



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board

Implementing the annual plan

Delivery Update

April 2024

Board Seminar



Agenda

- 1 2023/24 Savings outturn
- 2 2024/25 Embedding the financial plan
- 3 Saving plans
- 4 Realising new opportunities

Appendix:

- 5 Savings scheme detail by Directorate

Month 12 2023/24: Savings Performance

In-Year Plan £'000	Directorate	Mth Plan	Mth Actual	Mth Var	Annual Plan	Annual Act	Annual Var
Saving	CHIEF EXECUTIVE	23,608	23,608	0	229,976	229,976	0
	DIGITAL	50,000	50,000	0	361,000	361,000	0
	FACILITIES	17,083	17,083	0	205,000	204,996	4
	FINANCE	8,837	8,837	0	131,000	131,000	0
	HEALTH BOARD WIDE	534,871	534,871	0	6,001,592	6,001,592	0
	LTA'S WITH OTHER NHS PROVIDERS	9,844	9,844	0	118,128	118,128	0
	MEDICAL DIRECTOR	58,778	58,778	0	329,000	329,000	0
	MEDICINES MANAGEMENT	110,085	110,085	0	1,321,000	1,321,000	0
	MENTAL HEALTH & LD	183,333	50,426	132,907	1,200,000	366,597	833,403
	NURSING	43,338	10,000	33,338	580,000	80,000	500,000
	ONCOLOGY & CANCER SERVICES	18,243	18,243	0	218,916	218,916	0
	PATHOLOGY	16,663	16,663	0	200,000	200,000	0
	PLANNED CARE	205,639	247,299	(41,660)	2,005,407	2,377,178	(371,771)
	PRIMARY CARE MANAGEMENT	157,500	157,500	0	697,650	697,650	0
	RADIOLOGY	14,250	14,250	0	117,000	117,000	0
	STRATEGIC PLANNING	64,750	64,750	0	437,000	437,000	0
	THERAPIES	20,424	20,424	0	245,000	245,000	0
	UNSCHEDULED CARE BRONGLAIS	58,156	0	58,156	484,263	256,112	228,151
	UNSCHEDULED CARE GLANGWILI	350,146	0	350,146	3,309,239	0	3,309,239
	UNSCHEDULED CARE PRINCE PHILIP	29,217	0	29,217	122,740	0	122,740
	UNSCHEDULED CARE WITHYBUSH	41,000	41,000	0	268,000	267,000	1,000
	WOMEN & CHILDREN	23,330	23,330	0	267,957	267,957	0
	WORKFORCE & OD	131,333	131,333	0	777,997	777,997	0
	PERFORMANCE	833	833	0	10,000	10,000	0
Saving Total		2,171,262	1,609,158	562,105	19,637,865	15,015,100	4,622,766
Productivity	FACILITIES	30,250	9,792	20,458	363,000	104,125	258,875
	ONCOLOGY & CANCER SERVICES	13,333	13,333	0	70,000	140,000	(70,000)
	PATHOLOGY	8,000	8,000	0	65,000	65,000	0
	PLANNED CARE	407,966	402,175	5,791	4,766,476	4,702,089	64,387
	UNSCHEDULED CARE GLANGWILI	227,295	227,295	0	2,667,535	2,325,452	342,083
	WOMEN & CHILDREN	10,000	0	10,000	40,000	0	40,000
Productivity Total		696,844	660,595	36,249	7,972,011	7,336,666	635,345
Run-rate reduction	CARMARTHENSHIRE COUNTY	44,762	44,762	0	446,913	446,913	(0)
	CEREDIGION COUNTY	1,361	1,361	0	167,251	167,278	(27)
	MEDICINES MANAGEMENT	416,236	499,222	(82,987)	1,345,028	1,475,266	(130,239)
	MENTAL HEALTH & LD	1,305	1,305	0	11,745	11,745	0
	ONCOLOGY & CANCER SERVICES	20,000	20,000	0	105,000	100,000	5,000
	PATHOLOGY	142,360	145,600	(3,240)	210,080	213,320	(3,240)
	PEMBROKESHIRE COUNTY	2,903	2,903	0	26,123	26,123	0
	PLANNED CARE	80,493	50,494	29,999	290,082	220,082	69,999
	PUBLIC HEALTH	161,000	161,000	0	644,000	644,000	0
	RADIOLOGY	80,000	42,000	38,000	400,000	230,000	170,000
	STRATEGIC PLANNING	20,416	0	20,416	244,998	0	244,998
	THERAPIES	1,333	1,333	0	8,000	8,000	0
	UNSCHEDULED CARE BRONGLAIS	128,234	128,234	0	1,065,764	1,065,764	0
	UNSCHEDULED CARE GLANGWILI	122,262	122,262	0	994,810	994,810	0
	UNSCHEDULED CARE PRINCE PHILIP	34,423	34,423	0	330,463	330,463	0
	UNSCHEDULED CARE WITHYBUSH	156,179	243,679	(87,500)	1,014,589	1,434,589	(420,000)
	WOMEN & CHILDREN	204,667	83,106	121,561	1,040,000	364,395	675,605
	WORKFORCE & OD	80,000	0	80,000	240,000	0	240,000
Run-rate reduction Total		1,697,933	1,581,683	116,249	8,584,843	7,732,747	852,097
Grand Total		4,566,039	3,851,435	714,603	36,194,720	30,084,512	6,110,208

