

## Bundle Finance Committee 22 July 2019

- 1 09:30 - GOVERNANCE
  - 1.1 Welcome and Apologies  
*Presenter: Chair*
  - 1.2 Declarations of Interest  
*Presenter: All*
  - 1.3 Unapproved Minutes of Previous Meeting Held on 25th June 2019  
*Presenter: Chair*
    - 1 3 Unapproved Finance Committee Minutes 25 06 2019
  - 1.4 Matters Arising and Table of Actions from Meeting Held on 25th June 2019  
*Presenter: Chair*
    - 1 4 FC Table of Actions 25 06 19
- 2 09:40 - FOR DISCUSSION
  - 2.1 Finance Report Month 3  
*Presenter: Huw Thomas*
    - 2 1 Finance Report Month 3
  - 2.1a Financial Projections Report Month 3  
*Presenter: Huw Thomas*
    - 2 1a Financial Projections Month 3
    - 2 1a Appendix 1 Month 3 Presentation
  - 2.2 Turnaround Report/Savings Plan Month 3  
*Presenter: Andrew Carruthers*
    - 2 2 Turnaround SBAR
    - 2 2 Appendix 1 Turnaround Report
  - 2.3 RTT Month 3  
*Presenter: Keith Jones*
    - 2 3 RTT Month 3
    - 2 3 Appendix 1 RTT Spend Month 3
    - 2 3 Appendix 2 NHS Performance Fund 2019-20 20190627
  - 2.4 Capital Financial Management  
*Presenter: Eldeg Rosser*
    - 2 4 Capital Financial Management
  - 2.5 Contracting Update  
*Presenter: Shaun Ayres*
    - 2 5 Contracting Update SBAR
    - 2 5 Appendix 1 Contracting Update
  - 2.6 External Finance Review  
*Presenter: Huw Thomas (verbal)*
  - 2.7 Draft Indicative Financial Plan 2020/21  
*Presenter: Eldeg Rosser*
    - 2 7 Draft Indicative Financial Plan 2020-21 SBAR
    - 2 7 Appendix 1 Draft Indicative Financial Plan 2020-21 Presentation
- 3 10:50 - FOR ASSURANCE
  - 3.1 Deep Dive into Continuing Health Care
    - 3.1.1 Mental Health & Learning Disabilities  
*Deferred to August 2019 Committee meeting*
    - 3.1.2 Counties  
*Deferred to August 2019 Committee Meeting*

- 3.2 Deep Dive into Withybush General Hospital  
*Presenter: Joe Teape*  
3 2 Deep Dive into WGH presentation
- 4 11:20 - WORKSHOP
- 4.1 Turnaround Programme Structure Governance  
*Presenter: Andrew Carruthers*  
4 1 Turnaround To Transformation Structure Governance Presentation
- 5 11:40 - FOR APPROVAL
- 5.1 Financial Procedures  
*Presenter: Jennifer Thomas*  
5 1 Financial Procedures SBAR  
5 1 Appendix 1 FP 01.06 Cash Imprest - Rehabilitation Monies June 2019  
5 1 Appendix 1a 190 - Version Control Overview FP01.06 Cash Imprest Accounts  
5 1 Appendix 1b - SUMMARY EqIA Imprest of Rehab Monies Partial Draft v0.1 JCH 28030219  
5 1 Appendix 2 Disposal Surplus Equipment-draft 2019  
5 1 Appendix 2a 190 - Version Control Overview FP14.03 Disposal of Surplus & Obsolete Equipment  
5 1 Appendix 2b SUMMARY EqIA Forms FINANCIAL PROCEDURES  
5 1 Appendix 3 057-Main Control Stores - June 2019  
5 1 Appendix 3a 190 - Version Control Overview FP03.01 Main Control Stores  
5 1 Appendix 3b SUMMARY EqIA forms FINANCIAL PROCEDURES
- 6 12:10 - FOR INFORMATION
- 6.1 Finance Committee Update Report to Board from Previous Meeting  
*Presenter: Chair*  
6 1 FC Update Report to Board - 25th June 2019
- 6.2 Finance Committee Annual Workplan  
*Presenter: Chair*  
6 2 Finance Committee Workplan 2019-20 v8
- 6.3 Reflective Summary  
*Presenter: Huw Thomas (Verbal)*
- 7 ANY OTHER BUSINESS
- 8 DATE OF NEXT MEETING: Thursday 22nd August 2019, 9.00-12.00, Boardroom, Ystwyth Building

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

<b>Date and Time of Meeting:</b>	Tuesday 25 <sup>th</sup> June 2019, 2 - 5pm
<b>Venue:</b>	Boardroom, Ystwyth Building, St. David's Park, Carmarthen

<b>Present:</b>	<p>Mr Michael Hearty, Associate Member (Committee Chair)</p> <p>Mrs Judith Hardisty, Interim Chair of Hywel Dda University Health Board (HDdUHB)</p> <p>Mr Paul Newman, Interim Vice Chair, HDdUHB</p> <p>Mr Mike Lewis, Independent Member (Committee Vice Chair)</p> <p>Mrs Lisa Gostling, Director of Workforce &amp; Organisational Development</p> <p>Mr Huw Thomas, Director of Finance</p> <p>Mr David Powell, Independent Member</p> <p>Mr Andrew Carruthers, Turnaround Director</p>
<b>In Attendance:</b>	<p>Ms Michelle James, Head of Workforce Intelligence (part)</p> <p>Mr Adam Moore, Information and Data Analyst (part)</p> <p>Mrs Fiona Powell, Assistant Director of Finance</p> <p>Mr Hywel Jones, Director, Finance Delivery Unit (part)</p> <p>Mr Shaun Ayres, Interim Commissioning Manager</p> <p>Mr Mark Bowling, Assistant Director of Finance</p> <p>Ms Rhian Davies, Assistant Director of Finance – Corporate Finance</p> <p>Ms Rebecca Hayes, Senior Finance Business Partner</p> <p>Ms Alison Gittins, Head of Corporate and Partnership Governance</p> <p>Mrs Sarah Bevan, Committee Services Officer (Secretariat)</p>

<b>AGENDA ITEM</b>	<b>ITEM</b>	
<b>FC(19)97</b>	<b>INTRODUCTIONS AND APOLOGIES FOR ABSENCE</b>	<b>Action</b>
	<p>The Chair, Mr Michael Hearty, welcomed all to the meeting.</p> <p>Apologies were received from:</p> <ul style="list-style-type: none"> <li>• Mr Steve Moore, Chief Executive</li> <li>• Mrs Ann Taylor-Griffiths, Union Representative</li> <li>• Mr Joe Teape, Director of Operations/Deputy Chief Executive</li> <li>• Mr Keith Jones, General Manager</li> </ul>	
<b>FC(19)98</b>	<b>DECLARATIONS OF INTERESTS</b>	
	There were no declarations of interest made.	
<b>FC(19)99</b>	<b>MINUTES OF PREVIOUS MEETING HELD ON 20<sup>TH</sup> MAY 2019</b>	
	<b>RESOLVED</b> – that the minutes of the Finance Committee meeting held on 20 <sup>th</sup> May 2019 be <b>APPROVED</b> as a correct record.	
<b>FC(19)100</b>	<b>MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 20<sup>TH</sup> MAY 2019</b>	
	An update was provided on the Table of Actions from the meeting held on 20 <sup>th</sup> May 2019 and confirmation received that all outstanding actions had been progressed or were forward planned for a future Committee meeting.	

In terms of matters arising, Mr David Powell raised a query in regard to the following action:

- **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 scheme

Progress against the action had been forward planned for inclusion in the Turnaround Report Month 2 which Mr Powell noted is not included within the Turnaround Report on this Committee's agenda.

Mr Powell requested that this action remains on the table of actions, rated as amber, to enable the Committee to be sighted on any concerns regarding delivery of savings schemes.

## **FC(19)101 FINANCE REPORT MONTH 2**

Members were presented with the Finance Report Month 2 which had been presented to the Board Seminar meeting on 20<sup>th</sup> June 2019. Mr Thomas provided Members with the key headlines, notably:

- The total required savings is £28.7m for the year
- The gap in savings plan to deliver the £25m control total stands at £7.6m
- Month 2 position is £0.6m variance to plan, which brings the cumulative variance to £1.0m
- The current gap in identified assured savings schemes is £8.5m against which there are identified pipeline opportunities of £6.4m.

Mr Thomas informed Members that the finance team maintain a weekly log of the position and that current data, updated from the circulated report, indicates £13.6m of secure plans in place (green) and £7.5m of plans with some risk to delivery (amber), resulting in a risk to delivery of £7.6m to reach the £28.7m total savings requirement to meet the control total.

Current projections indicate a gap of £7.6m in fully identified savings schemes, together with operational forecasts in excess of budget of £5.4m, resulting in a projection of a £13m adverse variance to plan. This would equate to a year end deficit position of £38m. 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.

Given that directorates have already signed off their budgets, Mr Hearty queried whether this indicates a profiling issue i.e. that budgets were not forecast correctly, or that there were unforeseen pressures. Mr Thomas responded that this was a mix of both, citing the significant surge pressures experienced recently in Withybush Hospital.

Mr Thomas informed Members that of the projected £14.9m adverse variance to plan, £4.2m represents non-recurrent savings and £10.7m recurrent. As it is anticipated that savings will not materialise on the profile until Month 4, there is a requirement to de-risk and accelerate what is planned. Whilst the amber schemes may take some time to come to

fruition, delivery of these needs to be tracked to ensure that they do not deviate from plan after Month 4, especially on their variance from Month 4.

Mr Andrew Carruthers assured Members that an amber tracker is being developed to provide clarity on the key decision points to ensure delivery later in the year i.e. to demonstrate what should be achieved at what point in the year. Milestones will be tracked against key delivery points to establish whether schemes are on track.

Mr Mike Lewis commented on the recovery actions required to recover the £1m Year To Date (YTD) position overspend at Month 2. It was acknowledged that at the beginning of 2019/20, only risks associated with the aseptic unit, oncology drugs, etc. had been apparent however further risks have since arisen. Mr Thomas advised that there is a significant margin for error in forecasting this early in the financial year.

Mr Powell referred to the recent Targeted Intervention letter from Welsh Government suggesting that not enough savings are frontloaded with an attendant need for improved profiling throughout the year, and enquired what is being done to address this. Mr Thomas assured Members that de-risking and accelerating savings schemes are discussed as part of the Holding To Account (HTA) process. Mr Thomas acknowledged that a steadier profiling would illustrate a flatter line but that in reality, the profiling reflects the more likely delivery profile and should not reflect an artificial acceleration of savings. Mr Thomas added that a large element of the savings challenge is attributed to the £4.8m additional challenge required to deliver the control total. Mr Carruthers agreed that the current profile may serve to demonstrate a more stark position due to the £4.8m control total and that closure of this gap needs to be considered.

Mrs Judith Hardisty enquired whether clinical leads attend HTA meetings, reiterating the need for clinical engagement. Mr Thomas confirmed that this is the case although attendance can vary at each meeting. Mrs Hardisty remarked, in relation to projections and planning, that the current bed surge position suggests planning is not taking place in this area.

Mr Thomas advised of a taskforce group visiting Withybush Hospital and Pembrokeshire to review the processes involved with a view to improving activity planning.

Mr Hearty acknowledged that bed surge and capacity challenges remain a consistent theme and recommended that the Turnaround programme and pan-organisation led initiatives need to be mapped in terms of intelligence, to avoid these challenges in the future. Mr Thomas suggested a briefing could be provided on the outcome of the taskforce group to the July 2019 Committee meeting.

Mr Carruthers also suggested reviewing the management of the emergency care system, informing Members of an offer of further potential funding from Welsh Government, which raises the question of whether establishing mitigation plans throughout the year would help to avoid or reduce surge capacity required in the Winter. Mr Carruthers undertook to provide further detail to the July 2019 Committee meeting.

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	The Committee <b>NOTED</b> and <b>DISCUSSED</b> the financial position for Month 2.	

<b>FC(19)102</b>	<b>FINANCIAL PROJECTIONS REPORT MONTH 2</b>	
	<p>Mr Thomas presented the Financial Projections Report Month 2 informing Members that delivery of the £25m control total requirement will be a challenge. Details of the key operational pressures were outlined together with the process adopted:</p> <ul style="list-style-type: none"> <li>• Day 5: Finance team present forecast</li> <li>• Forecast validated through Directorates</li> <li>• Forecast discussed at Chief Executive HTA meetings where it is signed off</li> </ul> <p>Mr Hearty enquired where the mitigating actions against each of the operational pressures can be evidenced and Mr Thomas assured Members in discussions with Directorates.</p> <p>Mr Thomas highlighted additional risks, notably the work associated with the recent Tuberculosis (TB) outbreak which is creating a significant amount of additional activity which will incur associated costs. Mr Newman queried whether there is any scope to recover these from Welsh Government and Mr Thomas advised that this would be raised with Welsh Government once the activity/cost is quantified.</p> <p>Mr Thomas informed Members that the annual plan is high risk currently and that discussions being held with Welsh Government on an ongoing basis.</p> <p>Mr Thomas presented Members with information on the Financial Assurance Framework and the links with operational cost drivers. The slides provide a clear vision of the priority areas requiring implementation of appropriate mitigating actions, for example in respect of Mental Health &amp; Learning Disabilities, where over a third of its costs relate to Continuing Health Care (CHC), identifying a priority to address financial controls.</p> <p>Mr Thomas informed Members that, in addition to providing each Director with an overall savings challenge, reports will also be provided on the Directorate's overall theme of expenditure. This will highlight the requirement to allocate nominated leads for individual contracts.</p> <p>Mrs Hardisty enquired where community hospitals and services feature within the Financial Assurance Framework. Mr Thomas responded that only 3 examples are currently provided and that counties have not yet been included.</p>	
	The Committee <b>NOTED</b> and <b>DISCUSSED</b> the financial projection for the year.	

<b>FC(19)103</b>	<b>TURNAROUND REPORT MONTH 2</b>	
	Members were presented with the Turnaround Report Month 2. Mr Carruthers advised that the information within Appendix 1 is based on the	

outcomes of the HTA meetings held in May 2019, rather than the most recent round of HTA meetings.

Sections 1 and 2, detailing the position for Directorates who are being monitored through the Chief Executive HTA meetings and through the Turnaround Director HTA meetings respectively, provides their position in previous months in brackets. This comparison provides a confidence in the delivery of savings and the de-risking of plans.

Mr Carruthers highlighted significant improvements in plans within Facilities, Mental Health, Pathology and Scheduled Care in Glangwili and Withybush Hospitals. However, there are still some areas of concern, such as Oncology and Cancer, which is impacted upon by the Aseptic Unit issues. Mr Carruthers informed Members that progress of the plans in Prince Phillip and Bronglais Hospitals, and confidence in their delivery, continues to be escalated to the Chief Executive Officer HTA meetings. Weekly updates on the plan are provided to the Chief Executive and Welsh Government to provide assurance on the position. Last month saw a de-risk value of approximately £2.5m due to plans being able to move from amber to green or from red to amber.

