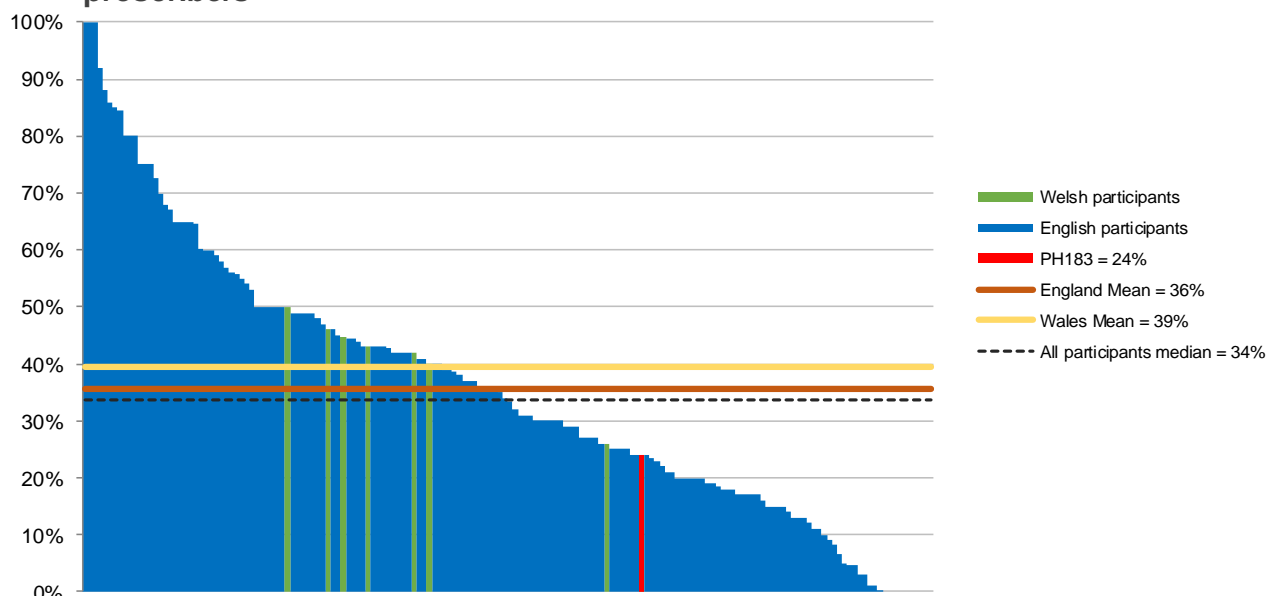


Submission: PH183 - Hywel Dda UHB

Pharmacy is increasingly a clinical service.

The submission response was one of the lowest values with a value of 48% compared to the median value from all participants, which was 75%.

Percentage of pharmacists registered over three years who are qualified as prescribers

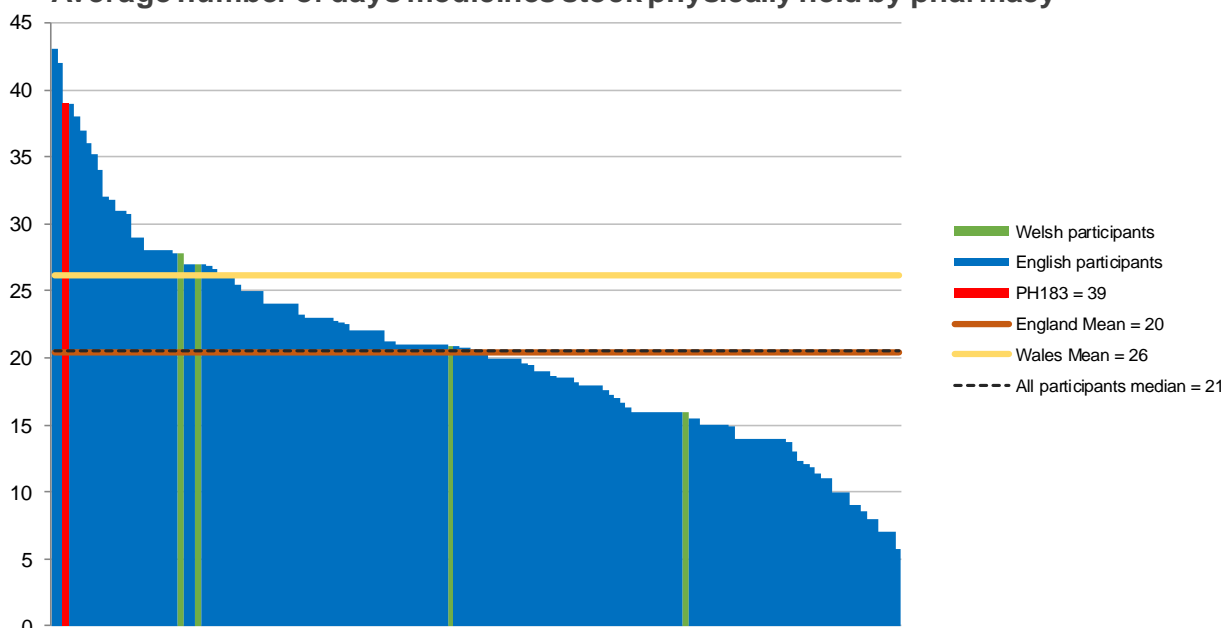


Submission: PH183 - Hywel Dda UHB

Pharmacist prescribers can support a range of clinical pathways.

The submission response was below average with a value of 24% compared to the median value from all participants, which was 34%.

Average number of days medicines stock physically held by pharmacy

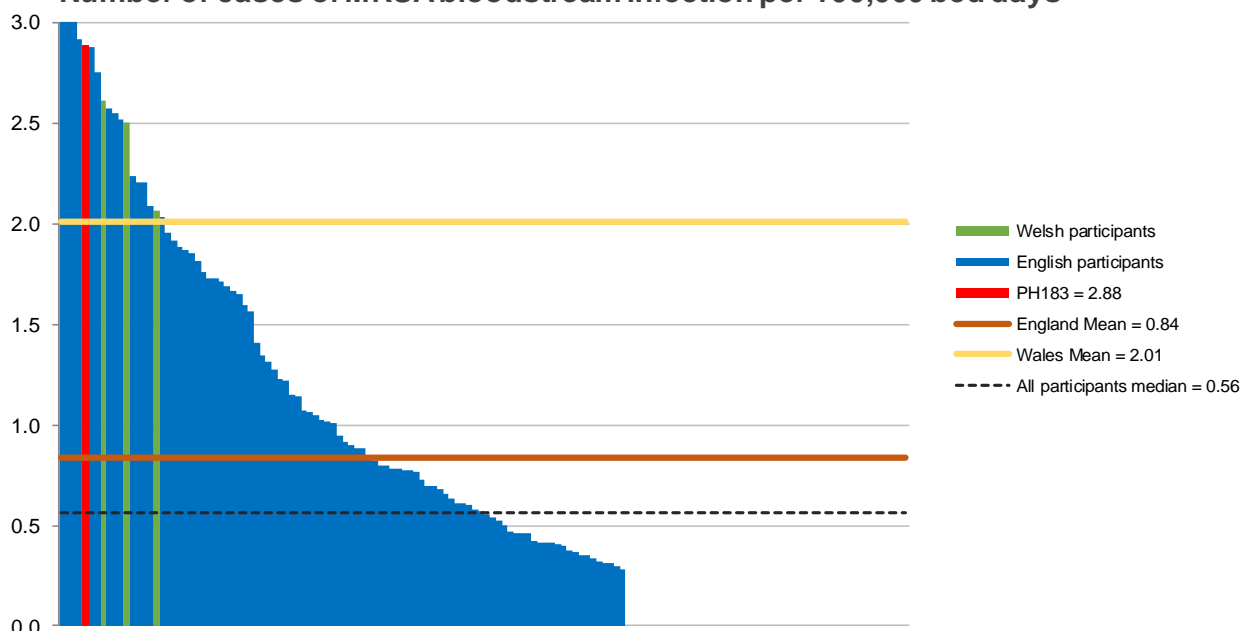


Submission: PH183 - Hywel Dda UHB

Having high levels of stock is viewed as poor practice.

The submission response was one of the highest values with a value of 39 days compared to the median value from all participants, which was 21 days.

Number of cases of MRSA bloodstream infection per 100,000 bed days

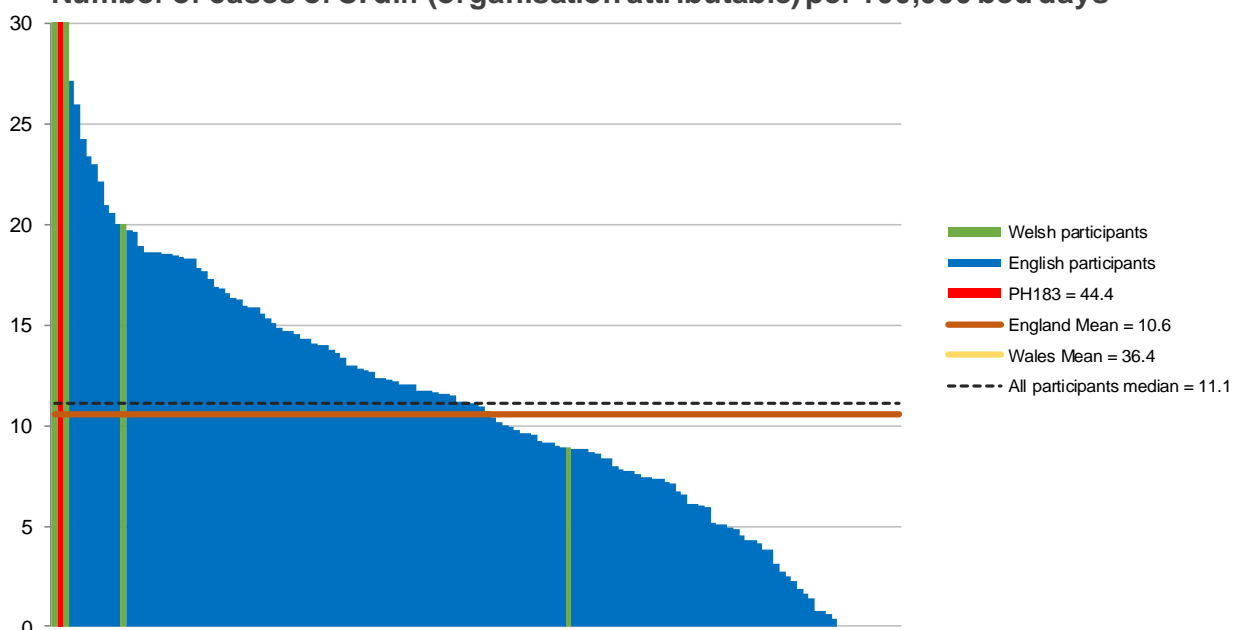


Submission: PH183 - Hywel Dda UHB

MRSA is a significant risk to patient safety.

The submission response was one of the highest values with a value of 2.88 compared to the median value from all participants, which was 0.56.

Number of cases of C. diff (organisation attributable) per 100,000 bed days

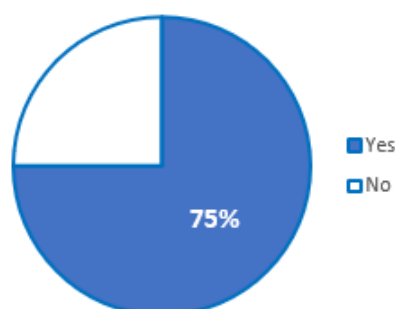


Submission: PH183 - Hywel Dda UHB

C. diff is a significant risk to patient safety.

The submission response was one of the highest values with a value of 44.4 compared to the median value from all participants, which was 11.1.

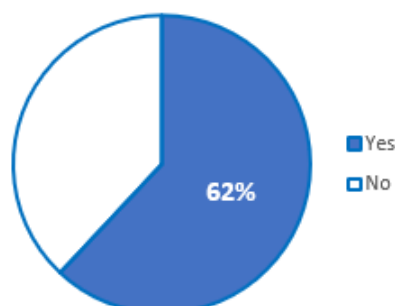
**Is there a medicines optimisation strategy
in place that has been approved
by the board?**



Submission: Hywel Dda UHB

Response: No

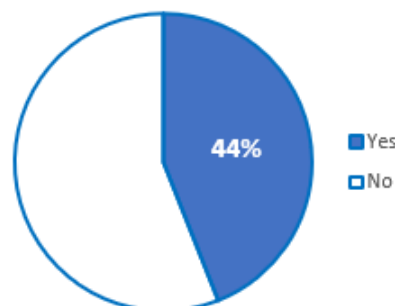
**Do all prescribers receive mandatory
training in antimicrobial use at induction**



Submission: Hywel Dda UHB

Response: No

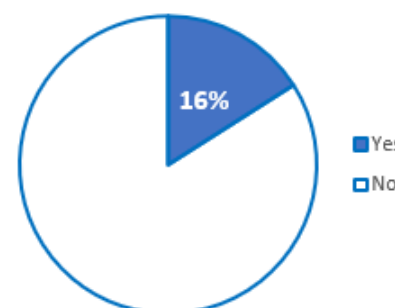
**Does the organisation provide clinical ward
services that are technician led?**



Submission: Hywel Dda UHB

Response: No

**Does the organisation have any pharmacy
staff that administer medicines as part of
their role?**



Submission: Hywel Dda UHB

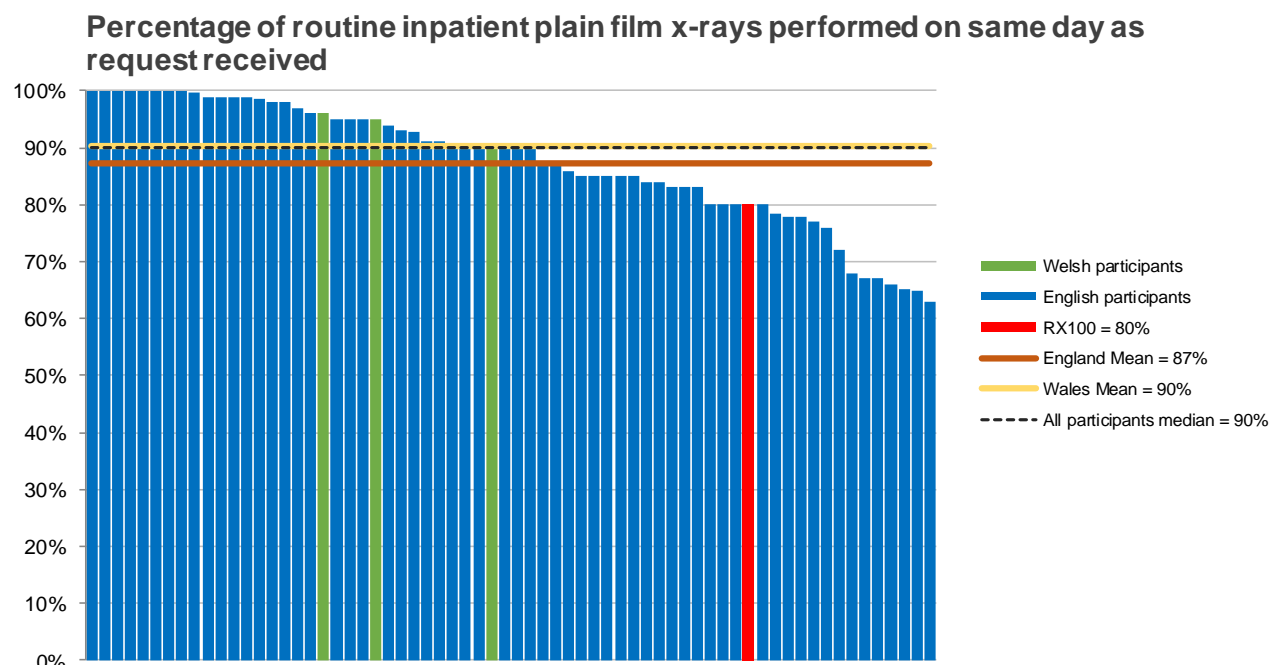
Response: No

Radiology

NHS Radiology services play a key role in many patient pathways, both as a diagnostic and interventional tool. Radiology supports patients across the full range of specialities in acute hospitals and makes a significant contribution in providing diagnosis to primary care and community services. Radiology is primarily an ambulatory service, with inpatient activity making up only 18% of overall activity.

Radiology service managers are faced with various challenges, in particular the combination of national staff shortages for key roles and a year-on-year growth in demand presents a challenge to service delivery.

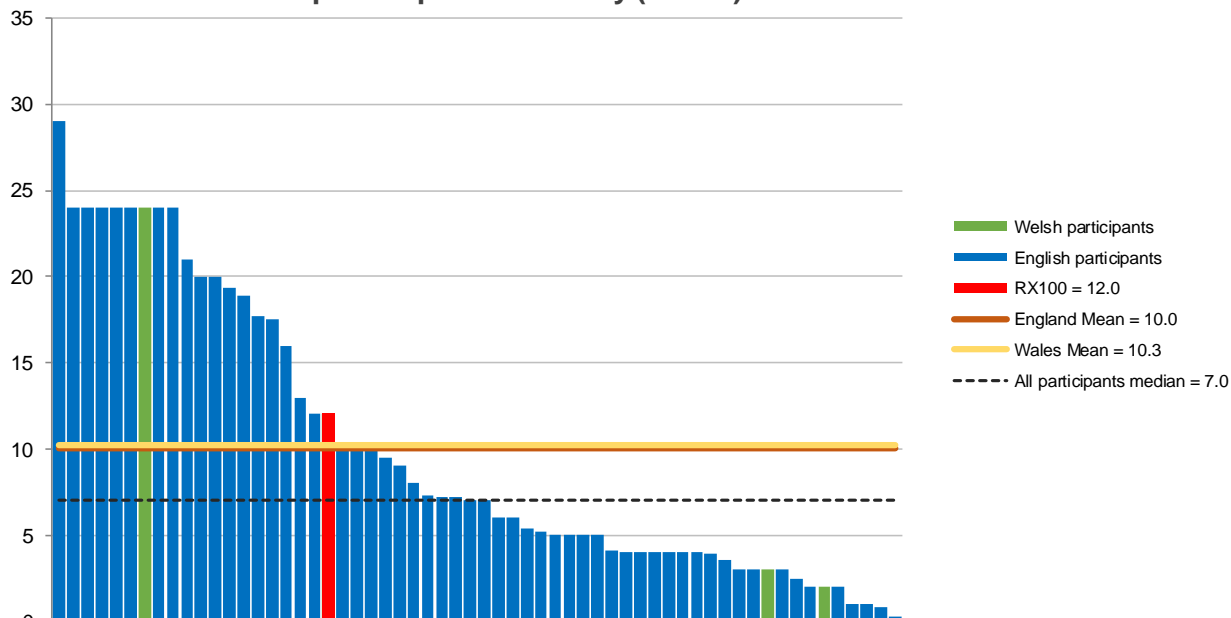
The 2018 project UK findings showed that radiology services are usually large multi-site services. Participants covered an average of 4.6 sites and 40 rooms. Participants had an average of 12.5 rooms per 100,000 examinations delivered by the service. The number of plain film x-ray examinations delivered dropped slightly this year and for the first time represents less than 50% of the total number of examinations. Radiographer reporting shows huge variation across participants. For plain film x-ray, participants reported a range of 0% to 80% of reports being delivered by Radiographers with an average of 27%.



Submission: RX100 - Hywel Dda UHB

Timely delivery of x-ray examinations will improve patient experience and outcomes. The submission response was below average with a value of 80% compared to the median value from all participants, which was 90%.

Routine wait for inpatient plain film x-ray (hours)

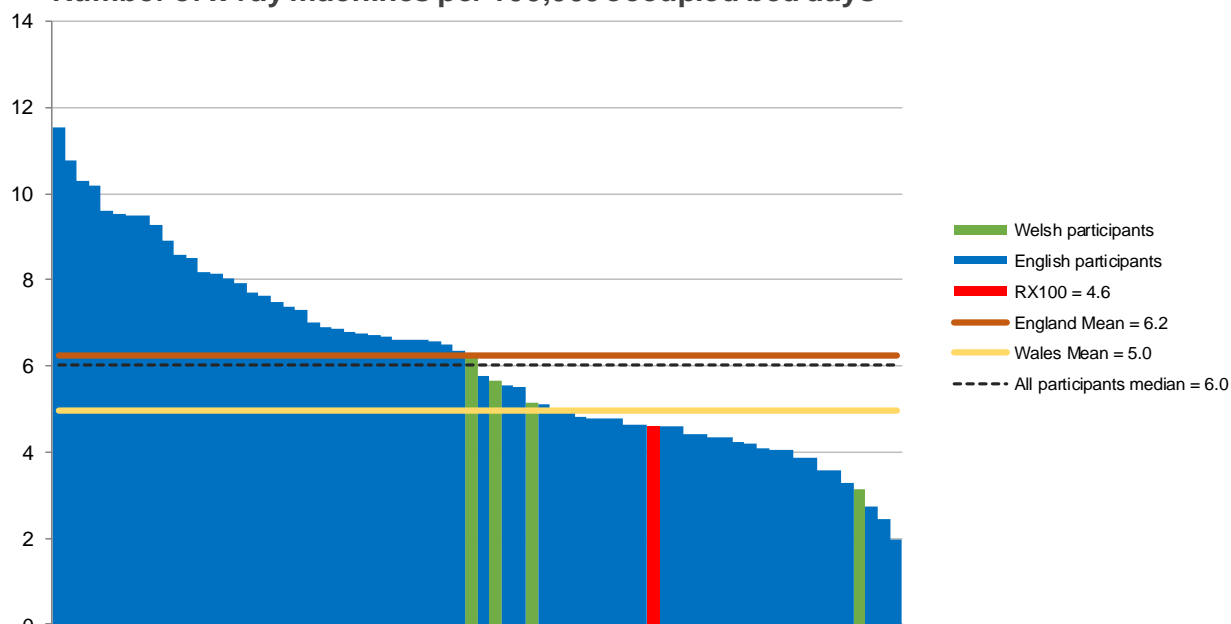


Submission: RX100 - Hywel Dda UHB

Longer waiting times can negative impact on clinical outcomes.

The submission response was above average with a value of 12.0 hours compared to the median value from all participants, which was 7.0 hours.

Number of x-ray machines per 100,000 occupied bed days

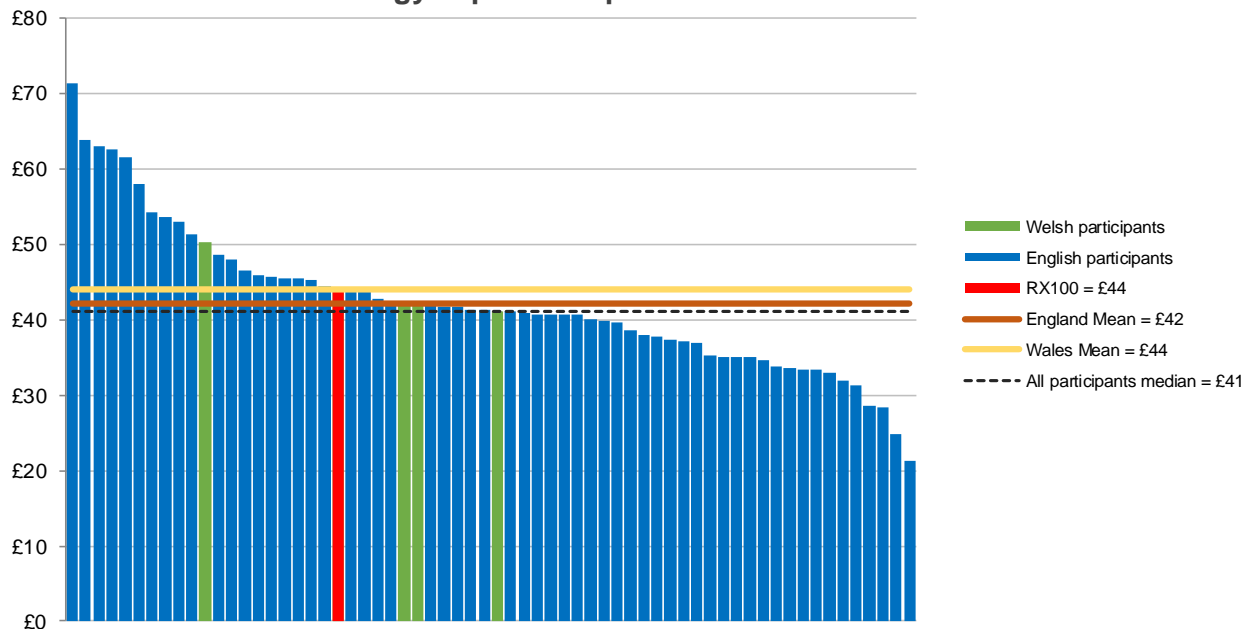


Submission: RX100 - Hywel Dda UHB

Shortages in equipment can result in challenges for efficiently delivering examinations.

The submission response was below average with a value of 4.6 compared to the median value from all participants, which was 6.0.

Direct costs of Radiology department per examination

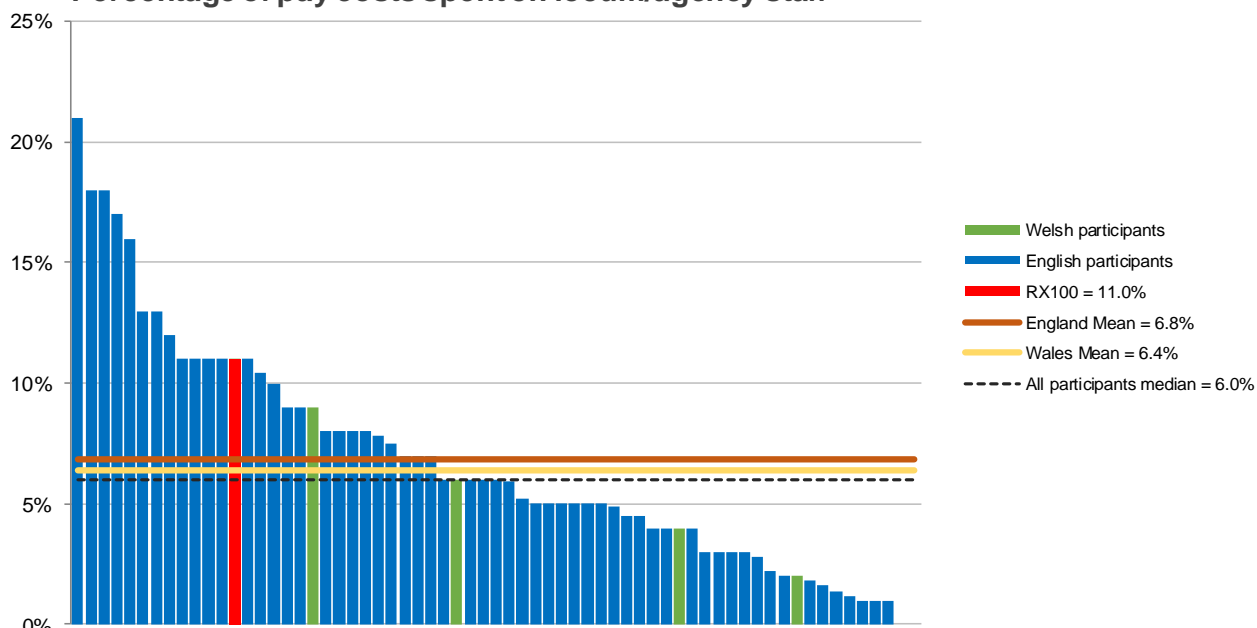


Submission: RX100 - Hywel Dda UHB

The chart shows the cost of the radiology department per examination.

The submission response was above average with a value of £44 compared to the median value from all participants, which was £41.

Percentage of pay costs spent on locum/agency staff



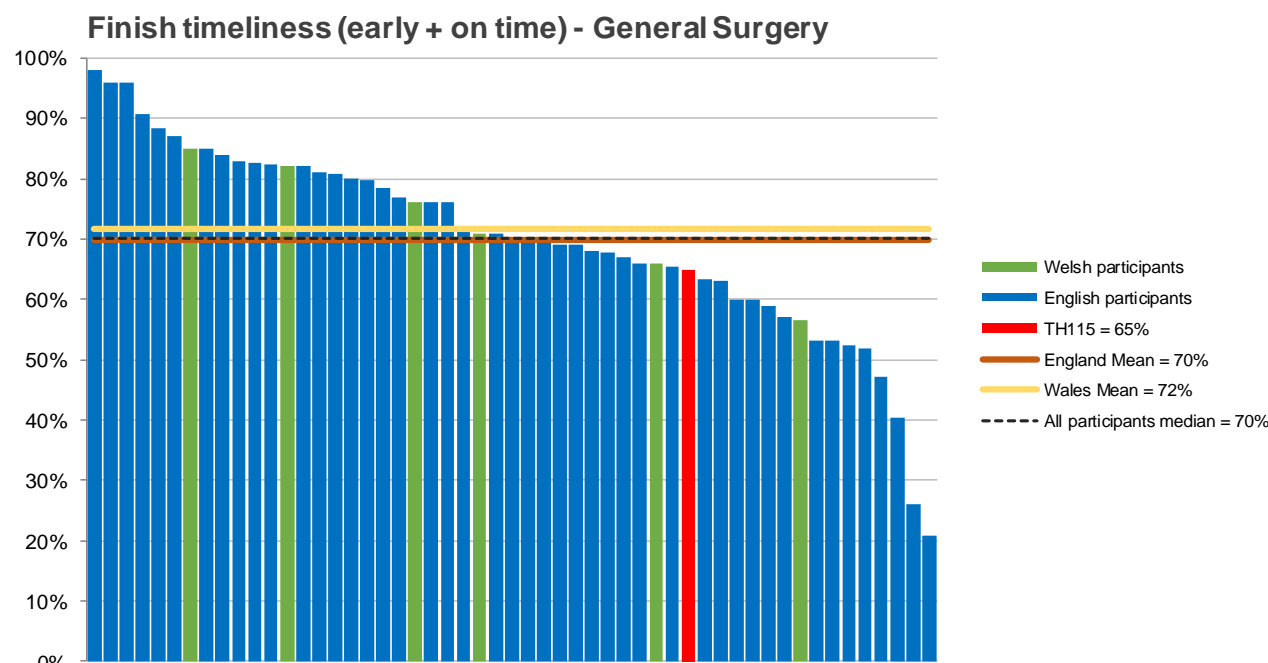
Submission: RX100 - Hywel Dda UHB

High use of locum and agency staff is expensive and typically reflects staffing shortages.

The submission response was considerably above average with a value of 11.0% compared to the median value from all participants, which was 6.0%.

Operating Theatres

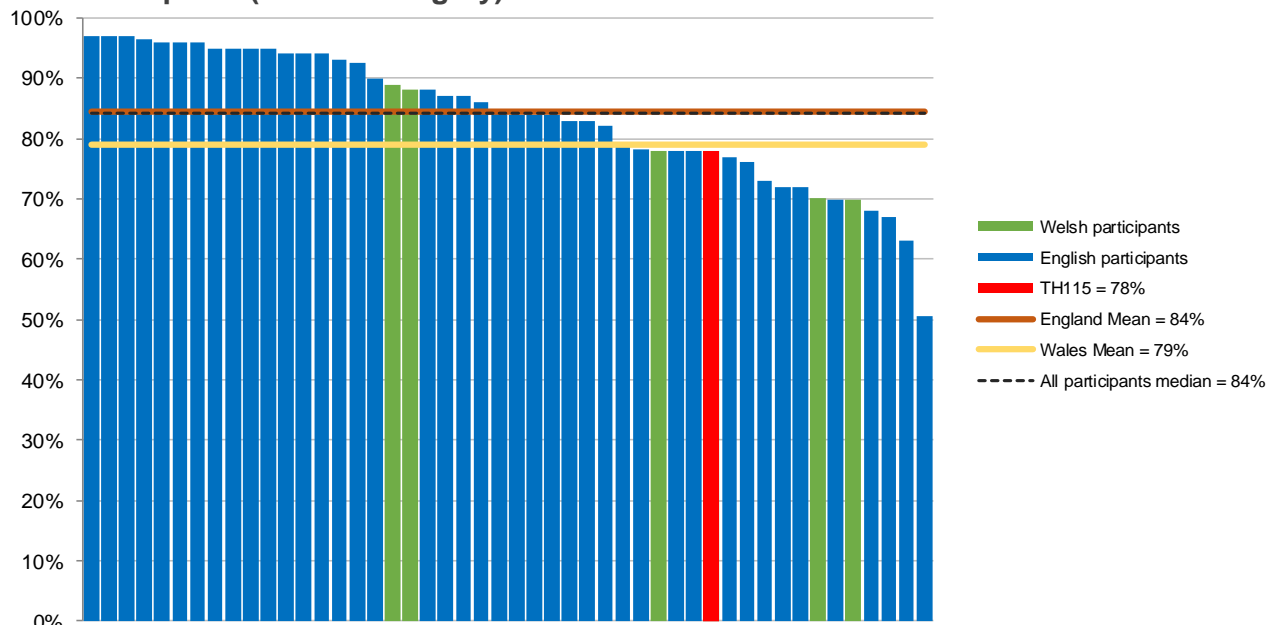
The NHS Benchmarking Network’s Operating Theatres project provides participants with a holistic view of Theatre provision covering infrastructure, capacity, activity, theatre utilisation, quality, finance and workforce. The Operating Theatres project covers the sixteen largest surgical specialties. The 2018 project UK findings showed that continued pressure from emergency care for beds is evident as participants reported only 67% of the dedicated elective bed capacity was used for elective care. This represents a patient safety issue as a breach of ring-fenced orthopaedic beds can lead to increased infection rates. The majority of services operate a five day week, with two, 4-hour sessions a day in England and two 3.5-hour sessions a day in Wales. Start timeliness is a key issue for providers across the UK. Cancellations represent another key area for service improvement, with the average cancellation rates across specialities varying from 3% for Obstetrics to 12% for Cardiothoracic Surgery. 10% of cancellations were due to ‘bed shortages’, 24% ‘other patient reason’ and 15% ‘patient unfit for surgery’.



Submission: TH115 - Hywel Dda UHB

Efficient use of theatres is critical to delivering a high quality service. The submission response was below average with a value of 65% compared to the median value from all participants, which was 70%.