Against the £19.5m Plan Savings Target, £15.0m delivered.

Savings

- MHLDC CHC scheme delivery lower than Plan due to revision in forecast outturn from £1.2m to £0.5m
- Health Board Wide under-delivery in relation to Family Liaison Officers scheme
- Planned Care Switch to Biosimilar for Wet AMD patients delivery higher than Plan
- USC GGH under-delivery in relation to Nurse Stabilisation.

Productivity

- Productivity savings schemes under-achieving for Facilities and USC GGH

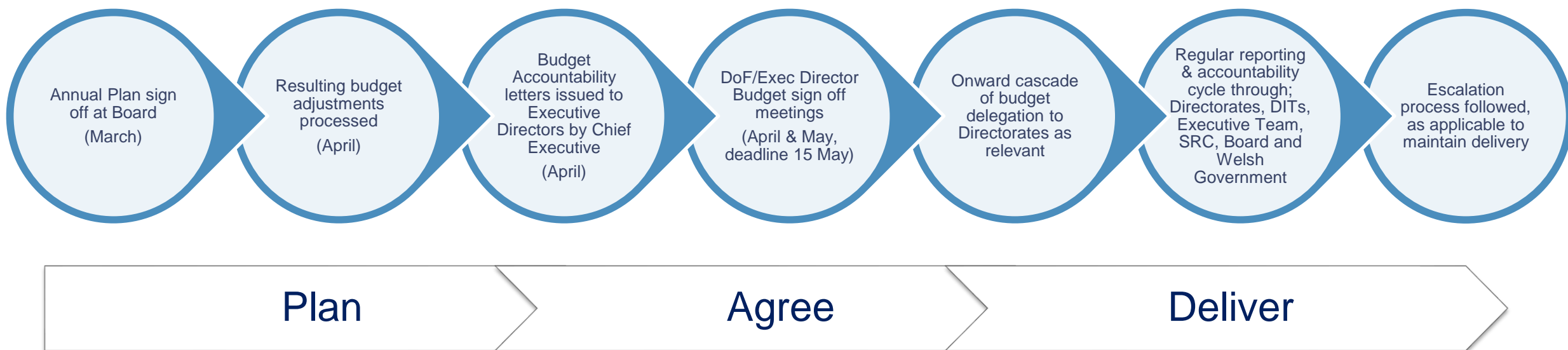
Run-rate reduction

- Delay in on-boarding substantive Radiologists to reduce reliance on external provider
- USC WGH Nurse Stabilisation over-achievement
- Women & Children delays in on-boarding substantive staff due to Visa issues
- Medicines Management over-achievement for Velindre rebates

Please note that this table reports planned and forecasted financial information for Green and Amber RAG rated schemes only.

Embedding the financial plan

Aligned to the Welsh Government timetable of the budget allocation letter in December and Annual Plan submission deadline of March 31st, the plan has been developed and considered by Board. The next steps are to embed this within the organisation and ensure delivery.



Directorate Escalation Tiers: Finance domain

Level 1

- No significant financial concerns

Level 2

- An in-year overspend of 3% or more of budget with a recovery plan in place, which may not fully deliver in year.
- The Directorate has not identified recurrent savings opportunities to the required level.