Mr Carruthers invited feedback from Members on Section 3 of Appendix 1 in terms of how the content of the thematic oversight being developed could usefully be presented back to Committee.

Questions on the detail of the report were also invited from Members. Mr Newman commented that it appears that the majority of the plans are allocated to the Director of Operations with none allocated to the Medical Director. Mr Carruthers responded that four of the Directors will not be identified as leads, however will be brought in to support others. Mr Carruthers assured Members that this is intentional as they are predominantly engaged with more specific as opposed to thematic projects.

Mr Lewis referred to Appendix A, querying the rationale behind instances of the Part Year Effect (PYE) being higher than the Full Year Effect (FYE). Mr Thomas responded that this can occur when there is non-recurrent gain as it will mean that the PYE will be greater as it is only accounted for in 2019/20 and not in the FYE for 2020/21.

Mr Hearty queried wording in a sentence on page 2 of the report and Mr Carruthers advised that it should read 'The CEO has made it clear that schemes cannot **negatively** impact on quality and safety of patient care or Tier 1 performance. Mr Carruthers added that the presence of the Director of Quality, Safety & Experience at the CEO HTA meetings assists in identifying any quality and safety issues.

Mr Carruthers informed Members that the estimation of the quantum the scheme could generate was either incorrect or due to the timings of the savings commencing. The current message is that the year to date figure is not as expected, however, it is anticipated to balance out across the year.



Mr Hearty highlighted the importance of transformation, as a cultural challenge, in addition to enabling efficient profiling of savings plans. Consideration needs to be given to at what point a turnaround plan becomes transformational. Mr Carruthers responded that there are certain schemes which are looking likely to reach transformational status.

Members were presented with the Turnaround Programme Structure for 2019/20, consisting of 8 Executive Director-led delivery programmes, which will focus on pan-organisational opportunities to drive patient focused benefits and savings, and will provide oversight and co-ordination of the overall Turnaround Programme across HDdUHB.

Mr Hearty queried the relationship between the Programme Board and the Finance Committee, and concerns over the deficit and control totals and closure of the gap being delivered where it is needed, acknowledging that consideration needs to be given by the Delivery Programme Group on the generation of sufficient pipeline opportunities for 2020/21. Mr Hearty recommended the need for a reporting mechanism and suggested one of the operational leads is invited to provide an update to the Finance Committee.

Mr Hearty queried whether the schemes detailed within Section 3.5 are transformational or savings schemes. Mr Carruthers responded that these are a mix of transformational, savings and service redesign.

Mrs Hardisty raised the issue of interdependencies and how these schemes link across to transformation fund bids; for example, length of stay reductions and transformation monies to prevent admissions and speed up discharge. Mr Carruthers confirmed that this scheme forms part of the transformation fund.

Mrs Hardisty queried whether the infrastructure is in place to enable electronic test requesting within Pathology. Mr Carruthers confirmed that this scheme is part of the demand optimisation funding. Mr Powell informed Members that a Business Case had been submitted to the Board in January 2019 in regard to a new pathology solution. Significant costs are to be met by the savings described. Mr Carruthers undertook to liaise with the Director of Planning, Performance & Commissioning as the Executive Director lead for the Pathology scheme, in regard to the progress of electronic test requesting. Mr Powell informed Members that a Chief Clinical Information Officer is in place to prioritise digital schemes and would need to link in with HDdUHB plans.

Mr Hearty concluded that the Committee needs to understand the governance structure in relation to the Turnaround Programme structure e.g. links with the Programme Board, BPPAC, the Health and Care Strategy Delivery Group and the Integrated Enabling Group, and requested these links be mapped out. Mr Hearty acknowledged that the Transforming Clinical Services Programme should have underlying strategies in place i.e. workforce, technology, etc, and that these links need to be established to understand where plans are to be submitted and where decisions are to be made. Mr Thomas confirmed this had recently been discussed at Executive Team and undertook to report back to the Committee.

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	The Committee <b>DISCUSSED</b> and <b>NOTED</b> the Turnaround Programme update report.	

<b>FC(19)104</b>	<b>REFERRAL TO TREATMENT TIME (RTT) MONTH 2</b>	
	Members were presented with the RTT Month 2 report, noting that the initial assessment of the forecast cost of delivery stands at £5.5m to support RTT, Diagnostics and Therapy delivery proposals for 2019/20. Mr Thomas informed Members that, following work on cataract and orthopaedic pathways, HDdUHB is currently on plan to deliver savings targets and delivery against these plans would reduce the resource requirement to £4m.	
	The Committee <b>NOTED</b> the progress to Month 2 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.	

<b>FC(19)105</b>	<b>ESTABLISHMENT CONTROL</b>	
	<p>An interactive demonstration was presented to Members by Mrs Michelle James, Head of Workforce Intelligence and Mr Adam Moore, Information and Data Analyst. Members were informed that the tool had been developed by the workforce team to be used by finance and business partners and represents a refinement to the previous spreadsheets presented to the Finance Committee in April 2019.</p> <p>Members noted that the tool will enable managers to view vacancy rates within each department in each directorate, providing information on the monthly budget and the actual contracted Whole Time Equivalents (WTE) in the Electronic Staff Record (ESR) system, which in turn indicates where departments are over or under established. Mrs James informed Members that the system and its additional functionality will be reviewed by Executive Team on 2<sup>nd</sup> July 2019 to understand its contribution to the establishment control work.</p> <p>Mrs Hardisty queried whether the data relates to funded establishment and Mrs James confirmed that the data covers what has been budgeted for in 2019/20. Mrs James added there are data cleanse issues in terms of equating the information with TRAC to address. Maternity and notional cover data currently represents work in progress and sickness data will also be included in future reporting to provide further value.</p> <p>Mr Hearty queried whether the tool can be used predictively and it was confirmed that the tool can only provide information on what has happened to date. Mrs Lisa Gostling advised Members that the e-Rostering reports would enable managers to look ahead.</p> <p>Mrs James provided an example of how the tool can be utilised by looking in detail at the Psychiatric Intensive Care Unit (PICU) within the Mental Health &amp; Learning Disabilities directorate.</p> <p>Mrs Gostling informed Members that the ESR system has removed the facility to provide notification when a service is under or over establishment. Mrs Gostling further informed Members that a review of the</p>	

	<p>controls within the Bank Office in terms of blocking any surplus requests for staff resulting in over establishment, is currently being considered.</p> <p>Mr Lewis queried how the tool would identify instances of grade drift. Mrs James informed Members that the tool now includes detail on overtime and additional hours. Conversations will be required as part of the HTA meetings/performance meetings, to identify where directorates have gone over establishment and the reasons for this.</p> <p>Mrs James presented the second element of the tool, which provides predictive data on rostering levels and highlights extra staff on shifts above establishment. The current data illustrates there is some over rostering occurring in July 2019, raising the interesting question on who is controlling the number of surge beds and the rationale behind ward managers determination of the need for extra rostering. Mrs Gostling suggested this tool could tie in with the Financial Delivery Unit findings in regard to inefficient rostering systems.</p> <p>Mr Hearty noted this to be a very powerful and impressively enhanced tool and Mrs Hardisty congratulated the team involved for their hard work on its development and implementation.</p> <p>Mrs James informed Members that reports would be produced monthly and trialled within Glangwili Hospital prior to roll out across HDdUHB.</p> <p><i>Mrs James and Mr Moore left the Committee meeting</i></p>	
	The Committee <b>NOTED</b> the Establishment Control presentation.	
<b>FC(19)106</b>	<p><b>CAPITAL FINANCIAL MANAGEMENT</b></p> <p>Members were presented with the Capital Financial Management Report. Mr Thomas informed Members that the Business, Planning and Performance Assurance Committee (BPPAC) receives the content of the report for assurance purposes.</p> <p>In terms of Cylch Caron, Mr Newman highlighted the risk around the expiration of the second best tender price, and the need therefore for a certain degree of urgency for approval by Welsh Government.</p> <p>Mr Hearty assured Members that the finance team have regular sight of this and would be in a position to flag issues as necessary.</p>	
	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> the Capital Resource Limit for 2019/20 together with expenditure allocations and profile;</li> <li>• <b>NOTED</b> the work being undertaken to manage the financial risks identified.</li> </ul>	
<b>FC(19)107</b>	<p><b>EXTERNAL FINANCE REVIEW</b></p> <p>Mr Thomas provided Members with a verbal update on the External Finance Review, advising that the procurement process is currently being concluded. Members noted that the contract has not yet been awarded although the initial start date had been 24<sup>th</sup> June 2019. It is anticipated that the successful supplier will be announced over the next 2 weeks, and will</p>	

	<p>be subject to an immediate commencement process. Mr Thomas informed Members that the requirement is to understand the underlying deficit and assess how much can be attained on a short, medium and long term basis. It is expected that there will be a degree of inherent deficiencies, which will leave HDdUHB with a pipeline of opportunities to address over the next 3 years.</p> <p>Mr Thomas informed Members that it is critical for tangible outputs to be delivered to enable real gains to be illustrated. The review will also enable HDdUHB to consider how the £7.6m gap can be addressed in 2019/20.</p> <p>Mr Thomas informed Members that the successful supplier will be invited to attend a future Finance Committee meeting as an observer, possibly in July 2019.</p>	<b>HT/SB</b>
	The Committee <b>NOTED</b> the External Finance Review.	

<b>FC(19)108</b>	<b>BENCHMARKING NETWORK SUMMARY REPORT</b>	
	<p>Members were presented with the Benchmarking Network Summary report produced by the Financial Delivery Unit. Mr Thomas informed Members that the Summary Improvement Opportunity Reports for HDdUHB are contained within Appendix 1, with a summary of the areas being pursued within HDdUHB contained within Appendix 2. Members noted that this will contribute to the direction of work for long term financial management.</p> <p>Mr Hearty assured Members that existing savings plans have been established, however, there are some additional areas for focus, with updates on the work underway to be brought to future Committee meetings.</p> <p>Members were informed that the next Executive Team Turnaround meeting will review the savings requirement for 2020/21, which will be informed by this Benchmarking Network Report.</p>	<b>HT</b>
	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> the significant amount of work underway</li> <li>• <b>DISCUSSED</b> these proposed savings opportunities and <b>AGREED</b> their onward cascade throughout the Health Board.</li> </ul>	

<b>FC(19)109</b>	<b>FINANCE COMMITTEE TERMS OF REFERENCE</b>	
	Members were presented with the Finance Committee Terms of Reference for information, which had been approved by Board on 30 <sup>th</sup> May 2019.	
	The Committee <b>NOTED</b> the Finance Committee Terms of Reference.	

<b>FC(19)110</b>	<b>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)</b>	
	Members were presented with the Strategic Financial Planning Group Update report. No comments were received.	
	The Committee <b>NOTED</b> the Strategic Financial Planning Group Update Report.	

<b>FC(19)111</b>	<b>FINANCE COMMITTEE UPDATE REPORT TO BOARD FROM PREVIOUS COMMITTEE MEETING</b>	
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	Members were presented with the Finance Committee Update Report to the Board from the Committee meeting held on 20 <sup>th</sup> May 2019 for information. No questions or comments were received.	
	The Committee <b>NOTED</b> the Finance Committee Update Report to Board	

<b>FC(19)112</b>	<b>FINANCE COMMITTEE ANNUAL WORKPLAN</b>	
	Members were presented with the Finance Committee Annual Workplan. Mr Newman queried the inclusion of a deep dive into MH&LD commissioning from a ring-fenced money perspective, in addition to the deep dive from a CHC perspective, which is scheduled for the Committee meeting in July 2019. Mrs Sarah Bevan undertook to confirm its inclusion within the workplan with Mr Thomas.	<b>SB</b>
	The Committee <b>NOTED</b> the Finance Committee Annual Workplan.	

<b>FC(19)113</b>	<b>REFLECTIVE SUMMARY</b>	
	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"> <li>• Concern over the Month 2 financial position, with the forecast that the control total will not be achieved, and actions taking place to address this position. Work is ongoing to determine when, in year, achievability can be achieved</li> <li>• Discussions around the Turnaround report and understanding how the Turnaround Programme can identify connectivity with assurance groups and incorporate other assurance processes within HDdUHB.</li> <li>• Discussions around the Benchmarking Report and its contribution to the direction of work on long term financial management.</li> </ul>	
	The Committee <b>NOTED</b> the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting.	

<b>FC(19)114</b>	<b>ANY OTHER BUSINESS</b>	
	No other business was raised.	

<b>FC(19)115</b>	<b>FINANCE DELIVERY UNIT</b>	
	Mr Thomas informed Members that Mr Hywel Thomas, Finance Delivery Unit (FDU) Director, had been invited to attend the Committee meeting to provide an overview of the FDU and the assessment of HDdUHB's financial position which is provided at every Targeted Intervention (TI) meeting.	
	Members were presented with the FDU presentation, consisting of the following 3 sections: <ul style="list-style-type: none"> <li>• FDU objectives; the team; priorities 2019/20; Patient Level Costing (PLC)/National Data Resource (NDR) Integration</li> <li>• HDdUHB Month 2 Position and Forecast – reflection on review of individual Health Board's expenditure trends, savings and opportunities</li> <li>• National Efficiency Framework – context/objectives; content and access (FDU SharePoint site); plans in development/pipeline; NHS Benchmarking Network; Ward based Nursing.</li> </ul>	

	Mr Jones demonstrated the use of Health Maps Wales software, providing useful information on a geographical basis, accessible as part of the Framework. Mr Ayres suggested this information is essential in commissioning services.	
	Mr Jones agreed to share the presentation for onward circulation to Members following the meeting.	<b>SB</b>
	Members agreed that it would be useful to consider a piece of work on the HDdUHB opportunities identified within the presentation at a future Committee meeting.	<b>HT</b>
	The Committee <b>NOTED</b> the Finance Delivery Unit presentation.	