List uptake (General Surgery)

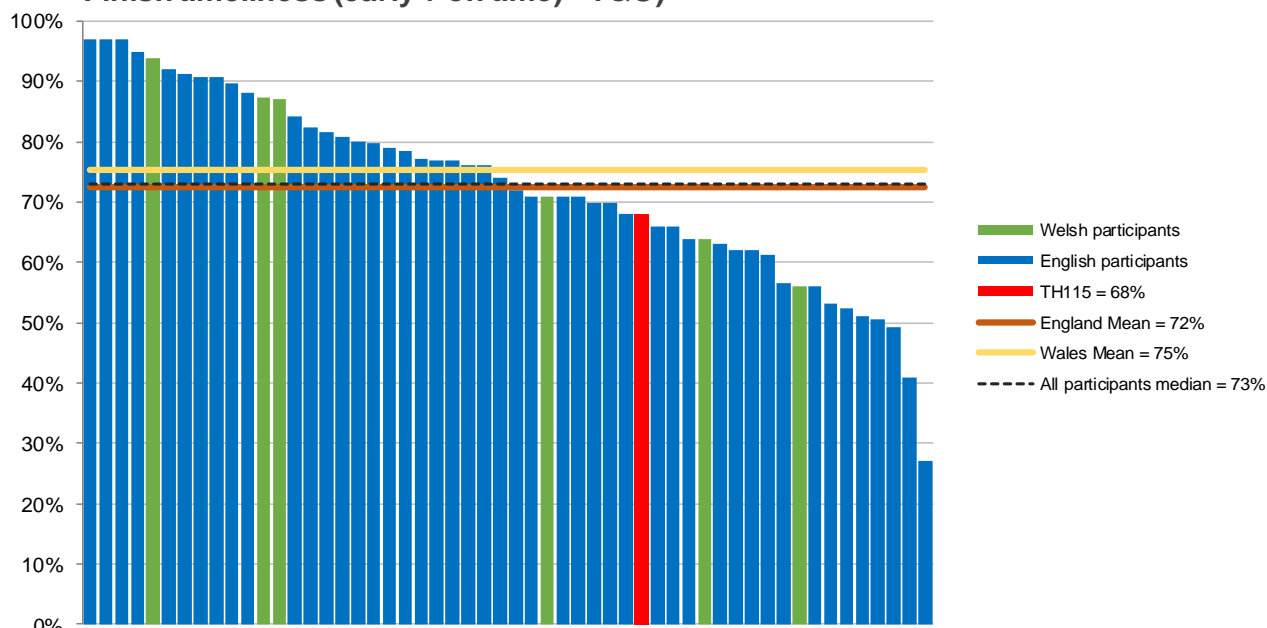


Submission: TH115 - Hywel Dda UHB

List uptake is a measure of the successful functioning of the theatres service.

The submission response was below average with a value of 78% compared to the median value from all participants, which was 84%.

Finish timeliness (early + on time) - T&O

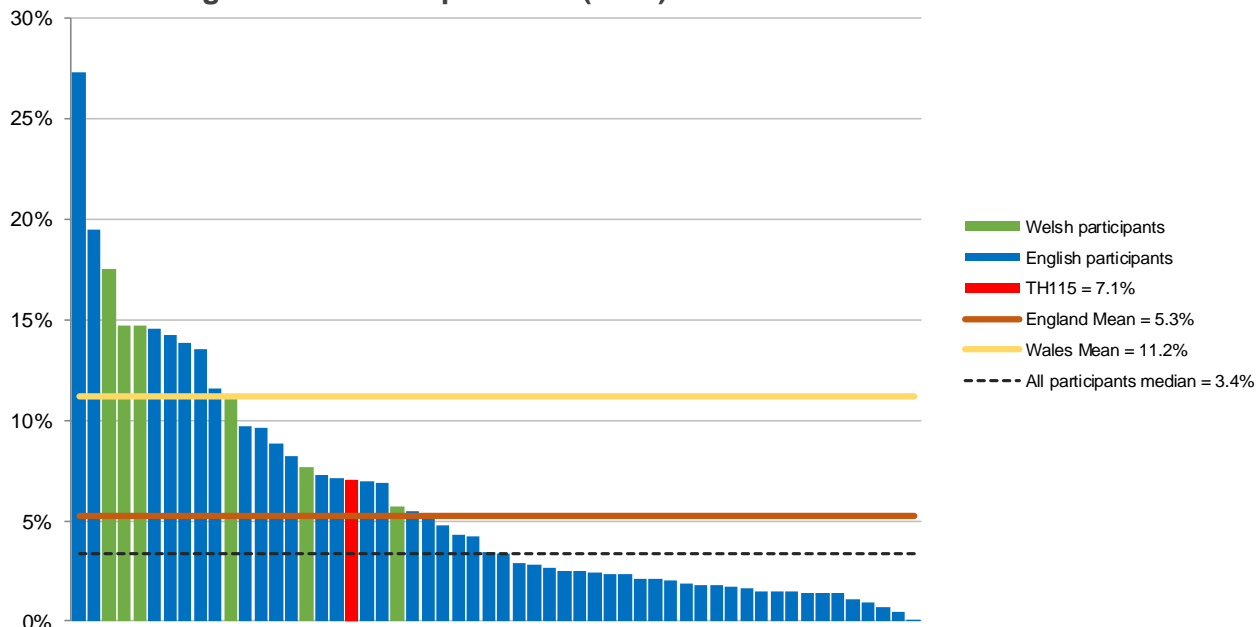


Submission: TH115 - Hywel Dda UHB

Efficient use of theatres is critical to delivering a high quality service.

The submission response was below average with a value of 68% compared to the median value from all participants, which was 73%.

Percentage of cancelled operations (T&O)

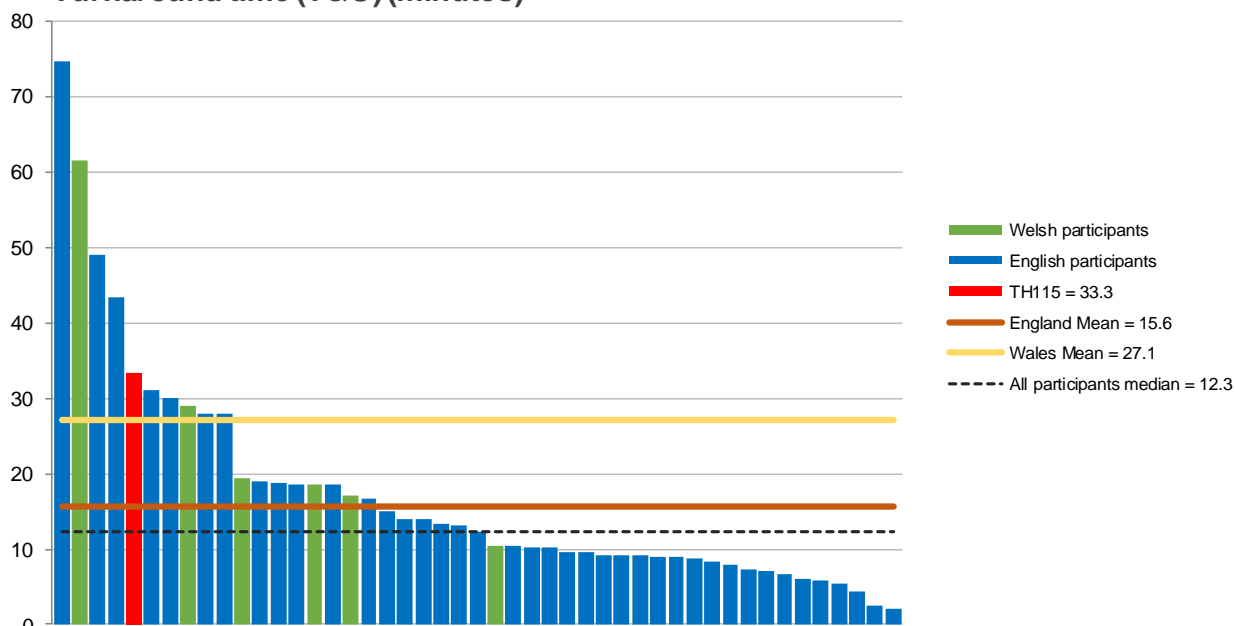


Submission: TH115 - Hywel Dda UHB

Cancellation of operations has a major impact on patient care.

The submission response was above average with a value of 7.1% compared to the median value from all participants, which was 3.4%.

Turnaround time (T&O) (minutes)

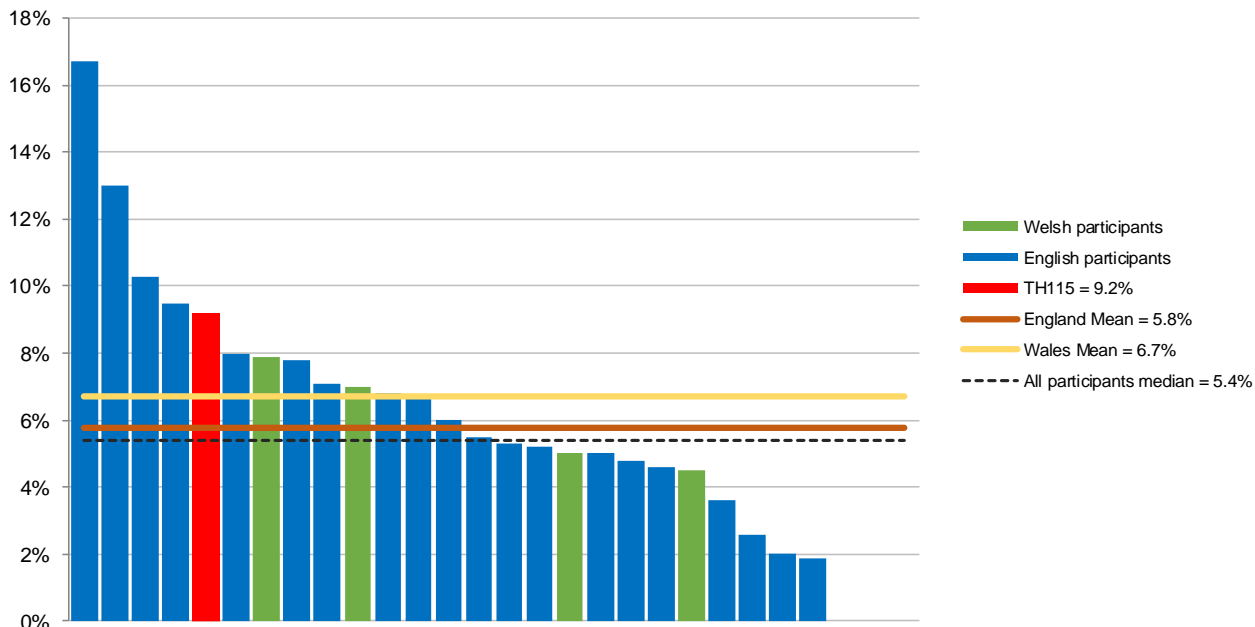


Submission: TH115 - Hywel Dda UHB

Efficient turnaround times maximise the use of theatres.

The submission response was considerably above average with a value of 33.3 minutes compared to the median value from all participants, which was 12.3 minutes.

Turnover rate Anaesthetists

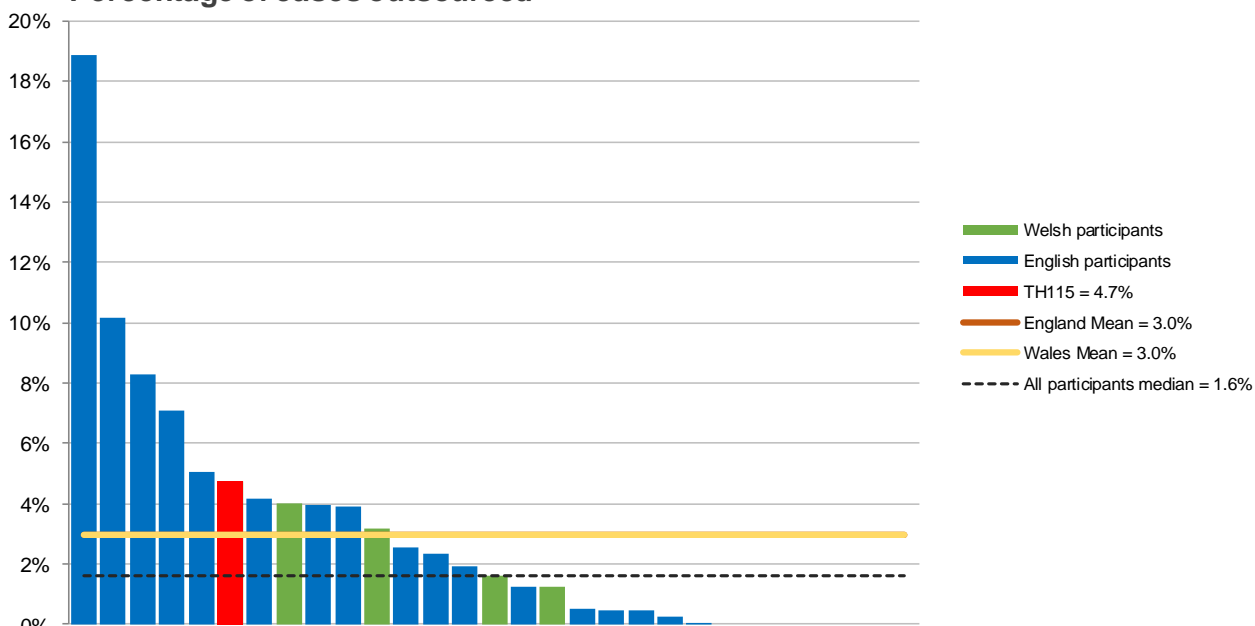


Submission: TH115 - Hywel Dda UHB

High levels of staff turnover can cause problems for efficient service delivery.

The submission response was considerably above average with a value of 9.2% compared to the median value from all participants, which was 5.4%.

Percentage of cases outsourced

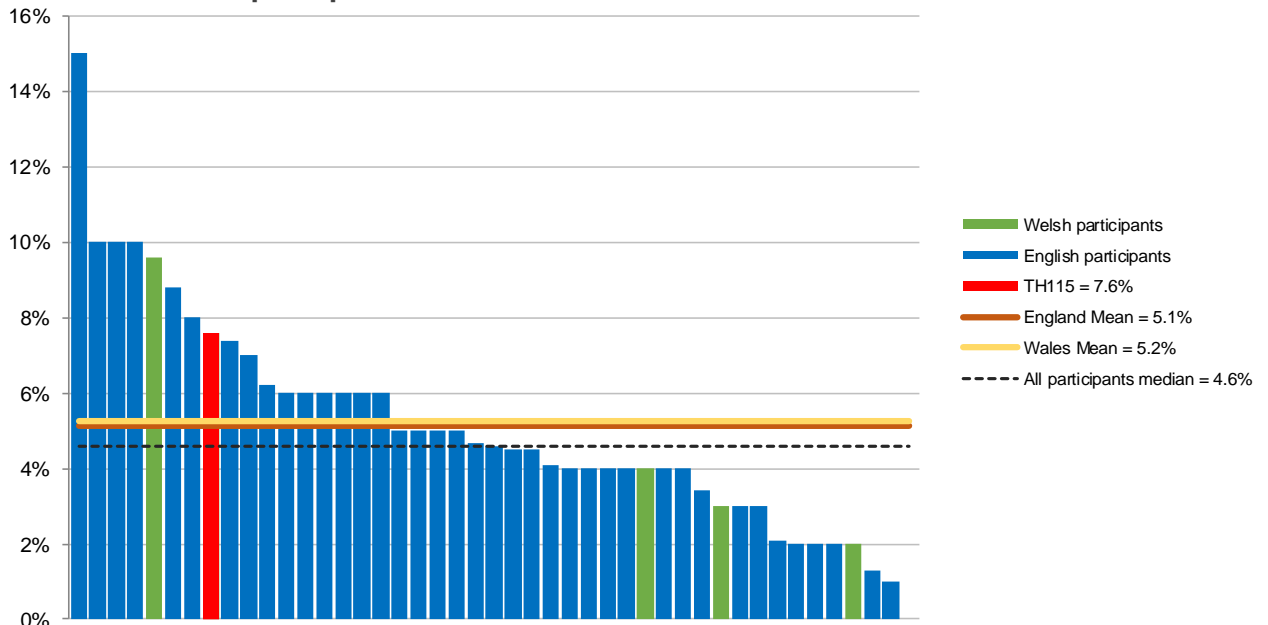


Submission: TH115 - Hywel Dda UHB

High levels of outsourcing may be indicative of problems with in-house delivery.

The submission response was considerably above average with a value of 4.7% compared to the median value from all participants, which was 1.6%.

DNA rate for pre-op assessment



Submission: TH115 - Hywel Dda UHB

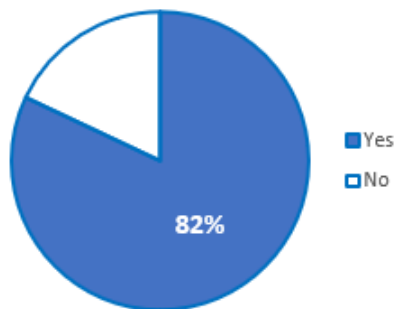
DNA's waste resources and result in inefficient service delivery.

The submission response was considerably above average with a value of 7.6% compared to the median value from all participants, which was 4.6%.

Does the theatres department have a dedicated IT system manager?

Submission: Hywel Dda UHB

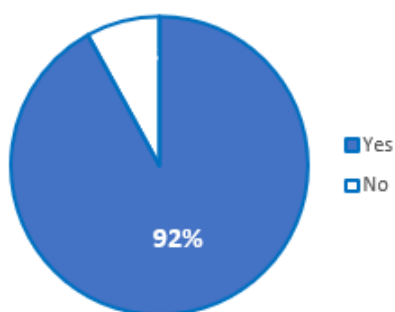
Response: No



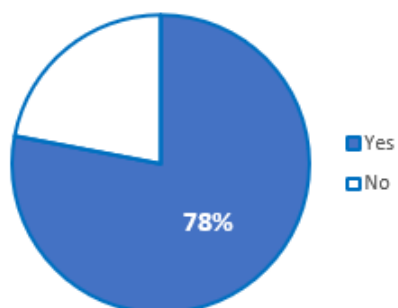
Is pre-op assessment included in your organisations access policy

Submission: Hywel Dda UHB

Response: No



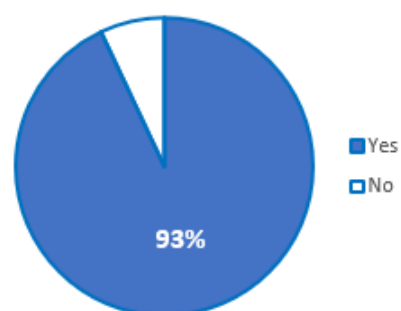
Is pre-op used for wider educational opportunity?



Submission: Hywel Dda UHB

Response: No

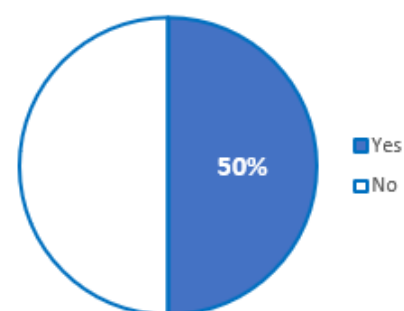
Is a measure of list fullness maintained and reported?



Submission: Hywel Dda UHB

Response: No

Are guidelines in place for list structures?



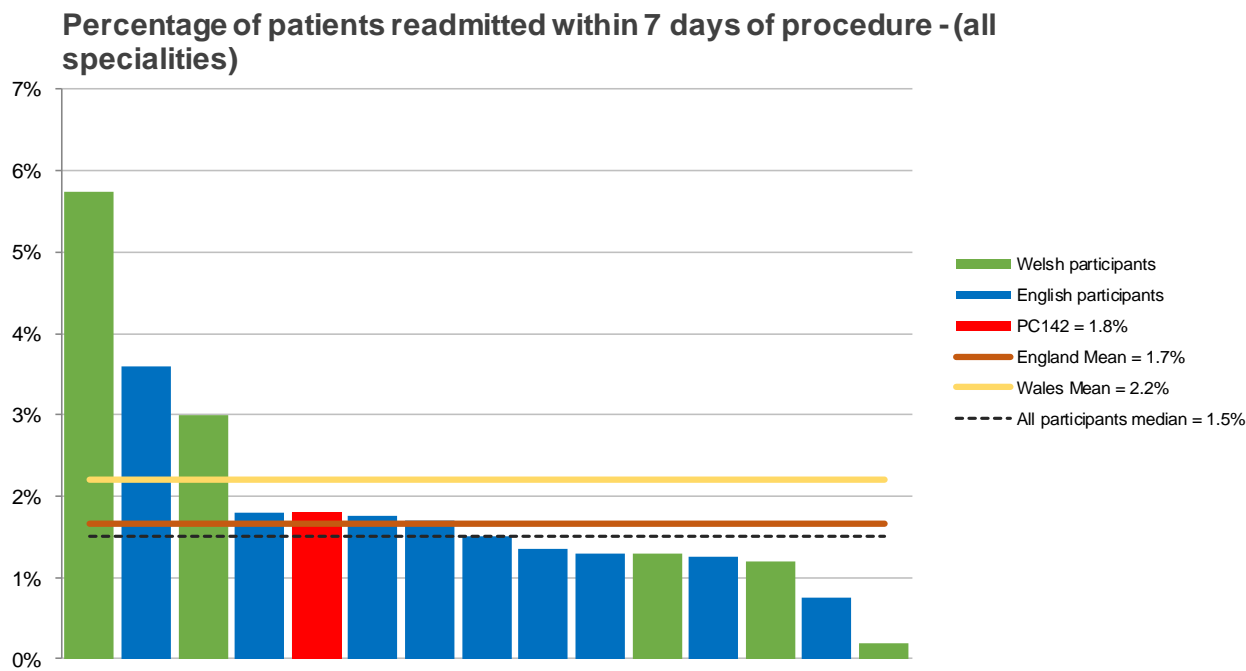
Submission: Hywel Dda UHB

Response: No

Planned Care

The significant pressure and unprecedented levels of demand the NHS is experiencing is widely documented. The increase in outpatient attendances, GP referrals and elective admissions, alongside the reduction in general and acute beds over the past decade is evidenced within the project. The Network’s Planned Care project aims to provide a strategic overview of Planned Care within the NHS. The project covers data on approaches to demand management and hospital inpatient and outpatient metrics, split by Treatment Function Code (TFC). The project outputs supplement the data already available to commissioners within this area.

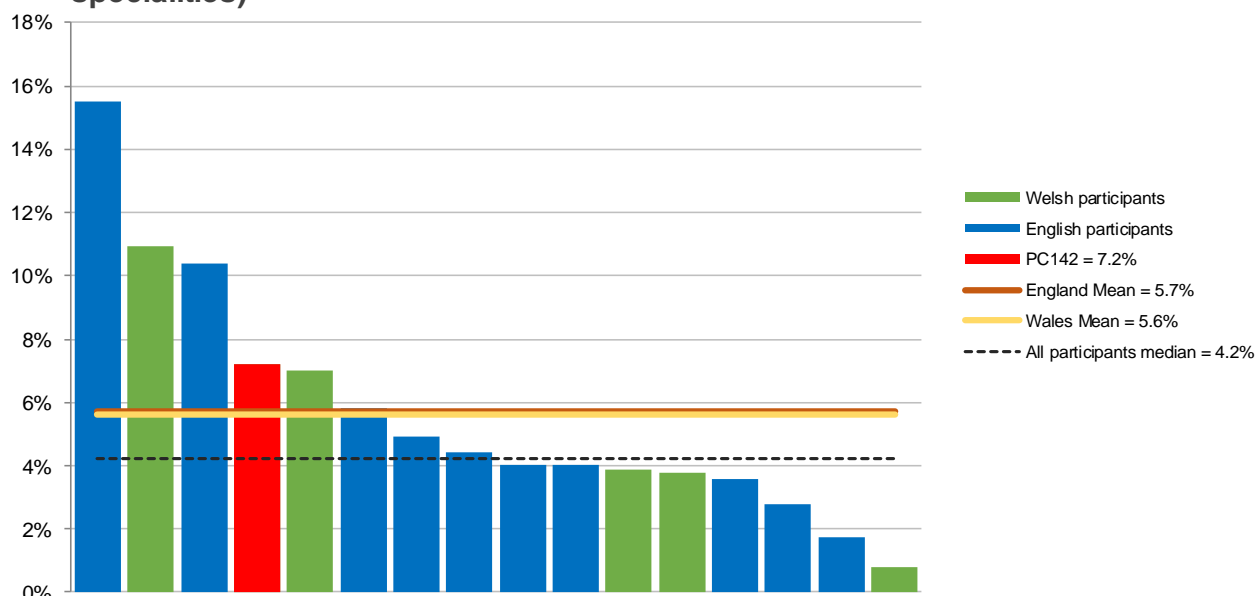
The 2018 project UK findings showed that after a tapering off in growth during 2017, activity levels for GP referrals, first outpatient attendances and elective admissions have all increased for year-to-date November 2018 compared to year-to-date November 2017. First outpatient appointments have experienced the highest rate of growth at 2.1%, followed by elective admissions at 1.3% and GP referrals at 0.6%. The total number of inpatient admissions is analysed between ordinary and day-case admissions. Activity and spend on both the outpatient and inpatient elements of planned care are generally higher in Wales than in England.



Submission: PC142 - Hywel Dda UHB

High readmission rates may be indicative of problems that need to be addressed. The submission response was above average with a value of 1.8% compared to the median value from all participants, which was 1.5%.

Percentage of patients readmitted within 30 days of procedure (%) - (all specialities)

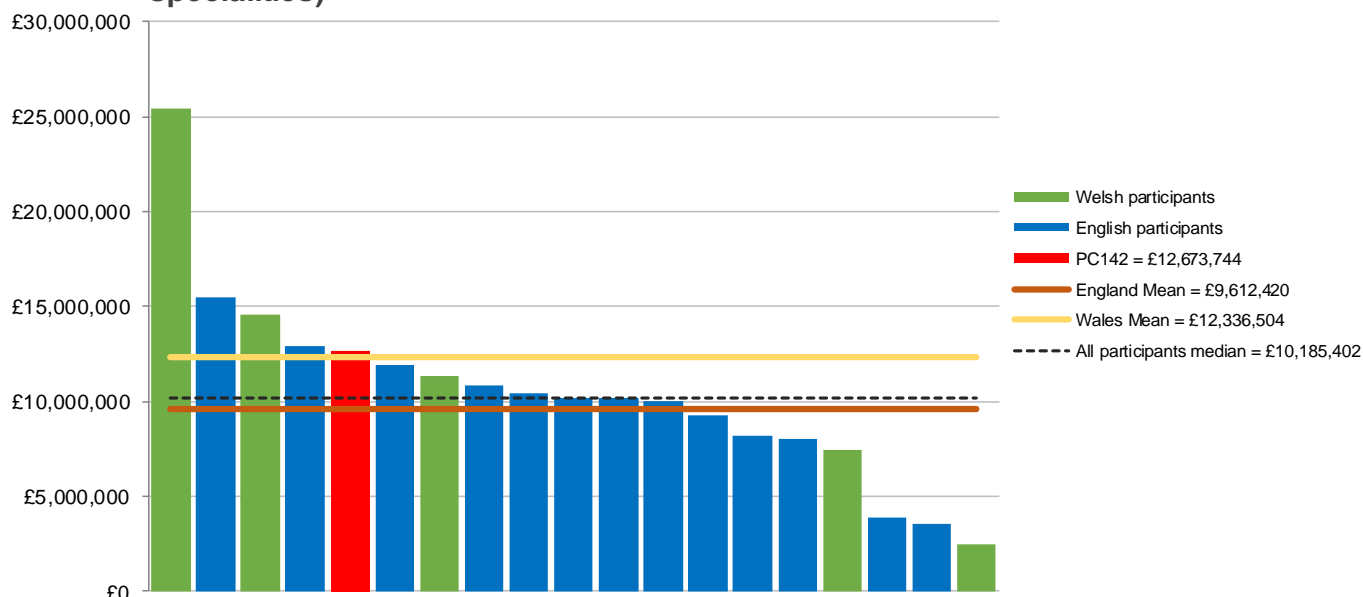


Submission: PC142 - Hywel Dda UHB

High readmission rates may be indicative of problems that need to be addressed.

The submission response was above average with a value of 7.2% compared to the median value from all participants, which was 4.2%.

Total spend on elective admissions per 100,000 registered population - (all specialities)

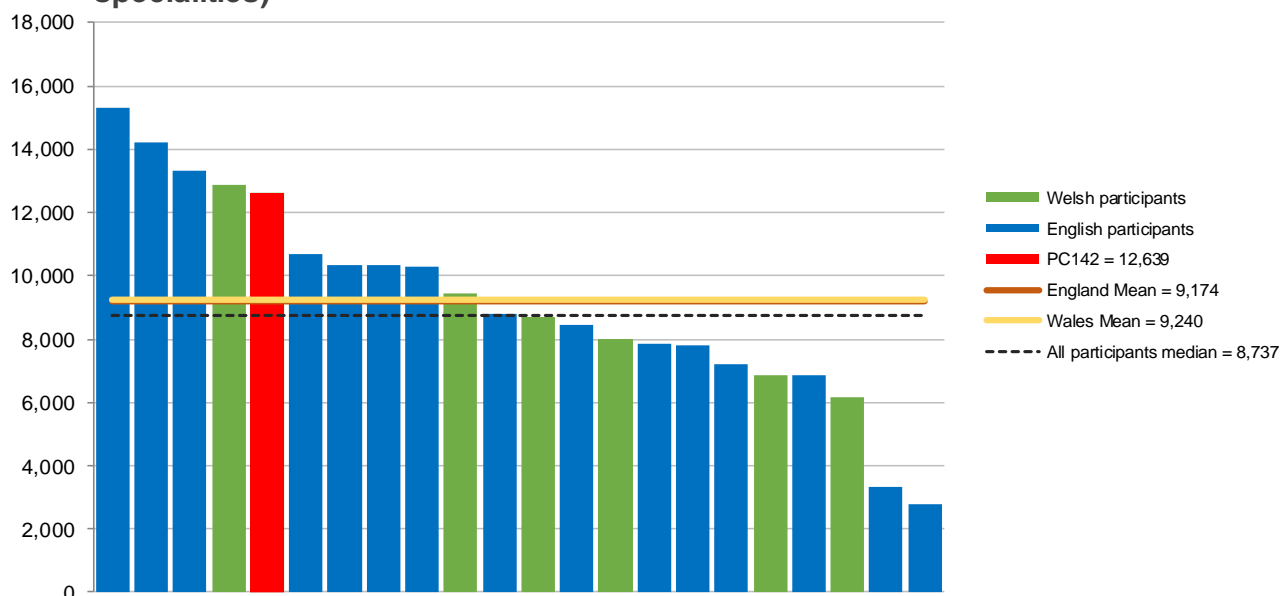


Submission: PC142 - Hywel Dda UHB

The chart shows the spend on elective admissions.

The submission response was above average with a value of £12,673,744 compared to the median value from all participants, which was £10,185,402.

Total inpatient admissions per 100,000 registered population - (all specialities)

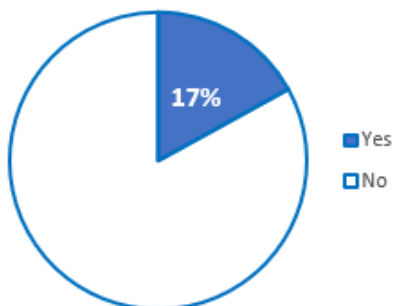


Submission: PC142 - Hywel Dda UHB

The chart shows the total admissions per 100,000 registered population.

The submission response was considerably above average with a value of 12,639 compared to the median value from all participants, which was 8,737.

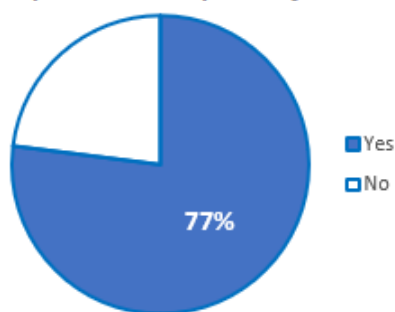
Do any of your providers use telemedicine for surgery aftercare?



Submission: Hywel Dda UHB

Response: No

Are your providers required to collect patient outcome measures for different procedures / pathways?



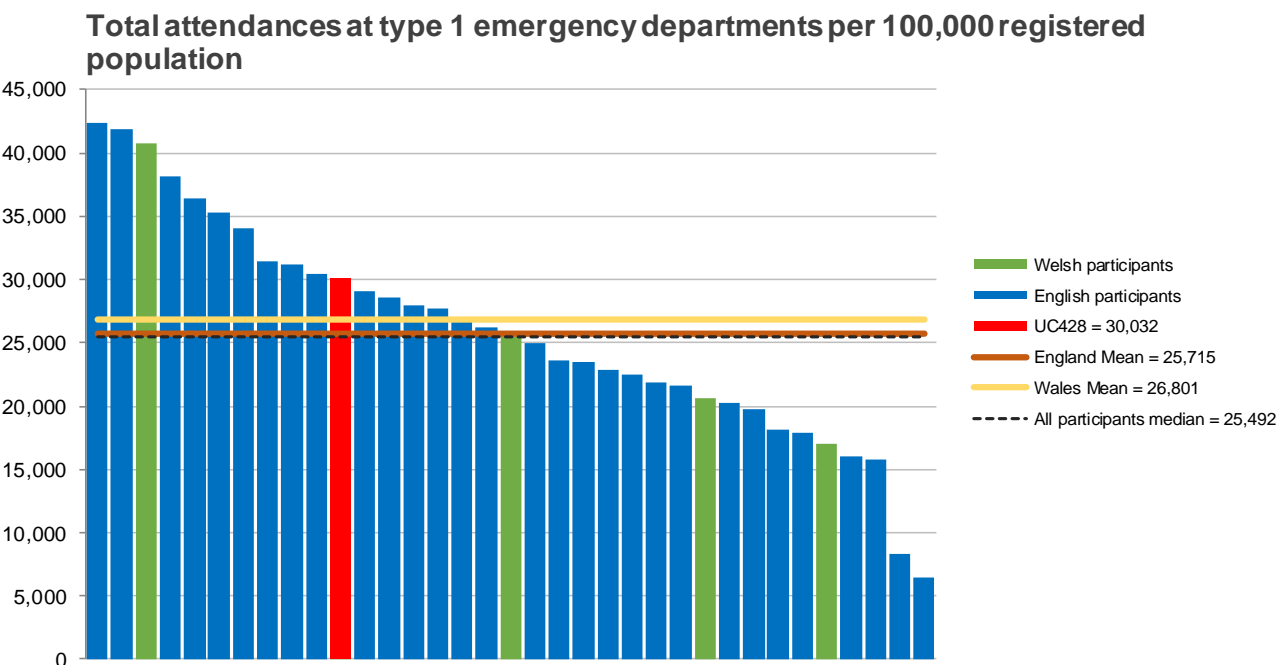
Submission: Hywel Dda UHB

Response: No

Urgent Care

Urgent care is a complex system that continues to be challenged by increasing demand. A key theme of recent strategy is the provision of out of hospital urgent care to reduce the burden on hospital provision. The project collects data on service models, activity and finance, along with a section on emergency departments and ambulance services performance.