Level 3

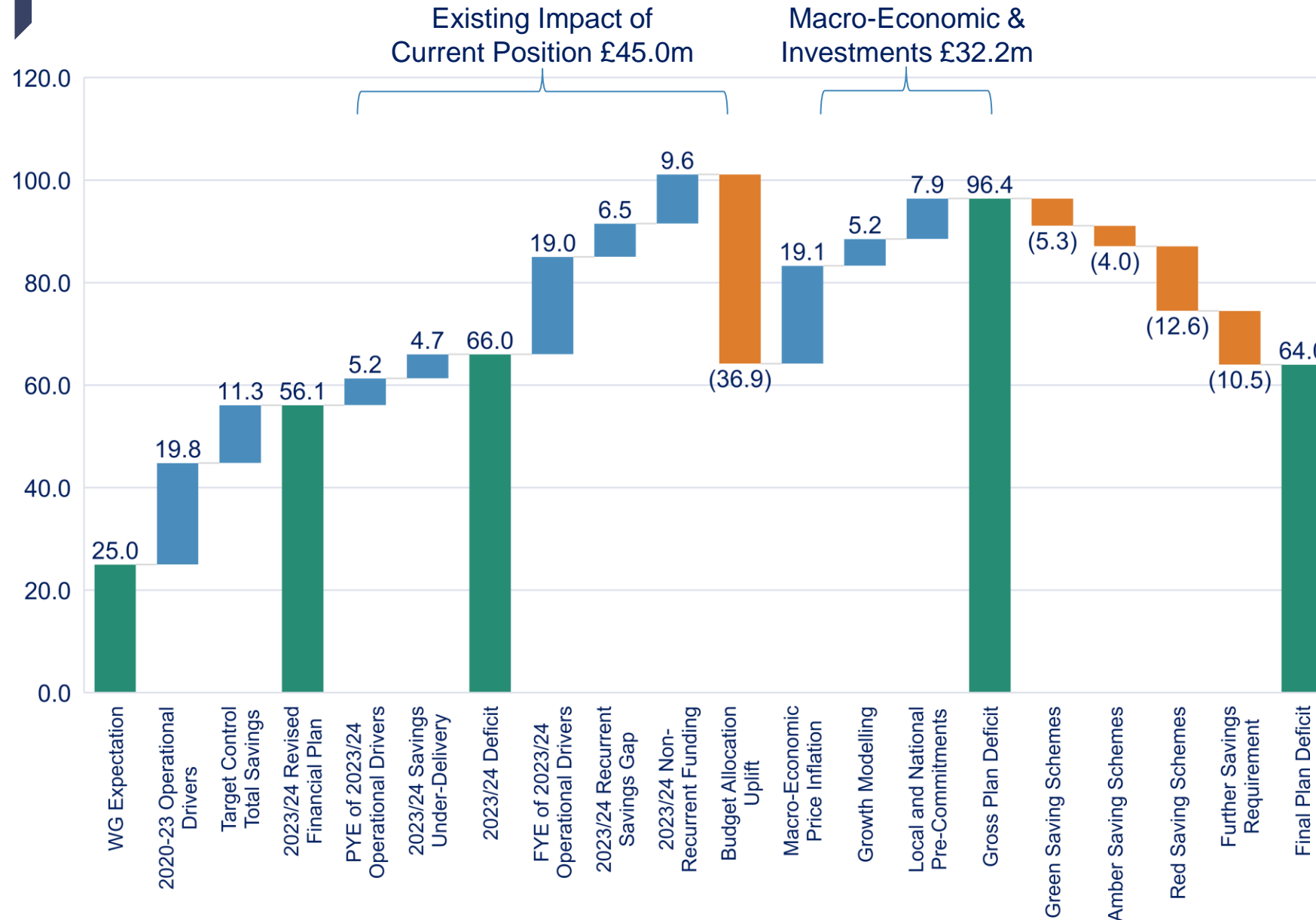
- A history of financial challenges with limited engagement and progress in respect of opportunities to improve.
- An in-year overspend of 5% or more of budget
- No assurance over recovery actions

Performance Review Arrangements

- All: Twice yearly DIT meeting.
- Level 2: At least quarterly escalation review meeting, may be more frequent.
- Level 3: At least monthly, escalation review meeting, may be more frequent.

The escalation framework covers six domains.

