



**PWYLLGOR ADNODDAU CYNALIADWY  
SUSTAINABLE RESOURCES COMMITTEE**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 April 2023
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Finance Targeted Intervention Actions
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Andrew Spratt, Deputy Director of Finance

<b>Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)</b>
Er Sicrwydd/For Assurance

<b>ADRODDIAD SCAA SBAR REPORT</b>
<b><u>Sefyllfa / Situation</u></b>
<p>The Health Board has been escalated into Targeted Intervention (TI) by Welsh Government (WG) on 29 September 2022 for Planning and Finance.</p> <p>The Audit and Risk Assurance Committee oversees progress against the Health Boards response to TI, however, this report highlights the key finance function specific actions and their progress.</p>
<b><u>Cefndir / Background</u></b>
<p>Work has been ongoing since the inception of TI in late 2022, to address the deliverables highlighted by WG. Significant progress has been made on the finance function specific actions, which cumulated in two reports being presented to the Quarterly TI Meeting held on 17 March 2023 for formal sign-off.</p> <p>This report sets out the key updates pertinent to the Finance functions actions and includes the work that has been submitted and accepted by WG and clarifies the remaining Finance actions.</p>
<b><u>Asesiad / Assessment</u></b>
<p>The accompanying PowerPoint presentation, attached at Appendix 1, articulates the progress, status, and any remaining next steps against the four key finance deliverables.</p> <p>Two of the deliverables have been completed and signed off through the March 2023 Quarterly TI meeting, with the remaining two deliverables currently on track for providing a final update for review and proposed sign-off for the June 2023 Quarterly TI meeting.</p>
<b><u>Argymhelliad / Recommendation</u></b>

The Sustainable Resources Committee is asked to receive assurance regarding progress to date, and forward plans, to enable completion of all finance function specific TI deliverables.

<b>Amcanion: (rhaid cwblhau)</b> <b>Objectives: (must be completed)</b>	
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:	New Risk (score 25) Achieving financial sustainability.
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 Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019</a>	9. All HDdUHB Well-being Objectives apply

<b>Gwybodaeth Ychwanegol:</b> <b>Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	KPMG Recommendations and Financial Deficit.
Rhestr Termiau: Glossary of Terms:	Contained within the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Finance Team Management Team Executive Team

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<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Financial implications are inherent within the report.
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	The impact on patient care is assessed within the savings schemes.
<b>Gweithlu:</b> <b>Workforce:</b>	The report considers the financial implications of our workforce.
<b>Risg:</b> <b>Risk:</b>	Financial risks are detailed in the report.
<b>Cyfreithiol:</b> <b>Legal:</b>	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.
<b>Enw Da:</b> <b>Reputational:</b>	Adverse variance against HDdUHB's financial plan will affect its reputation with Welsh Government, Audit Wales, and with external stakeholders.
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not applicable.
<b>Cydraddoldeb:</b> <b>Equality:</b>	Not applicable.

# Hywel Dda UHB

## Finance Targeted Intervention Actions

Sustainable Resources Committee

25<sup>th</sup> April 2023

### Progress and next steps

#### 1. Drivers from £25m to £62m

- **Content:** Itemised assessment with value, driver, decision, business case and benefits
- **Process:** Finance lead, with budget holders building the business case and benefits
- **Expectation:** Demonstratable value case for continuing, or decision made to dis-invest
- **Timeline:** Itemised assessment with values, drivers and decisions by end January 2023  
Operational business case, or dis-investment decision by 31<sup>st</sup> March 2023
- **Progress:** Summarised on next slide, together with appendix documents, **completed and signed off in March TI meeting**