The 2018 project UK findings showed that for primary care OOHs services, the majority of participants (86%) provide phone advice to other healthcare professionals, approximately half (49%) have a special phone service(s) for identified high-risk patients and over half (57%), take phone calls directly from the general public. Mental health crisis resolution teams deliver a mean of 4,209 contacts per 100,000 population and ranges from 721 contacts to 11,045 contacts. The mean number of ED psychiatric liaison contacts per 100,000 registered population is 834 and ranges from 51 to 2,638. The most material aspect of the urgent care system is expenditure on emergency admissions. The mean total emergency admission expenditure per 100,000 registered population is £21.3m. This equates to an estimated emergency admission cost of £213 per capita.

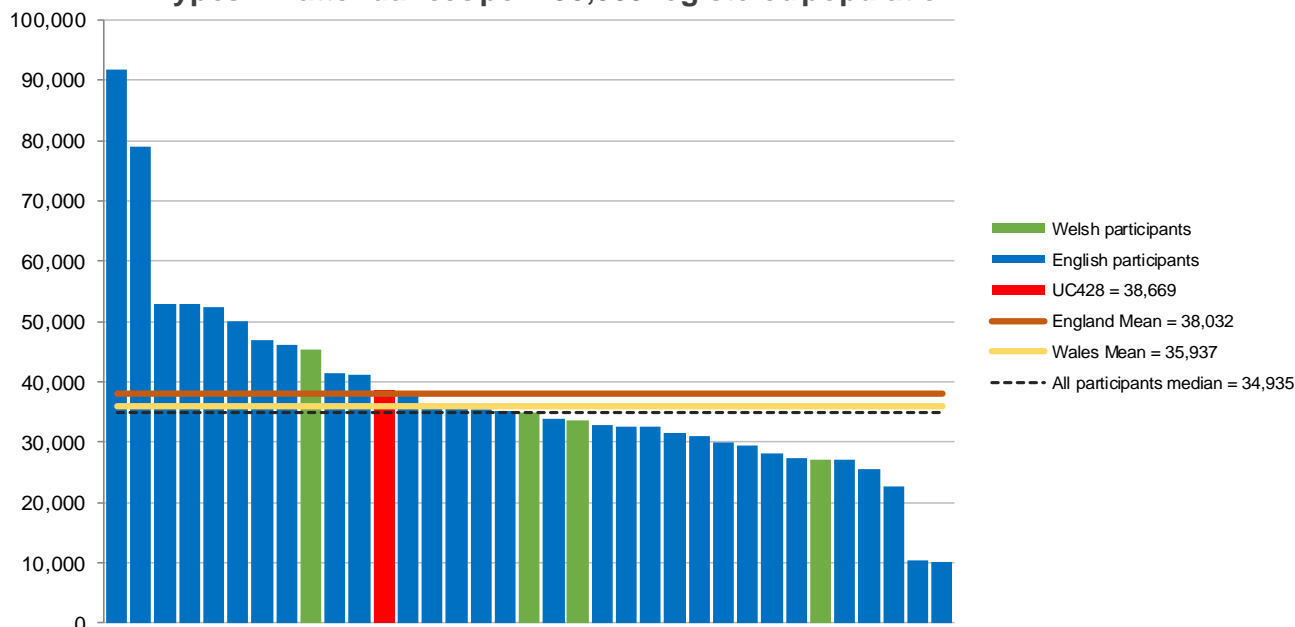


Submission: UC428 - Hywel Dda UHB

High levels of Type 1 ED attendances may indicate a significant level of inappropriate attendances.

The submission response was above average with a value of 30,032 compared to the median value from all participants, which was 25,492.

ED Types 1-4 attendances per 100,000 registered population

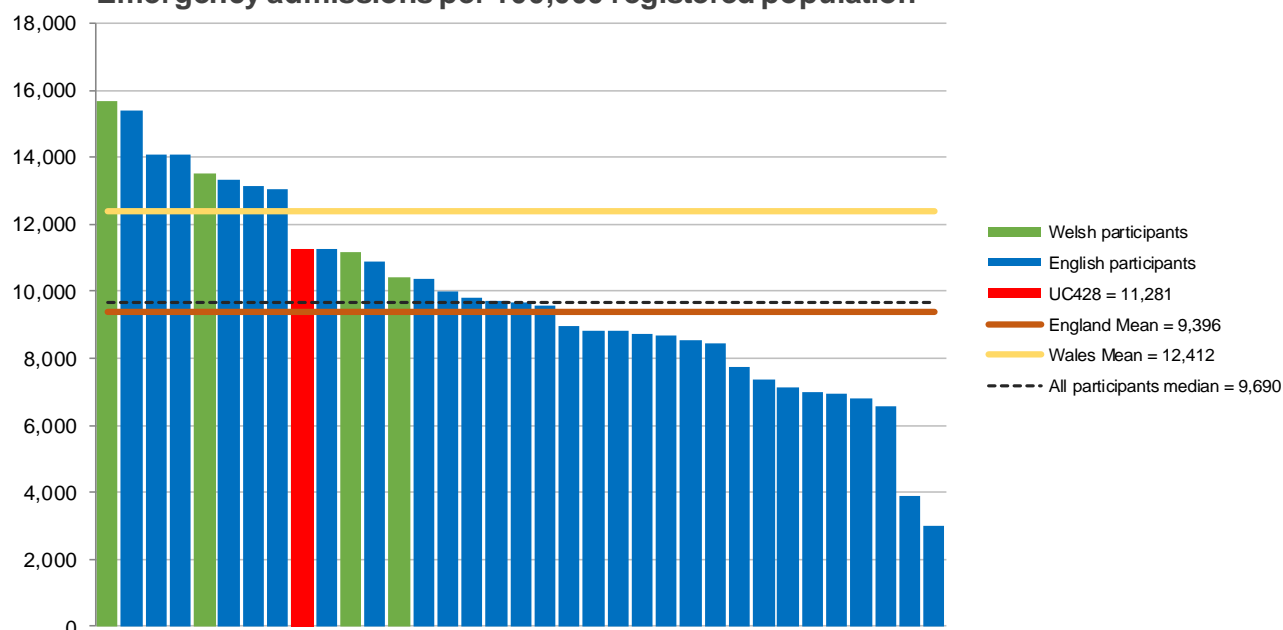


Submission: UC428 - Hywel Dda UHB

High levels of ED attendances may suggest problems in alternative support options, including Primary Care.

The submission response was above average with a value of 38,669 compared to the median value from all participants, which was 34,935.

Emergency admissions per 100,000 registered population

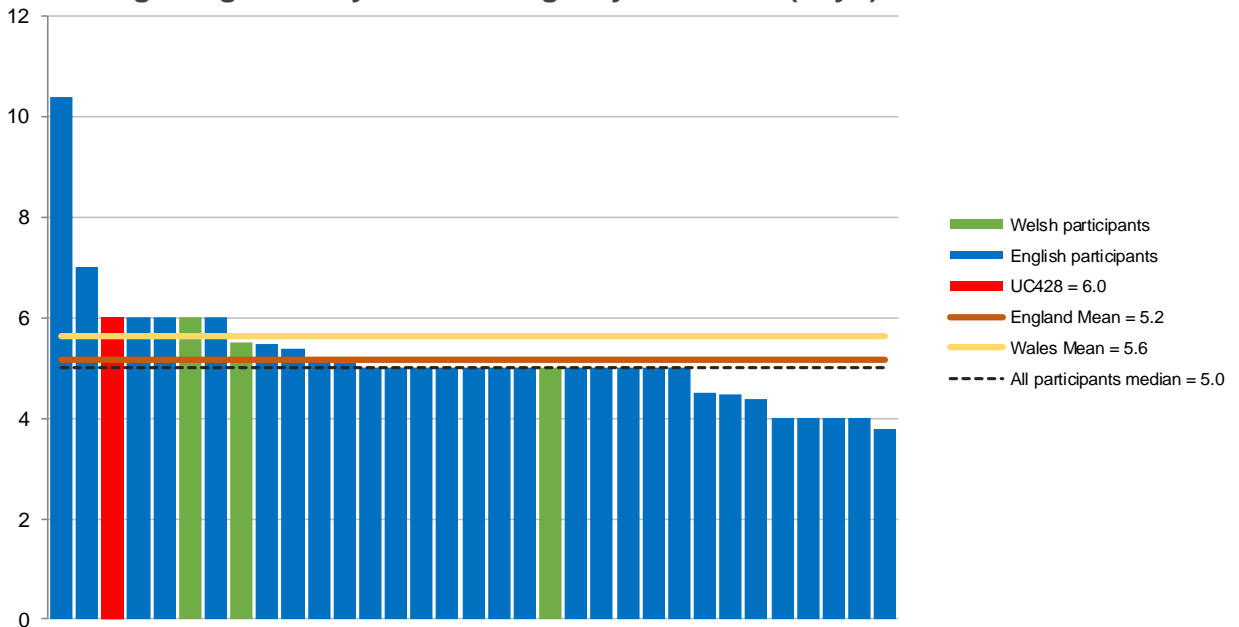


Submission: UC428 - Hywel Dda UHB

Emergency admissions are a major cost to the NHS, and inappropriate admissions may result in worse patient outcomes.

The submission response was above average with a value of 11,281 compared to the median value from all participants, which was 9,690.

Average length of stay for an emergency admission (days)

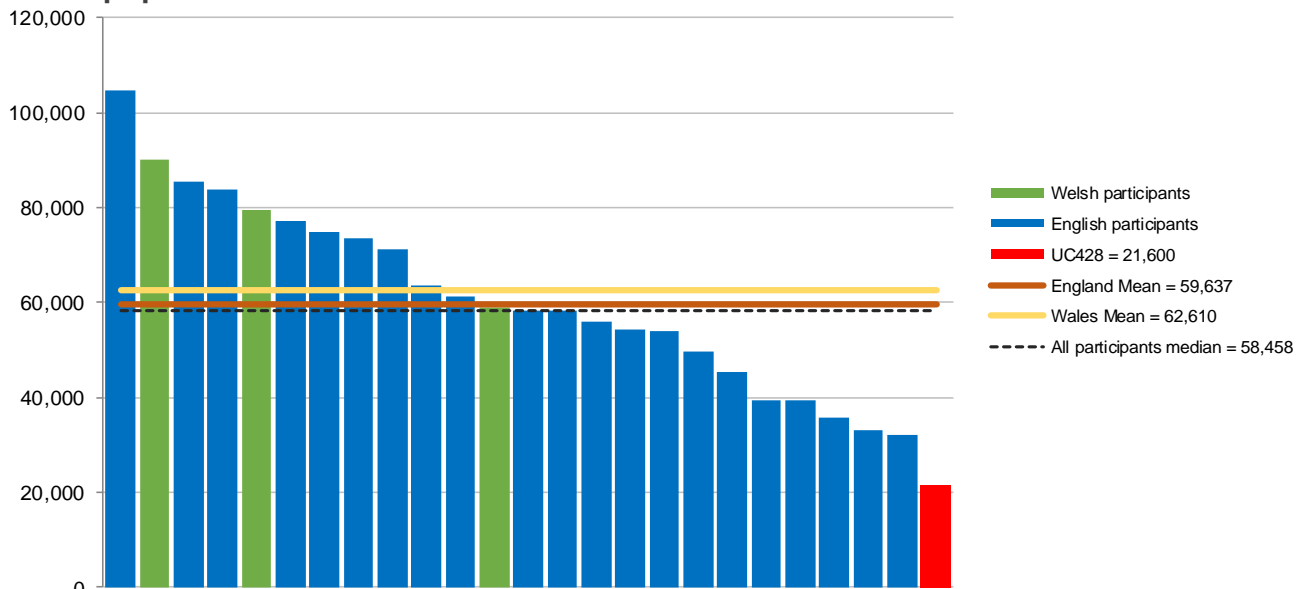


Submission: UC428 - Hywel Dda UHB

High length of stay may indicate problems with patient flow, with patients staying in hospital longer than necessary.

The submission response was considerably above average with a value of 6.0 days compared to the median value from all participants, which was 5.0 days.

Total number of contacts in district nursing services per 100,000 registered population

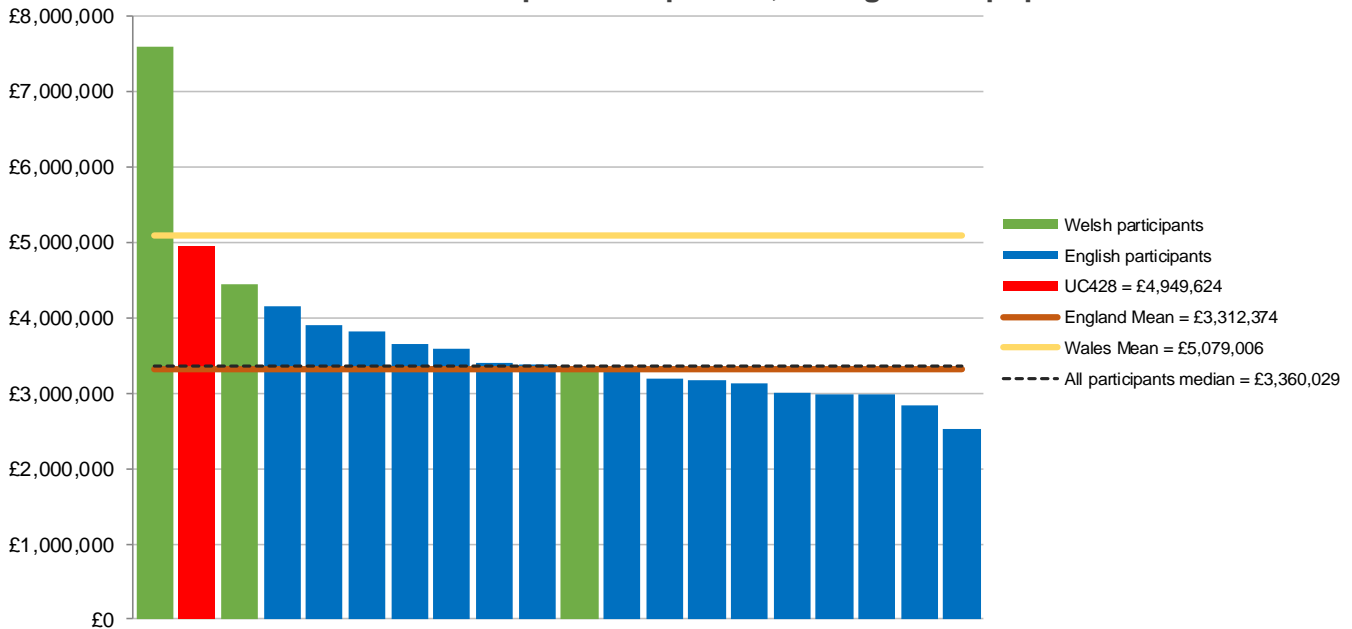


Submission: UC428 - Hywel Dda UHB

District Nursing services can help manage patients in the community, providing better outcomes and avoiding unnecessary admissions.

The submission response was one of the lowest values with a value of 21,600 compared to the median value from all participants, which was 58,458.

Total ambulance service expenditure per 100,000 registered population

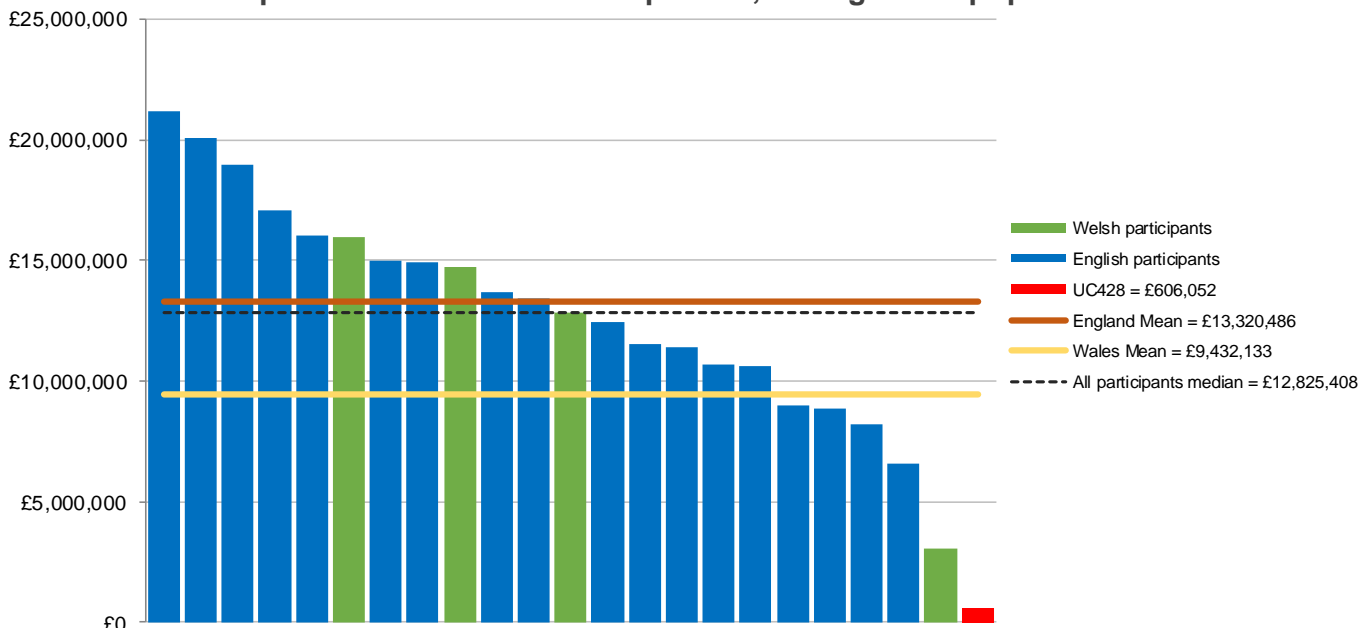


Submission: UC428 - Hywel Dda UHB

Ambulances services are a major cost of the urgent care system.

The submission response was considerably above average with a value of £4,949,624 compared to the median value from all participants, which was £3,360,029.

Total expenditure on mental health per 100,000 registered population



Submission: UC428 - Hywel Dda UHB

A low investment on Mental Health provision can create problems for other parts of the system.

The submission response was one of the lowest values with a value of £606,052 compared to the median value from all participants, which was £12,825,408.

Community Services

Community services represent over £10bn of NHS expenditure and play a key role in supporting service users at home and reducing unnecessary hospital admissions. An NHS priority over the next 10 years is to help older people stay healthy and live independently in their communities, with a move towards more integrated care for this cohort. Investment in community services can free up capacity in hospital beds, but despite this, The Nuffield Trust reports that funding given to NHS Trusts for community services fell by 4% last year.

Network projects for the community sector provide unique evidence on investment levels and performance for community hospitals and community services including District Nursing, therapy services and many of the services that are targeted at children, older people, and people with long-term conditions.

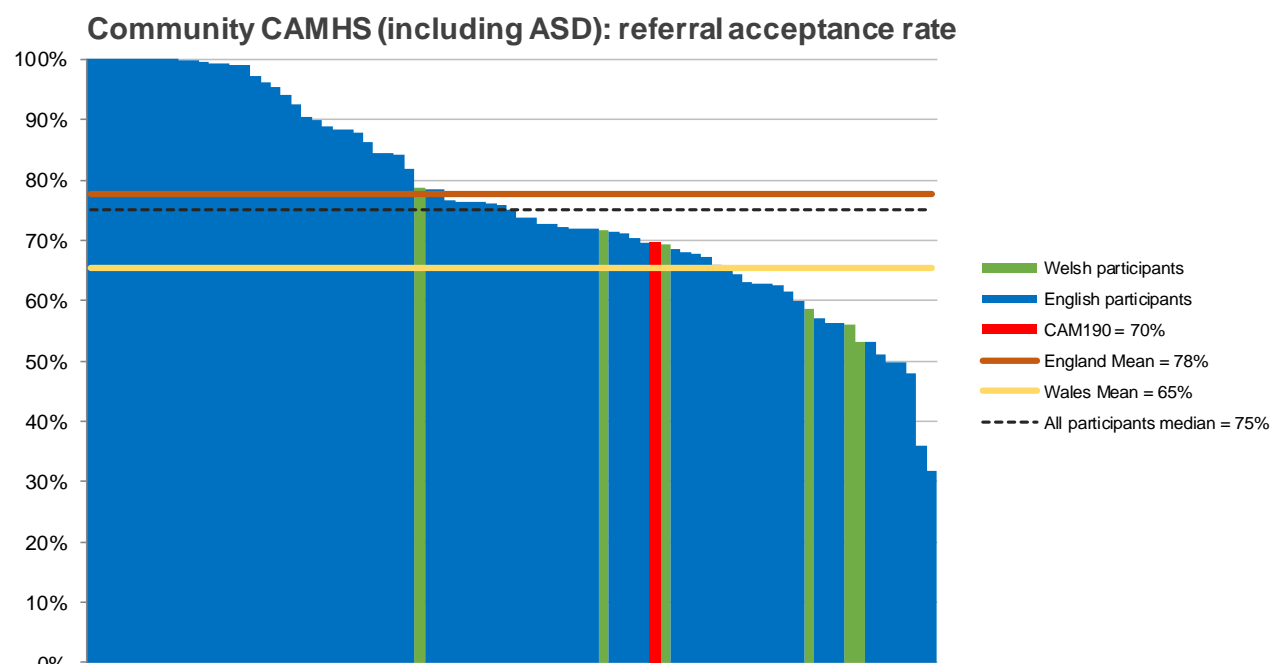
The 2018 project UK findings showed that neither adult nor children's services reported a significant change in investment across the past five years, despite the national policy focus towards out of hospital care. Investment and staffing levels in District Nursing services, the highest volume community service, continue to show a downward trend. Staffing levels are reported around 10% lower in 2018 than in 2013 in England.

The opportunity reports look at opportunities relating to the district nursing service.

Hywel Dda University Health Board did not take part in the project in 2018/19.

Child and Adolescent Mental Health Services (CAMHS)

CAMHS offer assessment and treatment when children and young people have emotional, behavioural or mental health difficulties. This project remains the ultimate point of reference for evidence in children’s and adolescent mental health services across the UK and looks at both community and inpatient provision. The Network’s benchmarking project for CAMHS covers service models, provision, access, activity, workforce and finance. This year’s project was expanded at the request of participants to cover additional data on Autistic Spectrum Disorder (ASD) pathways. The 2018 project UK findings showed that within community CAMHS, sustained increases in demand have been demonstrated through increased referral rates which have reached their highest ever level this year. Referral acceptance rates have also increased, along with conversion rates for young people who subsequently enter treatment. However, although increased capacity has been demonstrated, demand continues to outstrip supply with increases in young people on waiting lists to access CAMHS and waiting times longer than in 2016/17. The inpatient CAMHS workforce has grown marginally this year after several years at a steady state. Incident rates continue to show variation between providers.

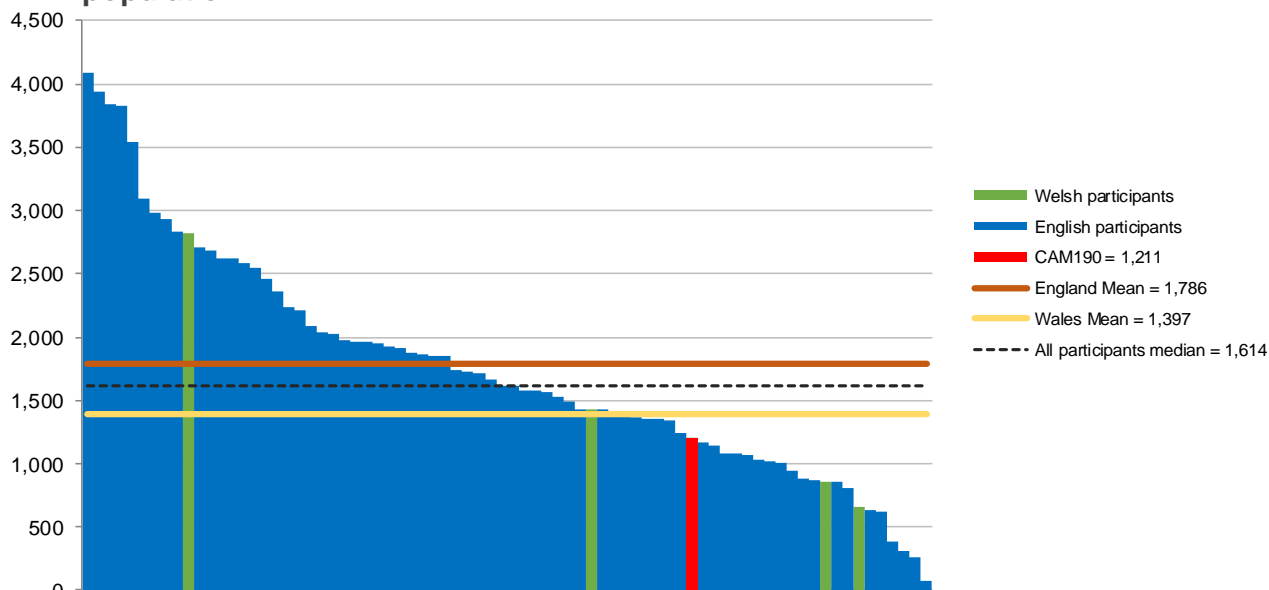


Submission: CAM190 - Hywel Dda UHB

Low acceptance rates should be reviewed.

The submission response was below average with a value of 70% compared to the median value from all participants, which was 75%.

Community CAMHS (including ASD): patients on the caseload per 100,000 population

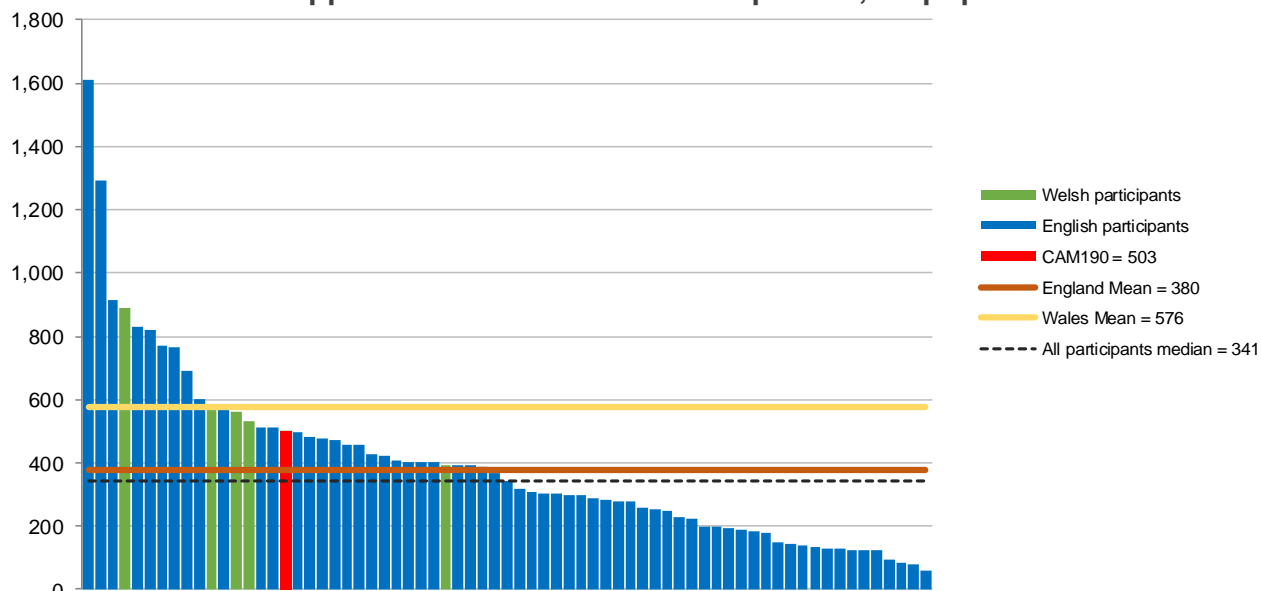


Submission: CAM190 - Hywel Dda UHB

Low levels of patients on the caseload may indicate unmet need in the community.

The submission response was below average with a value of 1,211 compared to the median value from all participants, which was 1,614.

Community CAMHS (including ASD): number of patients on the waiting list for 1st routine appointment at 31st March 2018 per 100,000 population



Submission: CAM190 - Hywel Dda UHB

A high level of patients on the waiting list may indicate capacity issues.

The submission response was above average with a value of 503 compared to the median value from all participants, which was 341.

Learning Disabilities

2018 is the fourth year the project has been delivered. The Network project compares the main service portfolios of specialist LD providers and quantifies the nature and shape of services provided. The project provides a broad assessment of the state of NHS learning disability services. The project plays a key role in understanding how services are commissioned, funded and provided and enables participants to track changes taking place over time.

The 2018 project UK findings showed continued reduction in inpatient provision, and investment in adult inpatient and community services continues to reduce year on year. Workforce analysis shows the high level of unqualified nursing staff in the inpatient setting and reliance on support workers for a fourth year. However, the skill mix is weighted towards unqualified nurses and more therapeutic staff within the community setting. This is particularly evident in children’s services. The hours of availability for emergency LD services was collected both for weekdays and weekends. Most out of hours and urgent liaison services are available for around 100 hours per week. Intensive intervention services are more restricted in availability and average 60 hours per week.

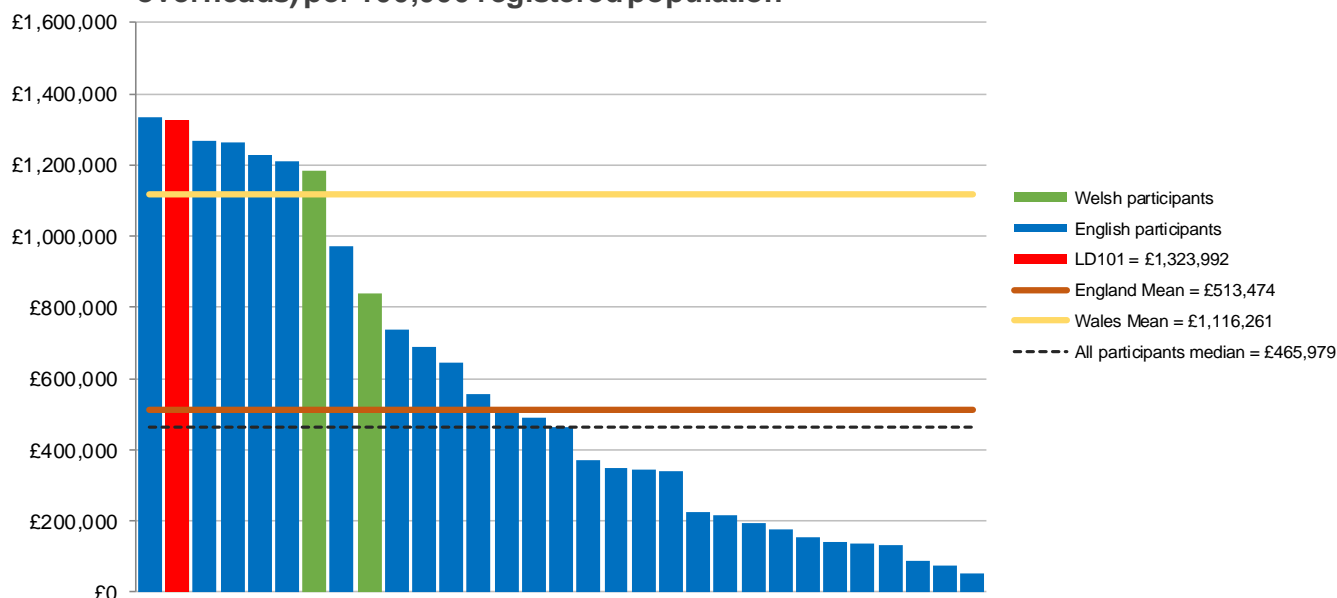


Submission: LD101 - Hywel Dda UHB

Staff satisfaction is both important for retention and a proxy measure for the successful delivery of the service.

The submission response was considerably below average with a value of 71% compared to the median value from all participants, which was 80%.

Adult inpatient - total costs of service in 2017/18 (including costs and overheads) per 100,000 registered population

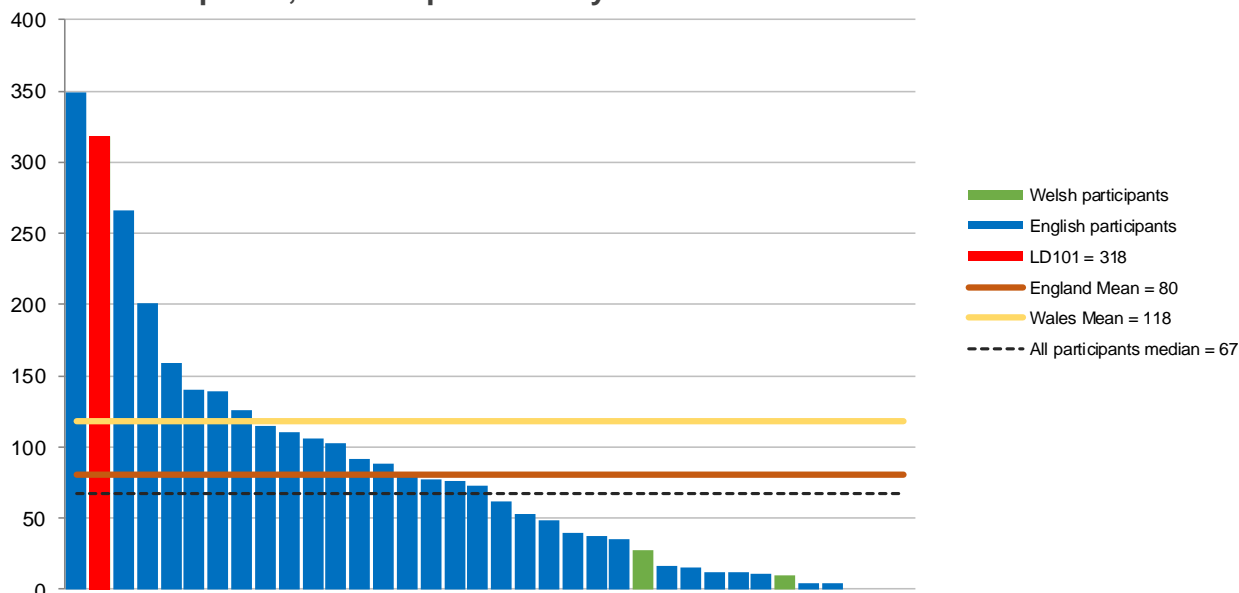


Submission: LD101 - Hywel Dda UHB

The chart shows the total cost of the service per 100,000 population.