24/25 Financial Plan: Executive Summary (£m)

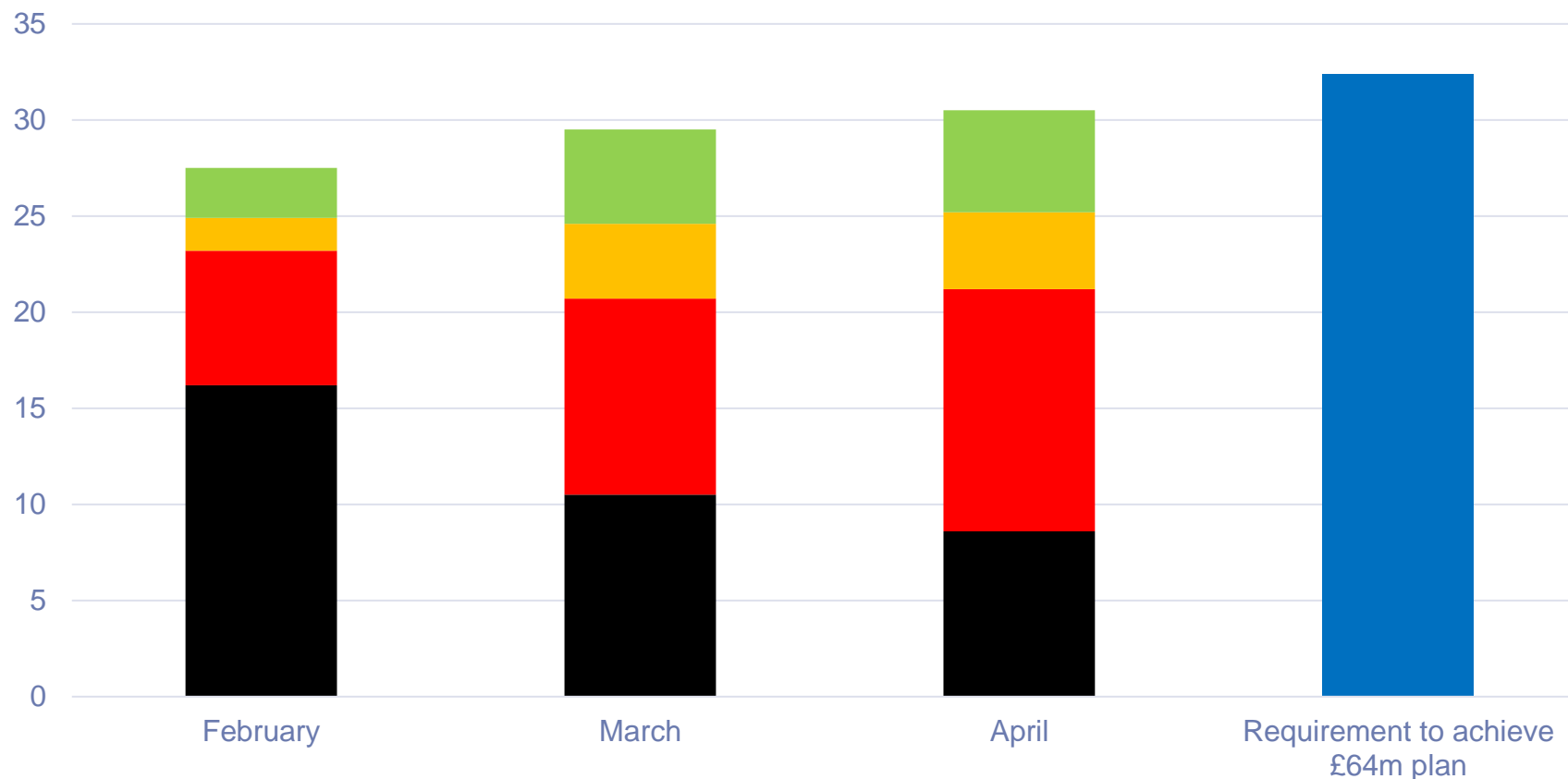


Savings requirement summary:

- WG Target Control Total: £44.8m deficit
- Financial Plan: £64m deficit
- **To achieve £64m, estimated savings requirement £32.4m**
- To deliver Target Control Total, a further £19.2m savings required.
- Total £51.6m savings challenge to achieve the Target Control Total.

Savings plan vs target

Through the planning process there has been some progress in generating a higher value of saving plans and progress along the BRAG ratings, with a reduction in black schemes as they have converted to RAG. As schemes are rejected from the black status, the total value identified may reduce over the coming month.



Savings Aspirations 2024/25: Executive Directors

The latest savings assessment reflects plans totalling £30.6m, summary table below.

Focusing on 2023/24 Amber and Green schemes total £9.3m. Against the starting deficit of £96.4m, this provides a trajectory to £87.1m deficit. Including Red schemes reduces this to £74.5m.