### Progress and next steps

#### 1. Drivers from £25m to £62m

- The deficit explanation and proposal document signed off in March 2023 TI meeting with agreement to close out this item as complete
- The meeting is asked to discuss and agree the following:
  1. Accept the paper as the explanation of the deficit movement
  2. Close off the specific deliverable of “*understanding the drivers from £25m to £62m*”
  3. Seek assurance over the financial trajectory of the Health Board through the outstanding Targeted Intervention deliverables, namely the Delivery Framework and Planning and Project Management approach, utilising the Opportunities Framework

### Progress and next steps

#### 2. Opportunities framework continuous development and implementation

- **Content:** A dynamic continuous business cycle of updating, moving and delivering of ideas
- **Process:** Idea generation across multiple inputs, coordinated by finance  
Executive led cascade of expectations to budget holders  
Business cycle via delivery framework for progress reviews and accountability
- **Expectation:** Demonstratable increase in recurrent financial benefits being delivered
- **Timeline:** Saving plans articulated with PID included in the Annual Plan by 31st March 2023  
Trackable benefits delivered during the Q1 by 30th June 2023
- **Progress:** To feature as part of 2<sup>nd</sup> May Touch Point between Hywel Dda Finance and FDU, with a view to bringing a final position statement by the **June TI meeting**, with a summary update of the structure attached on the following slide – **on track**

## 2. Opportunities framework continuous development and implementation

### Opportunities approach

- Summarises the scale of opportunity from cost variation
- Provides detailed breakdowns of variation at an HRG level

### Choices from Benchmarking

- Presents the analysis from benchmarking the Health Board against others in NHS Wales
- Summarises key choice questions for discussion as a result of the analysis

### Resource-intensive service users

- Provides an analysis to establish which services and users consumed the most resource across the various strands of care to identify emerging themes and patterns

### Corporate Choices

- Assesses the Choices available in Corporate functions based on a scoring matrix from Strategic objectives

### Directorate Choices

- Directorate performance from a Finance perspective split into 3 categories, suggesting choices the Health Board could make to reduce expenditure
- Based on Operational Driver analysis of current financial year

### Previous and Pending Investments

- Summarises the local investments made during the Financial Planning cycles between 2020/21 and 2022/23 in addition to the Local and National investment choices proposed for next year's Plan 2023/24



## Progress and next steps

### 3. Health Board delivery framework

- **Content:** Comprehensive response pan organisation to the KMPG 2020 recommendations
- **Process:** Summarise recommendations into themes and update on current status  
Identify owners and embed open items into BAU routines
- **Expectation:** Evidence provided against all recommendations to be agreed with FDU
- **Timeline:** Update to Sustainable Resources Committee on 20th December 2022  
FDU feedback on initial responses by February 2023  
Outstanding items responded to and embedded by 31st March 2023
- **Progress:** Summarised on next slide, together with appendix documents, completed and signed off in **March TI meeting**

## Progress and next steps

### 3. Health Board delivery framework

- KPMG report reviewed and proposal document signed off in March 2023 TI meeting with agreement to close out this item as complete
- Five key themes remain, with owners agreed, which will require update in future TI meetings:
  1. Delivery Framework – Andrew Carruthers
  2. Planning and Programme Management – Lee Davies
  3. Opportunities Framework – Huw Thomas (already features as a TI deliverable for Finance)
  4. Workforce Grip and Control – Lisa Gostling
  5. Financial Management Principles – Huw Thomas (already features as a TI deliverable for Finance)

## Progress and next steps

### 4. Review financial management arrangements

- **Content:** Organisational response articulating financial management principles
- **Process:** Document existing principles, FDU to critique and identify any gaps for closing
- **Expectation:** FDU agreement that an appropriate level of principles exist
- **Timeline:** Existing principle document shared by 15th March 2023  
FDU feedback and gap analysis provided by 2<sup>nd</sup> May 2023  
Outstanding items responded to and embedded by 31st May 2023
- **Progress:** To be reviewed with FDU in 2<sup>nd</sup> May 2023 touch point and recommendations reviewed by Hywel Dda ready for a final position statement by the **June TI meeting – on track**