

Bundle Finance Committee 26 May 2020

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Value for Money Framework

Presenter: Huw Thomas

5 2 Finance Committee SBAR Value for Money Framework.docx

5 2 Value for Money Framework.pptx

PWYLLGOR CYLLID FINANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	26 May 2020
TEITL YR ADRODDIAD: TITLE OF REPORT:	Value for Money Framework
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Huw Thomas Executive Director of Finance

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Gwybodaeth/For Information

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The Health Board has had to react swiftly and decisively to change its operating model in response to the COVID-19 pandemic. As a consequence, some aspects of the normal governance processes have had to be suspended. Whilst operational effectiveness has been the primary concern for the Health Board, decisions must be made that observe our duty to be custodians of the public purse, and achieve good value for money. A Value for Money Framework has been introduced to guide current and future decisions, attached for information. It is intended that this is used to help guide the recovery of operations as the Health Board moves to a “beyond COVID-19” phase.

Cefndir / Background

The attached Value for Money Framework outlines the key processes required to guide decision-making to achieve best value for money. It addresses the steps needed to ensure the economy, efficiency and effective use of our resources, and the processes required to ensure the equitable allocation of resources to achieve the best outcomes. It is also intended to act as a guide for finance colleagues regarding the appropriate approach and behaviours to adopt when leading conversations with Health Board colleagues.

Asesiad / Assessment

The Finance Team continues to perform a key role in shaping the future direction of the Health Board in terms of maximising the value for money element in the resources at its disposal. This Framework sets out the approach that Finance Directorate is seeking to promote when key decisions are to be made regarding the return to a more “business as usual” phase of operations. It has been shaped by senior Finance colleagues, and sets out a direction of travel, rather than seeking to ensure adherence to a control framework, and underpins the philosophy that the role of a Finance leader is based upon creating value, seeking to break down professional barriers and helping to support innovation.

This behaviour change and a shift toward a more value-added role for Finance leaders also supports the other key aims of driving opportunities for change throughout the organisation, in addition to reviewing the underlying causes of Health Board expenditure exceeding its income.

Argymhelliad / Recommendation

The Finance Committee is asked to note the Value for Money Framework Report.

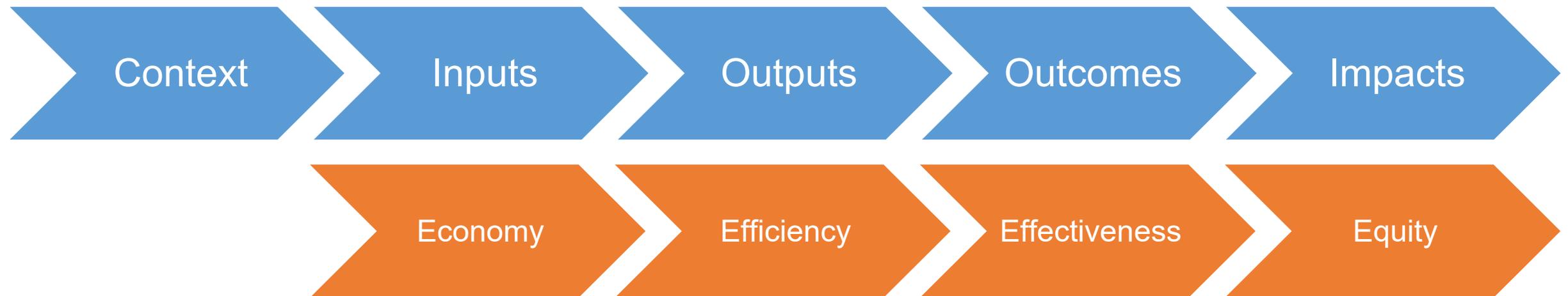
Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	Developing and improving financial management
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	N/A
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Not Applicable
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:	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	N/A
Rhestr Termau: Glossary of Terms:	N/A
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cyllid: Parties / Committees consulted prior to Finance Committee:	N/A

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	N/A
Ansawdd / Gofal Claf: Quality / Patient Care:	N/A
Gweithlu: Workforce:	N/A
Risg: Risk:	N/A
Cyfreithiol: Legal:	N/A
Enw Da: Reputational:	N/A
Gyfrinachedd: Privacy:	N/A
Cydraddoldeb: Equality:	N/A