Executive Owner	2024/25 Saving Proposals					FYE
	Black £k	Red £k	Amber £k	Green £k	2024/25 Total £k	Total £k
Chief Executive	0	90	0	0	90	0
Director of Finance	0	0	789	0	789	1,119
Director of Nursing, Quality & Patient Experience	0	96	0	0	96	0
Director of Operations	6,478	6,233	2,305	5,221	20,236	24,321
Director of Primary Care, Community & Long Term Care	1,850	3,140	928	100	6,018	8,356
Director of Public Health	0	297	0	0	297	297
Director of Strategy and Planning	273	736	0	0	1,009	3,060
Director of Therapies & Health Sciences	0	1,277	0	0	1,277	0
Director of Workforce & Organisational Development		757			757	0
Medical Director					0	0
TOTAL	8,601	12,625	4,022	5,321	30,569	37,153
Recurrent/FYE	17,620	12,624	3,730	3,179		37,153

The value of savings schemes proposed for 2024/25 has increased marginally since the second cut of the Financial Plan in February, a further £0.6m. The BRAG rating has improved, £9.3m Amber and Green, up from £4.4m.



Green schemes: Recognised by the organisation with a robust plan and timing of delivery is certain.

Amber Schemes: Recognised by the organisation with a robust plan where timing of delivery is uncertain.

Red Schemes: Ideas recognised by the organisation without a plan.

Black Schemes: Ideas under consideration without a plan.

Savings Aspirations 2024/25: Directorates (1/2)

Directorate	2024/25 Saving Proposals					FYE
	Black £k	Red £k	Amber £k	Green £k	2024/25 Total £k	Total £k
DIRECTOR OF OPERATIONS	15	167	404	0	586	264
FACILITIES	1,078	259	570	51	1,958	1,604
MENTAL HEALTH & LD	0	1,000	0	2,626	3,626	0
ONCOLOGY & CANCER SERVICES	0	0	0	0	0	400
PATHOLOGY	0	0	0	0	0	695
RADIOLOGY	150	571	294	186	1,201	2,948
PLANNED CARE	943	78	0	0	1,021	1,021
UNSCHEDULED CARE BRONGLAIS	0	262	600	325	1,187	1,699
UNSCHEDULED CARE GLANGWILI	0	886	0	294	1,180	1,759
UNSCHEDULED CARE PRINCE PHILIP	0	1,579	0	123	1,701	2,692
UNSCHEDULED CARE WITHYBUSH	4,292	1,431	437	1,616	7,776	8,842
WOMEN & CHILDREN	0	0	0	0	0	2,397
Director of Operations TOTAL	6,478	6,233	2,305	5,221	20,236	24,321
Recurrent/FYE	11,147	8,412	1,683	3,079		24,321