<b>FC(19)116</b>	<b>IMPLEMENTING VALUE</b>	
	<p>Members were presented with the Implementing Value presentation, providing an overview of the Intelligence and Value Strategy, combining intelligence and a Value Based Health Care (VBHC) approach to predicting what could happen and to articulate and advise what the options are. Mr Mark Bowling informed Members that the strategy had been launched in January 2019 and provided the following overview:</p> <ul style="list-style-type: none"> <li>• Business Intelligence and Benchmarking,</li> <li>• VBHC</li> <li>• Development of training packages for the finance team</li> <li>• Next phase: July – September 2019; HDdUHB is the pilot site for Wales ahead of roll out to other Health Boards.</li> </ul> <p>Mr Bowling requested the Committee include HDdUHB's development and implementation of VBHC into the Finance Committee's annual workplan for regular review. Mr Hearty agreed with this request and invited Mr Bowling to attend a future Committee meeting to provide an update.</p> <p>Mrs Hardisty requested that outcomes are specified when reporting back to the Committee to enable Members to understand the difference in adopting this approach. Mr Thomas advised that this would be evidenced by the various projects taking place. Mr Hearty reiterated that value is more than money and should provide a rich and interesting discussion.</p>	<b>MB</b>
	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>CONSIDERED</b> and <b>NOTED</b> the progress and proposed direction of the Intelligence and Value Strategy.</li> <li>• <b>CONSIDERED</b> and <b>AGREED</b> the inclusion of HDdUHB's development and implementation of VBHC into the Finance Committee's annual workplan for regular review.</li> </ul>	

<b>F (19)117</b>	<b>IMPLEMENTING CONTRACTING</b>	
	<p>Members were presented with the Implementing Contracting presentation providing an overview of the contracts strategy. Highlights included:</p> <ul style="list-style-type: none"> <li>• Current contract structure; current expenditure on Long Term Agreements (LTAs) excluding Service Level Agreements (SLAs) expenditure held by directorates</li> <li>• Gaps in standardised documentation in place</li> </ul>	

	<ul style="list-style-type: none"> <li>• Gaps in leads aligned to LTAs</li> <li>• Urgent need to focus on contract management and commissioning principles and to be visible on the ground with operational staff</li> <li>• Need to move to commissioning LTAs on a population needs basis</li> <li>• Safeguarding and information governance to be at the forefront; the mechanisms that are in place if HDdUHB and patients are not receiving a good service.</li> </ul> <p>Mr Shaun Ayres outlined the implementation of priorities and the proposed approach to future contracting and service commissioning arrangements.</p> <p>Mr Hearty queried whether the current structure in place is appropriate to enable delivery of this approach. Mr Thomas agreed that this needs to be reviewed to ensure it is fit for purpose and the need to reflect the support of value based commissioning.</p> <p>Mr Powell queried the link with the commissioning framework and Mr Thomas undertook to liaise with the Head of Planning to determine the connection between the proposed contract strategy and the commissioning framework.</p> <p>Mrs Hardisty expressed concern over what HDdUHB is and is not doing with regard to contracting and where this strategy fits with other work being undertaken on commissioning. Members agreed that the presentation raised concerns on what is not being undertaken in terms of contracting and invited Mr Ayres to return to the Finance Committee meeting in July 2019 to provide further understanding of the proposed plans in place.</p> <p>Mr Newman queried to what extent these improvements/plans are achievable, particularly in light of cases where only one major provider is available. Mr Ayres highlighted that there are a great deal of services that can be provided internally and that only those services that cannot be undertaken internally should be outsourced. Mr Newman maintained his concern regarding a potential imbalance of power where there is only one main provider, however acknowledged that links could be forged with the main commissioner to address this.</p>	HT
	The Committee <b>AGREED</b> the proposed approach to future contracting and service/commissioning arrangements, as detailed in the Contract Strategy Approach at Appendix 1.	SA

<b>FC(19)118</b>	<b>IMPLEMENTING FINANCE STRATEGY</b>	
	<p>Members were presented with the Implementing Finance Strategy presentation. Due to time constraints the slides were not presented during the Committee meeting. Ms Rhian Davies informed Members that the presentation provides an update on the status of the finance team, and the development of a finance function to support better decision making within HDdUHB.</p> <p>Mr Hearty acknowledged the positive outcome and progress of the strategy. Mrs Hardisty informed Members that feedback received had been positive in the way that finance business partnering functions are working and the support provided by the finance team.</p>	

	The Committee <b>NOTED</b> the Implementing Finance Strategy.	
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<b>FC(19)119</b>	<b>DATE OF THE NEXT MEETING</b>	
	Monday 22 <sup>nd</sup> July 2019, 9.30am, Boardroom, Ystwyth Building, St. David's Park, Carmarthen.	



**TABLE OF ACTIONS FROM  
FINANCE COMMITTEE (FC) MEETING  
HELD ON 25<sup>th</sup> JUNE 2019**

MINUTE REFERENCE	ACTION	LEAD	TIMESCALE	PROGRESS
<b>FC(19)101</b>	<b>Finance Month 2 Report</b> – to present a briefing on the Taskforce Group exploring processes of planning activity in Withybush Hospital and Pembrokeshire	JT	July 2019	Forward planned for inclusion on the Finance Committee agenda for July 2019
<b>FC(19)101</b>	<b>Finance Month 2 Report</b> – in relation to reviewing the management of the emergency care system, to provide further detail on the offer of further potential funding from Welsh Government and consideration of whether establishing mitigation plans throughout the year would help to avoid/reduce the surge capacity required in the Winter.	JT	July 2019	Currently awaiting feedback from a detailed request sent to Welsh Government on 20 <sup>th</sup> June 2019 requesting support in several areas.  In addition, consideration of utilisation of the winter £1m (subject to Executive approval) to bring forward any schemes with significant expected benefit.
<b>FC(19)103</b>	<b>Turnaround Month 2 Report</b> – to liaise with the Director of Planning, Performance & Commissioning as the Executive Director lead for the Pathology scheme, in regard to the progress of electronic test requesting	AC	July 2019	Update to be provided at the 22 <sup>nd</sup> July 2019 Committee meeting
<b>FC(19)103</b>	<b>Turnaround Month 2 Report</b> – to map out the links/connectivity of the governance structure in relation to the Turnaround Programme structure, e.g. links with the Programme Board, BPPAC, HCS Delivery Group and the Integrated Enabling Group to present to the Committee.	AC/HT	July 2019	Forward planned for inclusion on the Finance Committee agenda for July 2019.
<b>FC(19)103</b>	<b>Turnaround Month 2 Report</b> – to report back to the Committee on the outcome of the Executive Team meeting	HT	July 2019	Forward planned for update to be provided at the Finance Committee in July 2019.

	discussions of the connectivity of the Transforming Clinical Services Programme			
<b>FC(19)82</b>	<b>Finance Operational Risks Report</b> – 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
<b>FC(19)107</b>	<b>External Finance Review</b> – to invite the successful supplier to attend a future Committee meeting as an observer	HT/SB	July 2019	Forward planned for inclusion on the Finance Committee agenda for July 2019
<b>FC(19)108/115</b>	<b>Financial Efficiency Framework</b> – to provide an update on the Finance Delivery Unit's Benchmarking Network Summary and HDdUHB opportunities identified by the Finance Delivery Unit to the Committee	HT	September 2019	Forward planned for inclusion on the Finance Committee agenda for September 2019
<b>FC(19)112</b>	<b>Finance Committee Annual Workplan</b> – to confirm inclusion of a deep dive into MH&LD commissioning from a ring-fenced money perspective, in addition to the deep dive from a CHC perspective, which is scheduled for the Committee meeting in July 2019	SB	July 2019	Complete; Forward planned for inclusion on the Finance Committee agenda for August 2019
<b>FC(19)115</b>	<b>Finance Delivery Unit Presentation</b> – to circulate the presentation to Members following the meeting	SB	July 2019	Complete
<b>FC(19)116</b>	<b>Implementing Value Presentation</b> – to provide an update on the development and implementation of Value Based Health Care (VBHC) at a future Committee meeting	MB	September 2019	Forward planned for inclusion on the Finance Committee agenda for September 2019
<b>FC(19)116</b>	<b>Implementing Value Presentation</b> – to include HDdUHB's development and implementation of VBHC into the Finance Committee's annual workplan for regular review	SB	July 2019	Complete; forward planned for inclusion as quarterly updates on the annual workplan
<b>FC(19)117</b>	<b>Implementing Contracting Presentation</b> – to liaise with Director of Planning regarding the link between contracting and the commissioning framework	HT	July 2019	Update to be provided at the 22 <sup>nd</sup> July 2019 Committee meeting

<b>FC(19)117</b>	<b>Implementing Contracting Presentation</b> – to provide an update/understanding of the implementation plan for the proposed Contract Strategy approach to the Committee in July 2019.	SA	July 2019	Forward planned for inclusion on the Finance Committee agenda for July 2019.
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## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	22 July 2019
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Finance Report – Month 3
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	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) financial position to date against the Annual Plan and Control Total requirement; and assess the key financial projections and risks for the financial year 2019/20.

#### Cefndir / Background

##### **HDdUHB's confirmed control total of £25m**

Required improvement on HDdUHB's Annual Plan deficit of £29.8m is £4.8m, necessitates identification of further actionable Savings schemes. Additional requirement of £4.8m is phased into Months 7 to 12 to provide assurance that robust plans can be implemented to address this.

##### **Month 3 position**

HDdUHB's financial position at the end of Month 3 represented an adverse variance against plan of £0.4m, which brings the cumulative Year To Date (YTD) variance to £1.4m.

- Operational surge in Unscheduled Care impact of £0.4m
- Recovery and management within available resources is critical in future months

##### **Directorate Projections**

- Operational forecasts in excess of budget of £6.5m
- Projection, including savings risk, represents an adverse variance to plan of £10.8m; this would equate to a year end deficit position of £35.8m

##### **Savings Summary**

£25.7m total savings requirement to meet the control total following a reduction of £3.0m as a result of additional Welsh Government (WG) funding, the cost of which had already been included within the baseline plan.

- £13.2m of Assured schemes
- £8.2m of Marginal Risk schemes

Risk to delivery is therefore £4.3m.

£1m of savings schemes were delivered in Month 3, which demonstrates an improvement of £0.1m on Month 2. The YTD slippage on identified schemes is £0.25m

### Summary of key financial targets

HDdUHB's key targets are as follows:

- Revenue: to contain the overspend within the 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: Whilst there is no prescribed limit for cash held at the end of the month, WG encourages this to be minimised and a rule of thumb of 5% of monthly expenditure is applied. For HDdUHB, this is broadly £4.0m.

Key target		Annual limit	YTD limit	Actual delivery	Forecast Risk
Revenue	£'m	25.0	7.5	8.9	High*
Savings	£'m	25.7	2.9	2.7	High*
Capital	£'m	39.5	6.7	6.7	Medium
Non-NHS PSPP	%	95.0	95.0	95.4	Low
Period end cash	£'m	4.0	4.0	0.8	Medium**

### Argymhelliad / Recommendation

The Finance Committee is asked to note and discuss the financial position for Month 3.

### 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 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: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Improve Population Health through prevention and early intervention

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Monitoring returns to Welsh Government based on 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 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
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	Finance Team Management Team Executive Team Finance Committee

<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 HDdUHB's 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 the HDdUHB's financial plan will affect the reputation with Welsh Government, Wales Audit Office, and with external stakeholders
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not applicable
<b>Cydraddoldeb:</b> <b>Equality:</b>	Not applicable



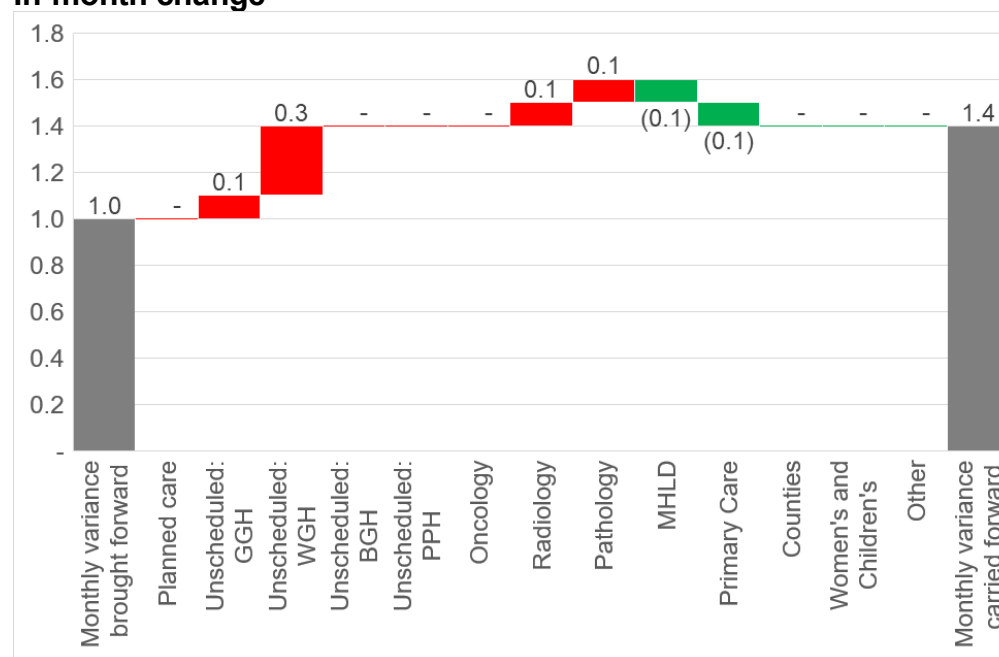
# 1. Directorate revenue position

## 1.1 Directorate financial performance

Year to date

	Month 3 YTD Actual £'m	Month 3 YTD Variance £'m	%
Planned Care	26.0	0.1	0.4
Unscheduled - GGH	10.7	0.2	1.9
Unscheduled - PPH	6.6	0.2	3.1
Unscheduled - WGH	7.9	0.8	11.3
Unscheduled - BGH	5.7	0.1	1.8
Radiology	4.1	0.1	2.5
Pathology	5.3	0.2	3.9
Women's and Children's	9.4	0.1	1.1
Oncology	3.5	0.2	6.1
Carmarthen County	5.9	0.1	1.7
Pembrokeshire County	5.1	0.1	2.0
Ceredigion County	2.7	(0.1)	(3.6)
MHLD	18.4	(0.1)	(0.5)
Facilities	9.3	0.2	2.2
Medicines Management	19.1	0.0	0.0
Primary Care	27.3	(0.1)	(0.4)
Corporate	9.3	(0.1)	(1.1)
Commissioning	26.2	0.1	0.4
Other	15.5	(0.7)	(4.3)
<b>Total</b>	<b>218.0</b>	<b>1.4</b>	<b>0.6</b>

## In-month change

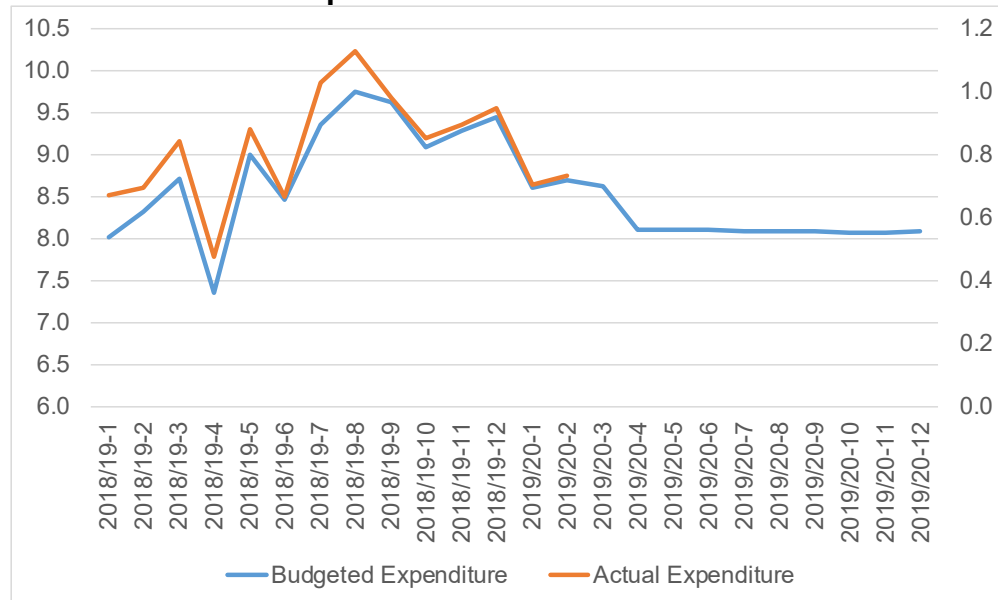


- The current month was over spent by £0.4m due to surge bed pressures in Unscheduled Care.
- The year to date pressure has been particularly pronounced in Unscheduled Care (£1.3m, driven by bed capacity).
- Material positions are reported in Section 2.2.