Value for Money Framework: a Framework for Decisions

Problems to be addressed	Resources required	Tangible delivery expected	Outcomes for patients, population and taxpayer	Impact on: <ol style="list-style-type: none"> 1. Equality 2. Wellbeing of future generations 3. Welsh Language
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Minimising cost of resources having regard to quality	Maximising outputs delivered from the inputs utilised	Extent to which outcomes are achieved	Extent to which spend may need to vary to give equity of outcome
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Behaviours

- Energised
- Aligned
- Impactful
- Supportive

Value

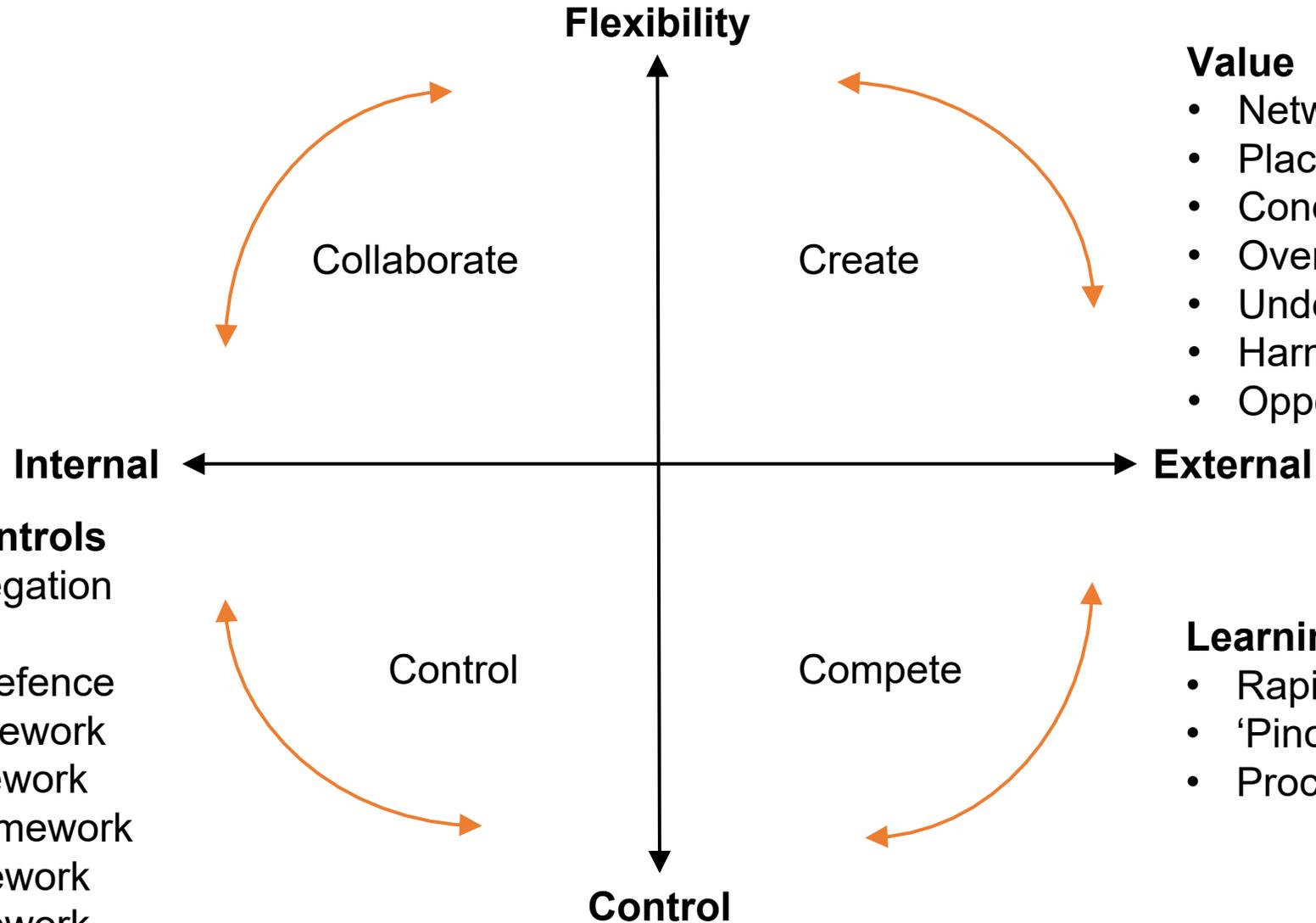
- Network approach
- Place based
- Condition based
- Overuse of care
- Underuse of care
- Harm
- Opportunities framework