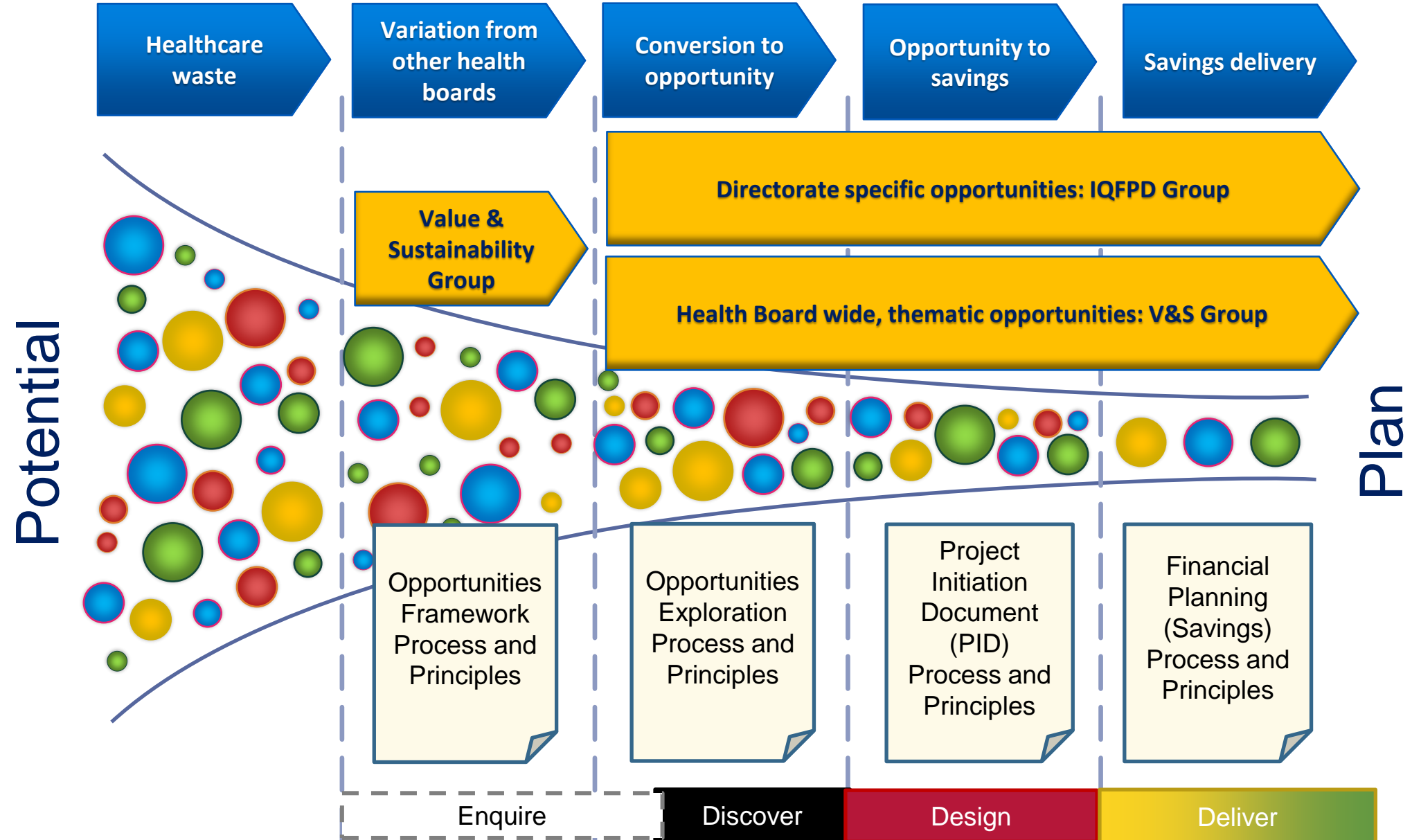
Of the savings identified to date, £12.7m opportunity for 2024/25 is Black or Red, £7.5m Amber and Green schemes. N.B. Detailed breakdown of schemes included in an appendix to these slides.

Savings Aspirations 2024/25: Directorates (2/2)

Directorate	2024/25 Saving Proposals					FYE
	Black £k	Red £k	Amber £k	Green £k	2024/25 Total £k	Total £k
CARMARTHENSHIRE COUNTY	791	0	520	0	1,311	3,344
CEREDIGION COUNTY	0	225	0	0	225	300
PEMBROKESHIRE COUNTY	230	325	0	0	555	784
MEDICINES MANAGEMENT	830	2,590	408	100	3,928	3,928
PRIMARY CARE						
PRIMARY CARE MANAGEMENT						
Director of Primary Care, Community & Long Term Care TOTAL	1,850	3,140	928	100	6,018	8,356
Recurrent/FYE	4,113	3,215	928	100		8,356

Of the savings identified to date, £5.0m opportunity for 2024/25 is Black or Red, £1.0m Amber and Green schemes. Detailed breakdown of schemes included in an appendix to these slides.

Realising variation opportunities: Proposed process



Realising variation opportunities: Opportunities overview

Area	Required change	Indicative impact	
Number of beds for USC	Reduce non-elective ward bed numbers to a sustainable level, able to be staffed without reliance on agency / bank	Bed numbers	£21m - £23m
		Ward agency	£25m - £27m
Number of acute medical intakes	Reduce number of medical takes, reduce support services such as rad, path, HSDU in tandem		£15m - £20m
Centralise planned care	Day surgery and in-patient surgery – reduce number of sites from 3 to 2 in south of the HB; reduce /eliminate planned care in BGH		£3m - £6m
Centralise clinical support services	Reduced on-call / OOH rotas		£3m - £5m
Reduced outpatient facilities / locations / demand	Centralise (reduced) outpatient activity on fewer sites, increased planned care productivity, reduced follow up appointments, virtual rather than F2F – target a 5% efficiency gain		£4m - £5m
Withdrawal of directly contracted ambulance services	Reduce ambulance transfer services to GGH from other sites		£1.2m
Closure of an A&E department	Diversion of ambulance stack and walk-in to alternative ED facilities		£5m - £10m
Closure of PPH MIU	Diversion of injury patients to alternatives eg Morriston, GGH		£3m - £3.5m
Closure of a hospital to liberate overheads	Based on substantial changes above (already assumed delivered), final change to deliver financial sustainability is closure of a site – overhead and estates savings, management, rota savings, etc		£10m - £20m
		Total	£90m - £120m