The submission response was one of the highest values with a value of £1,323,992 compared to the median value from all participants, which was £465,979.

Adult inpatient - recorded incidences of self-harm of LD patients on caseload 2017/18 - per 10,000 occupied bed days

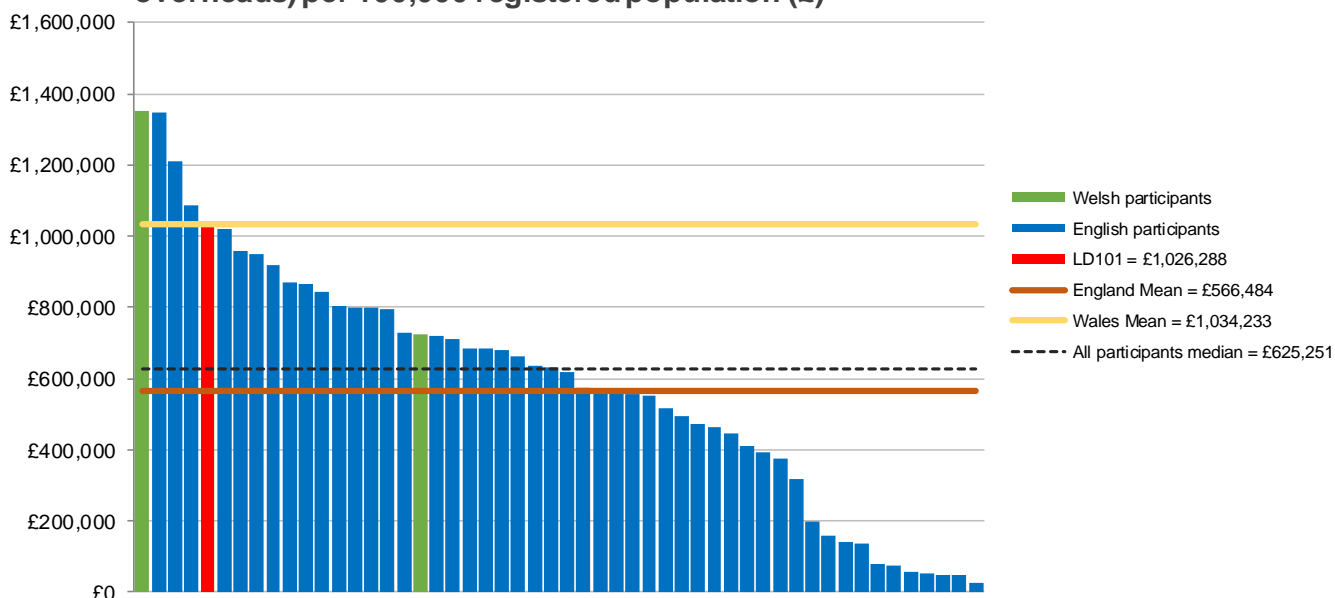


Submission: LD101 - Hywel Dda UHB

High levels of self-harm should be examined.

The submission response was one of the highest values with a value of 318 compared to the median value from all participants, which was 67.

Adult community - total costs of service in 2017/18 (including costs and overheads) per 100,000 registered population (£)

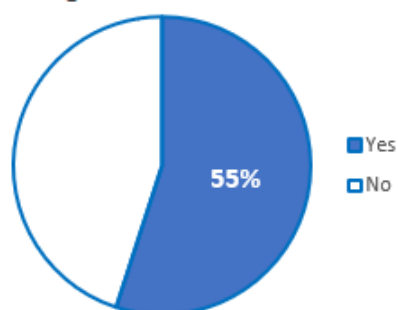


Submission: LD101 - Hywel Dda UHB

The chart shows the total cost of the service per 100,000 population.

The submission response was considerably above average with a value of £1,026,288 compared to the median value from all participants, which was £625,251.

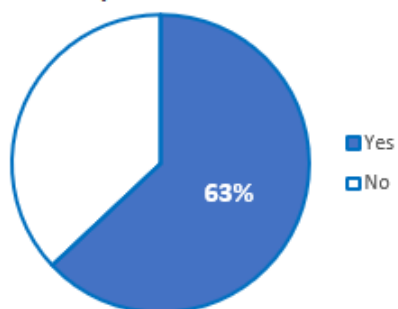
Is emergency access to the service available via generic OOHs/on-call teams?



Submission: Hywel Dda UHB

Response: No

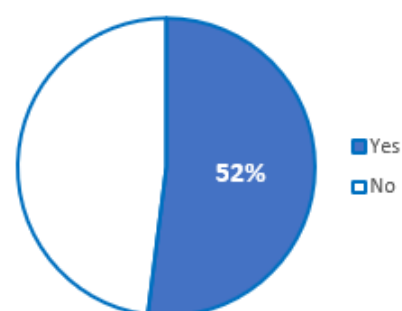
Is emergency access to the service available via mental health crisis response teams?



Submission: Hywel Dda UHB

Response: No

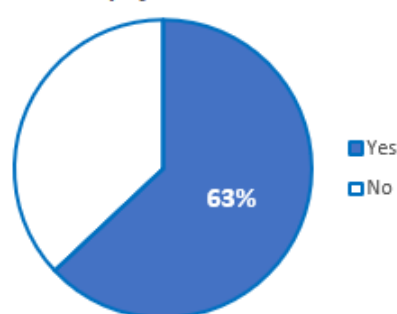
Is emergency access to the service available via the LD intensive intervention team?



Submission: Hywel Dda UHB

Response: No

Is emergency access to the service available via the psychiatric liaison team?



Submission: Hywel Dda UHB

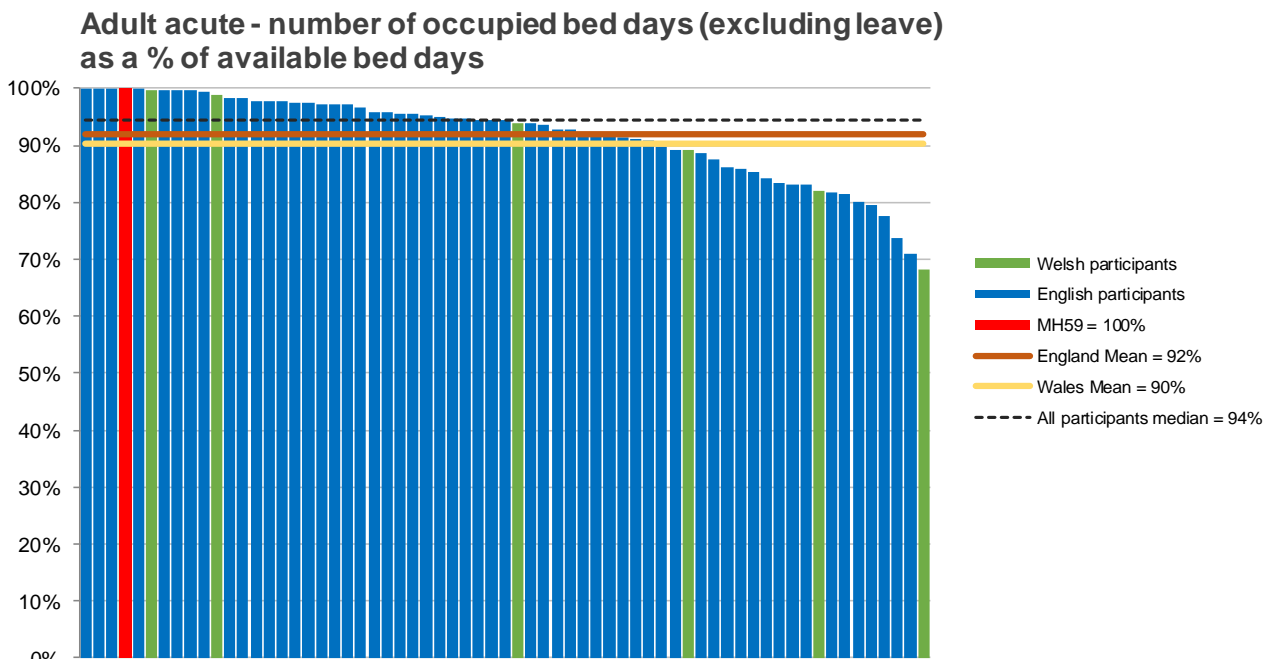
Response: No

Mental Health Inpatient and Community Services

The NHS Benchmarking project enables comparisons to be made in areas including quality, finance and workforce, to help organisations face the productivity and efficiency challenge in a collaborative manner. Mental health services have made huge progress in the last decade, especially in perinatal and early intervention in psychosis where there has been increased investment and national improvement in access and waiting times.

The NHS Benchmarking Network project proves Mental Health Trusts in England and Wales with quality and performance data that informs future research, national policies and service transformation.

The 2018 project UK findings showed a broad stabilisation in capacity for Adult services although bed reductions continue to take place in Older People’s care. The overall level of change reported since 2011/12 is a 17% reduction in adult acute beds and a 40% reduction in older adult beds. The reduction in bed numbers has contributed to an overall decline in admission rates with 15% fewer adult acute admissions this year than in 2011/12. Waiting times for community-based care are similar to those delivered for NHS physical healthcare. Around 90% of service users requiring community care receive treatment within 18 weeks of referral.

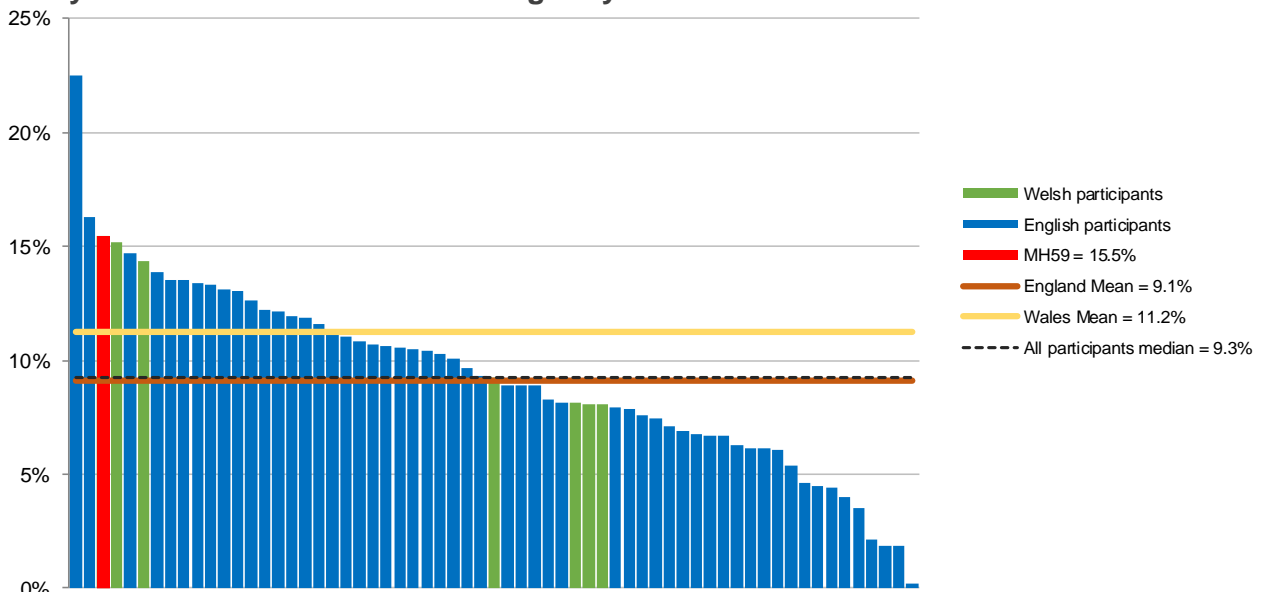


Submission: MH59 - Hywel Dda UHB

The RCPsych recommends bed occupancy to average 85% across the year, to give sufficient availability for when patients become acutely ill.

The submission response was one of the highest values with a value of 100% compared to the median value from all participants, which was 94%.

Adult acute - Number of emergency readmissions within 30 days during the year as a % of admissions during the year

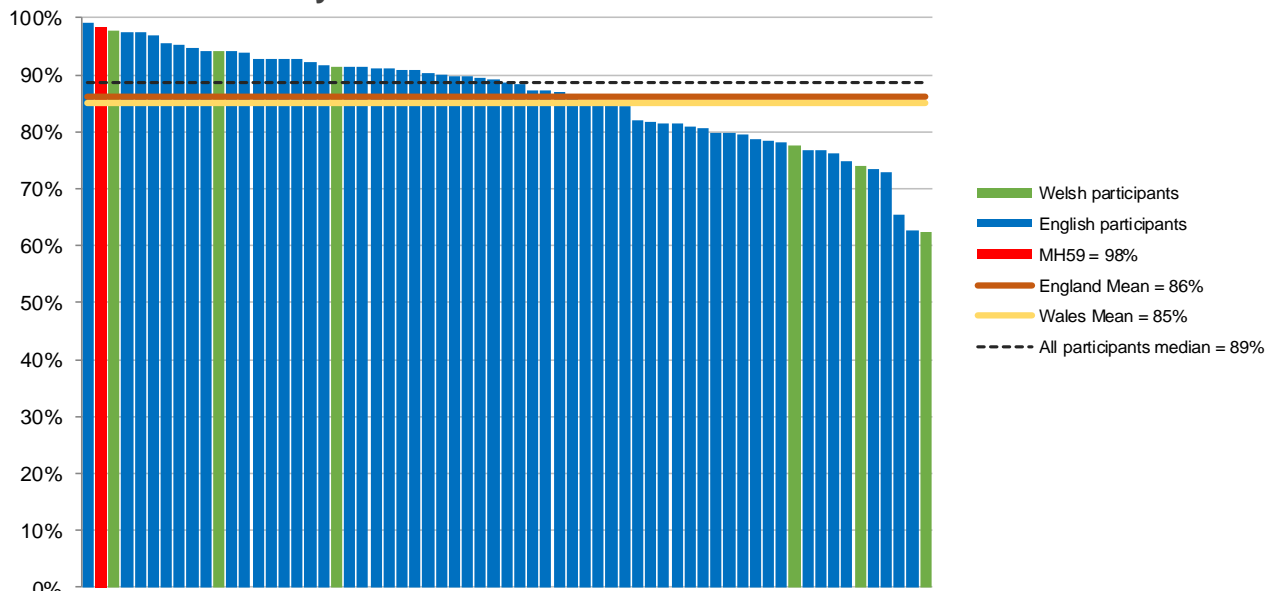


Submission: MH59 - Hywel Dda UHB

High rates of emergency readmissions may reflect inappropriate discharge from inpatient care or insufficient community support.

The submission response was one of the highest values with a value of 15.5% compared to the median value from all participants, which was 9.3%.

Older adult - number of occupied bed days (excluding leave) as a % of available bed days

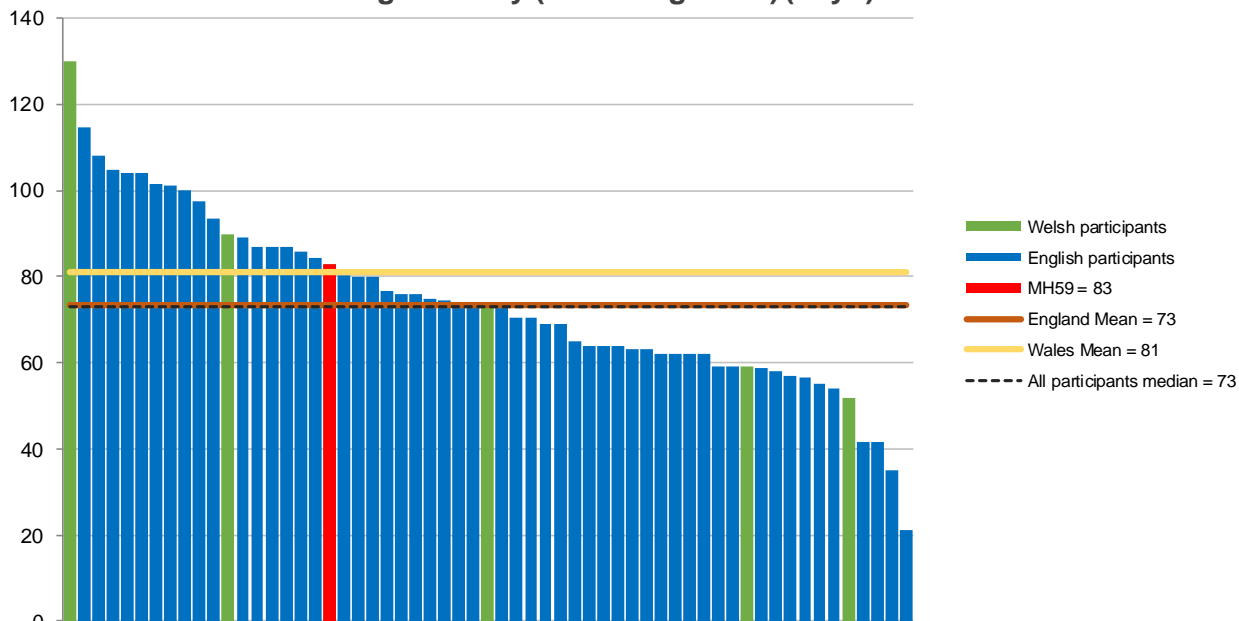


Submission: MH59 - Hywel Dda UHB

The RCPsych recommends bed occupancy to average 85% across the year to give sufficient availability for when patients become acutely ill.

The submission response was one of the highest values with a value of 98% compared to the median value from all participants, which was 89%.

Older adult - mean length of stay (excluding leave) (days)

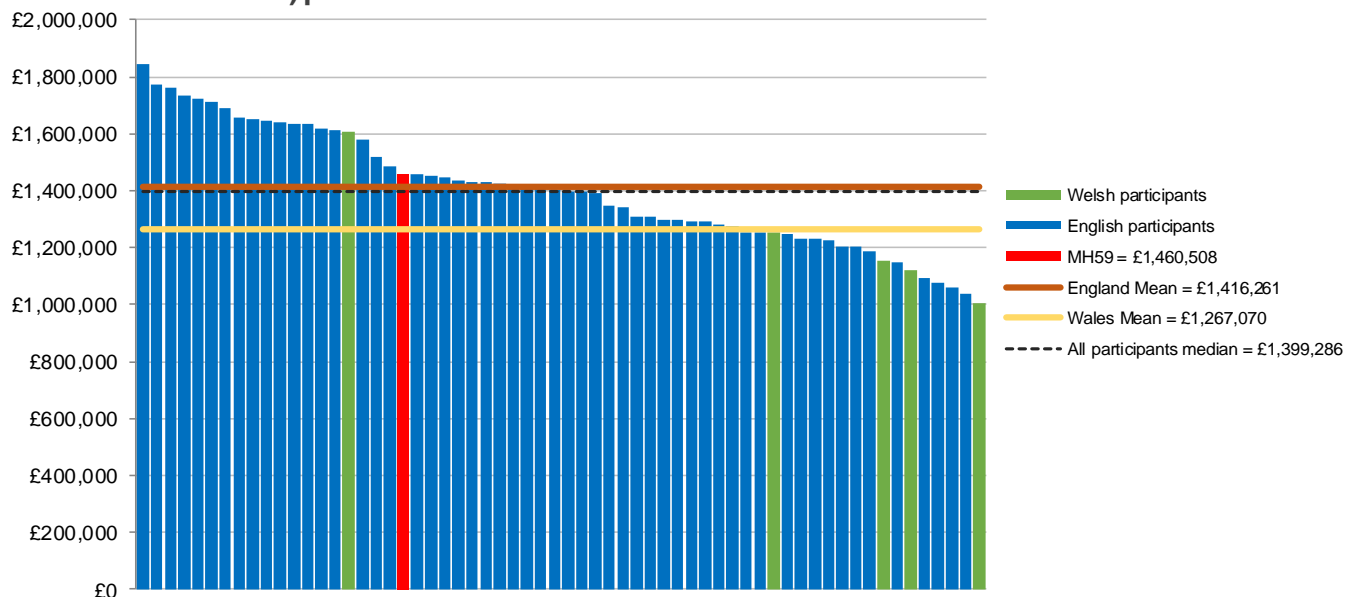


Submission: MH59 - Hywel Dda UHB

Longer average lengths of stay should be investigated, to understand whether patient outcomes are being maximised.

The submission response was above average with a value of 83 days compared to the median value from all participants, which was 73 days.

Adult acute - Total Costs of service in 2017/18 (including corporate costs and overheads) per 10 beds



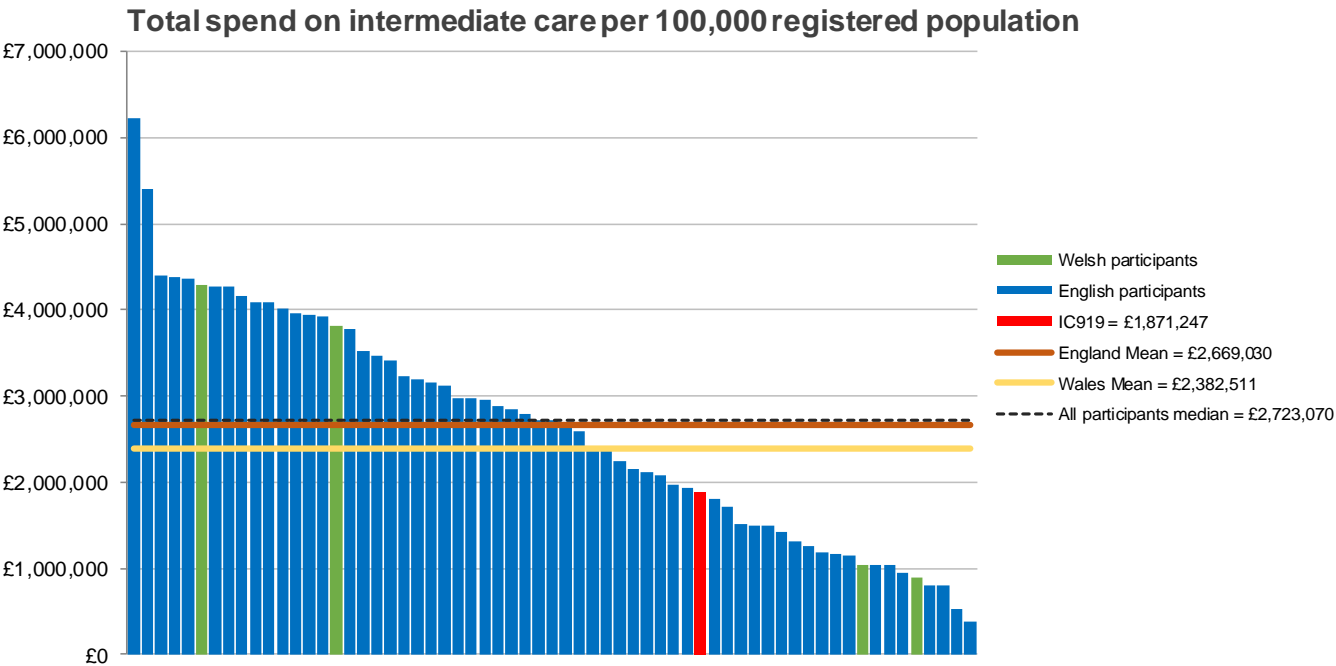
Submission: MH59 - Hywel Dda UHB

The chart shows the total cost of the service per 10 beds.

The submission response was above average with a value of £1,460,508 compared to the median value from all participants, which was £1,399,286.

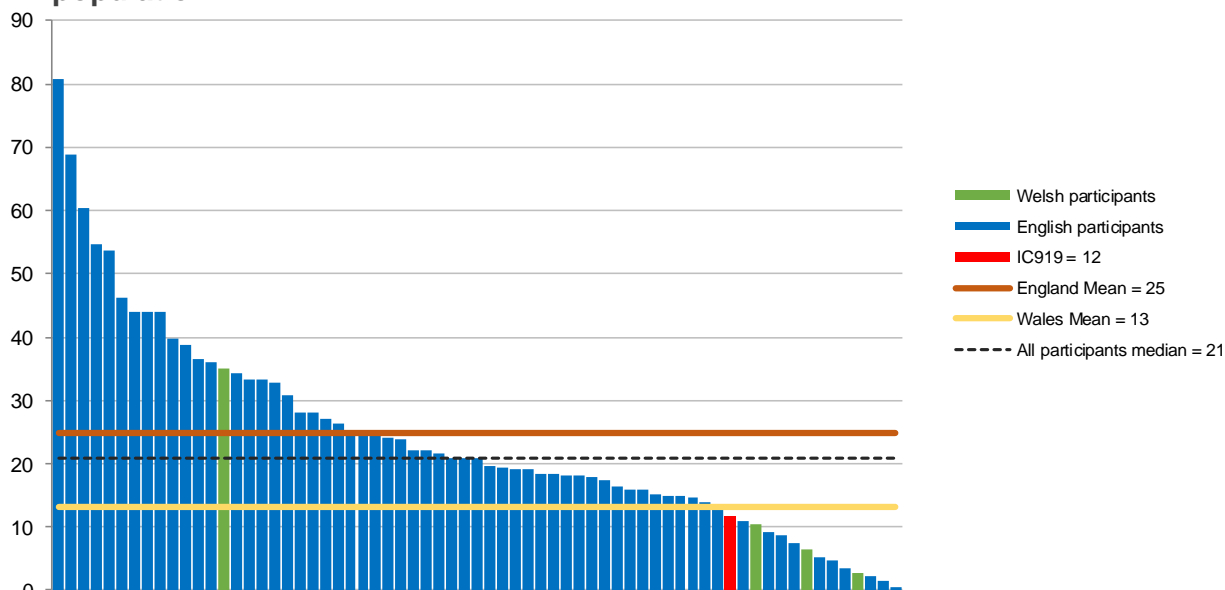
National Audit of Intermediate Care (NAIC)

The NAIC covers services which focus on the care and support of usually frail, older people, at times of transition between different services in the health and care system, for example, when stepping down from acute hospital care or preventing them being admitted to longer-term care, until they really need to. The NAIC continues to provide visibility on these services at a time of significant transformation across the health and social care system. The NAIC was originally launched in 2012. The NAIC has three different elements, a strategic audit, a provider level audit and a service user audit. The 2018 project found that University Health Boards in Wales demonstrate high compliance on multi agency planning, with all reporting that there exists a multi agency board whose remit covers intermediate care, and that strategic planning is undertaken jointly by health and local government. All areas also report that indicators have been developed to monitor the delivery of service performance for intermediate care services. In Wales, a higher proportion of intermediate care capacity is utilised for step up provision in bed based services (33%), home based services (71%) and re-ablement (59%), than in England. Average length of stay in bed based intermediate care is longer in Wales (35 days) than in England (26 days).



Investment in intermediate care is important to maximise the potential for admission avoidance and deliver effective step down care. The submission response was below average with a value of £1,871,247 compared to the median value from all participants, which was £2,723,070.

Beds commissioned (including spot purchased) per 100,000 registered population

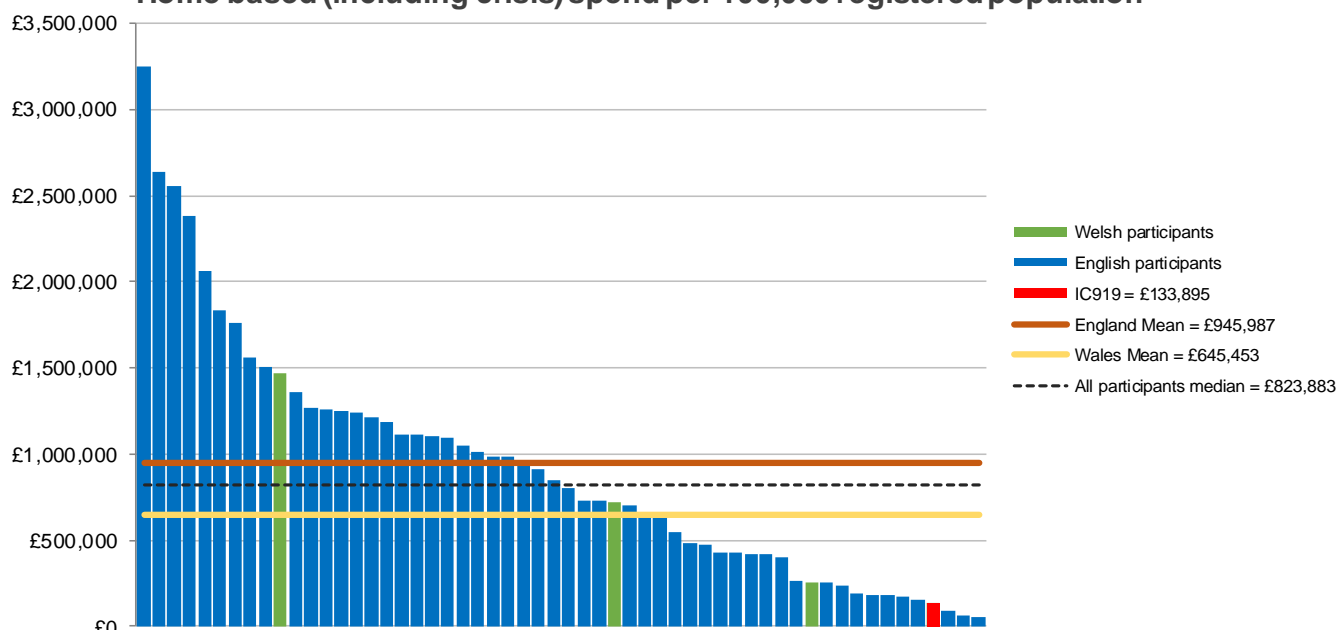


Submission: IC919 - Pembrokeshire

It is important that there are sufficient beds to meet the demand for both step up and step down provision.

The submission response was considerably below average with a value of 12 compared to the median value from all participants, which was 21.

Home based (including crisis) spend per 100,000 registered population

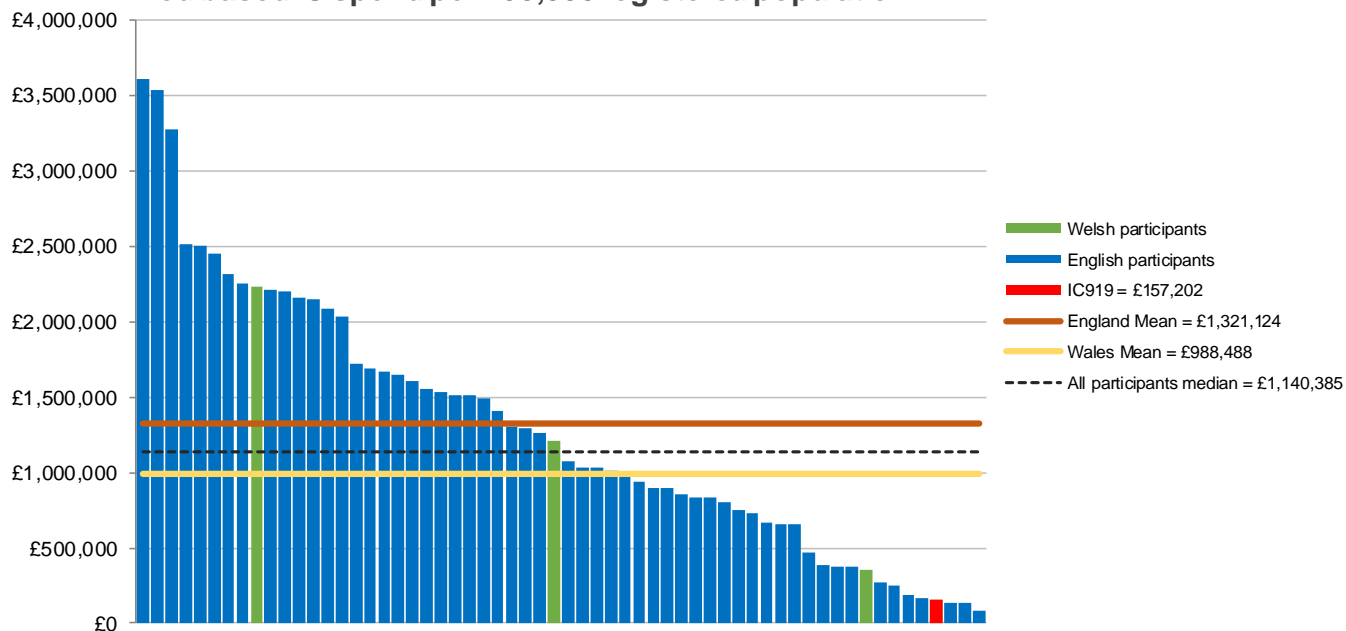


Submission: IC919 - Pembrokeshire

Investment in home based intermediate care is important to maximise the potential for admission avoidance.

The submission response was considerably below average with a value of £133,895 compared to the median value from all participants, which was £823,883.