# 1. Directorate revenue position

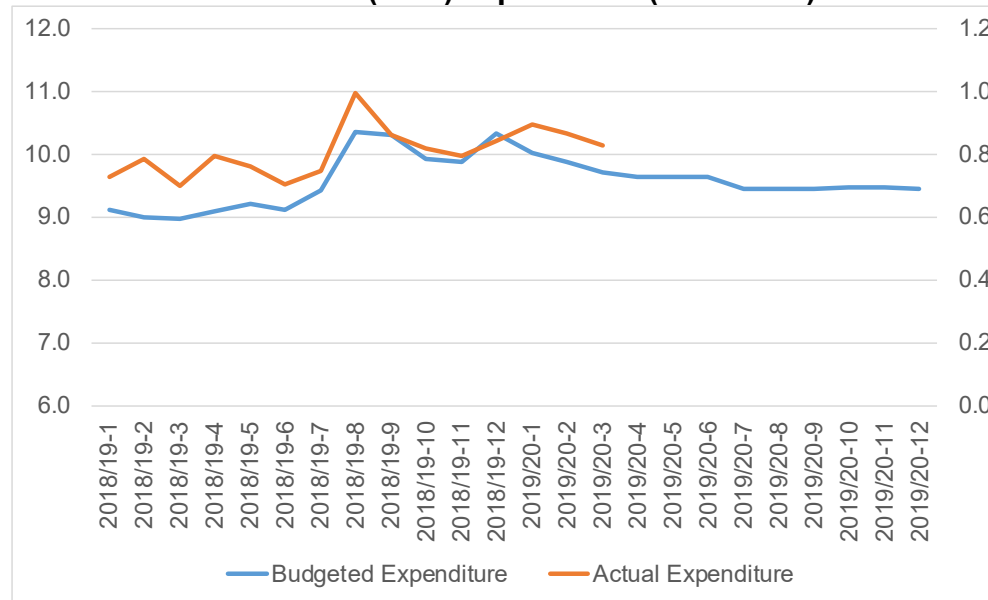
## 1.2 Material directorate area deficits

### 1.2.1 Planned care expenditure



- The in-month position showed a small adverse variance to budget of £21k due to slippage on savings schemes for Bronglais General Hospital (BGH) General Surgery. The incidence of surge beds reduced compared to Month 1 and 2.
- The Directorate is expecting a significant benefit in efficiency and productivity, which will support the maintaining of our Referral to Treatment performance for the financial year.

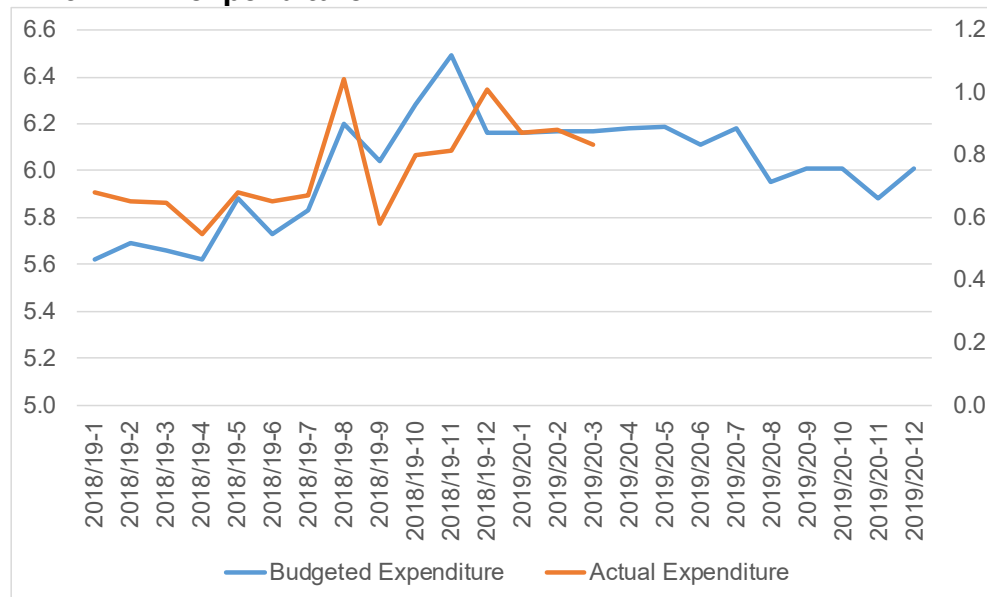
### 1.2.2 Unscheduled care (USC) expenditure (combined)



- BGH reported an over-spend of £45k in-month. The impact of surge beds and high spend agency workers was offset by vacancies. WGH reported a significant £317k over-spend in-month, driven by premium rate Qualified Nursing and Medical locums spend to cover surge and vacancies. A task and finish group has been established to address the issues at WGH. Glangwili General Hospital (GGH) reported an in-month overspend of £65k mainly due to Qualified Nursing costs to cover vacancies; surge reduced considerably in-month. PPH reported a breakeven position in-month; an over-spend on Health Care Support workers was offset by an under-spend on Qualified Nurses due to under-establishment.
- Delayed discharges of medically fit patients and unfunded surge capacity remain key drivers to the costs, which requires a system-wide focus.

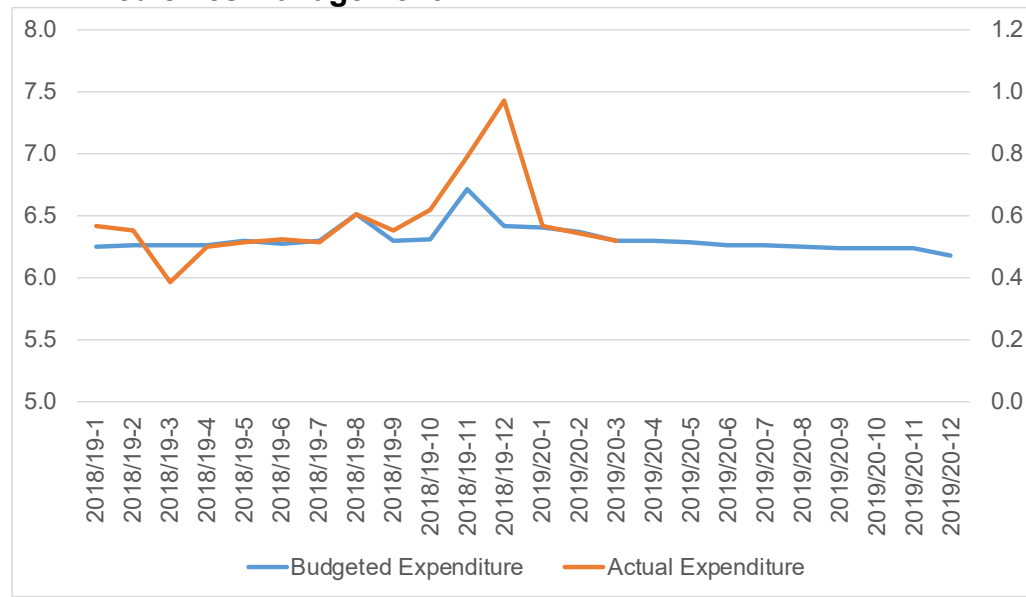
# 1. Directorate revenue position

## 1.2.3 MHL D expenditure



- The Directorate has reported an under-spend of £58k in-month, predominately due to a high level of staff vacancies offsetting the pressures in CHC costs.
- There continues to be difficulty recruiting into medical posts resulting in extra locum sessions being incurred.
- The greatest YTD pressure within MHL D is the continued growth in CHC placements and their associated costs. Client numbers reduced in month however a higher number of clients were assigned complex packages of care. Careful control of CHC, within its growth assumptions, will be key to deliver an improvement in the expenditure run rate.
- Robust care review processes have been implemented in order to manage the risks arising under CHC.

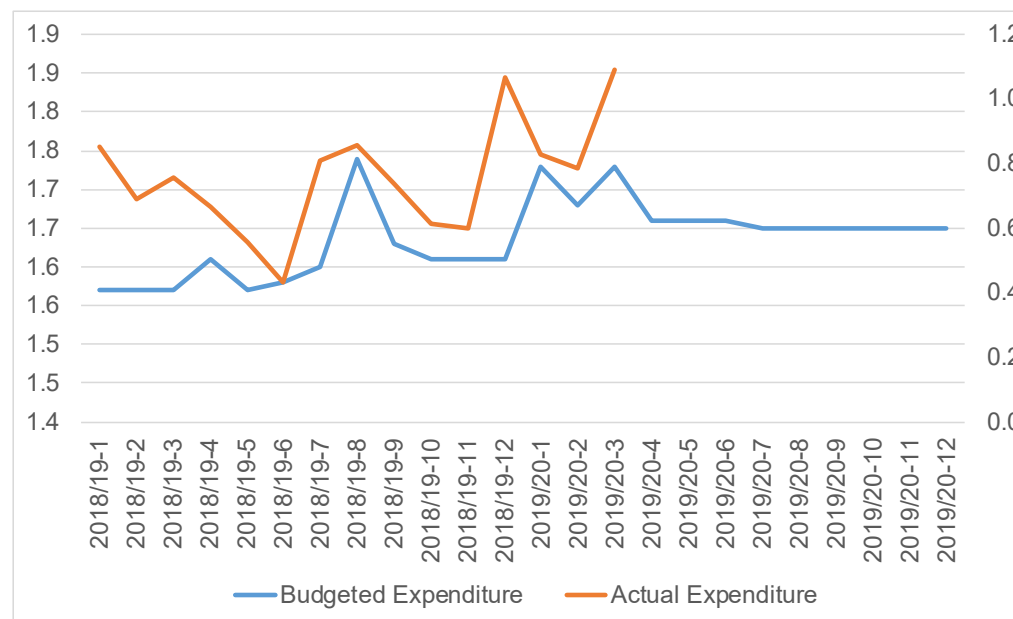
## 1.2.4 Medicines Management



- The directorate reported a break even position in-month. The projection is to break even to the end of the financial year based on modelling the outturn on a number of scenarios. The latest data continues to cause concern around the ongoing impact of No Cheaper Source Obtainable (NCSO). However, we are confident that the risk from 2018/19 has been addressed; further modelling is required to gain assurance over 2019/20. The outturn is reliant on delivering the £2.9m savings requirement; the assured and marginal risk schemes of £1.5m are delivering on plan to Month 3, however further work is urgently required to address the unidentified balance of schemes.
- There are risks of £0.6m mainly associated with item growth, the New Oral Anti-Coagulant Local Enhanced Service, NCSO and Category M. Item growth is in the range of -1% to 1% but there has been a significant increase in Category M prices.

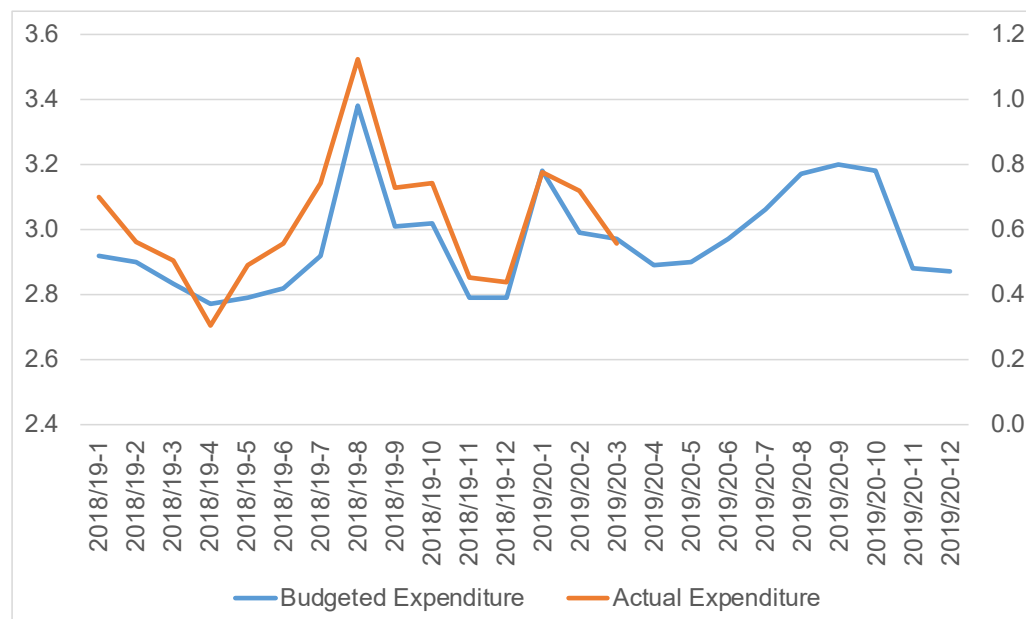
# 1. Directorate revenue position

## 1.2.5 Pathology



- The Directorate reported an adverse variance of £122k in-month.
- This was driven by increased drugs costs in relation to Haematology and a small increase in Consultant and Locum pay.
- The Directorate is reviewing ways of working with services to reduce demand through ensuring only appropriate test requests and through avoiding duplication.

## 1.2.6 Facilities



The Directorate reported a slight under-spend in-month.

