



## PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	23 August 2021
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Finance Planning Objectives Update
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Huw Thomas, 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

To provide the Sustainable Resources Committee with an update on the Finance Planning Objectives.

#### Cefndir / Background

As part of the strategic approach to the medium and long term aspirations of the Health Board, a series of Planning Objectives have been agreed across the Executive team. This report provides detail on the financial items that are owned by the Director of Finance.

#### Asesiad / Assessment

The accompanying presentation, attached at Appendix 1, highlights progress made to date and future actions required to deliver each of the Finance Planning Objectives.

#### Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to note the progress made and the risks to be managed over the coming financial year.

### Amcanion: (rhaid cwblhau) Objectives: (must be completed)

Committee ToR Reference:  
Cyfeirnod Cylch Gorchwyl y Pwyllgor:

2.2 To receive an assurance on delivery against all relevant Planning Objectives falling in the main under Strategic Objective 6 Sustainable Use of Resources (See Appendix 1), in accordance with the Board approved timescales, as set out in HDdUHB's Annual Plan.

	3.2 Seek assurance on delivery against all Planning Objectives aligned to the Committee, considering and scrutinising the plans, including the 3 and 5 year financial plans, savings plans and decarbonisation plans, that are developed and implemented, supporting and endorsing these as appropriate (PO 6A, 6C, 6G and 6J).
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:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019</a>	10. Not Applicable

#### **Gwybodaeth Ychwanegol: Further Information:**

Ar sail tystiolaeth: Evidence Base:	Not Applicable
Rhestr Termiau: Glossary of Terms:	Not Applicable
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Systems Engagement Meetings, Planning Steering Group.

#### **Effaith: (rhaid cwblhau) Impact: (must be completed)**

<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Contained within the report and presentation.
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Not Applicable
<b>Gweithlu: Workforce:</b>	Not Applicable
<b>Risg: Risk:</b>	Contained within the report and presentation.

<b>Cyfreithiol: Legal:</b>	Not Applicable
<b>Enw Da: Reputational:</b>	Not Applicable
<b>Gyfrinachedd: Privacy:</b>	Not Applicable
<b>Cydraddoldeb: Equality:</b>	Not Applicable

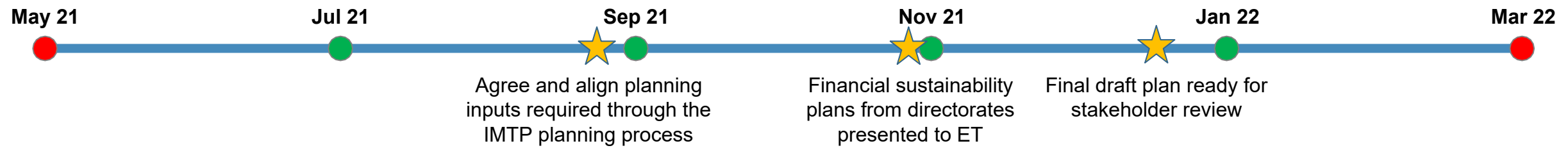
# Finance Planning Objectives Update

## August 2021 Update

Huw Thomas, Director of Finance



# Planning Objectives 6A and 6B Update



## Planning Objective Deliverables

6A. Develop a detailed 3 year financial plan based on the finance team’s assessment of allocative and technical value improvements, income opportunities and 3rd party expenditure value-for-money that can be captured within that timeframe. This plan should support the Health Board’s other objectives and command the support of Welsh Government and the Board. This will require a process to allocate these opportunities to relevant budgets and support budget holders to identify, plan and deliver the changes necessary to realise those opportunities. A clear monitoring and escalation process will be required to ensure budget holders deliver their plans and Board maintains clear oversight.

6B. Establish an on-going process to review and refresh the assessment of technical and allocative value improvements and income opportunities open to the Health Board and use this both to maintain in-year financial delivery and future budget setting.