Bed based IC spend per 100,000 registered population

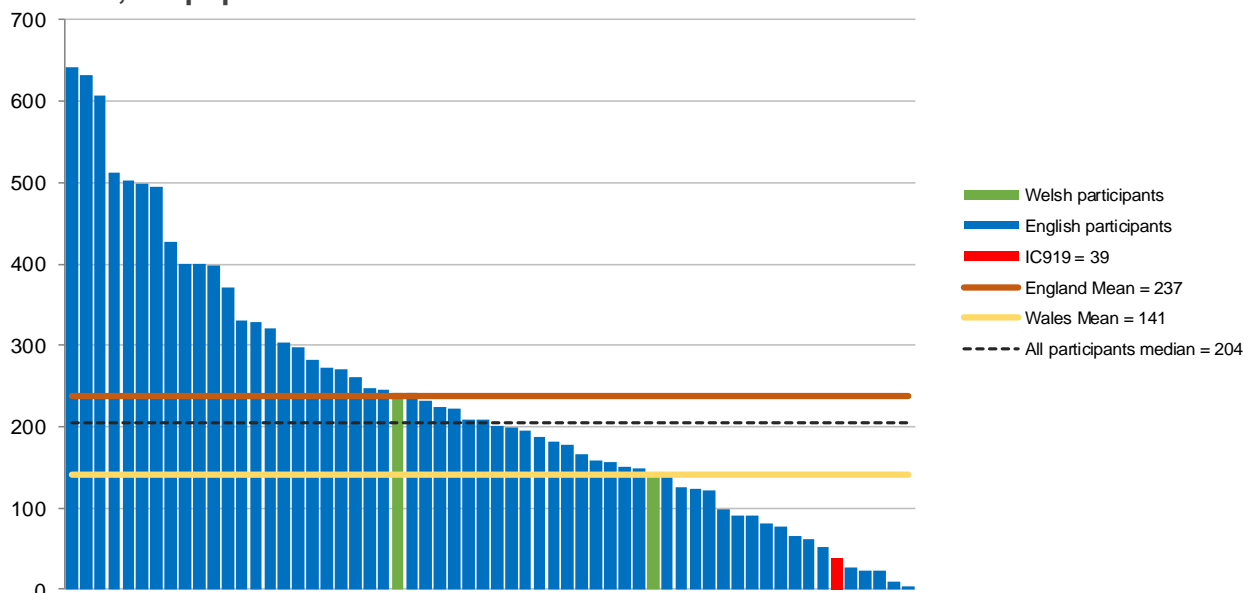


Submission: IC919 - Pembrokeshire

Investment in bed based intermediate care is important to meet the demand for both step up and step down provision.

The submission response was considerably below average with a value of £157,202 compared to the median value from all participants, which was £1,140,385.

Number of users admitted to bed based intermediate care services per 100,000 population

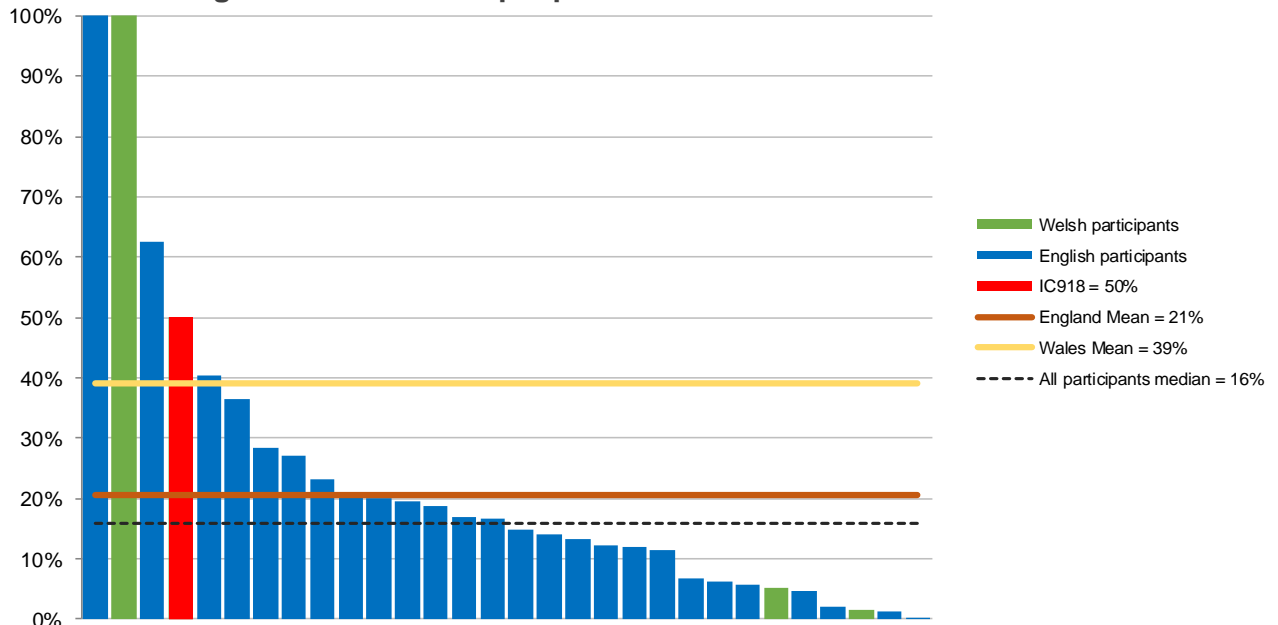


Submission: IC919 - Pembrokeshire

Low levels of activity may reflect the opportunity for the services to have greater impact.

The submission response was considerably below average with a value of 39 compared to the median value from all participants, which was 204.

Percentage of beds that are spot purchased

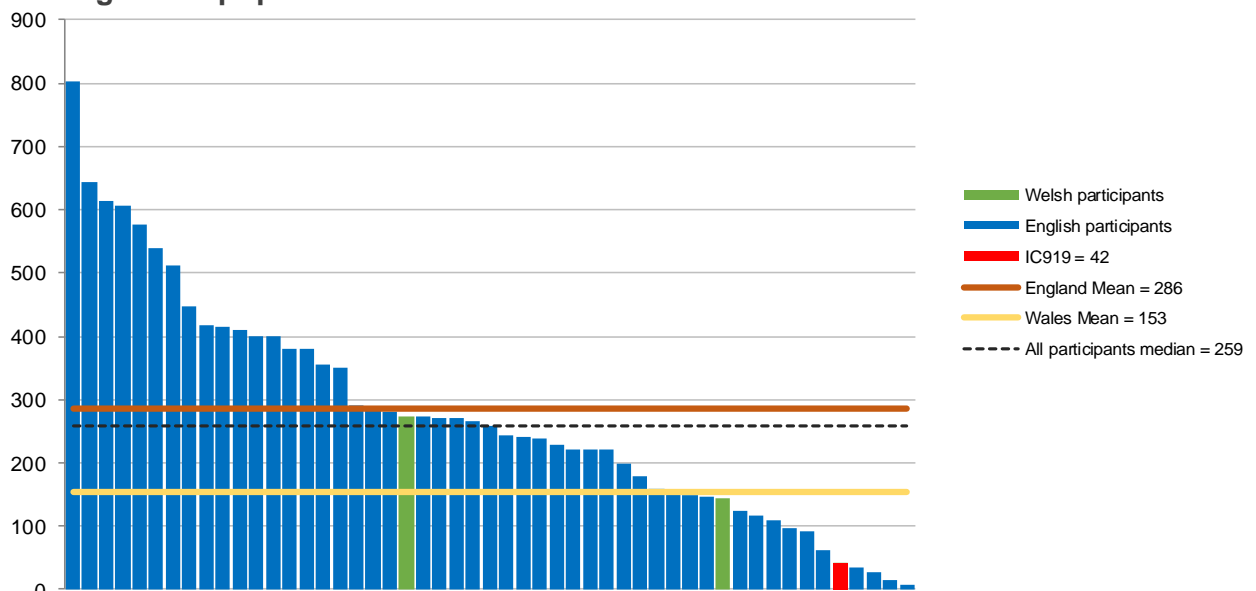


Submission: IC918 - Ceredigion

Spot purchasing may be less effective as access to rehabilitation may be more limited.

The submission response was considerably above average with a value of 50% compared to the median value from all participants, which was 16%.

Number of referrals for bed based intermediate care services per 100,000 registered population

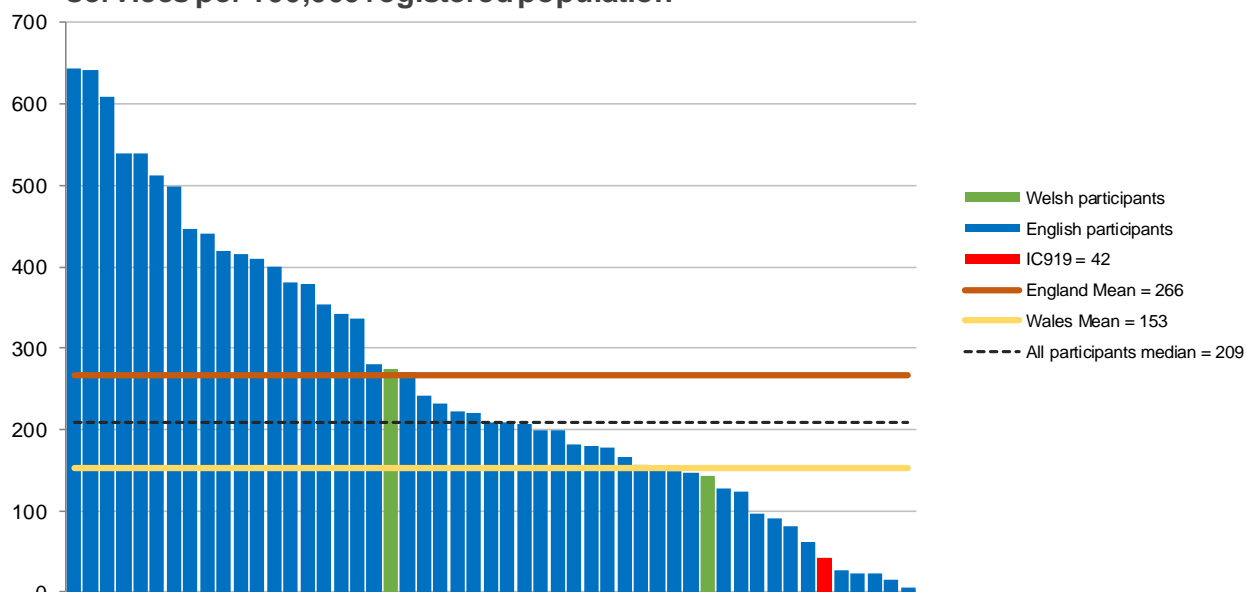


Submission: IC919 - Pembrokeshire

Low levels of activity may reflect the opportunity for the services to have greater impact.

The submission response was considerably below average with a value of 42 compared to the median value from all participants, which was 259.

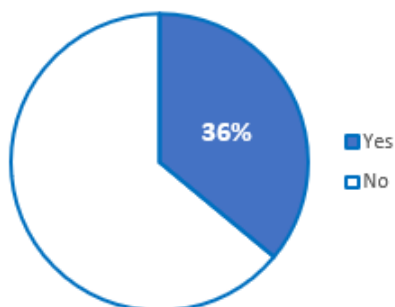
Number of new assessments carried out by bed based intermediate care services per 100,000 registered population



Submission: IC919 - Pembrokeshire

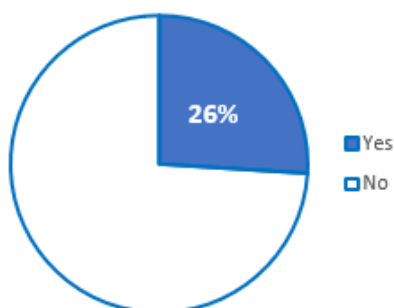
Low levels of activity may reflect the opportunity for the services to have greater impact. The submission response was considerably below average with a value of 42 compared to the median value from all participants, which was 209.

Is there a single intermediate care manager co-ordinating all intermediate care provision across the area?



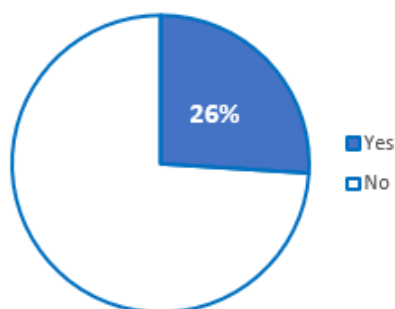
Submissions: Ceredigion
Carmarthenshire
Response: No (x2)

Is there a shared electronic patient record accessed & updated by all intermediate care services?



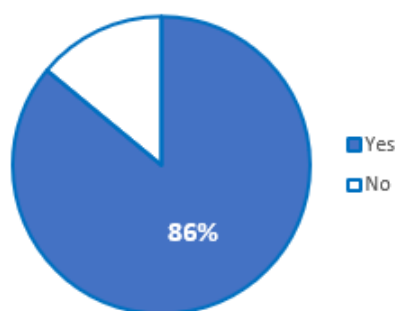
Submissions: Ceredigion
Carmarthenshire
Pembrokeshire
Response: No (x3)

Is there a comprehensive shared paper patient record accessed & updated by all intermediate care services?



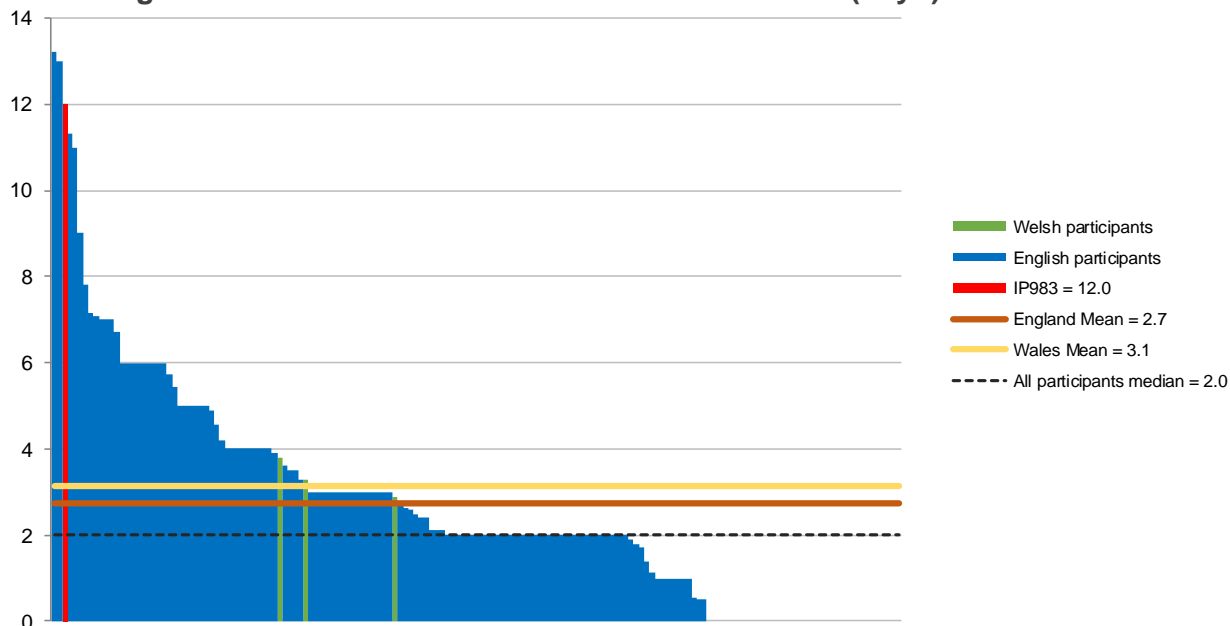
Submissions: Ceredigion
Carmarthenshire
Pembrokeshire
Response: No (x3)

Is crisis response intermediate care commissioned in the area?



Submission: Pembrokeshire
Response: No

Average time from referral to commencement of service (days)- bed based

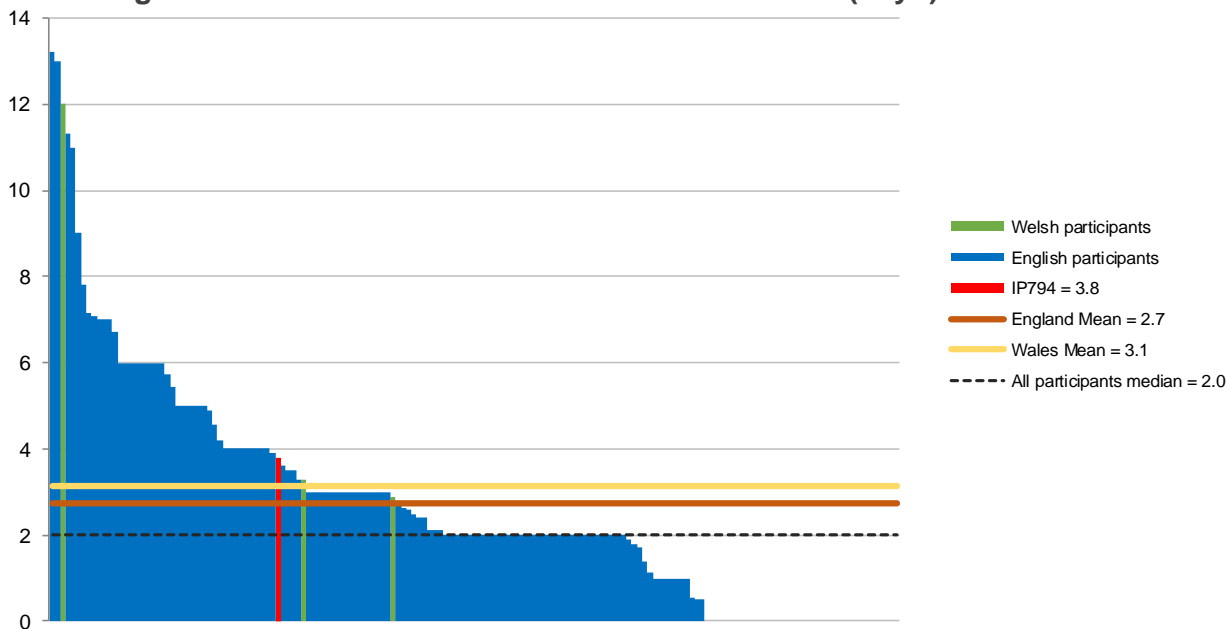


Submission: IP983 - Community Hospitals - (Carmarthenshire)

More timely commencement of service is connected to better outcomes.

The submission response was one of the highest values with a value of 12.0 days compared to the median value from all participants, which was 2.0 days.

Average time from referral to commencement of service(days)- bed based

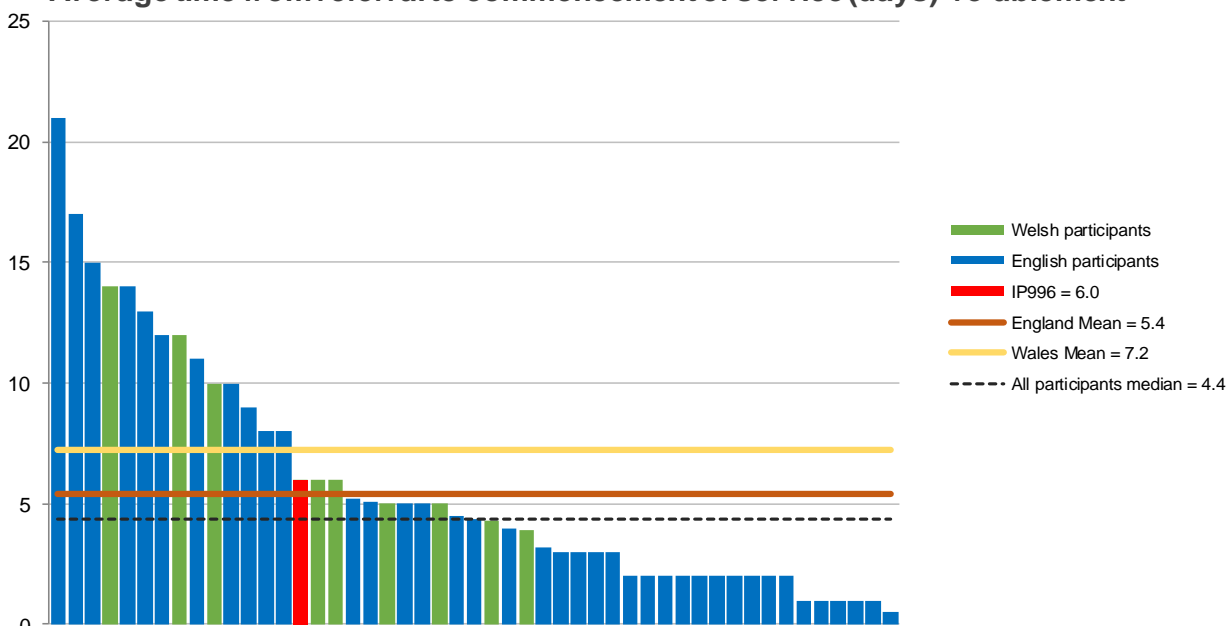


Submission: IP794 - Interim placement scheme (Ceredigion)

More timely commencement of service is connected to better outcomes.

The submission response was above average with a value of 3.8 days compared to the median value from all participants, which was 2.0 days.

Average time from referral to commencement of service(days)- re-ablement

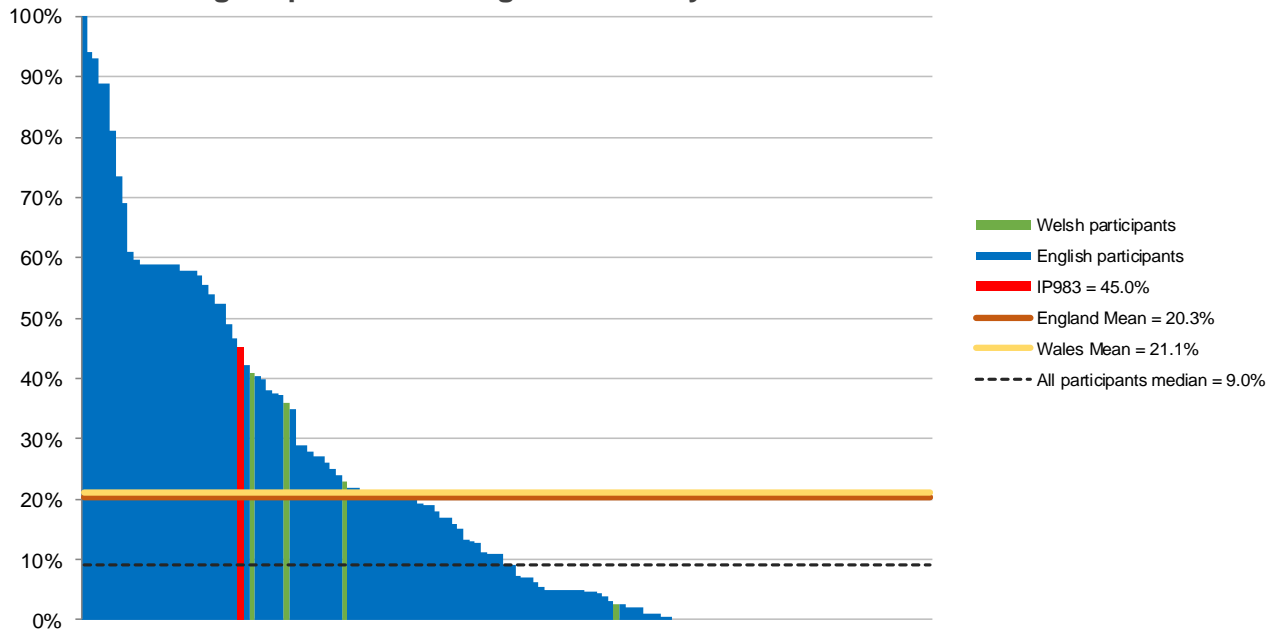


Submission: IP996 - Reablement (Carmarthenshire)

More timely commencement of service is connected to better outcomes.

The submission response was above average with a value of 6.0 days compared to the median value from all participants, which was 4.4 days.

Percentage of patients waiting over two days for the IC service - bed based

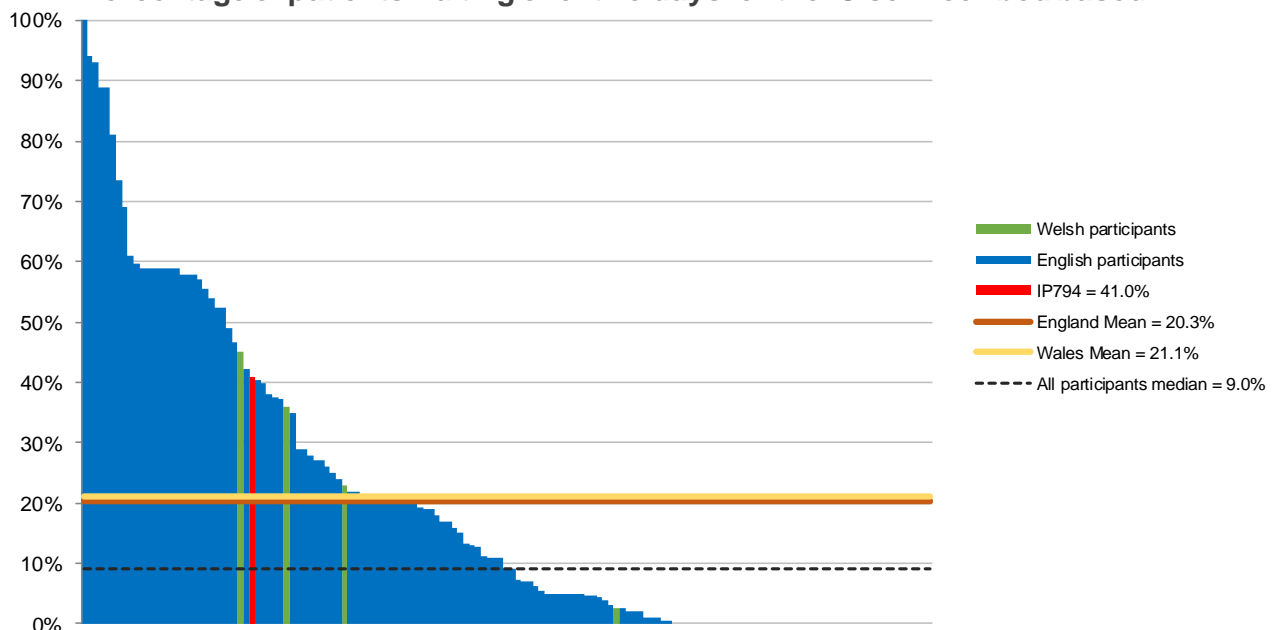


Submission: IP983 - Community Hospitals - (Carmarthenshire)

More timely commencement of service is connected to better outcomes.

The submission response was considerably above average with a value of 45.0% compared to the median value from all participants, which was 9.0%.

Percentage of patients waiting over two days for the IC service - bed based

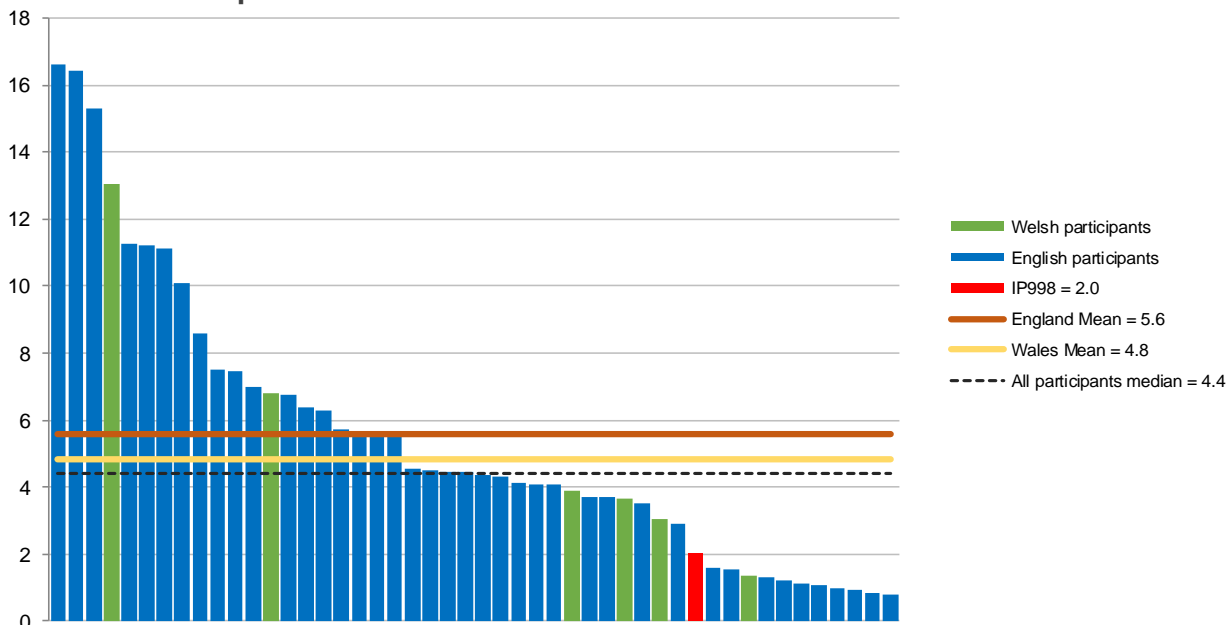


Submission: IP794 - Interim placement scheme (Ceredigion)

More timely commencement of service is connected to better outcomes.

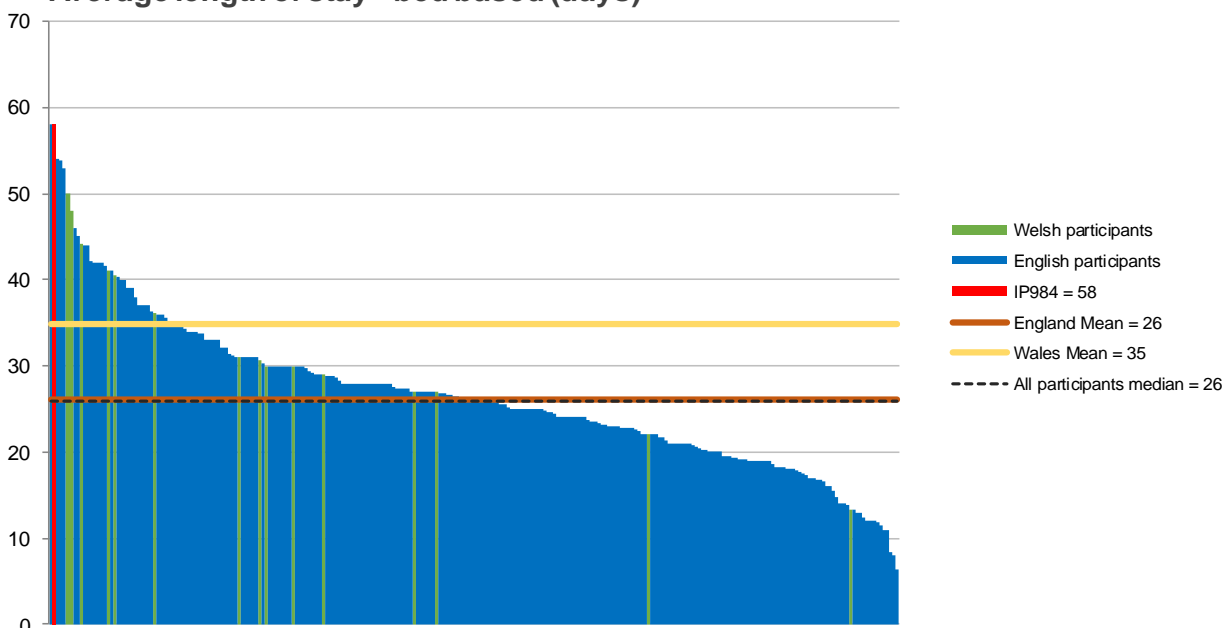
The submission response was considerably above average with a value of 41.0% compared to the median value from all participants, which was 9.0%.

Clinical WTE per 100 service users - re-ablement



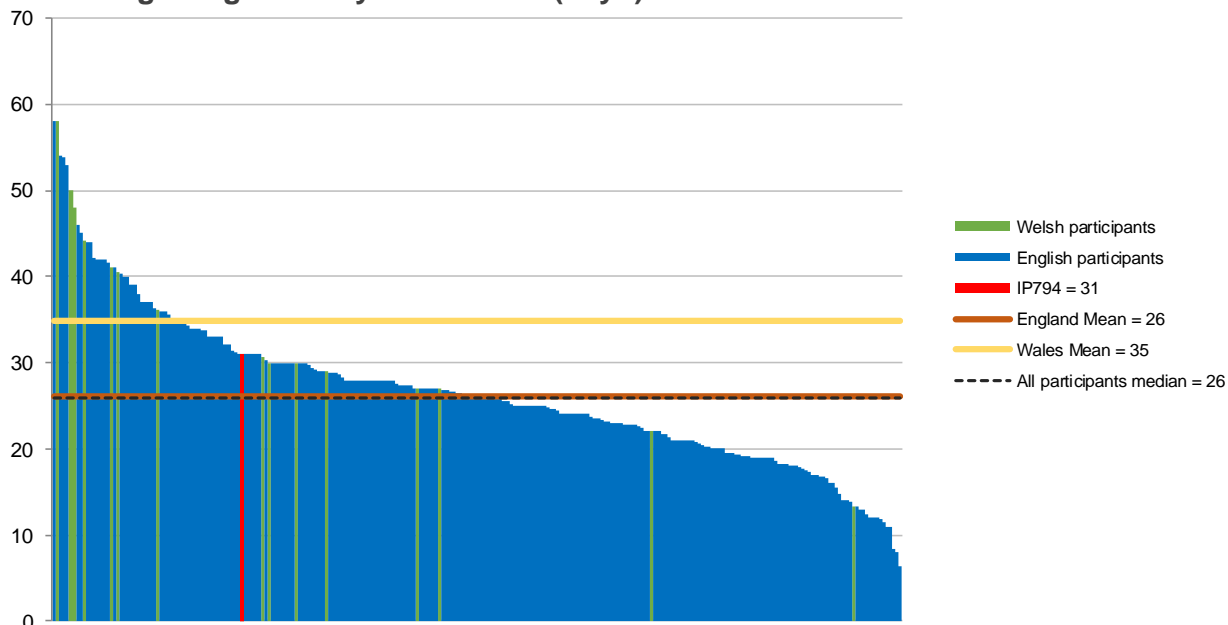
Submission: IP998 - Core Community Resource Team / Targeted Intervention Team (Ceredigion)
 Sufficient staffing levels are important for effective service delivery.
 The submission response was below average with a value of 2.0 compared to the median value from all participants, which was 4.4.

Average length of stay - bed based (days)



Submission: IP984 - Convalescence (Carmarthenshire)
 Longer average lengths of stay should be investigated, to understand whether patient outcomes are being maximised.
 The submission response was one of the highest values with a value of 58 days compared to the median value from all participants, which was 26 days.