Next steps

- Meetings with Executives ongoing over April in order to secure budget delegation sign-off by 15 May
- Financial briefing to be prepared for each significant element outlined from the opportunities review
- Executives to consider each element and determine a feasible route to operationalise delivery
- Opportunities to be further pursued will then be developed further through the Value and Sustainability Group during Q1

Further detail on variation and benchmarking

Realising variation opportunities: Examples source information



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Source	Explanation / data	Data Reviewed	Overview
Reference Cost Returns	<i>Revised approach to opportunities Phase 1 - Hywel Dda Jan 22 CJW</i>	2022/23	An activity driven cost analysis of variation versus other Health Boards, at Health Board level Overall £64m above average for Wales 2022/23: <ul style="list-style-type: none"> - Elective £3.5m - Maternity £2.8m - Non-elective £45.2m - Regular day attenders £1.9m - Paediatrics (inpatient?) £2m
Reference Cost Returns	<i>Revised approach to opportunities Phase 2 - Hywel Dda Jan 23 CJW</i>	2022/23	Detailed analysis of cost pools at HRG level to indicate particular specialisms, procedures etc with high cost variation to rest of Wales
CHKS	Full review of all CHKS dashboards	2021/22	Analysis revealed few opportunities in comparison with rest of Wales – mainly very <i>short and very long length of stay</i> Follow up exercise to consider procedures of low volume to see what commissioning opportunities may present
NHS Benchmarking Network	Each BN return that has published a toolkit	2021/22	<i>Emergency Care</i> – relatively high cost, relatively low quality. Provision of four ED / major MIU is critical factor <i>Pharmacy / meds optimisation</i> – relatively low cost (both cost per bed & staffing)
EFPMS	Estates and Facilities Performance Management System (EFPMS) returns	2022 / 23	National dashboard being reviewed by local team Estate is significantly older than average. High utility costs – mainly GGH / use of oil. Fragmented estate – eg St David's Park site. Space utilisation
Clinically effective practice	INNU, PoLCE and low volume / critical mass	2022/23	Of the six remaining procedures reviewed <20 for Hywel Dda (of 150 for Wales) and <£100k.(of £1.5m spent across NHS Wales) An updated INNU policy promulgated by WG is being implemented, procedures and diagnoses reviewed by senior clinical leaders

Realising variation opportunities: Examples source information



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Source	Explanation	Data Reviewed	Overview
Our population analyses	Locality tool / sites / specialties	2018/19 and 2019/20	Llanelli highest cost by head of population; high attendance but low conversion BGH etc PRIA tool shows constraints on comparing at sub-population level
Top 100 patients	From WCRs – highest cost, volume etc patients	2020/21 and 2021/22	V1: ED frequent attenders, end of life care, multiple admissions in year V2: Patient journeys constructed
Prescribing and medicines	WG supported group - AWTTC	2022 / 23	Based upon national working group findings, published via VAULT. Latest release highlighted £1½m-£1m opportunity across Ranibizumab, Infliximab, Adalimumab and Etanercept
VAULT	Ad hoc opportunity repository	Various	Various atlases of variation, analyses etc. Diabetes in particular has highlighted a £2m opportunities in drugs and devices
End of life care / mortality	High and increasing usage of beds	2022/23	Broad analysis of research and Health Board data, high levels of unscheduled care bed usage, for people for whom medicine may no longer be the most appropriate approach
Social care	Key success factor for TUEC/USC	1996-date	Generally reduced investment across Wales but particularly low investment in adult social care in three counties of Hywel Dda. Whilst political in nature, Executives are supportive of pursuing



Other areas of investigation (four page summary at this point) include:

- WHSSC
- Mental Health
- Demand shaping / demand management / prevention
- Medical intakes
- Opening hours eg rad, path, MIU, ED
- Community hospitals
- Critical care
- 'Bed blocking' (DTOCs, RTL, C/MO)
- Clinical psychology
- CHC
- Workforce productivity
- GIRFT I / multiple sites / intakes / surgery
- GIRFT II / theatre productivity

Realising variation opportunities: “Long list” of variation

For each key source *up to* 10 ‘headline’ variations / observations

Given mixture of sources and analysis some will be quantified (including financially), whilst others just a narrative.