The main areas of variance are:

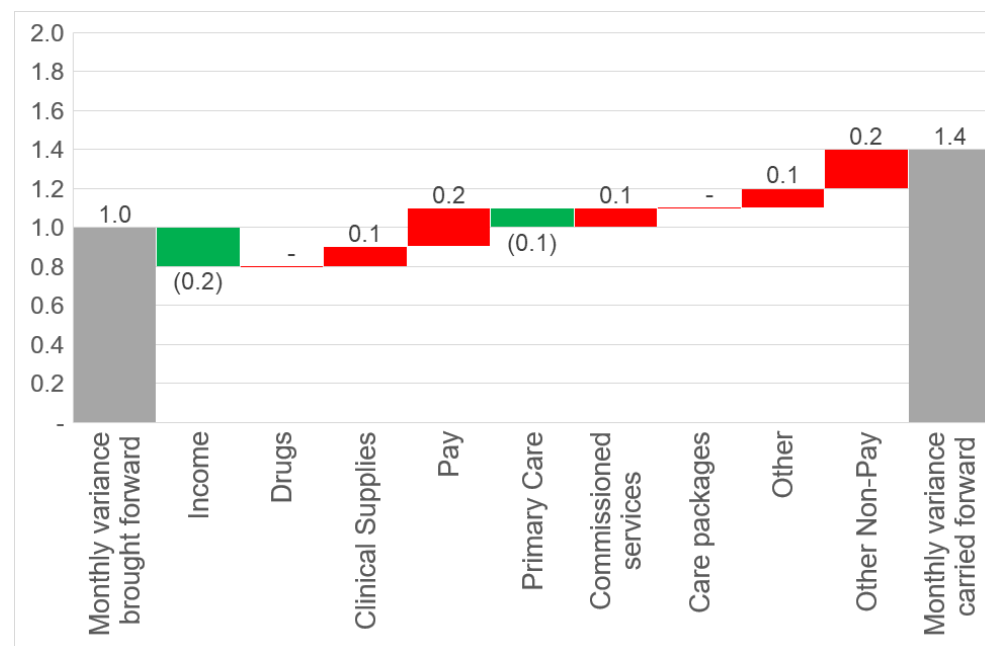
- Operations – over spend of £0.2m due to maintenance costs in respect of mechanical and electrical materials and bank Pay costs in Months 1 and 2. However bank Pay costs for Domestic staff has reduced in-month due to intense rota management, in addition to continued vacancies.
- Property – under-spend of £0.2m due to gas consumption.
- Specialist Services – an over-spend of £0.1m driven by Bank usage in Pay and Catering Provisions in Non-Pay. Again, some reductions in bank usage in-month has been achieved at BGH with close rota management; this is to be rolled out across all acute sites.

## 2. Subjective revenue position

### 2.1 Subjective summary

	Month 3 YTD Actual £'m	Month 3 YTD Variance £'m	%
Income	(13.0)	(0.5)	4.0
Primary Care (excl prescribing)	30.1	(0.2)	(0.7)
Prescribing	17.0	0.1	0.6
Pay	103.9	1.1	1.1
Clinical supplies	7.7	0.4	5.5
Drugs	10.3	0.3	3.0
Other non-pay	12.7	0.1	0.8
Commissioned services	36.2	0.1	0.3
Care packages	11.2	0.0	0.0
Other	1.9	0.0	0.0
<b>Total</b>	<b>218.0</b>	<b>1.4</b>	<b>0.6</b>

### In-month change

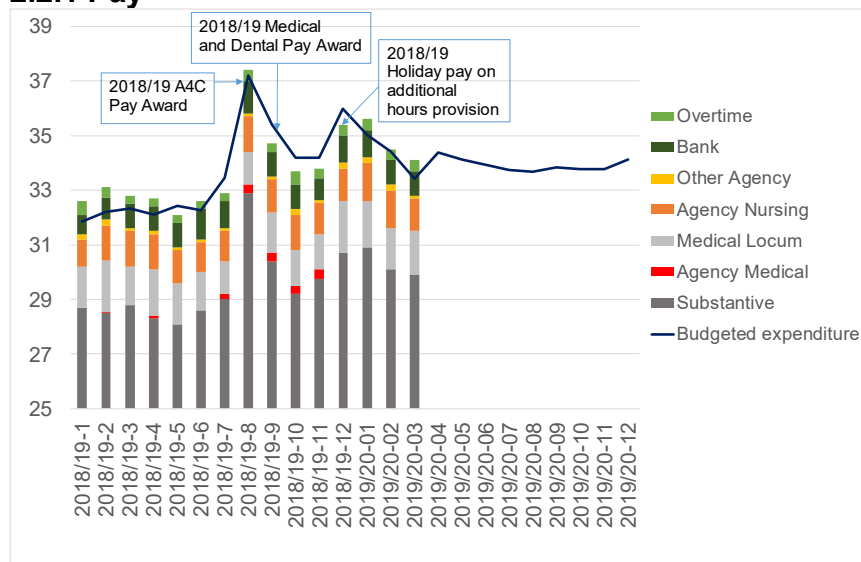


- The main pressures on the in-month position relate to Pay; offset by Income.
- Detail on the changes in material cost drivers follows in Section 3.2.

## 2. Subjective revenue position

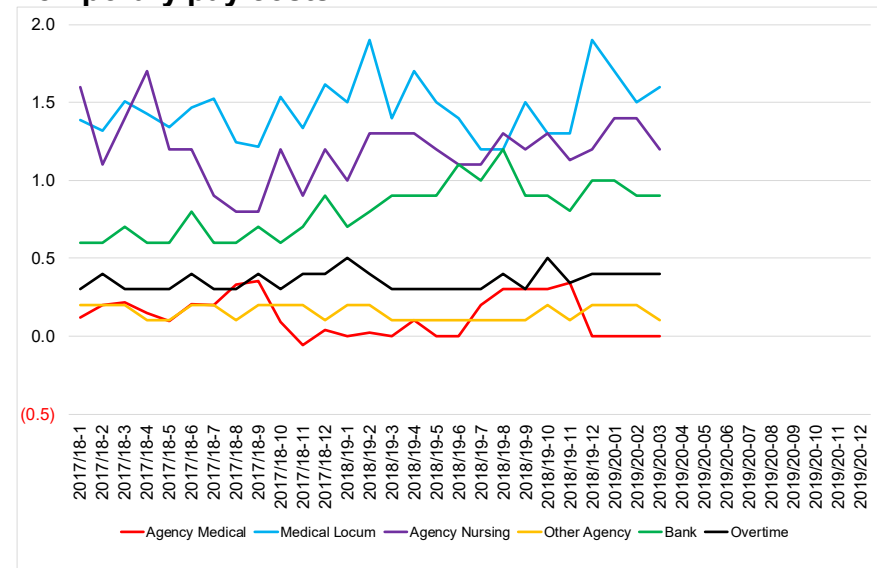
### 2.2 Material Cost drivers

#### 2.2.1 Pay

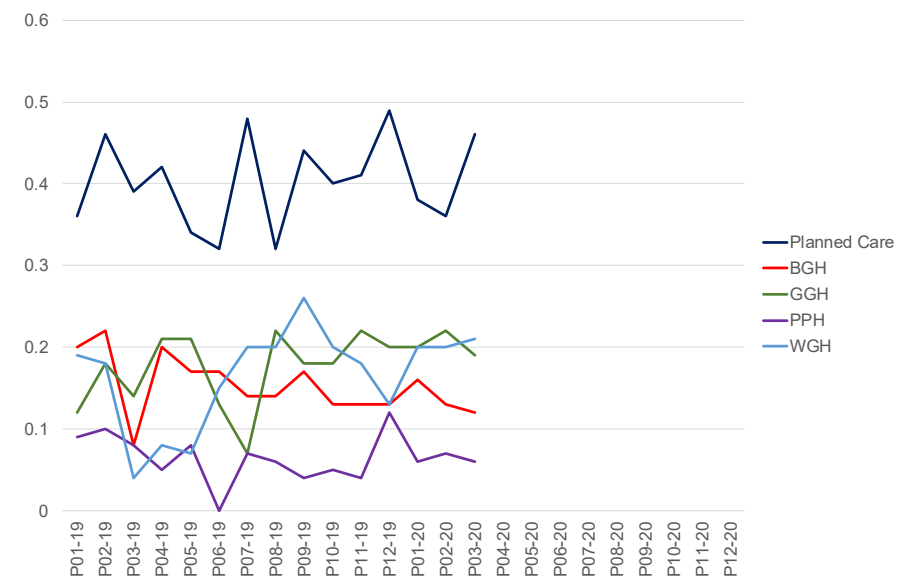


- The Month 3 expenditure is higher than budget due to the pressures arising from unfunded surge beds in Unscheduled Care, however this to a lesser extent than Month 1 and 2.
- The cost of substantive staffing is greater than last year. In Month 12 there was a one off provision for holiday pay on additional hours of £1.1m. In Month 1 there is a one off payment of £1.2m for all staff at the top of their respective bands at the end of March 2019 in line with the new Pay deal, which is the driver for the high in-month cost.
- Increases in Medical Locum costs were partially offset by a reduction in substantive pay and Nursing Agency.

#### Temporary pay costs

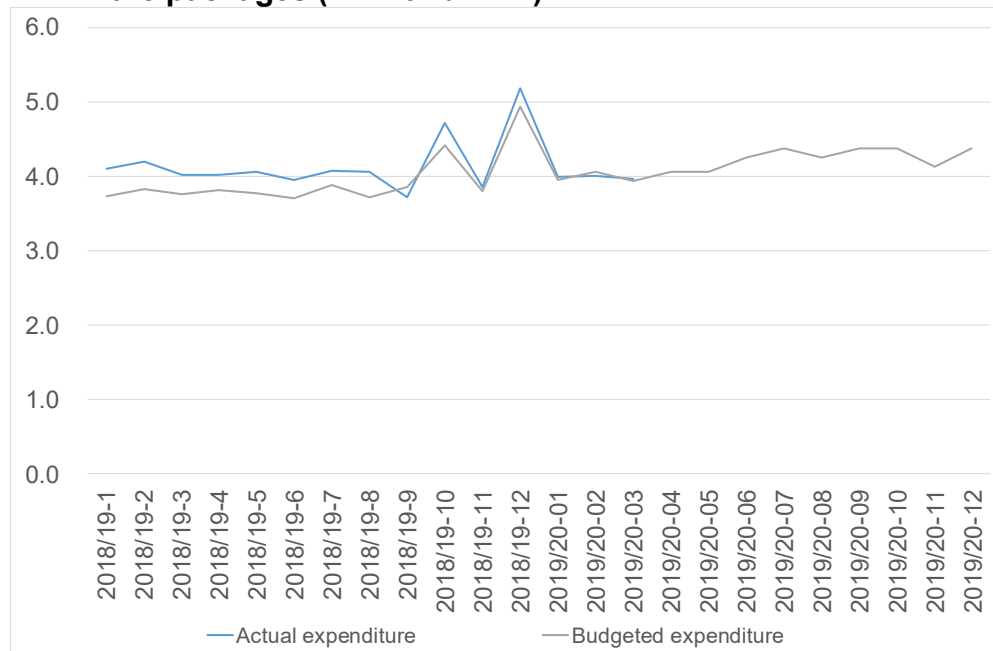


#### Medical locum costs



## 2. Subjective revenue position

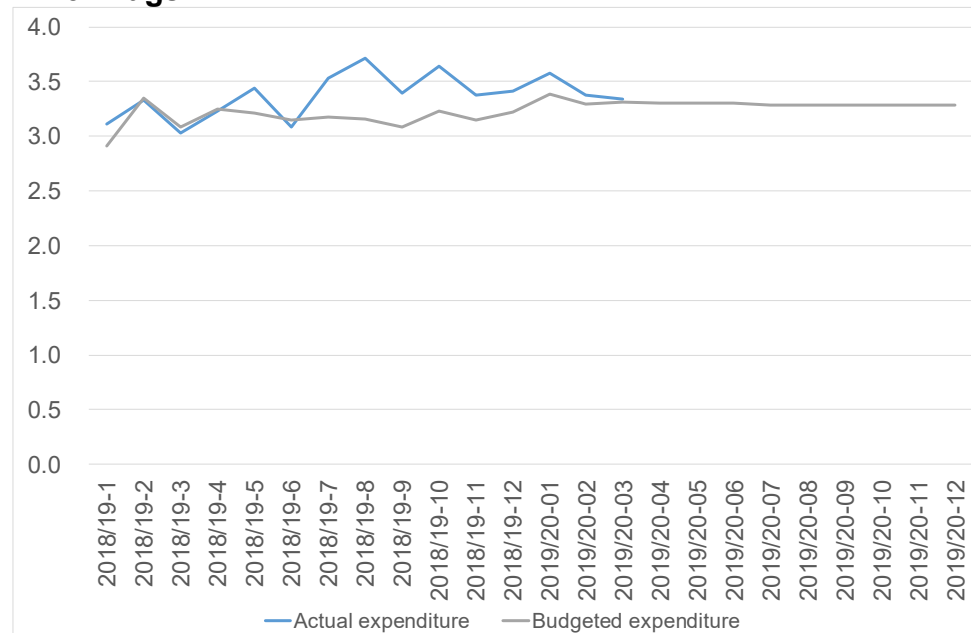
### 2.2.2 Care packages (CHC and FNC)



- The total number of cases reduced. The increase in budget from Month 6 relates to the recognition of expected FNC rate changes and CHC inflation. Full confirmation is awaited, and remains a risk to the position. The complexity of cases remains a key cost driver.
- Total spend to Month 3 is £12.1m resulting in a breakeven position, of which:

£'m	Spend	Over/(under) spend
FNC/CHC	5.5	(0.3)
LD	3.4	0.1
MH	2.5	0.2
Children	0.3	0.0
<b>Total</b>	<b>12.1</b>	<b>0.0</b>

### 2.2.3 Drugs

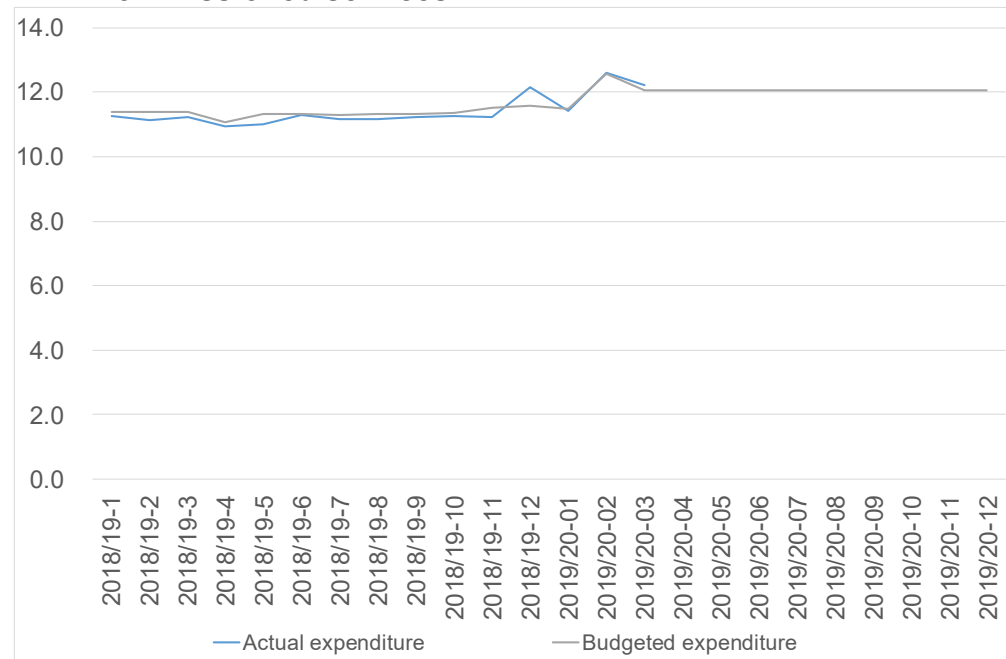


- Drugs costs have increased over the past year, and there is a risk that this trend will continue for this year.
- Continued support will be needed from the Pharmacy team to address this growth and a number of initiatives are in place to do this. Whilst specific savings schemes are delivering in-month, pressures are being seen in other areas, particularly Dermatology, Rheumatology and Ophthalmology. The Head of Medicines Management is working with Directorates to identify and mitigate the issues.
- There has been a disruption to the local service provision of Aseptic services; as a result work has been outsourced at a premium to another provider. This is expected to continue for a number of months, for which mitigating actions will need to be identified.