Average length of stay - bed based (days)

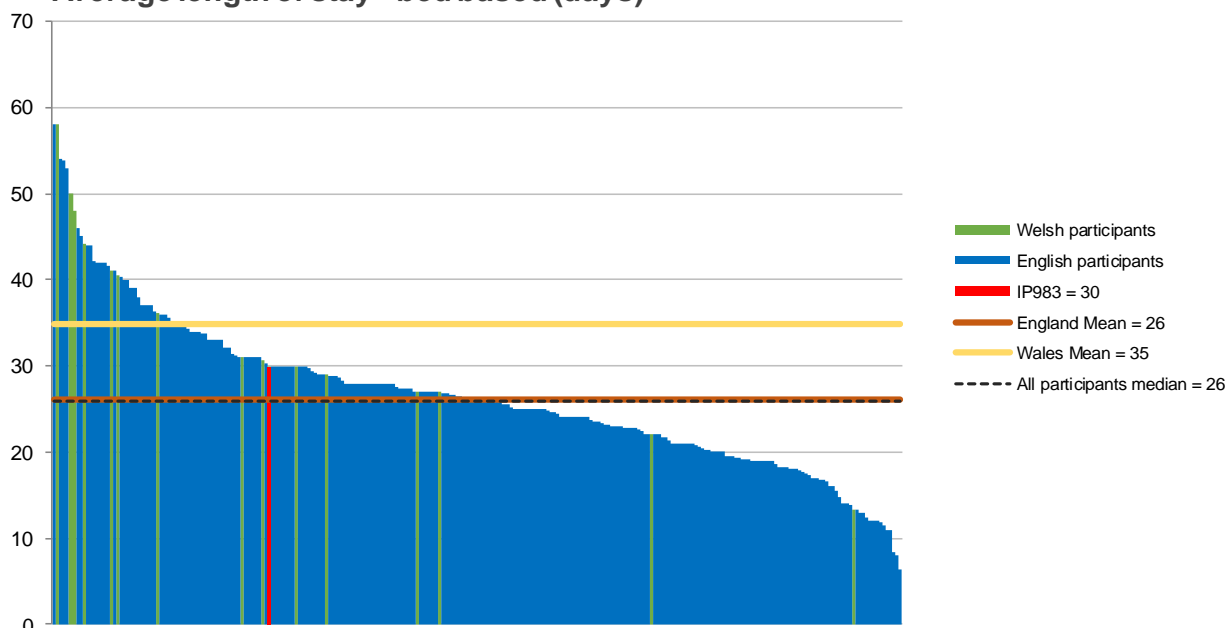


Submission: IP794 - Interim placement scheme (Ceredigion)

Longer average lengths of stay should be investigated, to understand whether patient outcomes are being maximised.

The submission response was above average with a value of 31 days compared to the median value from all participants, which was 26 days.

Average length of stay - bed based (days)



Submission: IP983 - Community Hospitals - (Carmarthenshire)

Longer average lengths of stay should be investigated, to understand whether patient outcomes are being maximised.

The submission response was above average with a value of 30 days compared to the median value from all participants, which was 26 days.

Service Improvement Methodologies

A wide range of service improvement methodologies are used across the NHS and the best methodologies to use in any particular case will depend on the specifics of the service and colleagues involved.

NHS Improvement has put together a useful collection of service improvement resources grouped by type of approach.

Quality, service improvement and redesign (QSIR) tools by type of approach

<https://improvement.nhs.uk/resources/quality-service-improvement-and-redesign-qsir-tools-type-approach/>

The resources are grouped under the following headings and may appear in more than one category:

- **Analytical tools:** e.g. Balanced scorecard, root cause analysis using five whys, process mapping, pareto analysis.
- **Communication:** e.g. Communications matrix, healthcare leadership model, managing conflict, partnership working with health service users.
- **People and change:** e.g. Role redesign, responsibility charting, sustaining momentum.
- **Creativity:** e.g. Brainstorming, fresh eyes, bullet proofing
- **Project management:** e.g. 30/60/90 day cycles, project initiation documents, issues and risk management.
- **Commissioning:** e.g. Demand and capacity, performance management, stakeholder analysis
- **Lean:** Tools and techniques related to 'lean' principles of reducing waste and improving flow and productivity. E.g. Ohno's eight wastes.
- **Six Sigma:** Tools and techniques related to 'six sigma' principles of improving processes for increased reliability and reduced variation. E.g. Cause and effect / fishbone diagram.
- **Reduce variation:** e.g. Theory of constraints, SBAR communication tool.
- **Higher reliability:** e.g. Reliable design, sustainability model.
- **Clinical systems improvement:** e.g. Ambulatory emergency care, same day elective treatment day surgery.

UHB Participant Codes 2018



| ABM UHB | AB UHB | BC UHB | C&V UHB | CT UHB | HD UHB | P THB |
|----------------------------------|----------------|----------------------------------|----------------|----------------|-------------------------|-------|
| EC181 EC244 | EC225 EC178 | EC549 EC551 EC554 | EC171 | EC422 EC423 | EC519 EC517 EC516 | |
| | MF104 MF103 | MF112 MF111 MF110 | | MF121 MF122 | | |
| OU101 OU108 OU105 OU103 | OU144 | OU102 | OU124 | OU158 | OU186 | OU187 |
| PH026 | | PH049 PH149 PH147 PH148 | PH103 | PH086 | PH183 | |
| RX081 TH415 TH414 | RX062 TH275 | | RX047 TH171 | RX099 TH412 | RX100 TH115 | |



| | | | | | | |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| PC140 UC419 UC418 | PC125 UC420 | PC103 UC422 | PC116 UC171 | PC131 UC396 | PC142 UC428 | PC139 UC215 |
|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|



| | | | | | | |
|--|---|----------------|--|--|--|--|
| | CS454 CS452 CS451 CS453 CS455 | CS462 CS461 | | | | |
|--|---|----------------|--|--|--|--|



| | | | | | | |
|-------------------------|-------------------------|-------------------------|----------------|--------------------------|-------------------------|----------------|
| CAM174 LD066 MH01 | CAM217 LD046 MH55 | CAM175 LD074 MH67 | CAM313 MH51 | CAM241 CAM242 MH58 | CAM190 LD101 MH59 | CAM216 MH71 |
|-------------------------|-------------------------|-------------------------|----------------|--------------------------|-------------------------|----------------|



| | | | | | | |
|--|---|---|--|-------------------------|--|----------------|
| | IC101 | IC106 | IC956 | IC915 | IC917 IC919 IC918 | |
| | IC677 IC676 IC666 IC681 IC961 IC679 IC036 IC680 IC678 IC665 IC670 IC667 IC685 IC620 IC668 IC686 IC693 | IC540 IC514 IC064 IC528 IC066 IC513 IC074 | IC894 IC885 IC235 IC237 IC966 IC965 | IC887 IC958 IC957 | IC891 IC995 IC996 IC998 IC983 IC794 IC896 IC984 | IC277 IC674 |

Key to project codes: EC – Emergency Care, MF – Managing Frailty, OU – Outpatients, PH – Pharmacy, RX – Radiology, TH – Theatres, PC – Planned Care, UC – Urgent Care, CS – Community Services, CAM – CAMHS, LD – Learning Disabilities, MH – Mental Health, IC – Intermediate Care.

The codes can be used using the toolkits available via the [members' area](#) of the Network website. Please contact Emma Puce (e.puce1@nhs.net) if you require a login or have any other queries.

2019/10 NHSBN Work Programme

The Network's comprehensive work programme for 2019/20 is designed to support members in meeting the challenges facing the National Health Service. The work programme has been developed in consultation with the sector-based reference groups and feedback from the annual member survey to ensure continued relevance to members. The projects will cover workstreams including out of hospital care, urgent and emergency care, learning disability, mental health and tackling unwarranted variation. The programme will provide evidence-based insight to support members, to make informed investment decisions and identify improvement opportunities.

The 2019/20 work programme will consist of the following topic areas:

Acute services

- Emergency Care
- Managing Frailty with DToC
- Pharmacy
- Outpatients
- Acute Therapies

Mental Health services

- Inpatient and Community
- CAMHS
- Learning Disabilities

Community services

- Community Services (25 services)
- Community indicators
- Community Hospitals

Commissioning

- Urgent Care

Whole System

- New project to benchmark population health and whole system allocation of resource

In addition to the core work programme, the Network delivers the National Audit of Intermediate Care and National Audit of Care at the End of Life and a range of commissioned work for national bodies.

Participation in the Network work programme will enable to you to:

- Access comprehensive evidence to support you in meeting National and local challenges and opportunities.
- Combine benchmarked information with good practice to identify key areas of service and quality improvement.
- Understand the allocation of resources between services and sectors and tackle unwarranted variation.
- Share best practice and champion your local services.

As a member of the NHS Benchmarking Network, and participant in the benchmarking projects, you can access:

- An interactive online toolkit, allowing you to benchmark your service across hundreds of metrics
- A bespoke dashboard report outlining key metrics, and highlighting your reported positions
- A high-level report outlining key messages nationally
- A good practice compendium of information supplied by member participants.
- Free attendance at annual conferences, accessing presentations on project key findings, from national policy leads and members
- Good practice case studies on how members use the benchmarking to improve service delivery
- Utilise tangible, validated and timely evidence to inform and support contract discussions.

DISCUSSION

The key areas noted from the Opportunity Report from NHS Benchmarking Network are summarised here:

Emergency Care

- Above average use of bank and agency staff
- Low Consultant numbers

Outpatients

- High number of overdue follow ups
- High sickness rate –nurses

Pharmacy and Medicines Optimisation

- Low percentage of pharmacist time spent on clinical activity
- High stock levels
- High levels of MRSA and C. diff

Radiology

- Below average inpatient x-rays performed on day of request
- Above average use of locum/agency staff

Operating Theatres

- Below average finish timeliness
- High turnaround time

Planned Care

- High levels of readmissions
- Above average spend on elective admissions

Urgent Care

- High levels of ED attendances

Child and Adolescent Mental Health Services (CAMHS)

- Below average community caseload
- Above average number of patients on waiting list

Learning Disabilities

- High levels of self-harm

Mental Health Inpatient and Community Services

- High emergency readmissions
- High bed occupancy

National Audit of Intermediate Care

- Below average spend on intermediate care
- Low levels of intermediate care activity

Many of the areas identified above are issues that are longstanding and intractable. For example, high costs of Emergency Care staffing through use of agency and bank staff are known and understood and despite best efforts over recent years remain. Similarly, the high levels of cost attributable to the current model of care for patients with a learning disability or who are mentally ill were already understood, and informed the creation of the Transforming Mental Health strategy. Some issues, however, are likely to be susceptible to concerted management effort to drive improvements in performance and efficiency. An example is theatre turnaround times – better performance in this area will see more patients treated per theatre session, in turn driving down waiting lists, outsourcing and potential breaches of RTT targets. The potential savings from the areas of opportunity are shown overleaf.

Benchmarking Opportunities

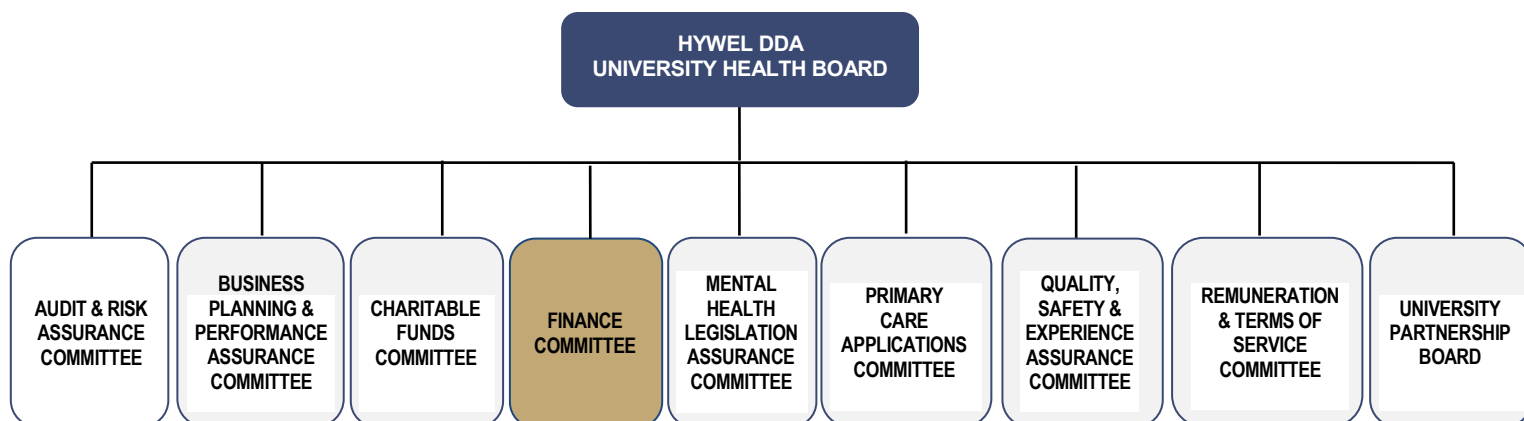
| Page | NHS Benchmarking | Area | Option 1 - achieve the performance of the average Welsh Health Board £ | Option 2 - achieve the performance of the average English and Welsh provider £ | Comment |
|------|-------------------------------------|---|--|--|---|
| 9 | Emergency Care | Percentage of pay budget spent on bank and agency staff | 91,797 | 72,126 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM |
| 10 | Emergency Care | Consultants (WTE) per 100,000 ED attendances - Withybush Hospital | -161,153 | -229,446 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM, |
| 11 | Emergency Care | Consultants (WTE) per 100,000 ED attendances - Glangwili Hospital | -204,287 | -278,131 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM, |
| 11 | Emergency Care | Consultants (WTE) per 100,000 ED attendances - Bronglais Hospital | -240,131 | -286,889 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM, |
| 20 | Pharmacy and Medicines Optimisation | Average number of days medicines stock physically held by pharmacy | 1,274,487 | | Option 1 - reduction in stock |
| 21 | Pharmacy and Medicines Optimisation | Number of cases of MRSA bloodstream infection per 100,000 bed days | 29,232 | 77,952 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM |
| 21 | Pharmacy and Medicines Optimisation | Number of cases of C.diff (organisation attributable) per 100,000 bed days | 157,920 | 657,342 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM |
| 25 | Radiology | Percentage of pay costs spent on locum/agency staff | 192,112 | 207,301 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM |
| 28 | Operating Theatres | Turnaround time (T&O)(minutes) | 0 | 4,000,000 | Stepped cost - move from 4 to 5 operations per theatre per day |
| 29 | Operating Theatres | Percentage of cases outsourced | 519,644 | N/A | Option 1 - savings from undertaking work internally |
| 30 | Operating Theatres | | N/A | N/A | |
| 31 | Operating Theatres | | N/A | N/A | |
| 32 | Operating Theatres | | N/A | N/A | |
| 33 | Operating Theatres | Total spend on elective admissions per 100,000 registered population | 1,284,884 | 9,480,583 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM |
| 36 | Urgent Care | Emergency admissions per 100,000 registered population | N/A | 2,067,423 | Option 2 - reduction to APM |
| 37 | Urgent Care | Total number of contacts in district nursing services per 100,000 registered population | 6,300,000 | 0 | Based on average salary costs of £35k |
| 38 | Urgent Care | Total expenditure on mental health per 100,000 registered population | N/A | n/a | Spend on mental health is v low in comparison to other providers - not likely to be opportunity to reduce further |
| 43 | Learning Disabilities | Adult inpatient - total costs of service in 2017/18 (including costs and overheads) per 100,000 registered population | 791,455 | 3,269,030 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM |
| 44 | Learning Disabilities | Adult community - total costs of service in 2017/18 (including costs and overheads) per 100,000 registered population (#) | -7,945 | 401,037 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM |

| Page | NHS Benchmarking | Area | Option 1 - achieve the performance of the average Welsh Health Board £ | Option 2 - achieve the performance of the average English and Welsh provider £ | Comment |
|------|--------------------------|---|--|--|--|
| 48 | MH Inpatient & Community | Older adult - mean length of stay (excluding leave) (days) | TBC | TBC | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM |
| 48 | MH Inpatient & Community | Adult acute - Total costs of service in 2017/18 (including corporate costs and overheads) per 10 beds | 0 | 0 | Option 1 - reduction to Wales Mean, Option 2 - reduction to APM |
| 50 | NAIC | Home based (including crisis) spend per 100,000 registered population - Pembrokeshire | | | Still being investigated |
| 51 | NAIC | Bed based IC spend per 100,000 registered population - Pembrokeshire | | | Still being investigated |
| 52 | NAIC | Percentage of beds that are spot purchased - Ceredigion | | | Still being investigated |
| 57 | NAIC | Clinical WTE per 100 service users - re-ablement - Core Community Resource Team/Targeted Intervention Team (Ceredigion) | | | Still being investigated |
| 58 | NAIC | Average length of stay - bed based (days) Interim placement scheme | | | Still being investigated |

Reduction in resource if we achieved average performance

10,028,015

19,438,326



FINANCE COMMITTEE

TERMS OF REFERENCE

| Version | Issued to: | Date | Comments |
|---------|---|------------|-----------|
| V1 | Finance Sub-Committee | 08.11.2017 | Discussed |
| V2 | Finance Sub-Committee | 13.12.2017 | Approved |
| V2 | Business Planning & Performance Assurance Committee | 19.12.2017 | Approved |
| V3 | Finance Sub-Committee | 19.07.2018 | Discussed |
| V4 | Finance Sub-Committee | 23.08.2018 | Discussed |
| V5 | Hywel Dda University Health Board | 27.09.2018 | Approved |
| V6 | Hywel Dda University Health Board | 30.05.2019 | Approved |

FINANCE COMMITTEE

1. Constitution

- 1.1 The Finance Committee has been established as a formal Committee of the Board and constituted from 1st October 2018.

2. Membership

- 2.1 Formal membership of the Committee shall comprise of the following:

| Member |
|--|
| Associate Member of the Board (Chairman) |
| Independent Member (Vice Chairman) |
| Health Board Vice-Chair |
| Independent Member |
| *Invitation extended to the Chair of ARAC to attend (not counted for quoracy purposes) |

- 2.2 The following should attend Committee meetings:

| In Attendance |
|--|
| Chief Executive |
| Deputy Chief Executive/Director of Operations |
| Director of Finance |
| Turnaround Director |
| Other key Executive Directors/Directors to attend as and when the Committee request their attendance |

- 2.3 Membership of the Committee will be reviewed on an annual basis.

3. Quorum and Attendance

- 3.1 A quorum shall consist of no less than two of the membership and must include as a minimum the Chairman or Vice-Chairman of the Committee, and one other Independent Member, together with a third of the In Attendance Members.
- 3.2 The membership of the Committee shall be determined by the Board, based on the recommendation of the UHB Chair, taking into account the balance of skills and expertise necessary to deliver the Committee's remit, and subject to any specific requirements or directions made by the Welsh Government.
- 3.3 Any senior officer of the UHB or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting, to assist with discussions on a particular matter.
- 3.4 The Committee may also co-opt additional independent external "experts" from outside the organisation to contribute to specialised areas of discussion.
- 3.5 Should any officer member be unavailable to attend, they may nominate a deputy with full voting rights to attend in their place subject to the agreement of the Chairman.

- 3.6 The Chair of the UHB reserves the right to attend any of the Committee's meetings as an ex officio member.
- 3.7 The Chairman of the Finance Committee shall have reasonable access to Executive Directors and other relevant senior staff.
- 3.8 The Head of Internal Audit shall have unrestricted and confidential access to the Chairman of the Finance Committee.
- 3.9 The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

Purpose

- 4.1 To scrutinise and provide oversight of financial and the revenue consequences of investment planning (both short term and in relation to longer term sustainability).
- 4.2 Review financial performance, review any areas of financial concern, and report to the Board.
- 4.3 Conduct detailed scrutiny of all aspects of financial performance, the financial implications of major business cases, projects, and proposed investment decisions on behalf of the Board.
- 4.4 Regularly review contracts with key delivery partners.
- 4.5 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, giving early warning on potential performance issues and making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern.

5. Operational Responsibilities and Objectives

- 5.1 Advise the Chair, Chief Executive and Board on all aspects of finance and the revenue implications of investment decisions.
- 5.2 Provide assurance in respect of short, medium and long term financial performance and financial planning.
- 5.3 Seek assurance on the management of principle risks within the BAF and CRR allocated to the Committee (financial risks), and provide assurance to the Board that risks are being managed effectively and report any areas of significant concern e.g. where risk appetite is exceeded, lack of timely action.
- 5.4 Recommend acceptance of risks that can not be brought within the Health Boards risk appetite/tolerance to the Board through the Committee Update Report.
- 5.5 The Finance Committee will provide assurance, raising appropriate concerns and make recommendations to the Board as a consequence of the Committee's role in relation to short term focus, medium term focus and improving financial management, as follows:

Short Term Focus

5.5.1 Undertaking detailed scrutiny of the organisation's overall:

- Monthly, quarterly and year to date financial performance;
- Performance against the savings delivery and the cost improvement programme; assurance over performance against the Capital Resource Limit and cash flow forecasts;
- Oversee and monitor the Health Board's turnaround programme.

5.5.2 Receiving assurances in respect of directorate performance against annual budgets, capital plans and the cost improvement programme and innovation and productivity plans.

5.5.3 Reviewing the future annual revenue and capital budget.

5.5.4 Reviewing the treasury management and working capital policy as required.

Medium Term

5.5.5 Considering and keeping under review the organisation's medium term financial strategy in relation to both revenue and capital risks.

5.5.6 Reviewing financial proposals for major business cases (and investment decisions) and their respective funding sources.

5.5.7 Maintaining oversight of, and obtaining assurances on, the robustness of key income sources and contractual safeguards.

5.5.8 Reviewing major procurements and tenders, such as outsourcing in relation to achieving Referral to Treatment targets.

5.5.9 Commissioning regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money.

5.5.10 Reviewing and monitoring progress against capital plans to be assured over delivery against the Capital Resource Limit.

5.5.11 Reviewing the financial aspects of the estates, medical devices and IM&T strategy, ensuring:

- Appropriate funding arrangements are in place; and the
- Appropriate utilisation of the strategy.

5.5.12 Reviewing any investment/disinvestment strategy, maintaining oversight of the investments and disinvestments, ensuring compliance with policies by:

- Establishing the overall methodology, processes and controls which govern investments and disinvestments, including the prioritisation of decisions;
- Ensuring that robust processes are followed; and
- Evaluating, scrutinising and monitoring subsequent investments/disinvestments.

Improving Financial Management

5.5.13 Developing and implementing a financial management improvement agenda across the organisation.

- 5.6 Subject to the Board's direction and approval, develop and regularly review the financial performance management framework and reporting approach, ensuring it includes meaningful, appropriate and integrated, timely performance data and clear commentary relating to the totality of the services for which the Board is responsible.
- 5.7 Review and approve financial procedures on behalf of the Health Board.
- 5.8 Approve policies within the scope of the Committee.
- 5.9 Agree issues to be escalated to the Board with recommendations for action.

6. Agenda and Papers

- 6.1 The Committee Secretary is to hold an agenda setting meeting with the Chairman and/or the Vice Chairman, at least **three** weeks before the meeting date.
- 6.2 The agenda will be based around the Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year and requests from Committee members. Following approval, the agenda and timetable for papers will be circulated to all Committee members.
- 6.3 All papers must be approved by the Lead/relevant Director.
- 6.4 The agenda and papers for meetings will be distributed **five** working days in advance of the meeting.
- 6.5 The minutes and action log will be circulated to members within **five** working days to check the accuracy.
- 6.6 Members must forward amendments to the Committee Secretary within the next **five** working days. The Committee Secretary will then forward the final version to the Committee Chairman for approval.

7. In Committee

- 7.1 The Committee can operate with an In Committee function to receive updates on the management of sensitive and/or confidential information.

8. Frequency of Meetings

- 8.1 The Committee will meet monthly and shall agree an annual schedule of meetings. Any additional meetings will be arranged as determined by the Chairman of the Committee.
- 8.2 The Chairman of the Committee, in discussion with the Committee Secretary, shall determine the time and the place of meetings of the Committee and procedures of such meetings.

9. Accountability, Responsibility and Authority

- 9.1 The Committee will be accountable to the Board for its performance in exercising the functions set out in these terms of reference.
- 9.2 The Committee shall embed the UHB's vision, corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.
- 9.3 The requirements for the conduct of business as set out in the UHB's Standing Orders are equally applicable to the operation of the Committee.

10. Reporting

- 10.1 The Committee, through its Chairman and members, shall work closely with the Board's other committees, including joint /sub committees and groups to provide advice and assurance to the Board through the:
 - 10.1.1 joint planning and co-ordination of Board and Committee business;
 - 10.1.2 sharing of information.
- 10.2 In doing so, the Committee shall contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.
- 10.3 The Committee may establish sub-committees, groups or task and finish groups to carry out on its behalf specific aspects of Committee business. The Committee will receive an update following each Group's meetings detailing the business undertaken on its behalf.
- 10.4 The Committee Chairman, supported by the Committee Secretary, shall:
 - 10.4.1 Report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes the submission of a Committee update report as well as the presentation of an annual report within 6 weeks of the end of the financial year;
 - 10.4.2 Bring to the Board's specific attention any significant matters under consideration by the Committee.
 - 10.4.3 Ensure appropriate escalation arrangements are in place to alert the UHB Chair, Chief Executive, or Chairmen of other relevant Committees, of any urgent/critical matters that may compromise patient care and affect the operation and/or reputation of the UHB.
- 10.5 The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self assessment and evaluation of the Committee's performance and operation, including that of any sub-committees established.

11. Secretarial Support

- 11.1 The Committee Secretary shall be determined by the Lead Executive Director (Director of Finance).

12. Review Date

- 12.1 These terms of reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board.

| | |
|--|---|
| Enw'r Pwyllgor/Name of Committee: | Strategic Financial Planning Group |
| Cadeirydd y Pwyllgor/Chair of Committee: | Huw Thomas, Director of Finance |
| Cyfnod Adrodd/Reporting Period: | Meetings held on 14 th November 2018, 2 nd May 2019 and 3 rd June 2019 |
| Y Penderfyniadau a'r Materion a Ystyriodd y Pwyllgor/Key Decisions and Matters Considered by the Group: | |
| <ul style="list-style-type: none"> Review of Strategic Financial Planning Groups Terms of Reference – Discussions were held on the Strategic Financial Planning Group's (SFPG) Terms of Reference and its membership. The Group agreed to update the Terms of Reference to reflect the new Health and Care Strategy governance structures and the interaction with the Integrated Enabling Group (IEG). The membership was considered appropriate. The Group approved the SFPG Terms of Reference for onward ratification by the IEG. A Healthier Mid and West Wales – Finance Implications from the Strategy – The Group was updated on the Health and Care Strategy report which had been presented to the Board in November 2018. Following discussions to understand the timing of strategy deliverables and financial and non financial resource requirements within the three Transformation groups, a Summary Strategic Financial Plan schedule, with tasks and allocated responsibilities is currently being developed. This will also assist with the Integrated Medium Term Plan (IMTP) and consolidate Finance function activities. To assist the Group in understanding the potential financial impact of the strategy for prevention and population health, the Director of Public Health will be invited to the next SFPG meeting to outline the medium term plan for prevention and to discuss potential funding to support the work programme. 10 Year Strategic Financial Plan – The requirement for a new financial planning model which would be more informative for clinical leads and other stake holders was raised. The Group was asked to review current systems together with other Business Intelligence options. Governance of the Portfolio Program – the Group received a report explaining that Governance consisted, in the main, of three Programme Delivery Groups and one Enabler Group. Underlying Deficit – Linkage to the Strategy Deliverables – The Group discussed the requirement to understand the underlying deficit in the current financial plan. A paper commissioned by the Medical Director & Director of Clinical Strategy and the Director of Finance identified areas of possible efficiency opportunities. However, it was agreed that further work | |

| |
|---|
| <p>was required to identify potential investment to release these efficiencies. The Chair noted that Welsh Government would be commissioning external consultants to examine Hywel Dda University Health Board's (HDdUHB's) underlying deficit. The Group will engage with and encourage Senior Business Partners and Assistant Directors of Finance to hold guided discussions within their teams and Directorates to consider cost/opportunity modelling.</p> <ul style="list-style-type: none"> • 3 Year Plan, Budget Setting Update & Linkage to A Healthier Mid and West Wales – the Group received a report providing information on the opening annual recurring budget for 2019/20, lessons learnt through the 2019/20 planning cycle, and a timeline for the production on the 2020 plan. • Corporate Risk Register – The Group was asked that the Corporate Risk Register (strategic objective number 10) be updated to reflect the Strategy enabling risk encompassed by the SFPG activities. The SFPG risk register, which has three risks identified, will be a standing item on the SFPG agenda. Two further risks have been considered: <ul style="list-style-type: none"> i) “The lack of detailed understanding of the Health Board’s underlying deficit” will be added to the SFPG risk register. ii) “Determining how an optimal service plan is maintained given strategic environment changes” will be escalated to the IEG for consideration. <p>The SFPG risk register will be presented to the IEG.</p> <ul style="list-style-type: none"> • Value Based Healthcare and Pathway redesign – A discussion took place on the opportunities to integrate Value Based Healthcare work with the strategic tasks. |
| <p>Risgiau Allweddol a Materion Pryder/Key Risks and Issues/Matters of Concern:</p> |
| <ul style="list-style-type: none"> • The Integrated Enabling Group is requested to consider the SFPG Risk Register and confirm whether “determining how an optimal service plan is maintained given strategic environment changes” is considered a risk. |
| <p>Materion y mae angen Ystyriaeth neu Gymeradwyaeth Lefel y Bwrdd ar eu cyfer/Matters Requiring Integrated Enabling Group Level Consideration or Approval:</p> |
| <ul style="list-style-type: none"> • The Integrated Enabling Group to approve the Strategic Financial Planning Group's Terms of Reference. |
| <p>Busnes Cynlluniedig y Pwyllgor ar gyfer y Cyfnod Adrodd Nesaf/Planned Group Business for the Next Reporting Period:</p> |
| <p>Adrodd yn y Dyfodol/Future Reporting:</p> |

- The Group will consider the items on its annual plan and follow up the various actions identified at the SFPG meeting.

Dyddiad y Cyfarfod Nesaf/Date of Next Meeting:

15th July 2019

| | |
|--|---|
| Enw'r Pwyllgor / Name of Committee | Finance Committee |
| Cadeirydd y Pwyllgor/ Chair of Committee: | Michael Hearty, Associate Member |
| Cyfnod Adrodd/ Reporting Period: | Meeting held on 20 th May 2019 |
| Y Penderfyniadau a'r Materion a Ystyriodd y Pwyllgor / Key Decisions and Matters Considered by the Committee: | |
| <p>The Finance Committee has been established to advise the Board on all aspects of finance and the revenue implications of investment decisions. Hywel Dda University Health Board's (HDDUHB's) Finance Committee's primary role is, as such, to provide assurance on financial performance and delivery against Health Board financial plans and objectives and on financial control, giving early warning on potential performance issues and making recommendations for action to continuously improve the financial position of the organisation.</p> <p>This report summarises the work of the Finance Committee at its meeting held on 20th May 2019, with the following highlighted:</p> <ul style="list-style-type: none"> • Finance Committee Outcome of Self-Assessment Of Performance 2018/19 – the Finance Committee Outcome of Self-Assessment of Performance 2018/19 was presented to Committee. The Committee supported the suggested actions by the Corporate Governance Team and the Finance Team and considered any further improvements that could be made to increase the Committee's effectiveness. • Finance Report Month 1 – the Month 1 Finance Report was presented to Committee. The Committee was advised that the Health Board's financial position at the end of Month 1 represented an adverse variance against plan of £0.4m. This position was driven by bed pressures in Unscheduled and Critical Care. The Health Board's control total is £25m and plans are being developed to achieve this position. This is a required improvement of £4.8m on the Health Board's Annual Plan deficit of £29.8m, which will require the identification of further actionable savings schemes • Turnaround Report/Savings Plan Month 1 – the Month 1 Turnaround and Savings Plan Report was presented to Committee. The Committee took an assurance from the Holding to Account (HTA) scrutiny processes in place to recognise any non-recurrent and savings efficiencies. The Committee noted the common themes running through each of the schemes, whilst suggesting these should be viewed from an overall perspective in order to gain oversight of cost and efficiency. The Committee also requested notice of when to expect cause for concern in the delivery of schemes which would be documented in future reports. • Financial Projections Report – the Financial Projections Report was presented to Committee. The Committee was advised that variance to breakeven requires a £2.5m against budget in month. With the addition of operational pressures and | |

the impact of the Aseptic Unit closure the total variance is £2.9m in month. The end of year projection is £39.6m.

- **Referral to Treatment Time (RTT) Month 1 Report** – the Referral to Treatment Time (RTT) Month 1 Report was presented to Committee. The Committee was advised that total forecast cost of delivery for 2019/20 is approximately £5.5m which is composed of a mix of outsourcing and internal spend. The Health Board is currently within plan at Month 1 spend with £1.3m agreed for orthopaedics and ophthalmology.
- **Year End Debrief** – a year end debrief was verbally presented to Committee. The Committee was advised that the focus of the exercise is to establish lessons learned from the previous year to define processes and budget setting for 2019/20.
- **External Finance Review** – a verbal update on the External Finance Review was presented to Committee. The Committee was advised that that the draft specification for the external finance review indicates that a report is required, to include an action plan, to be submitted to Welsh Government by the end of August 2019. It was noted that a HDdUHB representative will be on the panel to appoint the firm of consultants to carry out the review.
- **Addressing Recommendations from the Deloitte Zero Based Review** – recommendations from the Deloitte Zero Based Review were presented to Committee. The Committee was advised that the review made four recommendations on what needs to be implemented to progress opportunities to improve efficiencies in the short, medium and longer term. The Committee was assured that the external finance review, as detailed above, would determine whether these recommendations have been implemented.
- **Corporate Risks** – the Corporate Risk report was presented to Committee. The Committee was advised that risk 630 will be changed and be replaced with a new risk which is currently in draft form. The Committee was assured that there are no significant changes from 2018/19.
- **Finance Operational Risks** – the Finance Operational Risk report was presented to Committee. The Committee was advised that the finance team had been in receipt of risk management training from the Assurance and Risk team which has enabled finance colleagues to scrutinise how finance risks are being logged. Further work is required to ensure consistency in the logging of risks against the Finance impact domain.
- **Winter Planning 2018/19** – the Winter Planning 2018/19 report was presented to Committee detailing the processes that had been put in place in 2018/19. It was noted that a comprehensive winter review document regarding the wider plan had been presented to Board on 30th May 2019.
- **Deep-dive into Medicines Management and Aseptic Unit** – the Committee received a presentation on a deep dive into Medicines Management and the Aseptic Unit in Glangwili General Hospital. The Committee was advised of the

work underway including Horizon Scanning, No Cheaper Stock Obtainable (NCSO) and the impact on repeat prescribing, and the provision of Aseptic Technical services and the associated risks and mitigation plans in place.