Title	Scope
High level cost comparison - PODs	Non elective short stays - variation to All Wales average £10.2m
High level cost comparison - PODs	Non elective stays - variation to All Wales average £28.1m
Length of stay comparison - non elective long stay	Tregaron Hospital - LOS 53.7 days compared to AWA of 9.4 = 44.3
Length of stay comparison - non elective long stay	South Pembs Hospital - LOS 45.7 days compared to AWA of 9.4 = 36.3 ①
Length of stay comparison - non elective long stay	Withybush General Hospital - LOS 11.2 days compared to AWA of 9.4 = 1.8
Average cost comparison - non elective long stay	Prince Philip Hospital - £ per FCE £3,514 compared to AWA of £2,167 = £1,347 per episode
Inpatient non elective - specialty analysis	Non elective cost variation to AWA - Other medicine £11.2m
Inpatient non elective - specialty analysis	Non elective cost variation to AWA - Orthopaedics £6.9m ②
Inpatient elective care - cost comparison	Prince Philip Hospital - cost variation to All Wales average £5.9m
Emergency care - cost comparison	Prince Philip Hospital - cost variation to All Wales average (MIU) £3.3m
Emergency care - activity comparison	Emergency department attendances compared to All Wales Average - 44,000 higher than average
Outpatient care - cost comparison	Bronglais Hospital - procedures - cost variation to All Wales average - £1.1m
Maternity care	Bronglais Hospital - ward costs £2,927 compared to AWA £2,314 = £613 per birth
CHKS comparison - Wales only - readmission rates	Readmission within 30 days - 10.4% v 9.1% AWA - 1,349 excess bed days
CHKS comparison - Wales only - delayed discharges	Delayed discharge - 131,000 total excess bed days (annualised equivalent, 1,475 planned care, 129,500 non-elective)
CHKS comparison - Wales only - length of stay - site	Length of stay - Llandovery Hospital 37 days compared to AWA 3.7, variation of 4,454 excess bed days
CHKS comparison - Wales only - length of stay - site	Length of stay - Tregaron Hospital 38 days compared to AWA 3.7, variation of 4,454 excess bed days
All Wales HRG cost comparison - highest variation	Emergency Caesarean Section with CC Score 0-1 £0.97M variation to AWA
All Wales HRG Sub Chapter cost comparison - highest variation	Orthopaedic Non-Trauma Procedures £4.4M variation to AWA
All Wales HRG Sub Chapter cost comparison - highest variation	Digestive System Open and Laparoscopic Procedures £3.7M variation to AWA
All Wales HRG Sub Chapter cost comparison - highest variation	Chemotherapy £3M variation to AWA
High resource consuming patients	100 most frequent A&E attenders - average 19.4 attendances per year each
High resource consuming patients	100 most expensive Hywel Dda Admitted patients £17.8m average costs per 100 patients £0.35m
NHSW Value and Sustainability Group - fragile services review	Ongoing review of unsustainable services
NHSW Value and Sustainability Group - clinical variation and service recd	Further, Faster - roll out of virtual wards ③

Saving Opportunities – Realising variation opportunities

- List of variation presented at OPGP March 2024. Ask from Director of Operations to review, particularly where savings plans identified to date remain below the target expected for 2024/25.
- Directorates seeking out meetings to progress understanding and review of opportunities
 - Carmarthenshire system, PPH, GGH
 - MH
 - Pembrokeshire system, WGH.
- Arrangement for identification, review, validation and tracking realisation of opportunities to be formalised through new Value & Sustainability Group and directed to Integrated Quality Financial Performance Delivery Group to realise and monitor delivery (unless a pan Health Board thematic opportunity, which will be monitored via Value & Sustainability Group).
- Opportunities reporting cycle to commence and track progress, approach TBC, potential plan:
 - Simple template to be populated by each Directorate and reported through to IQFPDG
 - Monthly reporting cycle
 - Summary position will feed through to V&S Group and corporate reporting (Board & WG)
 - Individual templates will also inform Directorate DITS & internal escalation meetings as relevant
 - Once an opportunity is adequately understood and warrants a saving scheme entry, ongoing monitoring will be via the savings tracker and BRAG status.