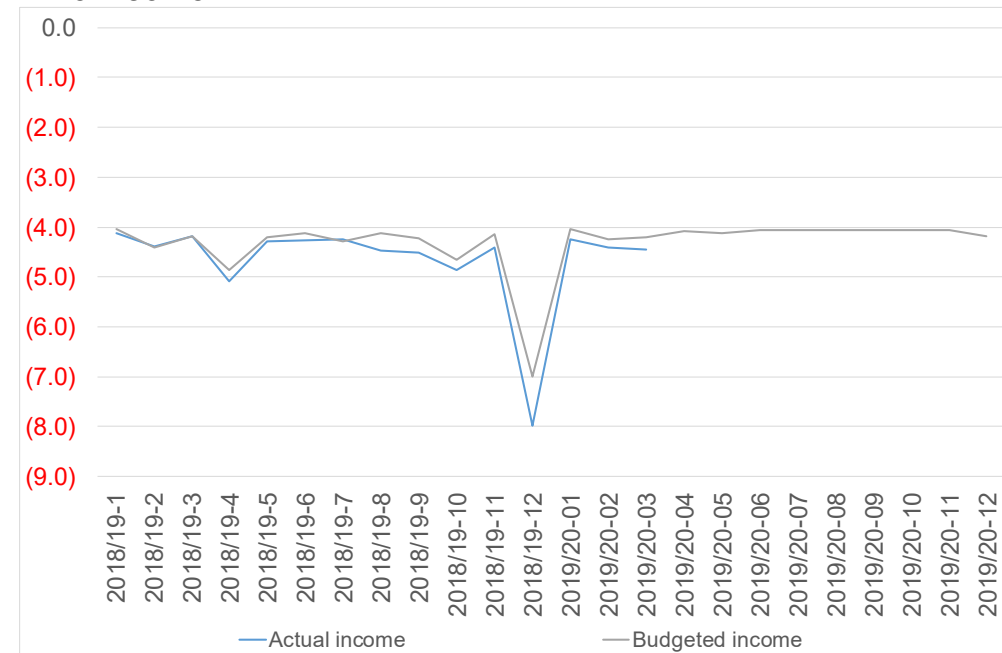
## 2. Subjective revenue position

### 2.2.4 Commissioned services



- Services that are commissioned from other NHS providers are based on activity data up to Month 2.
- All Welsh LTA contracts have been signed in line with the deadline of 31 May 2019. Budgets from Month 2 have been increased to reflect inflationary uplifts.
- The portfolio is reporting an over-spend of £0.1m in-month.
- Following receipt of the Swansea Bay University Health Board's monitoring information, there appear to be pressures in relation to usage of high cost drugs, which has caused an adverse variance of £0.2m in-month; this is offset by the risk-share monitoring from Welsh Health Specialised Services Committee (WHSSC) which has resulted in a favourable variance of £0.1m in-month. Validation of the impact of this on the projected end of year outturn is on-going.

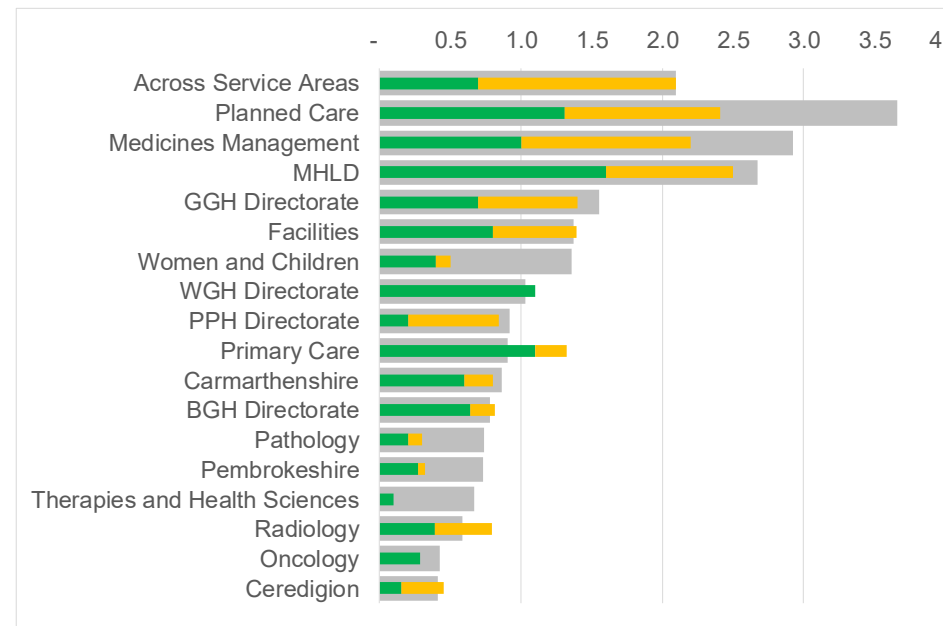
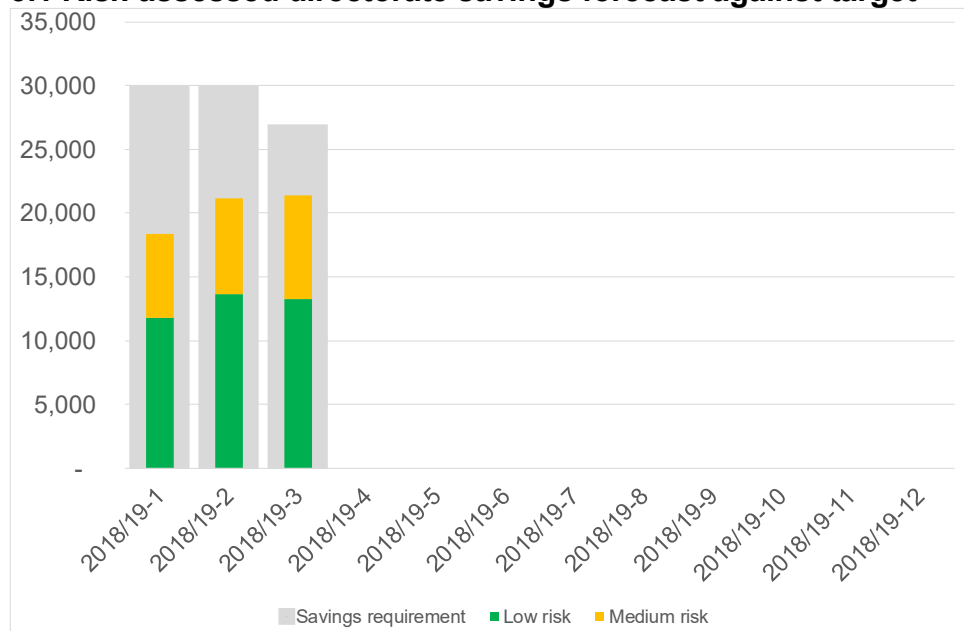
### 2.2.5 Income



- All Welsh LTA contracts have been signed in line with the deadline of 31 May 2019. Budgets from Month 2 have been increased to reflect inflationary uplifts.
- There was an in-month benefit of £60k due to increased activity for patients from Betsi Cadwaladr University Health Board.

### 3. Savings and turnaround actions

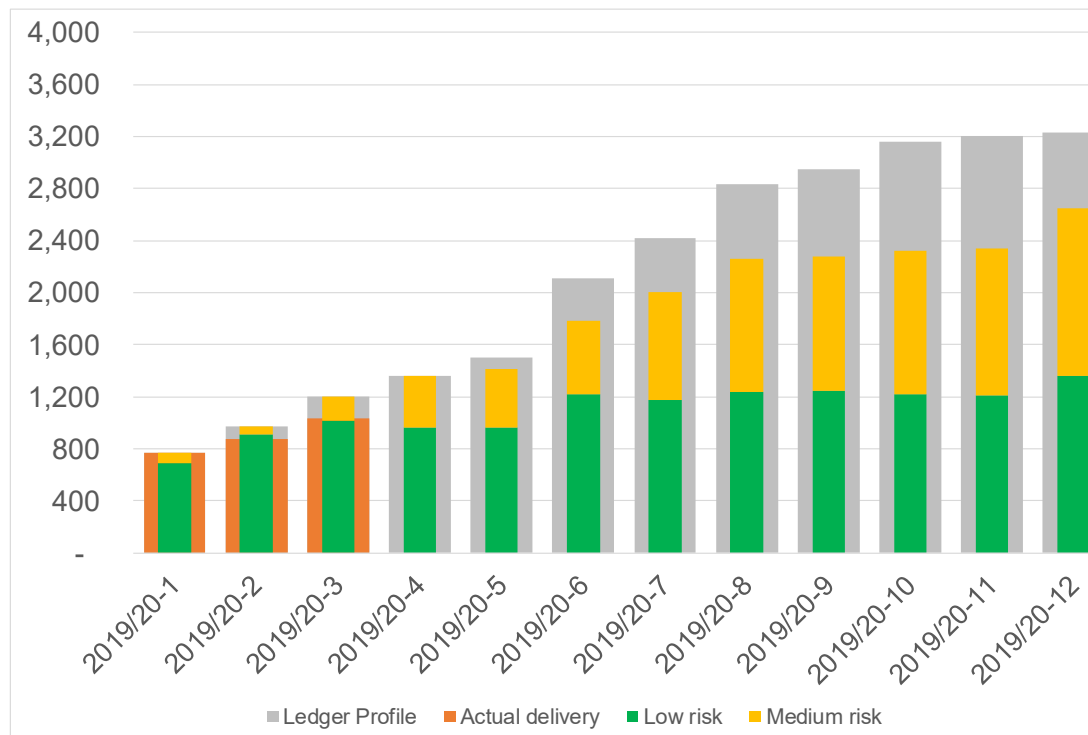
#### 3.1 Risk-assessed directorate savings forecast against target



- Total Green and Amber forecast delivery of £21.1m identified to Month 3, of which £13.2m are Green. This is an increase of £0.9m from Month 2. Of the identified schemes, £16.4m are recurring and £4.7m are non-recurring.
- The savings requirement has been reduced from £28.7m to £25.7m as a result of additional Welsh Government funding, the cost of which had already been included within our baseline plan.
- Operational savings pipeline of £5.5m needs to be actively pursued and developed into actionable plans.
- The Holding to Account process is focused on deliverable high value opportunities and the unidentified balance. Further opportunities are being identified using work underway in respect of Ward staffing, Establishment control and the benchmarking and opportunities framework.
- Turnaround Assurance Groups are to focus on pathway and Health Board wide opportunities.

### 3. Savings and turnaround actions

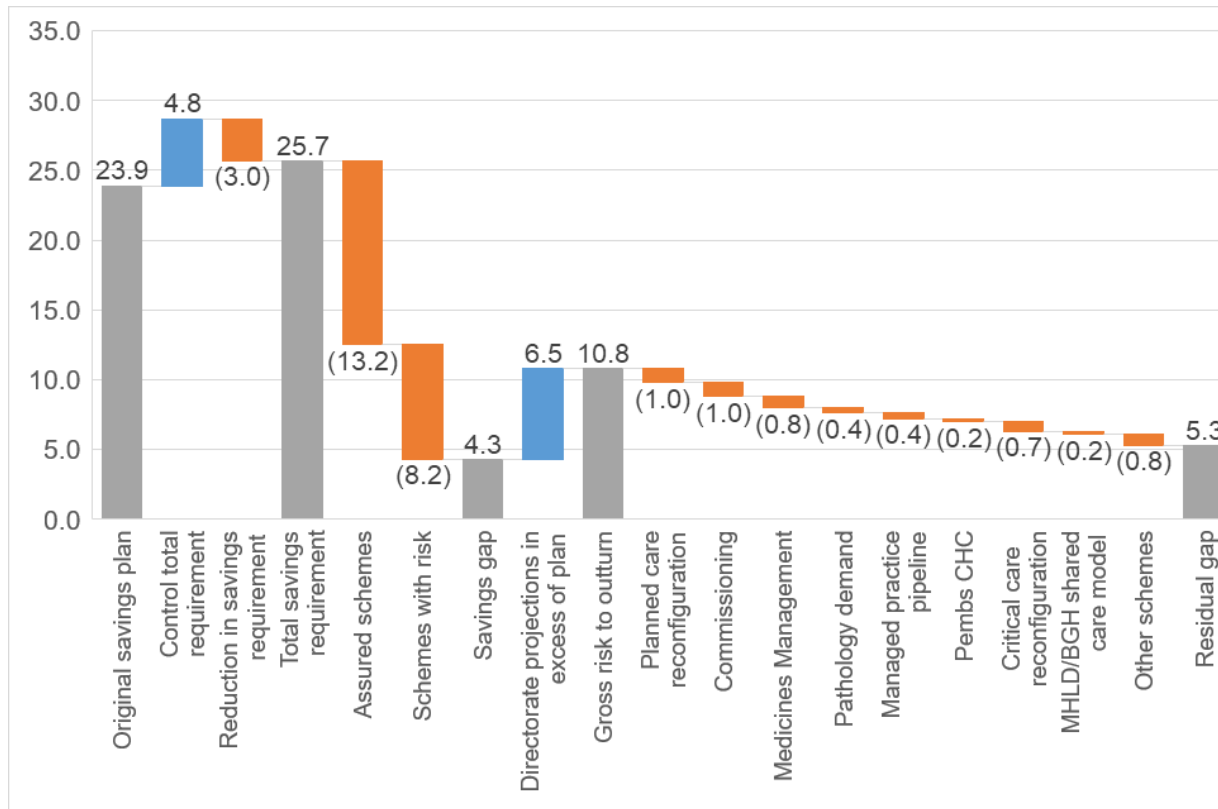
#### 3.2 Savings profile, risk and delivery



- To date, there is non-delivery against identified schemes of £0.2m. This means that against the total requirement of £25.7m, £0.2m of additional savings or mitigating actions will be required. This position has been reflected in the risk assessment in section 5.2 below.
- In-month delivery of £1.0m which is an improvement of £0.1m on Month 2, but £0.2m behind plan.
- Significant acceleration in delivery is required from Month 6; the Month 4 delivery will need to be £0.3m higher than the Month 3 delivery with further step up needed in future months.