- **Draft Annual Accounts 2018/19** – the Draft Annual Accounts 2018/19, presented to Audit and Risk Assurance Committee (ARAC) at its meeting held on 7th May 2019, were presented to Committee for information.
- **Impact of International Financial Reporting Standard (IFRS) 16** – the Impact of IFRS 16 report was presented to Committee. The Committee was advised that the new accounting standard will be effective from 1st April 2020 and sets out the principles for the recognition, measurement, presentation and disclosure of leases, and replaces previous accounting standards related to leases. The Committee was informed of the work being undertaken in relation to the Impact of International Financial Reporting Standard (IFRS) 16.
- **Defining Value-based Healthcare in the NHS** – the Defining Value-based Healthcare (VBHC) in the NHS report was presented to Committee. The Committee was advised that the Health Board's VBHC strategy had been agreed by Executive Team in November 2018 and a VBHC Group established in January 2019, chaired by the Medical Director and Director of Clinical Strategy, with finance team representation within its membership.
- **Financial Efficiency Framework** – the Financial Efficiency Framework was presented to Committee which all health boards across Wales are required to engage with and to incorporate the outcomes into their planning processes. The Committee was advised that significant work is underway to identify areas of highest opportunity and to refresh analysis undertaken in 2018/19.
- **Corporate Scheme of Financial Delegation** – the Committee was advised of a proposed change regarding limits for the Director of Finance under Charitable Funds to be increased from £5,000 to £25,000 in line with the current limits assigned to Executive Directors. The Committee recommended the proposed change to the Corporate Scheme of Financial Delegation to the Board for approval.

Materion y mae angen Ystyriaeth neu Gymeradwyaeth Lefel y Bwrdd are u cyfer /

Matters Requiring Board Level Consideration or Approval:

- The Board, at its meeting on 25th July 2019, is asked to approve the proposed change to the Corporate Scheme of Financial Delegation, attached at Appendix 1.

Risgiau Allweddol a Materion Pryder /

Key Risks and Issues/ Matters of Concern:

- Continuing issues with the Aseptic Unit, Glangwili General Hospital, represent an overall risk to the Health Board's Financial Plan.
- Delivery of 2019/20 Savings Plan.

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|---|
| Busnes Cynlluniedig y Pwyllgor ar gyfer y Cyfnod Adrodd Nesaf / Planned Committee Business for the Next Reporting Period: |
| Adrodd yn y Dyfodol / Future Reporting: |
| In addition to the standing agenda items, the next Finance Committee meeting will include reports relating to the Medium Term Financial Output, Benchmarking Network Summary Report. In addition to the main meeting there will be a strategic workshop including presentations relating to Implementing Value, Implementing Contracting and Implementing Financial Strategy. |
| Dyddiad y Cyfarfod Nesaf / Date of Next Meeting: |
| 25 th June 2019 |

Hywel Dda University Health Board
Corporate Scheme of Financial
Delegation

| Approval | Budget changes | General expenditure | Healthcare agreements | Capital | | | Specialist | | | | Charitable Funds | | Single Tender Actions | Staffing | |
|---|--|--|--|---|---|---|---|---|---|--|--------------------------------------|---------------------------------|---|--|--|
| | Any expenditure approval must be within funding limits of approved budgets. | | | | | | | | | | | | | | |
| | Approval limits are cumulative, and therefore higher level approval limits must be supported by lower level approvals. | | | | | | | | | | | | | | |
| | Executive Directors to determine the scheme of delegation within their structures. | | | | | | | | | | | | | | |
| | Budget transfers between budget managers | Individual orders / requisitions / annual order value or total contract value (unless otherwise noted) | Healthcare agreements (NHS and private sector, annual value) (Primary care contracts approved by Board) | Building and engineering orders; related consultancy support (individual contract commitment) | Medical devices; plant; machinery; related consultancy support (individual contract commitment) | IM&T; telecoms; systems; software; related consultancy (individual contract commitment) | Property or equipment leases (granting or terminating leases; annual value) | External consultancy support (total contract value for duration of service) | Losses/special payments (Terminations approved by Director of W&OD, VERS by RATS Committee) | New drugs if more expensive than the current alternative (value based on annual costs) | Locally held funds (total bid value) | General funds (total bid value) | All values | New posts (increase establishment) | Agency and waiting list initiatives (all values) |
| WG (in advance of contract) | No requirement | £1m plus | £1m plus (Private Sector) | £1m plus | £1m plus | £1m plus | | £1m plus | See Manual for guidance as special rules apply for certain losses and ex gratia payments | | | | | | |
| Board following CEO approval | £1m plus | £1m plus | NHS: Over £10m approved in advanced, below £10m retrospectively reported. Private: Over £1m in advance. | £1m plus | £1m plus | £1m plus | £0.5m plus any which need signing under seal (Reservation of power) | £25k plus | | £1m plus | | | | | |
| Audit Committee | | | | | | | | | | | | | Retrospective reporting | | |
| Charitable Funds Committee | | | | | | | | | | | Over £50k | Over £50k | | | |
| Charitable Funds Sub Committee | | | | | | | | | | | Over £5k | Over £5k | | | |
| Capital, Estates and IM&T Sub Committee | | | | Capital projects/schemes must be approved by the Committee before sign off via the Scheme of Delegation and in some cases capital expenditure limits (noted on the Oracle approval hierarchy) may be in excess of the scheme of delegation limits | | | | | | | | | | | |
| CEO through ET | £0.5m to £1m | £0.5m to £1m | NHS: New or variation to £10m Private: £0.5m to £1m | £0.5m to £1m | £0.5m to £1m | £0.5m to £1m | £250k to £0.5m | £25k plus | £0.5m to £1m | £0.5m to £1m | | | As escalated by DoF | Can approve new posts across LHB | |
| Any 2 of CEO, COO and DoF (must incl DoF) | | Up to £1m | NHS: New or variation to £5m Private: to £0.5m | | | | | Up to £25k | | Up to £0.5m | | | As escalated by DoF | | |
| DoF | Up to £0.5m | Up to £0.5m | Up to £0.5m | Up to £0.5m | Up to £0.5m | Up to £0.5m | Up to £250m | Up to £25k | Up to £0.5m | | Up to £5k | Up to £5k | As escalated by Board Secretary or DDoF | Can approve new posts within own structure | Must approve in advance in own structure |
| Executive Directors (unless noted below) | | Up to £100k | | | | | | Up to £25k | | | Up to £25k | Up to £25k | Waivers must be approved by Board Secretary or DDoF | | |

| | | | | | | | | | | | | | | | |
|------------------------|--|--|-------------|-------------|-------------|-------------|-------------|------------|---|--|-----------|--|--|--|--|
| COO | | Up to £100k | Up to £100k | Up to £100k | Up to £100k | | Up to £100k | Up to £25k | | | | | | | |
| Director of Planning | | Up to £100k | Up to £0.5m | Up to £0.5m | Up to £0.5m | Up to £0.5m | Up to £100k | Up to £25k | | | | | | | |
| Medical Director | | Up to £100k | | | | | | Up to £25k | | | | | | | |
| Director of W&OD | | Up to £100k | | | | | | Up to £25k | Terminations to £50k (beyond which to WG) | | | | | | |
| Deputy COO | | Up to £100k | Up to £100k | | Up to £100k | Up to £100k | | | | | | | | | |
| Director of Estates | | Up to £75k | | Up to £75k | | Up to £75k | | | | | | | | | |
| County Directors | | As delegated by the respective Exec Director | | | | | | | | | Up to £5k | | | | |
| General Managers | | As delegated by the respective Exec Director | | | | | | | | | Up to £5k | | | | |
| Claims/Redress Manager | | | | | | | | | Up to £5k | | | | | | |
| Authorised fund holder | | As delegated by the respective Exec Director | | | | | | | | | Up to £5k | | | | |

HYWEL DDA UNIVERSITY HEALTH BOARD – FINANCE COMMITTEE

The Committee meets on a monthly basis. The following table sets out the Committee's business for the remainder of 2019/20, including standing agenda items (denoted by *).

| Agenda Item/Issue | Lead | 25 th April 2019 | 20 th May 2019 | 25 th June 2019 | 22 nd July 2019 | 22 nd Aug 2019 | 24 th Sept 2019 | 21 st Oct 2019 | 26 th Nov 2019 | 19 th Dec 2019 | 28 th Jan 2020 | 27 th Feb 2020 | 24 th March 2020 |
|---|------|-----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| GOVERNANCE | | | | | | | | | | | | | |
| Apologies* | MH | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Declarations of interests* | All | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Minutes from previous meeting* | MH | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Matters Arising and Table of Actions* | MH | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Annual Review of TORs/membership | MH | ✓ | | | | | | | | | | | |
| Finance Committee Outcome of Self-Assessment of Performance | MH | | ✓ | | | | | | | | | | |
| Finance Committee Annual Report | MH | ✓ | | | | | | | | | | | |
| Reflective Summary | HT | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| FOR DISCUSSION | | | | | | | | | | | | | |
| Finance Report Month* | FP | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financial Projections Report | HT | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Financial plan development and draft financial plan | HT | | | ✓ (draft) | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Turnaround Report/ Savings Plan Month* | AC | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| RTT Month* | KJ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

HYWEL DDA UNIVERSITY HEALTH BOARD – FINANCE COMMITTEE

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|---|--------|-----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Establishment Control* | LG | ✓ | | ✓ | ✓ | ✓ | ✓ | | | | | | |
| Capital Financial Management | HT | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Contracting Update | HT | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Workshop Session: • Finance Team Strategy | HT | | | ✓ ✓ | | | ✓ | | | ✓ | | | ✓ |
| External Finance Review* | HT | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Year End Debrief | HT | | ✓ | | | | | | | | | | |
| Addressing Recommendations from the Deloitte ZBR | HT | | ✓ | | | | | | | | | | |
| ASSURANCE | | | | | | | | | | | | | |
| Corporate Risks | HT | | ✓ | | | ✓ | | | ✓ | | | ✓ | |
| Finance Operational Risks | HT | | ✓ | | | ✓ | | | ✓ | | | ✓ | |
| Winter Planning 2019/20 | JT | | ✓ | | | | | | | | | | |
| Deep Dive into Medicines Management/Aseptic Unit | JPJ | | ✓ | | | | | | | | | | |
| Deep Dive into Continuing Health Care | LRD/JP | | | | ✓ | | | | | | | | |
| FOR APPROVAL | | | | | | | | | | | | | |
| Annual Financial Plan/Enabling Plan | HT | | | | | | | | | ✓ | | | |
| FOR INFORMATION | | | | | | | | | | | | | |
| Scheme of Delegation | HT | | ✓ | | | | | ✓ | | | | | |

HYWEL DDA UNIVERSITY HEALTH BOARD – FINANCE COMMITTEE

The Committee meets on a monthly basis. The following table sets out the Committee's business for the remainder of 2019/20, including standing agenda items (denoted by *).

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|---|------|-----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Finance Committee Annual Workplan* | MH | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Update Reports to Board* | MH | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Strategic Financial Planning Group Update Report to Integrated Enabling Group | | | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Draft Annual Accounts 2018/19 | HT | | ✓ | | | | | | | | | | |
| Benchmarking Network Summary Report | HT | | | ✓ | | | | | | | | | |
| Any Other Business* | | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| ADMINISTRATION | | | | | | | | | | | | | |
| Agenda setting meeting with Chair & Exec Lead (at least 4 weeks before the meeting) | SB | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Draft agenda to go to Executive Team prior to issue | SB | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Call for papers (at least 4 weeks before the meeting to receive papers at least 14 days before the meeting) | SB | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
| Disseminate agenda & papers 7 days prior to the meeting | SB | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |



HYWEL DDA UNIVERSITY HEALTH BOARD – FINANCE COMMITTEE

The Committee meets on a monthly basis. The following table sets out the Committee's business for the remainder of 2019/20, including standing agenda items (denoted by *).

| Agenda Item/Issue | Lead | 25 th April 2019 | 20 th May 2019 | 25 th June 2019 | 22 nd July 2019 | 22 nd Aug 2019 | 24 th Sept 2019 | 21 st Oct 2019 | 26 th Nov 2019 | 19 th Dec 2019 | 28 th Jan 2020 | 27 th Feb 2020 | 24 th March 2020 |
|--|------|-----------------------------------|---------------------------------|----------------------------------|----------------------------------|---------------------------------|----------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|-----------------------------------|
| Type up minutes and TOA within 7 days of the meeting | SB | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

Chair: Michael Hearty
Vice-Chair: Mike Lewis
Lead Executive: Huw Thomas
Committee Secretary: Sarah Bevan

| | |
|---|--|
| MH – Michael Hearty HT – Huw Thomas FP – Fiona Powell AC – Andrew Carruthers JT – Joe Teape LG – Lisa Gostling | KJ – Keith Jones SB – Sarah Bevan JPJ – Jenny Pugh- Jones LDR – Libby Ryan-Davies JP – Jill Patterson |
|---|--|



PWYLLGOR CYLLID FINANCE COMMITTEE

| | |
|--|---|
| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 25 June 2019 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Presentation – Intelligence and Value Strategy for the Finance Team |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Huw Thomas, Director of Finance |
| SWYDDOG ADRODD: REPORTING OFFICER: | Mark Bowling, Assistant Director of Finance |

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The conversation around Value Based Healthcare (VBHC), as both a concept and practical way of working, has grown in recent years. Organisations, including Hywel Dda University Health Board (HDdUHB), and countries, including Wales, grapple with what this means for their population and services and how to effectively implement VBHC.

As part of HDdUHB's local and regional development of VBHC, Mr Mark Bowling, Assistant Director of Finance, has been seconded from Aneurin Bevan University Health Board. A key deliverable from this secondment is a Value Strategy for the finance team. The first phase of this deliverable has been to work with senior finance colleagues, individually and collectively, to outline the Intelligence and Value Strategy.

This presentation to the Finance Committee is an overview of progress and proposed direction. The Committee is being asked to consider and comment upon this, specifically with reference to the Finance Team's role in effectively supporting the development of VBHC for HDdUHB.

Cefndir / Background

The concept of VBHC is based upon the following:

- Bevan Commission: development of prudent healthcare since 2013.
- Welsh Government: Healthier Wales: Our Plan for Health and Social Care 2018. Specifically one of the quadruple aims: higher value health and social care

The Intelligence and Value Strategy seeks to support HDdUHB's own strategy, *A Healthier Mid and West Wales, Our Future Generations Living Well*. A regional partnership with Swansea Bay University Health Board and a local HDdUHB VBHC Group has been established through Welsh Government funding to develop VBHC.

Asesiad / Assessment

National strategy generates expectation of local and regional progress in implementing VBHC, representing a key organisational risk if progress is not made.

HDdUHB's VBHC strategy was agreed by Executive Team in November 2018. A VBHC Group was then established in January 2019 and chaired by the Medical Director and Director of Clinical Strategy. The finance team are represented amongst the membership of this Group. In common with many other organisations, nationally and internationally, HDdUHB is at a relatively early stage in exploring and implementing VBHC.

This strategy is designed to outline the journey and key components toward developing the necessary skills in both research and application of Business Intelligence and VBHC within the finance team. This will support effective VBHC delivery across HDdUHB.

Argymhelliad / Recommendation

The Committee is asked to consider and comment upon the progress and proposed direction of the Intelligence and Value Strategy.

The Committee is asked to consider the inclusion of HDdUHB's development and implementation of VBHC into the Finance Committee's annual workplan for regular review.

| Amcanion: (rhaid cwblhau) Objectives: (must be completed) | |
|--|--|
| Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor: | 5.5.2 Receiving assurances in respect of directorate performance against annual budgets, capital plans and the cost improvement programme and innovation and productivity plans. |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score: | Not Applicable |
| Safon(au) Gofal ac Iechyd: Health and Care Standard(s): | 3.1 Safe and Clinically Effective Care 3.3 Quality Improvement, Research and Innovation 7. Staff and Resources |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | 4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners. |
| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement | Improve Population Health through prevention and early intervention Improve efficiency and quality of services through collaboration with people, communities and partners Develop a sustainable skilled workforce |

| Gwybodaeth Ychwanegol: Further Information: | |
|--|---|
| Ar sail tystiolaeth: Evidence Base: | Prudent Healthcare, Bevan Commission Welsh Government Triple Value, Professor Sir Muir Gray (UK) VBHC, Professors Tiesberg, Porter and Kaplan (USA) |
| Rhestr Termiau: Glossary of Terms: | Value-Based Healthcare (VBHC) |

| | |
|---|---|
| Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee: | Senior levels of finance team, 8C and above, both in person and in writing. |
|---|---|

| Effaith: (rhaid cwblhau) Impact: (must be completed) | |
|---|---|
| Ariannol / Gwerth am Arian: Financial / Service: | As an overview of a strategic intent, there is no expected separable impact in and of itself |
| Ansawdd / Gofal Claf: Quality / Patient Care: | As an overview of a strategic intent, there is no expected separable impact in and of itself |
| Gweithlu: Workforce: | As an overview of a strategic intent, there is no expected separable impact in and of itself |
| Risg: Risk: | As an overview of a strategic intent, there is no expected separable impact in and of itself |
| Cyfreithiol: Legal: | As an overview of a strategic intent, there is no expected separable impact in and of itself |
| Enw Da: Reputational: | As an overview of a strategic intent, there is no expected separable impact in and of itself. However HDdUHB's failure to demonstrate progress in VBHC may harm its reputation with Welsh Government. |
| Gyfrinachedd: Privacy: | As an overview of a strategic intent, there is no expected separable impact in and of itself |
| Cydraddoldeb: Equality: | As an overview of a strategic intent, there is no expected separable impact in and of itself |

Finance Team - Intelligence and Value Strategy

Finance Committee

25th June 2019

Mark Bowling, Assistant Director of Finance



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

An Intelligence and Value Strategy

A vision for the Finance Team:

Through intelligence being able to clearly describe what has happened and why, beyond symptom to true causes.

Then combining intelligence and a Value Based Health Care approach to predict what could happen and articulate and advise what the options are.

In doing so support HDdUHB in making the improvements necessary to deliver effective, transformed and sustainable services.

Alignment to Overall Finance Strategy

- Overall strategy launched January
- Redefining the Finance Team offering to HDdUHB
- The third component
- Developing in parallel

Integrating B.I. & Value....
...to deliver a fresh perspective

Developing business partnering....
...to shift the focus forward

Getting the basics right (controls)....
...to provide a solid foundation



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University Health Board

Alignment to Overall Finance Strategy

Targeting our responsibilities for the accountability and stewardship of resources.



1 Maximise and secure all resources due to the Health Board.

2 Support the effective allocation of these resources.

3 Monitor the appropriate and efficient use of these resources.

4 Assure, develop and monitor the control and accountability environment.

5 Fairly and impartially reflect the financial activities in the ledger and accounts.

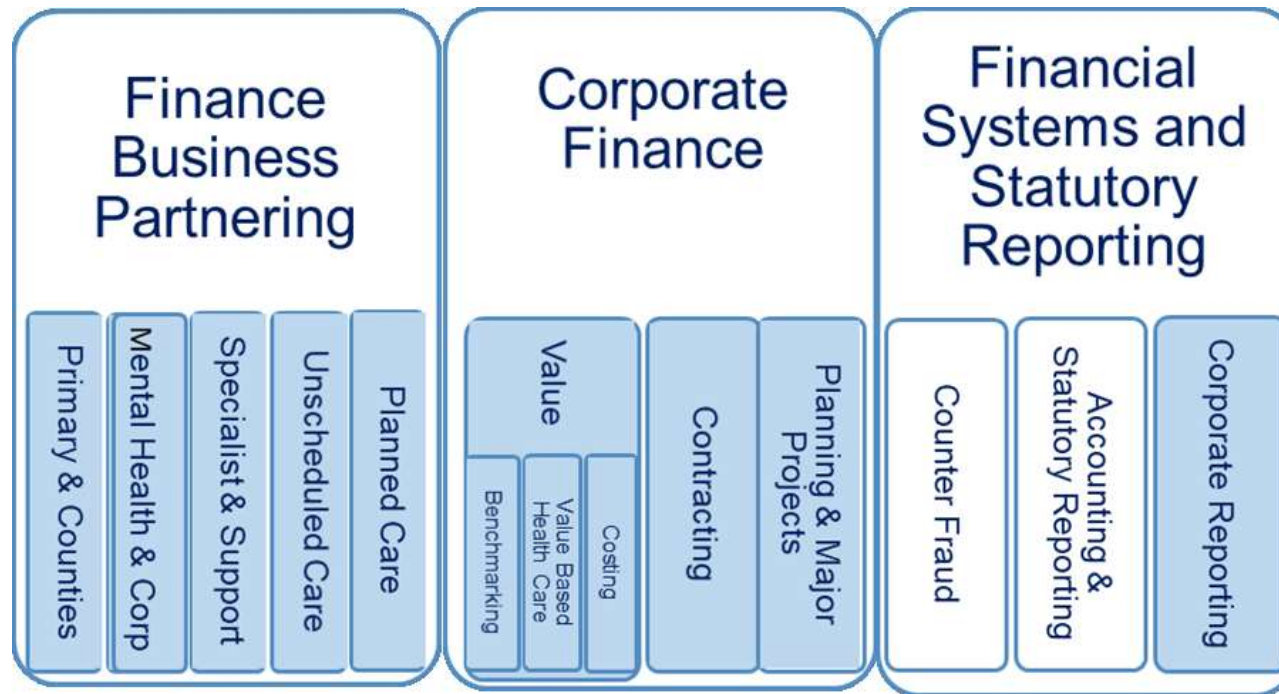


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Overview - spread

To a greater or lesser degree this work crosses all three core teams within Finance:



Expert roles needed in the production, interpretation and dissemination of said information, as well as then the practical use of such information.



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Overview – the key components

Business Intelligence and Benchmarking

- Clearly describe and reflect where and how resources are being committed
- Identify and compare our services against similar organisations, to identify best in class and highlight possible improvements
- Provide evidence of efficiency and prudence in the use of resources
- Several sources already exist and therefore should be signposted and interpreted, rather than reinvented

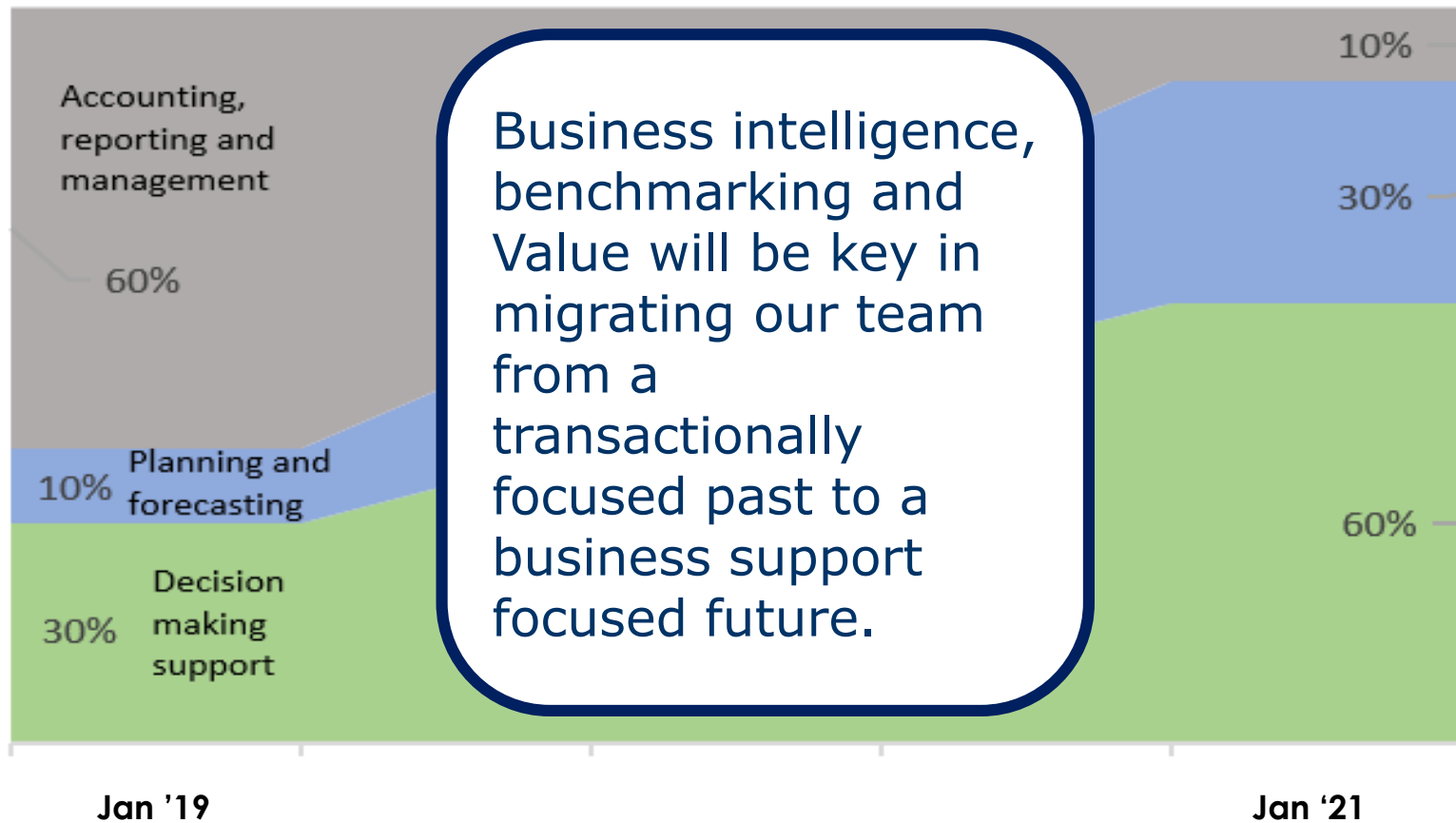
Value (VBHC)

- Develop specific Value skills across Finance Team
- Support to the HDdUHB and regional work programmes
- Contribute to HDdUHB training programme

From an outline Strategy to beginning, the next phase (July to Sept)

- Deliver an initial repository of core information for IMTP cycle.
- Identifying and assessing key intelligence sources.
- Researching maturity models for both self assessment and from there more specific development needs.
- Support to NHS Benchmarking Network 2018 / 19 exercises.
- Support to initial VBHC projects.
- Design and begin delivery of training packages for finance team. Likely to be a two tier and two stage approach.

Key to the Business Partnering Strategy



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Hywel Dda
University Health Board

Recommendation

1. The Committee is asked to consider and comment upon the progress and proposed direction of the Intelligence and Value Strategy.
2. The Committee is asked to consider the inclusion of HDdUHB's development and implementation of VBHC into the Finance Committee's annual workplan for regular review.



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Hywel Dda
University Health Board



PWYLLGOR CYLLID FINANCE COMMITTEE

| | |
|--|--|
| DYDDIAD Y CYFARFOD: DATE OF MEETING: | 25 June 2019 |
| TEITL YR ADRODDIAD: TITLE OF REPORT: | Contract Strategy Approach |
| CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR: | Huw Thomas, Director of Finance |
| SWYDDOG ADRODD: REPORTING OFFICER: | Shaun Ayres, Interim Commissioning Manager |

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

This paper is intended to introduce proposals for a robust contract management strategy and framework as described in the Contract Strategy Approach attached at Appendix 1 which is intended to propose a clear way forward.

Cefndir / Background

Currently, there is no clear process and/or standardisation of documentation for contracting. Each Long Term Agreement (LTA) is different and there are a number of other Service Level Agreements (SLAs), services and staff services which sit outside of the main LTA. There is therefore an urgent need to address the fragmentation and potential duplication of payments and develop a robust contract management strategy and framework.

Asesiad / Assessment

The Contract Strategy Approach attached has been designed to promote good contract management and will address the following issues currently affecting efficient contracting and commissioning within HDdUHB:

- Lack of clarity around the services commissioned by HDdUHB
- A need to align activity and finance
- A need to address the chance of duplication of payment(s) given the multiple payments made through SLAs and LTAs to the same provider.
- A need to significantly tighten governance arrangements.
- A need to incorporate contract management or commissioning into the current approach.
- A need for more information around commissioned services in order that the Health Board can make informed decisions.

Argymhelliad / Recommendation

The Finance Committee is asked to agree with the proposed approach to future contracting and service/commissioning arrangements, as detailed in the Contract Strategy Approach at Appendix 1.

| Amcanion: (rhaid cwblhau) Objectives: (must be completed) | |
|--|---|
| Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor: | 5.5.9 Commissioning regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money. |
| Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score: | Not Applicable |
| Safon(au) Gofal ac Iechyd: Health and Care Standard(s): | Governance, Leadership and Accountability |
| Amcanion Strategol y BIP: UHB Strategic Objectives: | 4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners. |
| Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement | Improve efficiency and quality of services through collaboration with people, communities and partners Develop a sustainable skilled workforce |

| Gwybodaeth Ychwanegol: Further Information: | |
|---|--|
| Ar sail tystiolaeth: Evidence Base: | Contract Strategy Approach |
| Rhestr Termiau: Glossary of Terms: | Included within the body of the report |
| Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee: | Not Applicable |

| Effaith: (rhaid cwblhau) Impact: (must be completed) | |
|---|--|
| Ariannol / Gwerth am Arian: Financial / Service: | Included within the body of the report |

| | |
|--|--|
| Ansawdd / Gofal Claf: Quality / Patient Care: | Included within the body of the report |
| Gweithlu: Workforce: | Included within the body of the report |
| Risg: Risk: | Included within the body of the report |
| Cyfreithiol: Legal: | Included within the body of the report |
| Enw Da: Reputational: | Included within the body of the report |
| Gyfrinachedd: Privacy: | Not Applicable |
| Cydraddoldeb: Equality: | Not Applicable |

Executive Summary

- There is a need to develop a robust contract management strategy and framework
- Currently it is extremely difficult to gauge value for money as contracts and activity do not align- this is compounded by an absence of a risk register
- A lack of standardisation, process and documentation remains a significant issue. This includes a lack of service specifications, KPIs and/or outcomes attached to the Long Term Agreements (LTAs)
- LTAs are not commissioned or planned on a population basis. The activity is simply rolled over year on year with some basic adjustments for inflation.
- The NHS Standard Contract should be adopted and re-drafted to reflect the Welsh NHS system.
- Service Specifications must be developed immediately and have clear KPIs/Outcomes.
- All LTAs should have a Service Development Improvement Plan (SDIP). In the interregnum there should be a focus on developing SDIPs in the main LTAs
- Contract monitoring needs to significantly improve, including having monthly meetings with the main providers. These meetings must review services, activity and quality issues/concerns
- The current process is all driven by finance which offers limited grip and assurance. There needs to be a move towards contracting and commissioning, with finance as an enabler and not the driving mechanism
- Risk of doubling paying, as SLAs are held separately to LTAs. All monies should be held in one place to understand total spend
- Activity based LTAs must be adopted on an annual basis. Where there is a data lag, trend analysis and forecasting should be undertaken to formulate accurate LTAs.

Introduction

The purpose of this strategic framework is to promote good contract management. Robust and effective contract management is essential to many industries in both the public and private sector. Hywel Dda University Health Board (HDdUHB thereafter) spends approximately £131,447,629 across other Health Boards and Welsh Health Specialist Services Committee (WHSSC) on external services. The totality across HDdUHB is a little over £151.1 million for both income and expenditure. At present there is little to no assurance around the value for money these contracts provide. Moving forward, there needs to be a process for managing and maintaining robust and rigorous financial controls linked to a business planning cycle. This includes ensuring we are commissioning services from both a financial and operational stand point. The services must deliver value for money and achieve the outcomes/KPIs set out within the contract for the patients of Hywel Dda. Effective contract management will help ensure that financial controls, planning and quality remain at the required level throughout the life of the contract(s) to ensure that value for money is achieved.

The key initial priorities are:

- Consistency of contract management across HDdUHB.
- Widening the scope for corporate contract governance and monitoring systems.
- Developing a proactive rather than reactive approach to contract management.

- Put formal contracts in place where required.
- Clear ownership and accountability of every contract.
- The contract manager should be familiar and understand the contract that they are managing.
- Improve contract management and service changes including redesign.
- Align directorates such as operations, commissioning and clinical quality to the contracts
- Consistent relationship management with internal and external stakeholders
- Create more formal structures and processes across directorates.

Background and current Documentation

At present there is no standardised Long Term Agreement (LTA) nor Service Level Agreement (SLA) within HDdUHB. In essence, the current approach to contracting is to roll over the activity and financial schedule year on year. The financial schedule contains a Tariff which is then subject to an annual inflationary uplift. However, there is no standardised all Wales Tariff, so the cost of one procedure in Swansea Bay is different from the cost of the same procedure within Cardiff and Vale. This poses a significant financial risk, as there is no clear documentation, whereby you can compare services on a like for like basis and gauge value for money.

As stated above, the absence of standardised documentation also means that there are no defined service specifications. In the absence of developing and drafting a clear specification, HDDUHB has no clarity around what outcomes the services are delivering for the patients. Moreover, there is no ability to align outcomes with HDdUHB's strategic direction in the short, medium or long term.

LTAs should include a monthly set of performance indicators, including a clear understanding of access times, quality assurance and service development. Currently, there is no commissioning or clinical lead aligned to any contract to challenge the provider's performance and/or delivery. Thus, HDdUHB has limited to no assurance around the functionality and purpose of the LTAs as many are antecedent and have just been rolled over year on year. In essence, the LTAs are purely transactional and potentially offer very limited value to HDdUHB at present.

Contracts Register

At present there is no contracts register within HDdUHB (this is currently under development). Therefore, no risk rating/assessment of the contracts has been undertaken in terms of value for money and/or performance. This needs to be a priority in 19/20 with contracting and commissioning working with service leads to understand whether these contracts should:

- Continue on an 'as is' basis (minimal if any changes)
- Continue but subject to financial and/or service changes
- De-commission the contract where value for money cannot be demonstrated and/or the service is having little or no impact on the patient of HDDUHB

Clearly, there needs to be a significant amount of due diligence and stakeholder engagement before any decision can be undertaken. But there is likely to be 'significant low hanging fruit' relating to services which have gone unmonitored and unchallenged in many years.