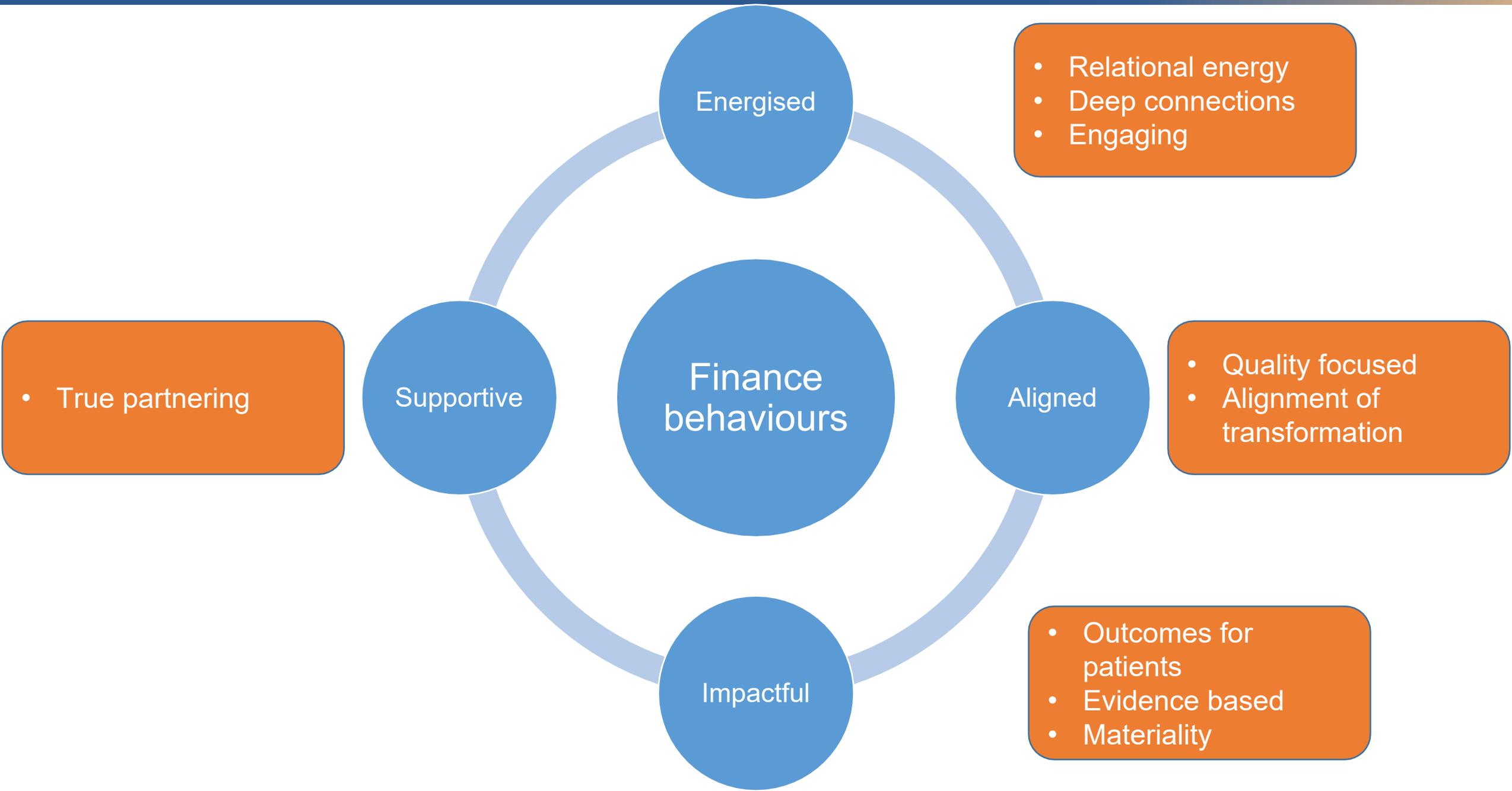
Proportionate Controls

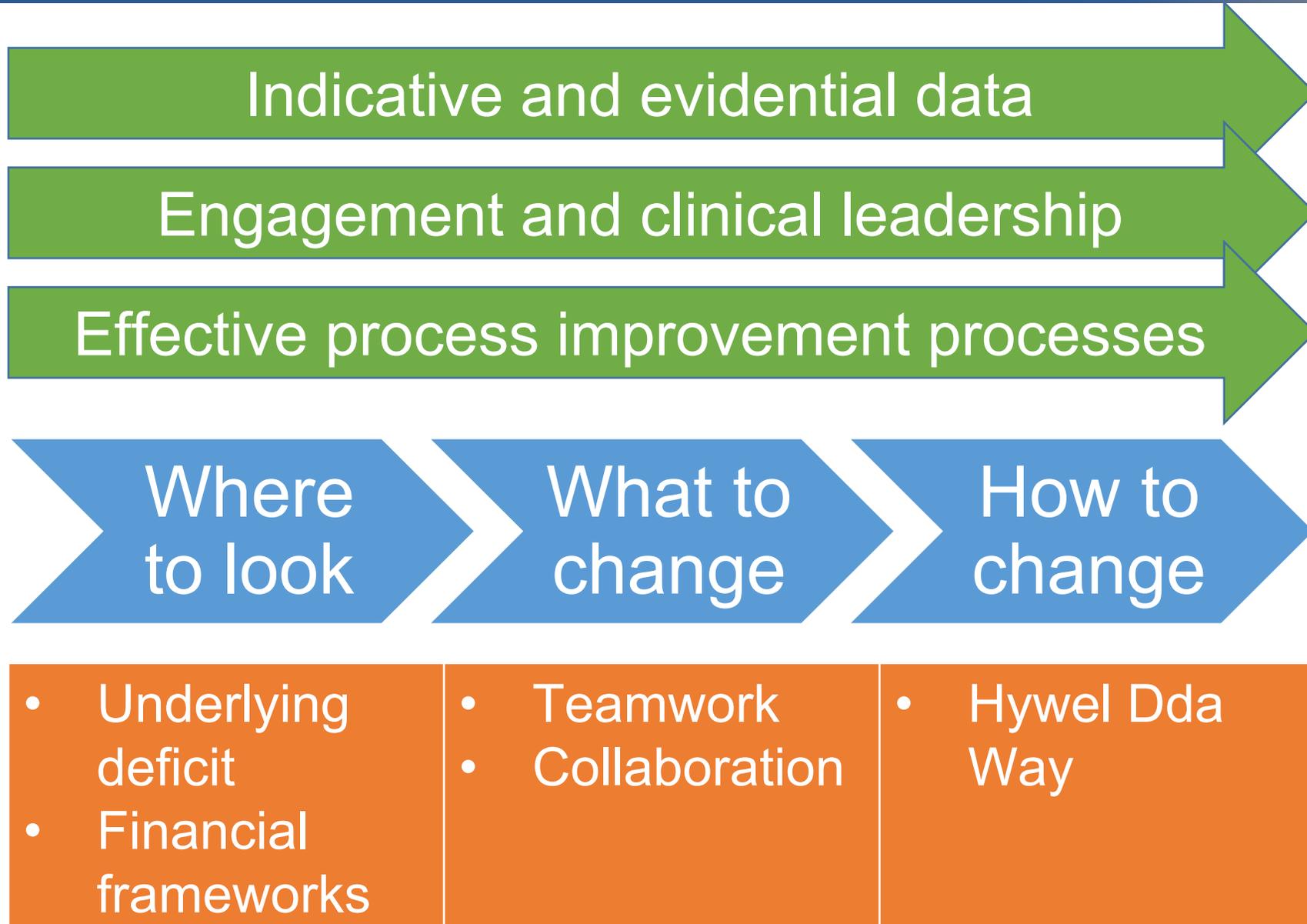
- Scheme of Delegation
- SFIs
- Three lines of defence
- Assurance framework
- Contracts framework
- Investments framework
- Reporting framework
- Decisions framework
- Savings framework

Learning from Others

- Rapid adoption
- 'Pinch with pride'
- Process excellence







Where
to look

What to
change

Resetting of Opportunities Framework in light of Covid-19 changes

Preserve beneficial changes to value chain

E-consultations, community treatments / pathways etc

Minimise / eliminate harmful changes to value chain

Additional staff roles, unused capacity

Golden window for many opportunities before we revert back to the way things were

Strategic change issues – such as how many sites upon which we provide planned surgery

Also, refreshed benchmarking data to inform further efficiency opportunities

Where
to look

What to
change

Further work to quantify impact on cost of delivery that is unique to us

Cost of four acute sites when an average HB our size would have 2 or 3

Cost of rotas for acute sites, A&E etc