## 4. Financial projections, opportunities and risks

### 4.1 Financial projection



- While the financial position in Month 3 represents a significant risk to the Health Board, and there are significant risks to savings delivery and operational cost management, **the Health Board's financial forecast is to achieve the required Control Total of £25.0m.**
- Current projections indicate: 1) a gap of £4.3m in fully identified savings schemes; 2) operational forecasts in excess of budget of £6.5m, giving a projection of £10.8m adverse variance to plan. This would equate to a year end deficit position of £35.8m. However, pipeline schemes are being developed, which would reduce this by £5.5m and further actions are in train to identify opportunities to close the gap.
- There are a number of gross risks which could materialise and, if mitigating actions were not identified, could affect the financial projection. These risks are presented below in section 5.2.
- This will require the Board as a whole to ensure a focus on ensuring that divisions operate within their budgets, deliver savings and manage their risks.

## 4. Financial projections, opportunities and risks

### 4.2 Risks and risk management strategy

Potential Risk	£'m	Risk management approach
<b>Budget deficit</b>	<b>29.8</b>	
<b>Welsh Government Control Total requirement</b>	<b>(4.8)</b>	
<b>Restated budget</b>	<b>25.0</b>	
Operational projection	6.1	Escalated Holding to Account meetings are being held with all Directorates to convert pipeline into robust schemes and identify additional recovery actions and additional opportunities.
Local TB outbreak	0.4	
<b>Total Operational projection</b>	<b>6.5</b>	
Savings gap	4.3	
Medicines Management – NCSO	0.6	If item prices were to return to the level seen in late 2018/2019; protracted Brexit period may impact on NCSO costs
Office 365	0.2	
Inflationary pressures on CHC exceed budget	0.2	Fee rates are being negotiated, and this risk will need to be managed through the negotiation process.
LTA and specialised activity exceeds available budget	0.5	Regular reports are received and meetings held with Welsh Health Boards and WHSSC. The Health Board is represented at the WHSSC Committee.
<b>Total deficit forecast and risks</b>	<b>37.3</b>	

### 4.3 Opportunities

- The focus is now being narrowed by considering the key drivers of the cost base identified through benchmarking with other Health Boards via national costing returns. Detailed information has been shared with Directorates and is being utilised as part of the Recovery Plan refinement in-year. We will continue to use this in conjunction with the Efficiency Framework to translate the opportunities identified into detailed Savings Plans in support of our Financial Plan. The Finance Committee has reviewed and endorsed this approach.
- Opportunities available via Invest to Save, Integrated Care Fund and Transformation funding are being explored. Key areas of operational inefficiency being targeted are: CHC and packages of care, unfunded escalation beds and patients awaiting tertiary referral.

## 4. Financial projections, opportunities and risks

### 4.4 Reserves

£'m	Month 3 close
ICF Bids	10.7
Performance Fund	5.8
CHC Inflation	2.2
Hosted Allocation – Critical Care	1.0
Medical and Dental Pay Award	1.0
Winter Pressure reserve	1.0
Nursing Standards	0.9
Mental Health Improvement	0.8
RCCS	0.5
Eye Care Sustainability	0.4
LTAs – Pay Award, WHSSC	0.2
Other	0.7
<b>Total</b>	<b>25.2</b>

- The Health Board's centrally-retained reserves are committed and all relate to specific anticipated cost pressures.
- ICF funds will be distributed based on finalised plans for utilisation of the funds across Healthcare and Local Authority. As Plans are not yet agreed, the reserve has been phased based on draft plans and historical indicators.
- CHC and FNC inflation have been phased according to the timeframes in which costs are anticipated to impact.
- The Health Board holds funding of £1.0m on behalf of Welsh Government to support costs incurred on behalf of the Critical Care network across Wales.
- Nursing Standards reserve will be distributed following agreement and approval by the Executive Team.
- Winter Pressure Support will be allocated to Directorates based on finalised plans for utilisation of the funds. At present the assumption is that this Reserve will be drawn over Months 9 to 12.
- Performance funds will be allocated to Directorates based on finalised plans for utilisation of the funds.
- Reserves held for future cost pressures will be carefully managed and work is ongoing to ensure future cost pressures are minimised wherever possible.

## 4. Financial projections, opportunities and risks

### 4.5 Ring-fenced allocations

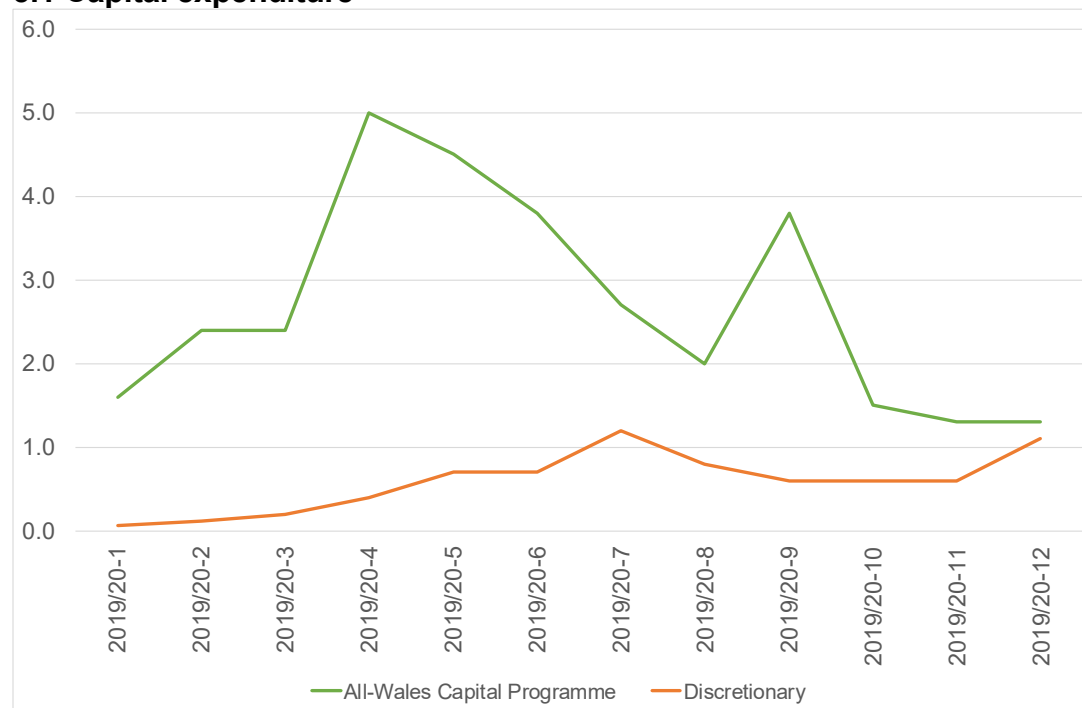
<b>Ring Fenced Allocations</b>	<b>£'m</b>
Learning Disabilities	8.7
Depreciation	20.1
Mental Health Services	76.2
Renal Services	6.7
Palliative care funding	0.7
Integrated Care Fund (Older People)	5.5
Integrated Care Fund (Learning Disabilities, children with complex needs, carers)	2.4
Integrated Care Fund (Children at the edge of care/in care)	1.8
Integrated Care Fund (Autism Allocations)	0.4
Delivery plan funding	1.4
Paramedic banding	0.7
Clinical Desk enhancements	0.1
Genomics for Precision Medicine Strategy	0.5
<b>Total 2019-20 HCHS Ring Fenced Allocation</b>	<b>125.2</b>

- The tables show the ring-fenced allocations. There is no flexibility about the use of this funding although Health Boards can choose to invest more in these areas.
- The ring-fenced allocation for Integrated Care Fund has been increased by £3.7m compared with 2018/19.
- The largest element of the ring-fence is mental health. The funding forms a floor below which spend must not fall. However, this does not exclude mental health services from making efficiencies but these savings must be re-invested to meet cost increases and new developments. The ring-fence is measured annually via the programme budgeting process.
- As at Month 3, it is projected that all ring-fence funds will be fully utilised.



## 5. Capital expenditure, working capital management and cash

### 5.1 Capital expenditure

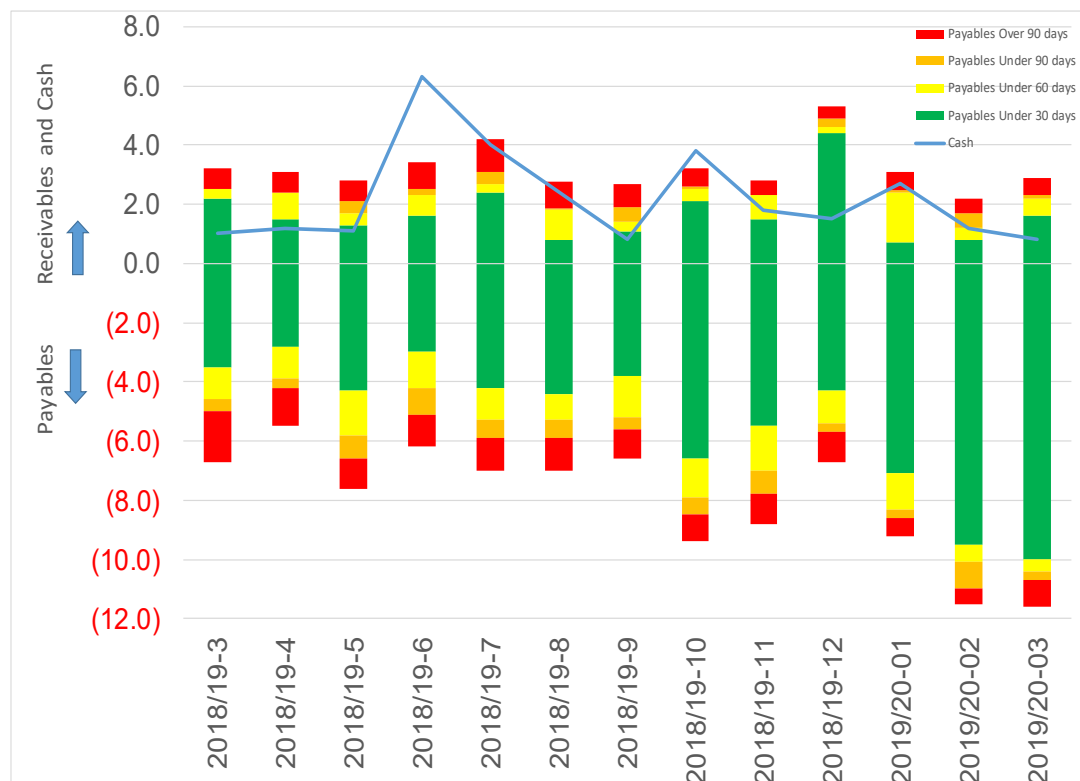


Provisional capital expenditure plan	£'m	£'m
Bronglais MRI	4.4	
Women and Children Phase II	14.4	
Wards 9 and 10 Withybush	1.7	
Aberaeron Integrated Care Centre	0.9	
Cardigan Integrated Care Centre	10.1	
Fees for development of Cross Hands	0.9	
<b>Total all-Wales funded schemes</b>		<b>32.4</b>
Medical equipment	1.6	
Estates	2.6	
IM&T	1.0	
Other	1.9	
<b>Total discretionary</b>		<b>7.1</b>
<b>Total capital</b>		<b>39.5</b>

- The Health Board has an approved Capital resource limit of £39.5m for 2019/20.
- Capital expenditure against the £39.5m total funding allocation was £6.7m to Month 3.

## 5. Capital expenditure, working capital management and cash

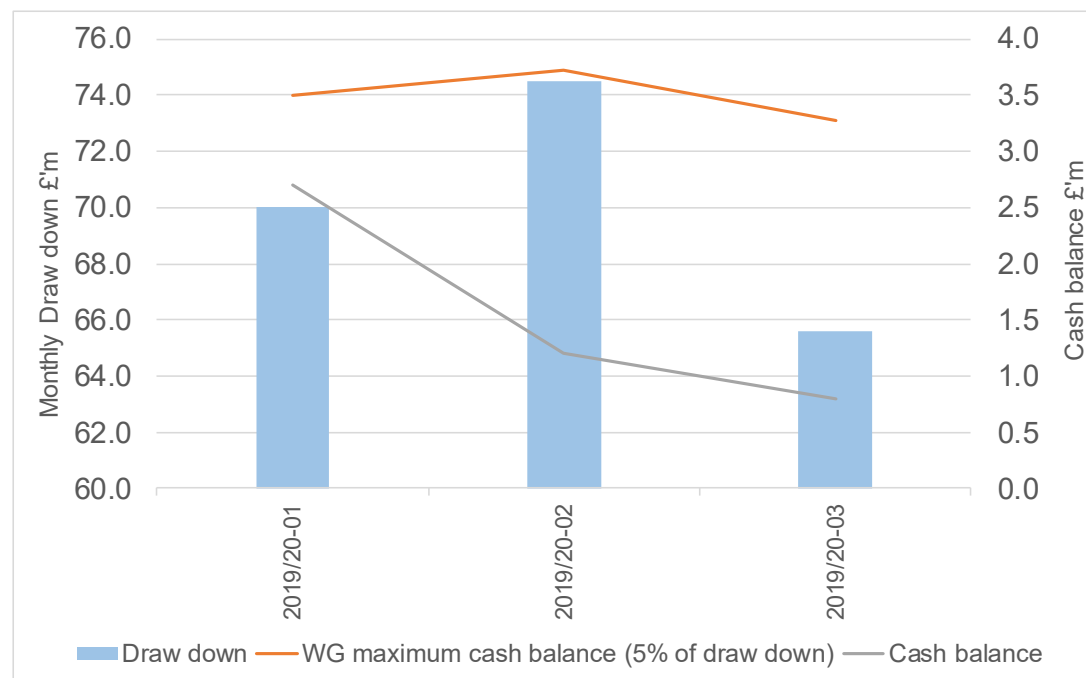
### 5.2 Working capital management



- Income collected from sources other than Welsh Government is collected through the invoicing process. It is imperative that this is collected promptly to reduce reliance on cash support from WG. Balances owed to the Health Board are £2.9m in Month 3.
- It is also important that the Health Board pays its suppliers promptly. At the end of Month 3, £11.6m was owed to suppliers, of which £10m are less than 30 days old. £5m of which were larger invoices received in June, £2m from Local Authority. Further work is ongoing with colleagues in NHS Wales Shared Services to address older balances through improving the purchase-to-pay cycle.
- Cash at the end of Month 3 was £0.8m.

## 5. Capital expenditure, working capital management and cash

### 5.3 Cash



- The closing balance of £0.8m did not exceed 5% of the total monthly draw down from Welsh Government.
- The Health Board has an approved cash limit of £860.9m split between revenue £821.4m and capital £39.5m.
- Total cash drawn down up to month 3 is £210m.
- The Health Board requested an emergency draw down of cash for £3.6m in June, this was mainly due to an increase in the LTA payments to WHSCC supported by an Allocation letter dated 10 June 2019.
- The cash forecast deficit for 2019/20 is estimated at £25.0m, which is the current forecast financial deficit.
- No movement in Working Balances has been factored into the cash forecast in June.
- The cash forecast will be monitored and updated monthly. The movement of Working Balances and Strategic Cash Assistance will be calculated in line with Welsh Government deadlines.