The suggest approach is to initially rank the areas based on value:

Prioritisation and RAG Rating (Contracts Register)



| Financial Value | Priority 1 | Priority 2 | Priority 3 | Priority 4 |
|-----------------|-----------------------------|------------|---------------|------------|
| | Long Term Agreements (LTAs) | CHC/FNC | Services/SLAs | Staffing |
| £1 million | | | | |
| £500k | | | | |
| £250k | | | | |
| <£250k | | | | |

The above is based on the priorities relating to both areas and associated spend. The initial focus has to be around the LTAs and external spend within the SLAs. However, CHC/FNC also has to be an early priority, which will include matrix working within the finance directorate, as well as across a number of internal and external stakeholders.

Planning and commissioning on a Population basis

There needs to be a significant paradigm shift in the current approach to contracting. The paper fully acknowledges that Wales does not have the purchaser/provider split such as the English NHS. This notwithstanding, the approach to contracting has to move away from a transactional approach to one which plans and commissions on the basis of population health. This can be achieved initially by aligning the activity planning assumptions to actual activity on an annual basis. The second phase then needs to focus on population segmentation and risk stratification, so that, each of our contracts acute, community, mental health and voluntary sector align to the population needs. This will require aligning some of our LTAs with the Local Authority. Adapting this approach could be completed by the following:

- **Utilisation Risk (risk stratification)** - achieved by reviewing HDdUHB Non-Elective admissions and identifying through trend analysis where there is significant opportunity. Alternatively, a centralised algorithm such as the Combined predictive Modelling (CPM) could be adopted
- **Age and Condition**- the population is divided into groups, typically by age and proceeded by condition
- **Social, Behaviour and Demographic Factors** – identifying patients based on sociological and demographic factors.

NHS Standard Contract

Strategically, the most sensible approach to standardising documentation, is to adopt the English NHS Standard Contract. The NHS Standard Contract is used for the commissioning and monitoring of healthcare services. Therefore, subject to some minor tweaks and ensuring it contains the appropriate welsh legislation, it will create consistency across the HDdUHB. Of note, Betsi Cadwaladr have already adopted the English NHS Standard Contract, so we would also align with another Health Board and could draft it together annually.

The NHS Standard Contract contains 3 parts:

- General Conditions
- Service Conditions
- Particulars

Adopting this approach would also improve the current governance arrangements across all of the LTAs.

The LTAs should be the main catalyst in which all pertinent information flows. LTAs must be the main mechanism for service change and transformation by the setting of goals and objectives around the operating plan, commissioning intentions, planning cycle and HDdUHB's strategic direction.

A continuous analysis of the external environment and the organisations internal resources is required in order to plan for future development and the sustainability of services. The following principles need to be enshrined in the new approach to contracting:

- **Analysis**- understanding how the existing service(s) are performing and identifying areas requiring improvement
- **Formulation**- Devising and evolving changes to the delivery of a service(s). This may include minimal change or could involve a complete service redesign. There is also a need to align services to promote integration and interoperability (for end to end pathways)
- **Implementation**- there needs to be a clear implementation plan to ensure that all changes are adopted within the agreed timescales
- **Monitor, Review and Evaluate** – all of the changes must be continuously monitored and reviewed, so that a full evaluation of the service(s) can be undertaken.

Service Level Agreements also need to form part of the LTAs. At present, these are held separately at departmental level. Some departments have monthly meetings regarding their SLAs, which moving forward should form part of one collective monthly meeting (further information below).

Service Specification, transformation and re-design

At present there is no provision within the LTAs and/or SLAs for service specifications. There is a need to develop service specifications for the main areas of external spend. The LTAs must act as the key catalyst not only for activity and finance but also to understand the service provision(s) we are commissioning. This is essential if we are going to understand the value we are getting in relation to external services both in terms of quality, finance and patient outcomes.

The service specification should focus on the objectives of the service including high level 'outcomes' and demonstrable value for money. In the first instance there needs to be a focus on the existing

services and service arrangements on an 'as is basis'. The strategy would recommend focusing on 'key services' including areas of significant financial expenditure such as Oncology, Cardiology, Neurology, Vascular etc.

The next step is to articulate why the service is required and what HDdUHB wants to achieve from the service, this should include the business need and vision for the service. Secondly, there needs to be a clear and unambiguous understanding of what the service contributes at a sub-function, function and organisational level (service outcomes). Thirdly, and to avoid any confusion and promote on-going collaboration. The specification should be clear regarding the expectations so that value for money can be appropriately evidenced. Therefore the following should be included:

- The service, how it is managed (configured) and who uses it
- Current activity and volumes including run rates and activity profiling. Further, adjustments should then be made for any increase/decrease in likely service utilisation
- What is and what is not in scope
- What the critical/urgent aspects of the service
- Interdependencies with other services (this is extremely important for all external contracts such as Third Sector, Local Authority , Community)

Service Development Improvement Plan (SDIP)

As part of any LTA, there needs to be a separate area for a Service Development Improvement Plan (SDIP). The SDIP is essential to work collaboratively towards:

- Future changes to the service, this can be in the form of both service provision and any anticipated changes to volumes of activity
- Any performance and service issues which need to be rectified

The SDIP should be set out in a simple and easy to follow manner:

| Description of Scheme | Milestones | Timescales | Anticipated Benefit |
|-----------------------|------------|------------|---------------------|
|-----------------------|------------|------------|---------------------|

The four boxes are non-exhaustive and ensure that all expectations and benefits are set out between the parties to avoid any confusion. This simplistic approach is based on the SMART approach:

- **Specific**- clear and unambiguous as to what is to be achieved
- **Measurable** – specified and quantifiable
- **Attainable**- must be realistic and achievable within the timescales
- **Relevant**- there has to be a clear reason for including it such as service re-design, improve performance etc.
- **Time Bound**- must have a completion date

To maximise the efficacy and efficiency of the services we commission and provide, it is important that there is directorate alignment to each area. This is essential to both the service we provide to other Health Boards and areas where we wish to change the current commissioning of services. Moreover, it is proposed that there will need to be representation from the following directorates:

- Contracting

- Finance
- Operations
- Commissioning
- Quality and safety

By including the aforementioned departments it will create a more rounded and holistic view of the services we commission and provide by having subject matter experts in the room. By adopting this approach it will provide greater scrutiny, understanding and governance around the current services internally and externally. Not only should this lead to cost improvement, the approach should result in better service and quality provision for the patients of HDdUHB.

Performance and Quality Monitoring

Any LTA/SLA with an expenditure of £1 million per annum and/or relates to the delivery of core access/constitutional standards should have a monthly Contracts Review Meeting (CRM). CRM's should focus on areas that are core to service delivery. At a minimum the following must be discussed:

- Activity to plan - is the activity over, under or in line with the anticipated volume(s)
- Quality- these should include Serious Incidents, performance issues current/anticipated service issues which affect the delivery of the service (especially for constitutional standards)
- SDIP updates- based on the 4 boxes proposed for the SDIP above, an update should be delivered to the CRM.

Quality monitoring is absolutely essential to ensure that the services we provide and commission are achieving the required outcomes. A reduction in quality outcomes is usually the best indicator of a service in distress. Clearly, there can be a multitude of reasons for a reduction in quality, these can include staffing, demand and capacity, ward closures and theatre utilisation.

A recent example was in relation to thrombosis where an issue was raised at MMSC. The query was relating to quality standards and contract monitoring.

The specific issue discussed was relating to RCA's procedures that had been undertaken and were linked with hospital acquired thrombosis following outsourcing of orthopaedic procedures to a provide provider in Newport. The following question was recently poised:

How does the HB ensure that?

- a) Quality standards such as prophylactic thrombosis is specified within a SLA
- b) How does the HB feedback issues from RCA's to those that are monitoring the contracts

At present, the above approach is not undertaken and in-depth quality discussions do not form part of any LTA discussion.

LTAs will also need to have a focus on Outcomes and KPIs. A paradoxical shift in terms of performance monitoring of the LTAs needs to be undertaken. Performance monitoring needs to be able to articulate issues with services both as a quantitative and qualitative measurement. A clear breakdown of service issues such as access times (patients waiting) staffing (where the service is not performing), number of clinics, backlog clearance, seasonality adjustments.

Performance monitoring will need to report on all services subject to Cancer and RTT standards. There should be a particular focus on the services unable to achieve the constitutional standards.

Where standards cannot be achieved, a qualitative narrative must be provided so that everyone is unequivocally clear on the issues, risks and mitigations including next steps. The purpose of this approach, is to work with the service and consider alternative provisions. Furthermore, the LTA should act as a conduit to Primary Care to re-direct referrals as necessary where there is a risk of patient harm.

Activity Based Contracts

There is a need to annually rebase the contracts. The current approach is to simply apply a number of uplifts to the financial baseline (as articulated above). Consequently, there no real understanding of both our commissioned and provider activity. Moreover, this information is not cascaded down to each of the services, thus there is limited understanding of the expectations within each of the services i.e. what has HDDUHB been commissioned to undertake. Conversely, each service should be presented with our commissioned activity, so that areas of possible repatriation can be identified by the service delivery managers.

HDdUHB must track, challenge and understand activity increases/decreases on a monthly basis. As set out above, this is essential for making commissioning and operational decisions in 'real time'. The contract must function as a robust tool in aiding commissioning decisions, such as securing the right services where HDDUHB is unable to undertake said procedure. There also needs to be a control mechanism within the contract (activity planning assumptions) to highlight services struggling to meet the agreed contractual obligations. It makes little to no sense, to simply divert activity to a struggling provider/service.

Activity planning assumptions need to be refreshed on an annual basis. Where there is a time lag, a forecast outturn based on run rate should be undertaken. However, an increase and move to monthly monitoring will help facilitate any delay in data sets.

As with the above and to avoid any confusion, there needs to be one Activity Planning Template used in all contracts. This will improve the organisation's ability to understand what is actually being reported. At present each LTA has a different template, this simply causes confusion and does not promote a level of standardisation required.

Third Sector Contracts

Many third sector contracts will not contain activity planning assumptions. There is a need to agree what level of activity should be going through the contract. Any and all uplifts should be linked to increases in activity and clear outcomes. Third sector contracts need defined specifications which specify exactly what activity should be generated through the LTA. The specification within the LTA needs to reflect HDDUHB priorities including any strategic aims and/or direction. Whilst the services delivered by the third sector are different to acute based services. The approach set out above should be adopted in as far as is reasonably possible. There is no reason why a clear set of objectives cannot be agreed year on year. Furthermore, natural efficiencies should always be sought before uplifting each of the LTAs year on year. Services should evolve and change and thus resources should be redirected to new activities (service provisions). To achieve this, agreeing new outcomes/KPIs can reduce the need to increase the LTA value. Third sector organisations are also more agile, in that, they can respond to changing demands and can help relieve the pressure on NHS services through the use of social prescribing. Some of the outcomes attached to these LTAs may be quantified on the basis of a reduction on NHS services. These could be then badged as an 'invest to save', but future funding should be contingent on delivery.

Implementation

To implement the above, there needs to be a lot of work undertaken with all directorates, general managers and service delivery managers. This will require that all Executives Leads sign up to the suggested principles set out within this strategic framework. It is important that the contracting function along with commissioning becomes visible across the Health Board and works at both a strategic and operational level. This will involve contracting and commissioning working with the services on a day to day basis. Ideally, the functions should align to work- programmes for commissioners and providers for contract managers. The two areas must be intertwined and function ideally as one team.

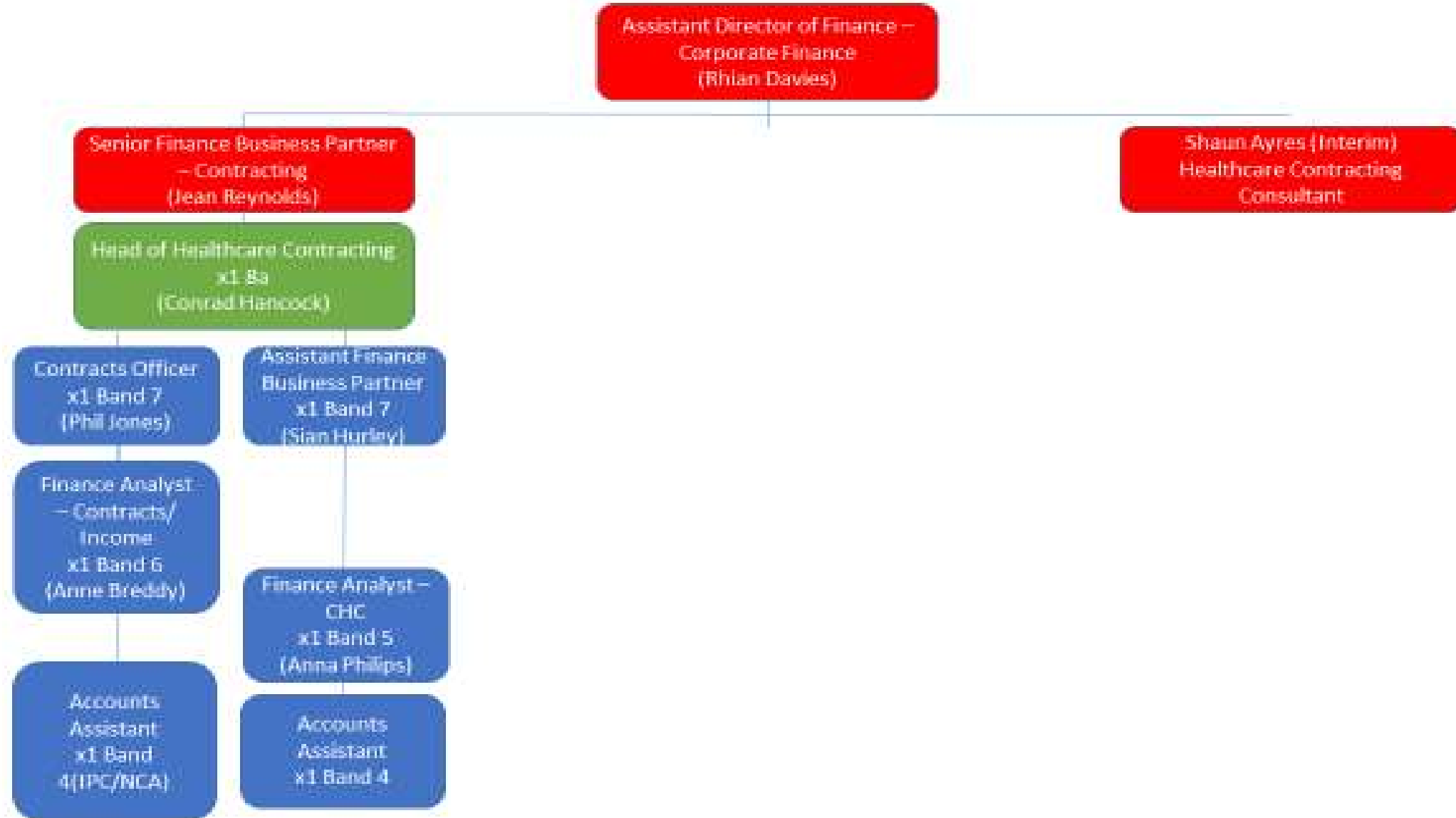
All directorates will need to align to the main LTAs to understand what we are commissioned to provide and also what we are currently commissioning? Quality and clinical colleagues also need to be part of these discussions. Any changes and impact to services will require an Equality Impact Assessment and Quality Impact Assessment to promote excellent patient care and good governance.

Conclusion

The content of this strategic framework should not be seen as exhaustive. The information above captures the very basic principles and processes required to contract and commission effectively. By adopting the above approach, it will bring a rigour and challenge to the LTAs which is currently absent. HDdUHB will have a much broader and better understanding of what it commissions externally. Consequently, this will improve the financial rigour and understanding as to what HDdUHB spends circa £131.5M on relating to external services.

Contracts Strategy

- 1 Introductions
- 2 Current Structure
- 3 Introduction
- 4 Contract Management and Commissioning
- 5 Prioritisation and RAG Rating (Contracts Register)
- 6 Implementing Priorities
- 7 Contracting Project Plan



Introduction

- The current expenditure on Long Term Agreements (LTA) is circa £132 million (this excludes SLA expenditure held by directorates)
- At present, there is no standardised documentation within the Health Board
- LTAs are rolled over year on year. The only change is the mandated inflationary uplifts. No activity and/or trend analysis is undertaken
- Extremely difficult to gauge whether we get 'value for money' within our LTAs.
- There are currently no operational, clinical, commissioning and/or quality leads aligned to the LTAs

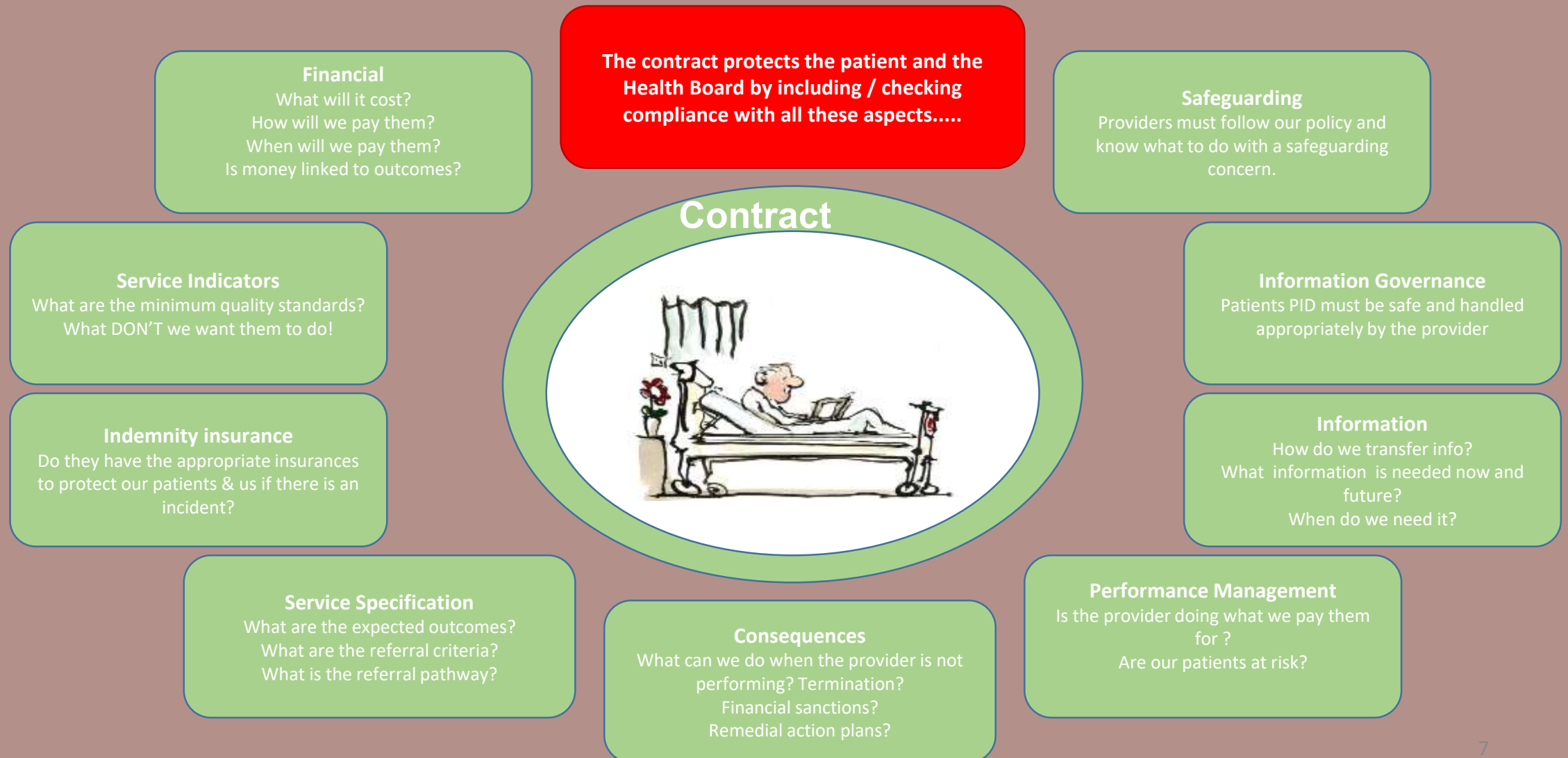
Introduction

- LTA Planning is not based on population needs
- A lack of understanding across the HB around the LTAs
- LTAs are driven as a financial function, no real contract management.
- Lack of understanding regarding what services are under-performing, no assurances/remedial action sought from other HBs (such as Demand and capacity analysis)

Contract Management and Commissioning

- There is an urgent need to focus on contract management and commissioning principles
- Finance is an enabler, but we must move away from LTAs being driven as a finance function
- We must move to commissioning our LTAs on a population 'needs' basis
- The contract managers/commissioners need to be visible and facilitate change across the HB by linking with operational, clinical and quality colleagues

Contract Management and Commissioning



Prioritisation and RAG Rating (Contracts Register)

| Financial Value | Priority 1 | Priority 2 | Priority 3 | Priority 4 |
|-----------------|-----------------------------|------------|---------------|------------|
| | Long Term Agreements (LTAs) | CHC/FNC | Services/SLAs | Staffing |
| £1 million | | | | |
| £500k | | | | |
| £250k | | | | |
| <£250k | | | | |

Implementing the Priorities

- The first principle is to standardise the documentation. There should be one consistent template to reduce fragmentation and lack of understanding
- In conjunction with Betsi Cadwaladr the suggestion is to adopt the English NHS Standard Contract and change it to reflect the Welsh NHS
- These should include Activity Planning Assumptions (APA) on actual 'run rate' (this would help us make informed commissioning decisions)
- SLAs need to be aligned within the LTAs
- Each Directorate needs to align staff to the 'key' LTAs- Swansea Bay, C&V, WHSSC.

Implementing the Priorities-Services

- There should be a Service Development Improvement Plan (SDIP) agreed with each of our main providers initially.
- SDIPs should look to change and re-design pathways which are then captured in the service specification
- Service Specifications should be used to set expectations on providers, therefore they must have Outcomes/KPIs attached
- Service Specification(s) should be signed off across directorates- therefore directorates need to be aligned to LTAs i.e. Quality and Safety, Operations etc.
- The above is an annual on-going process 'not a one off'!

Implementing the Priorities-Monitoring

- There needs to be one collective meeting (monthly), where LTAs, Services and Staff are collectively discussed with other providers
- All financial schedules and metrics should be held in one place. this will improve governance, accountability and overall grip
- A focus must be on under-performing services and/or any potential impact on services (both quantitative and qualitative narrative is essential)
- KPIs and Outcomes must form part of the approach. There needs to be a correlation between spend and outcomes

Project Plan July to September 2019

July 2019

- Begin Monthly LTA meetings with key providers
- Complete further due diligence with the Cardiology team and Swansea Bay to repatriate Cardiology Pacing. Draft the business case for the transfer of pacing.
- Update the Directory of Services to reduce referrals to other Health Boards
- Schedule meetings with Service Delivery Managers (for further opportunities)

August 2019

- Develop the contract documentation and performance framework with main providers
- Begin incorporating SLAs within LTAs
- Review the opportunities within Orthopedics to reduce consultant led clinics and outsourcing
- Support CHC and FNC around pathways and cost reductions (ensure it is captured in the LTA)

September
2019

- Begin to Formulate a contracting strategy based on activity run rates (linked to CIs)
- Based on discussions with Service Delivery Managers, highlight opportunities to reduce the current expenditure within the LTAs
- Develop Service Delivery Improvement Plans (SDIP) and Data Quality Improvement Plan (DQIP). Capture ARCH and programmes such as Neurology within the SDIP
- Draft a preliminary version of HDUHB Commissioning Intentions (CIs) so that these other Health Boards are cited at the earliest opportunity

Finance Department Strategy

Update on current delivery status

Adding value. Today. Tomorrow. Together.

Creu gwerth gyda'n gilydd. Heddiw ac i'r dyfodol.

| | |
|-------------------|--|
| Why are we here | <p>We want to deliver the 2019/20 Annual Plan and develop an ambitious, deliverable 3 year plan which can be approved by the Board and Welsh Government.</p> <p>In order to do this, we need to develop an organisation which understands and actively manages its finances. This will be achieved through placing finance as an integral part of each management team to create value by identifying opportunities and providing critical information and analysis to support better decision making.</p> |
| How we will do it | <p>We will develop a finance function which:</p> <ul style="list-style-type: none">• Provides an excellent service to colleagues• Understands the business |
| What we will do | <p>We will ensure that the way we work:</p> <ul style="list-style-type: none">• Is clear, open and transparent• Provides accurate, timely and sufficient and relevant information• Looks ahead• Actively manages risks in a balanced way• Educates and enables the organisation to become more financially astute• Supports accountability across the organisation |

Key strategic changes over the last 6 months

Redesign and population of new finance structure
– final stages (Band 4 recruitment)

Business partnering – embedding new way of working

Support for value based healthcare agenda –
underway and good progress made

Support implementing Healthier Mid and West
Wales – underway

Move to new single location at Ty Gorwel –
complete

Whilst delivering an unqualified true and fair audit.



Original Project Plan in January 2019

March 2019

- Articulate medium term vision for Business Partnering
- Align reporting hierarchies to new structures
- Undertake activity analysis for 'as-is'
- Create medium term organisation structure and fill vacancies
- Integrate Business Partners into Directorate management teams

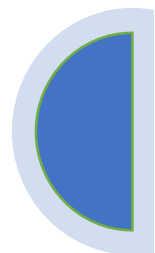
July 2019

- Finalise project management process for transition into medium term objectives
- Relocate all finance staff to one location
- Review knowledge gaps within team and up-skill
- Focus on quick wins for process alignments

September
2019

- Implement culture of focusing on forward view and closing benchmarking gaps
- Further develop Finance dashboards and forecasting methodology
- Identify finance wide improvement projects with senior finance team

Progress Update June 2019



Complete

- Articulate medium term vision for Business Partnering
- Align reporting hierarchies to new structures
- Undertake activity analysis for 'as-is'
- Create medium term organisation structure and fill vacancies
- Relocate all finance staff to one location



Work-in-Progress

- Integrate Business Partners into Directorate management teams
- Finalise project management process for transition into medium term objectives
- Review knowledge gaps within team and up-skill
- Focus on quick wins for process alignments



Planning stage

- Implement culture of focusing on forward view and closing benchmarking gaps
- Further develop Finance dashboards and forecasting methodology
- Identify finance wide improvement projects with senior finance team

Original Project Plan in January 2019

March 2019

- Continuous improvement – review of 2017/18 costing return process, systems issues etc to identify more efficient processes
- Training and development of new team, especially value
- Construction of detailed team action plan for 12 – 24 months

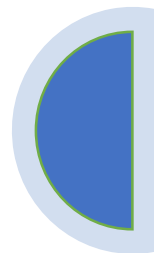
July 2019

- Detailed insights into “excess” cost areas to help inform savings strategies
- Value projects planned, engagement across HB to develop priorities
- Commencement of 2018/19 costing returns

September
2019

- Good practice visits / peer challenge
- Self service cost data output project underway
- Quantification of 2020/21 savings opportunities

Progress Update June 2019



Complete

- Review of 2017/18 costing return process, systems issues etc to identify more efficient processes
- Training and development of new team, especially value
- Detailed team work plan



Work-in-Progress

- Construction of detailed team action plan for 12 – 24 months
- Value projects planned, engagement across HB to develop priorities
- Good practice visits / peer challenge
- Self service cost data output project
- 2018/19 costing returns
- Detailed insights into “excess” cost areas to help inform savings strategies



Planning stage

- Quantification of 2020/21 savings opportunities

Original Project Plan in January 2019

March 2019

- Appoint into structure
- Achieve Capital Resource Limit and end of year requirements
- Appropriate delegation and objective setting for the team
- Identify team training requirement – short/medium/long term
- Plan for identifying impact of IFRS 16

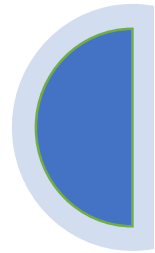
July 2019

- Document the process for preparation of the 2020/21 Financial Plan
- Establish and commence the support required for 'A Healthier Mid & West Wales'
- Ongoing support to capital projects

September
2019

- Early draft version of the 2020/21 Financial Plan
- Review structure and workload

Progress Update June 2019



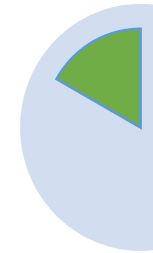
Complete

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- Identify team training requirement – short/medium/long term
- Plan for identifying impact of IFRS 16
- Review structure and workload



Work-in-Progress

- Document the process for preparation of the 2020/21 Financial Plan
- Establish and commence the support required for 'A Healthier Mid & West Wales'
- Ongoing support to capital projects



Planning stage

- Early draft version of the 2020/21 Financial Plan

Original Project Plan in January 2019

March 2019

- Routine business – year end tasks, build the team and agree 2019/20 LTAs
- Develop relationships with our key stake holders.
- Learn best practice from established peers
- Establish the contracts register

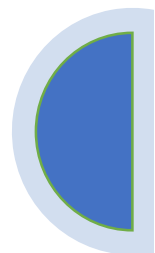
July 2019

- Develop the contract documentation
- Develop the performance management framework
- Develop reporting and dashboards
- Review CHC systems with a view to automate processes

September
2019

- Benchmark in collaboration with Value Team
- Examine referral patterns
- Enhanced contract and performance monitoring
- Look for cost control and activity repatriation opportunities

Progress Update June 2019



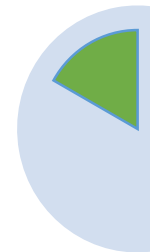
Complete

- Routine business – year end tasks, build the team and agree 2019/20 LTAs



Work-in-Progress

- Develop relationships with our key stake holders.
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- Develop the performance management framework
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Planning stage

- Develop the contract documentation
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- Benchmark in collaboration with Value Team
- Enhanced contract and performance monitoring
- Learn best practice from established peers
- Examine referral patterns

KPIs

| Healthcare Contracting | Value |
|--|---|
| LTAs are monitored and reviewed at least quarterly (or as appropriate to value) | Delivery of all Costing Returns by mandated WG deadlines |
| Develop appropriate indicators with CHC budget holders including savings reporting | Undertake at least three in-depth pathway reviews annually |
| Major Projects and Planning | Team Wide |
| Financial Plan deadlines achieved | Team metrics, including PADR, mandatory training compliance |
| CRL achieved | Employee satisfaction score |
| | Days sickness absence in team |

Original Project Plan in January 2019

March 2019

- Charitable Funds review
- Financial Accounts Dashboard
- Invoices on Hold; reduce numbers and values
- Systems Team to plan Targeted training
- Review and document current processes / protocols

- Identify and evaluate data sources
- Financial Assurance Framework
- Savings weekly monitoring assesses Plan, Actual delivery and profiled Projections; best practice
- Strictly adhere to culture change language
- Arranged KPMG tax training

July 2019

- Streamline and implement processes
- Pay 360 – automation for GDPR compliance
- Work plans for Process Improvement – RFT
- Fact-finding on Robotics potential
- Scope Qlikview Dashboard
- IFRS16 Planning

- Seek 360 feedback from end users of Reports
- Compile Tax Risk Register
- Develop plan to implement best practice knowledge from new ADoFs (commercial and bench-marked)
- Work with Finance teams to identify further primary cost drivers

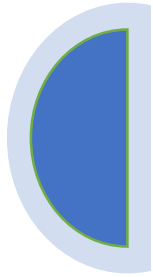
September 2019

- Implement automation processes
- Develop Financial Accounts KPIs
- Next phase Oracle Common Operating Model All Wales
- Prophix Strategy agreed
- Develop Cash forecasting capabilities
- Implement Charitable Funds Plan
- Systems Targeted training complete

- Develop “brand” for communications and reporting
- Tax governance policies and procedures
- Reporting aligned to Value Agenda
- Able to frame the operational story
- Completed case studies in 5 areas of concern
- NHS Wales Improving Board Reporting group recommendations implemented

Progress Update June 2019

Complete



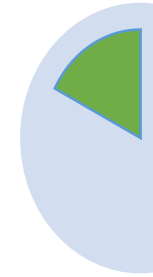
- Systems Team to plan Targeted training
- Fact-finding on Robotics potential
- Signed contract with Pay 360 for automation of GDPR compliance

Work-in-Progress



- Charitable Funds review
- Financial Accounts Dashboard
- Invoices on Hold; reduce numbers and values
- Review and document current processes
- Streamline and implement processes
- Pay 360 action plan – in progress and on target for completion Sept 2019
- Work plans for Process Improvement – RFT
- Prophix Strategy agreed

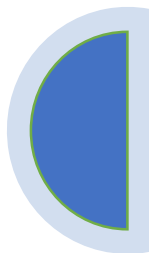
Planning stage



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Progress Update June 2019

Complete



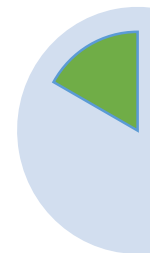
- Savings weekly monitoring assesses Plan, Actual delivery and profiled Projections; best practice
- Strictly adhere to culture change language
- Arranged KPMG tax training

Work-in-Progress



- Identify and evaluate data sources
- Financial Assurance Framework
- Compile Tax Risk Register
- Work with Finance teams to identify further primary cost drivers
- Able to frame the operational story
- Completed case studies in 5 areas of concern
- NHS Wales Improving Board Reporting group recommendations implemented

Planning stage



- Develop “brand” for communications and reporting
- Tax governance policies and procedures
- Reporting aligned to Value Agenda

KPIs

| Systems and Process Improvement | Corporate Reporting and Tax |
|--|---|
| Invoices on hold | Number of comments in WG Reply Letter |
| Number error corrections after month end | |
| Journal lines | Total number of voluntary disclosures and HMRC assessments |
| Receivables over 90 days | Volume VAT recovery and % identified by external auditors |
| Financial Accounts | Team Wide |
| Volume of WAO audit queries | Team metrics, including PADR, mandatory training compliance |
| Internal Audit findings | Employee satisfaction score |
| | Days sickness absence in team |

- Key actions remain to be taken and these will be progressed over the coming six months
- Immediate focus on:
 - Supporting delivery of in-year financial plan
 - Better understanding cost drivers
 - Refining our forecasting methodology
 - Developing the financial assurance framework
 - Understanding underlying deficit
 - Developing a medium term financial plan
- Welsh Government-commissioned review will be critical staging post of development
- Stakeholder survey over the coming three months, based on the CIPFA model