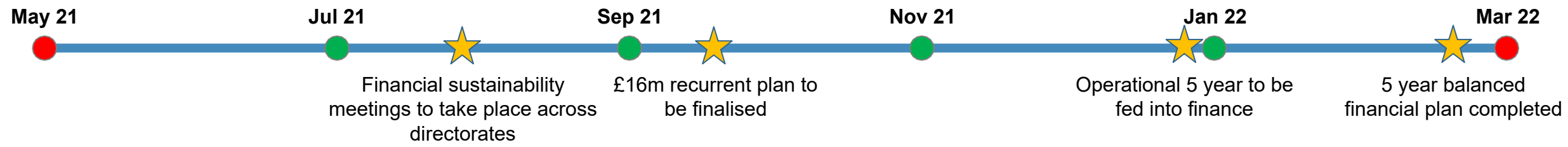
### Current status / progress

- Improvement opportunities have progressed into an initial framework
- Strategic improvements have been identified and shared across Execs for our over utilisation of admissions, largely in Llanelli, with next steps to be continued
- Modelling work has been concluded with PWC for both Workforce and Finance
- Re-instated pre-pandemic benchmarking via CHKS, NHSBN and supplemented with Lightfoot and Healthcare Efficiencies insight

### Forward plan / next steps risks

- Alignment with the Planning Directorates IMTP process, on timelines, content and expectations from each function
- Internal discussions to focus components parts that are expected to be delivered from each of the FBP and Transformation team
- Opportunities on a page to be progressed by FBP and Value finance teams
- Operational and clinical input required, currently limited due to pressures

# Planning Objectives 6C and 6J Update



## Planning Objective Deliverables

6C. Construct a 5 year financial plan that achieves financial balance based on securing the opportunities arising from the implementation of the strategy “A Healthier Mid and West Wales” and progress made in the interim period on the allocative and technical value improvements, income opportunities and 3rd party expenditure value-for-money improvements. This plan will command the support of Welsh Government and the Board

6J. To develop, by 30 September, a plan to deliver £16m of recurrent savings based on opportunities for technical and allocative efficiencies across the Health Board’s budgets. The savings will need to be deliverable on a pro rata basis by the end of the financial year to ensure that the underlying deficit does not further deteriorate. This will be based on the Health Board’s developing opportunities framework, and developed in conjunction with budget managers across the organisation.

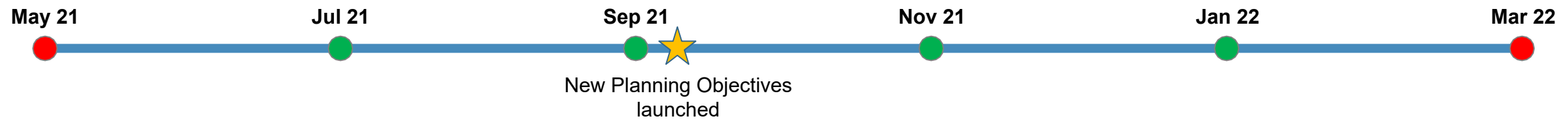
### Current status / progress

- Improvement opportunities have progressed into an initial framework
- Clarity is transpiring around a non-recurrent roadmap to deliver £16m, with the risk still remaining on the recurrent position – WG focus now building on this
- Strategic choices have been expressed for closing the financial deficit, with ongoing work to continue discussions and priorities

### Forward plan / next steps / risks

- Operational and clinical engagement required to help identify areas of opportunity, or services that are not sustainable or safe to continue
- Decisions required on which strategic opportunities are to be pursued, and what service changes are included within the transformation programme
- Financial sustainability meetings to be scheduled in mid August with directorates to provide a forum for discussing the options available and progressing

# Planning Objectives 6I Update



## Planning Objective Deliverables

6I. By September 2021 propose new Planning Objectives to establish locality resource allocations covering the whole health budget (and social care where agreed with partners) and test innovative approaches to driving the shift of activity from secondary care settings to primary and community care. Additional aims will be to ensure secondary care thrives in doing only what it can do, shifts are based on the needs and assets of the local population, and localities progressively close the gap between budget and target resource allocation

### Current status / progress

- Locality tool significantly developed utilising existing costing information, that allows the completion on a quarterly basis at present
- Allocation will be created as a pseudo financial analysis ledger, not built into the routine budget system and process at this stage
- Resource utilisations have already identified, at a cluster level currently, additional activity within certain acute services, with a presenting issue coming from primary care that is highlighted for further focus – action service leads

### Forward plan / next steps / risks

- Engagement across the wider finance team to explain and establish a routine for investigating budget verses target resource gaps that can be presented to operational and clinical colleagues
- Organisational explanation launched explaining the new approach to managing the undying deficit to target those areas that are contributing to it
- Linkages created to the support and delivery of the savings opportunities required to deliver both the 3 and 5 year financial plans