## 6. Statement of Financial Position

### 6.1 Statement of Financial Position

	2019-20 Opening balance £m	30 June 2019 £'m	Movement £'m	Analysis
<b>Non Current assets</b>				
Fixed Assets	268	270	(2)	Increase is due to capital expenditure of purchases offset by quarterly depreciation, indexation and the first time impairment of three capital schemes.
Other non current assets	43	43	0	
<b>Current Assets</b>	<b>311</b>	<b>313</b>	<b>(2)</b>	
Inventories	8	8	(0)	
Trade and other Receivables	34	33	1	This is mainly due to a reduction in the VAT debtor £453k and a general reduction in trade receivables from year end.
Cash	1	1	1	
<b>Total Assets</b>	<b>355</b>	<b>355</b>	<b>(0)</b>	
<b>Liabilities</b>	<b>0</b>	<b>0</b>	<b>0</b>	
Trade and other Payables	(93)	(103)	9	This is mainly due to an increase in payables under 30 days - increased from £4m to £10m.
Provisions	(67)	(67)	0	
<b>Total Liabilities</b>	<b>(161)</b>	<b>(170)</b>	<b>10</b>	
<b>Net Assets less Liabilities</b>	<b>194</b>	<b>185</b>	<b>10</b>	
<b>Financed by:</b>	<b>0</b>	<b>0</b>	<b>0</b>	
General Fund	168	153	14	
Revaluation Reserve	27	32	(5)	Indexation (in line with District valuer rates) has been applied to properties and land from 1 April 2019.
<b>Total Funding</b>	<b>194</b>	<b>185</b>	<b>10</b>	

## 7. Conclusion

### 7.1 Conclusion

- 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. The additional requirement of £4.8m is phased into Months 7 to 12 to provide assurance that robust plans can be made to address this.
- The Month 3 deficit is £2.9m, which is £0.4m adverse against Plan. This reflects pressures in Unscheduled Care, mainly in WGH.
- The savings requirement has been reduced by £3.0m as a result of additional Welsh Government funding, the cost of which had already been included within our baseline plan.
- Current projections indicate: 1) a gap of £4.3m in fully identified savings schemes; 2) operational forecasts in excess of budget of £6.5m, giving a projection of £10.8m adverse variance to plan. This would equate to a year end deficit position of £35.8m. However, and pipeline schemes are being developed, which would reduce this by £5.5m and further actions are in train to identify opportunities to close the gap.



## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	22 July 2019
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Financial Projections Month 3
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	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 provides the Finance Committee with an outline of the financial projection for the 2019/20. Please see Appendix 1 for the presentation providing further detail for Members' consideration.

##### Cefndir / Background

The ability to project accurately is a critical requirement in order to ensure that Hywel Dda University Health Board (HDdUHB) delivers against its plan 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 HDdUHB's Control Total requirement is a deficit of £25.0m.
- The savings requirement has been reduced from £28.7m to £25.7m as a result of additional Welsh Government funding, the cost of which had already been included within the baseline plan.
- Directorate level projections are currently indicating cost pressures of £6.5m.
- 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 Committee is requested to discuss and note the financial projections for 2019/20.

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 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: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	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 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 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 Finance Committee

<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 our reputation with Welsh Government, the Wales Audit Office, and with external stakeholders.
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not applicable
<b>Cydraddoldeb:</b> <b>Equality:</b>	Not applicable



# Financial Performance – Month 3

## Health Board confirmed control total of £25m

### Month 3 position

- Month 3 position is £0.4m variance to plan (£1.4m YTD)
  - Operational surge impact of £0.4m
  - Recovery and management within available resources critical in future months

### Directorate Projections

Operational forecasts in excess of budget of £6.5m  
Projection including savings risk is an adverse variance to plan of £10.8m; this would equate to a year end deficit position of £35.8m

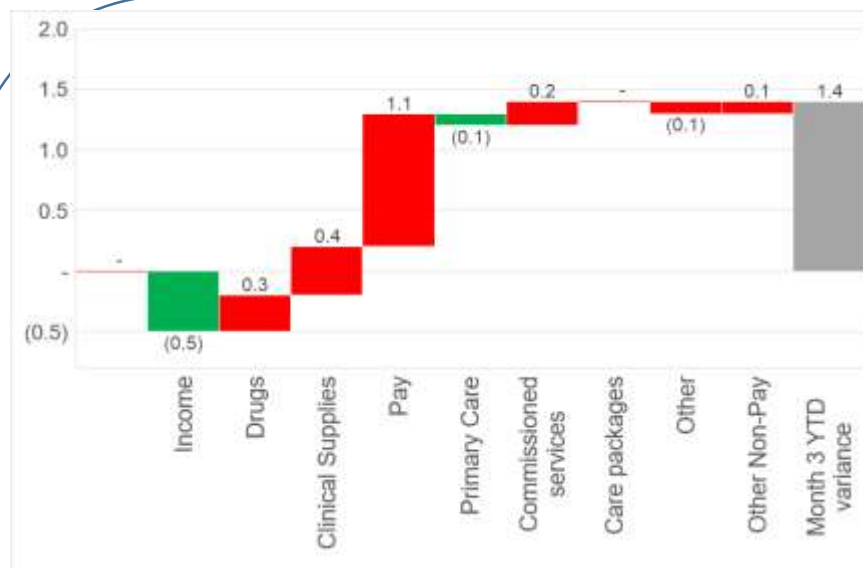
### Savings summary

- £25.7m total savings requirement to meet control total following reduction of £3.0m as a result of additional Welsh Government funding, the cost of which had already been included within our baseline plan.
  - £13.2m of secure plans (green)
  - £8.2m of plans with some risk to delivery (amber)
  - Risk to delivery is therefore £4.3m

**Directorate projections variance £6.5m**

### Further actions

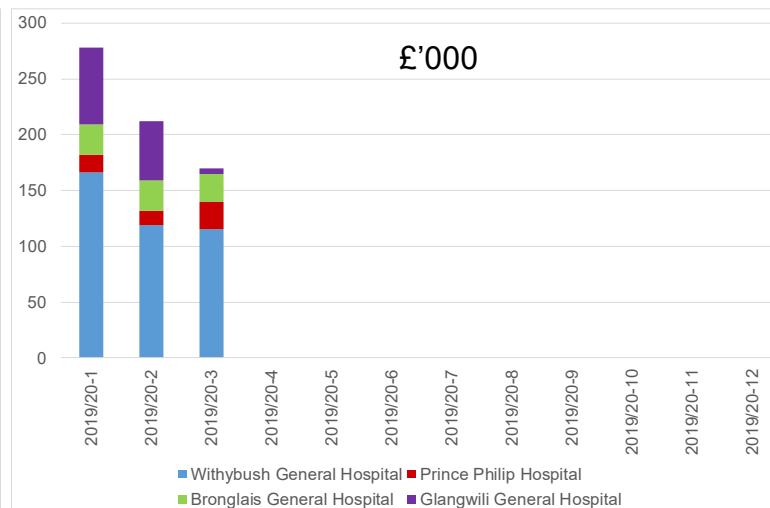
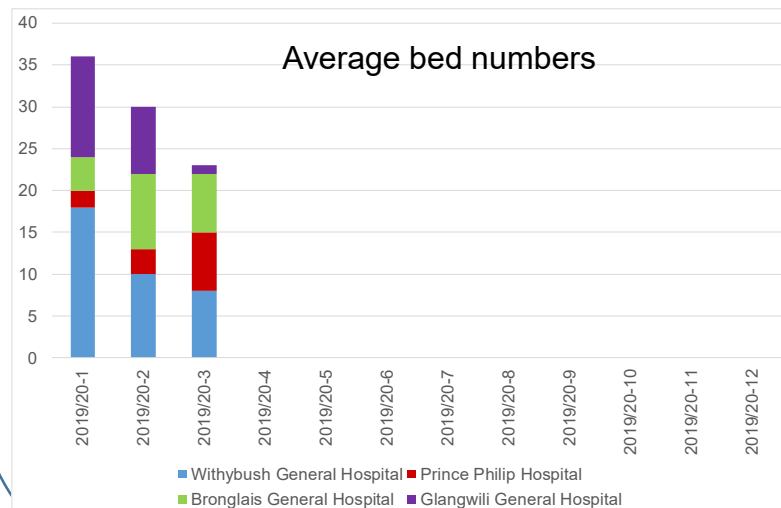
- Opportunity pipeline of £5.5m needs to be actively pursued and developed into actionable plans
- Recovery actions required of £6.5m to recover month 3 YTD position and cost pressures in Directorate projections



## Key Actions for In-Month focus areas

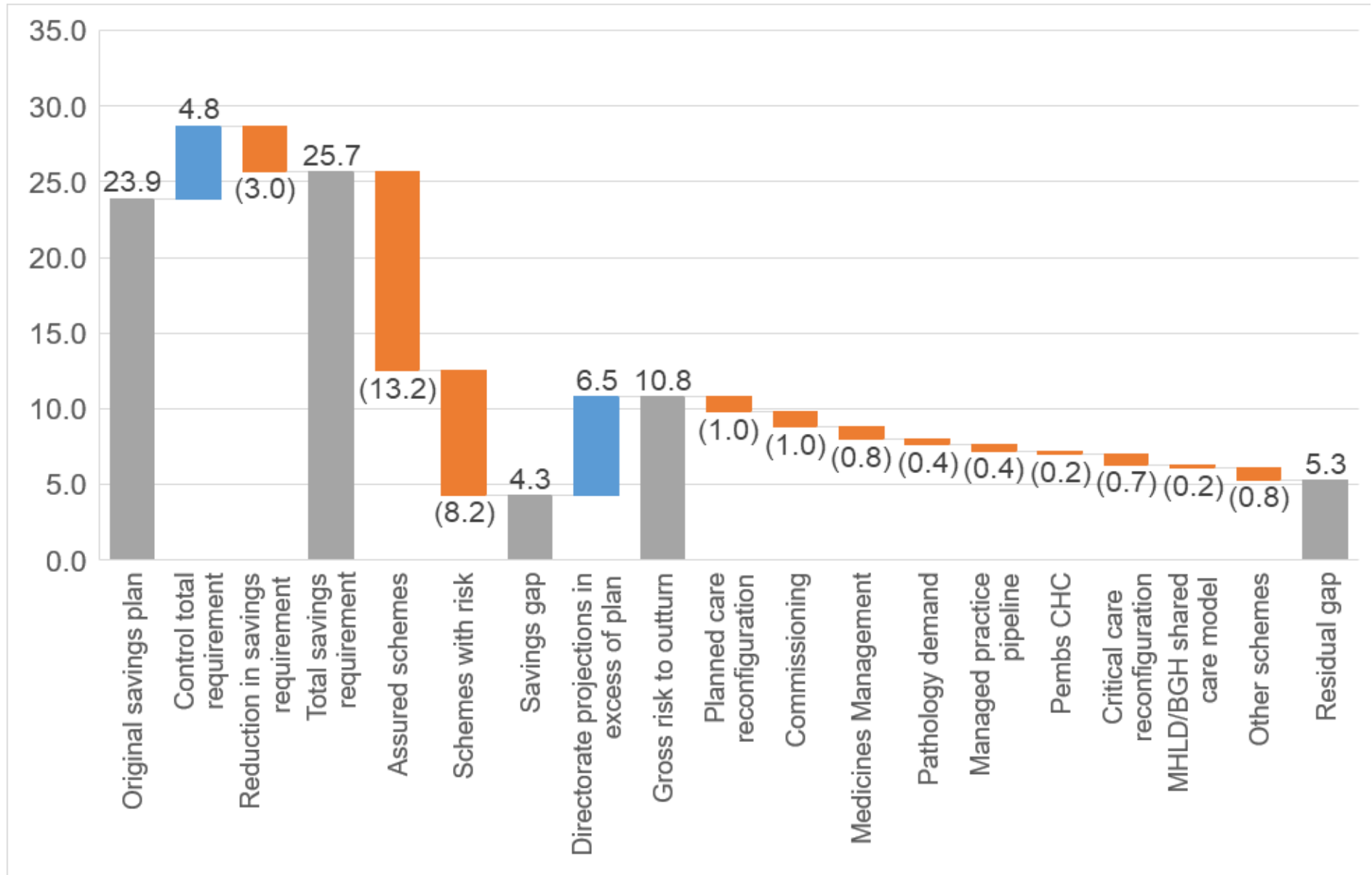
- Urgent review of savings pipeline opportunities to convert into assured schemes;
- Holding to Account Meetings will focus on this and mitigating actions to address operational risks.

## Bed pressures



Critical Care surged on 6 occasions in Month 3 (an improvement on 13 in Month ), which was predominately driven by patient acuity rather than the number of beds.

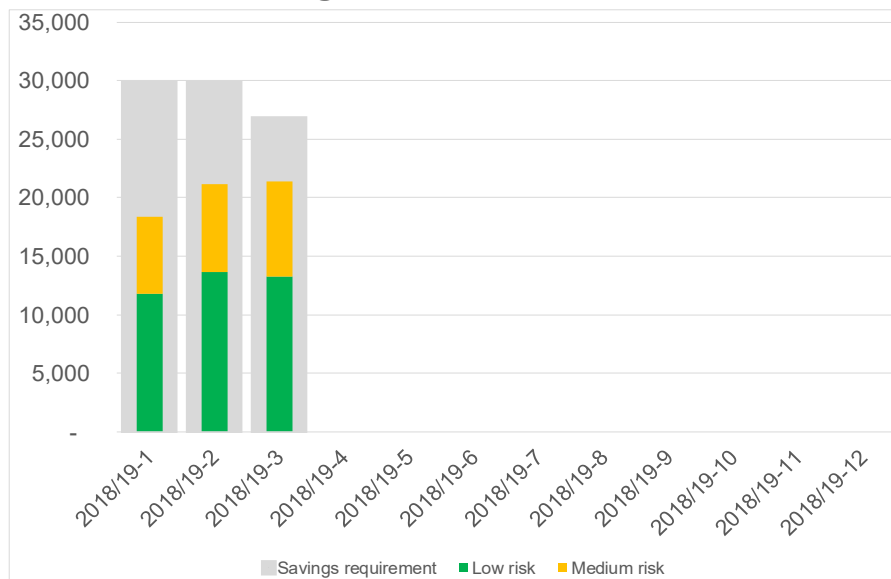
# Position against control total



Savings type	Assured (£'m)	Marginal risk (£'m)	Total (£'m)
Non-recurrent	3.1	1.7	4.8
Recurrent	10.1	6.5	16.6
<b>Total</b>	<b>13.2</b>	<b>8.2</b>	<b>21.4</b>
Pipeline Opportunities			<b>5.5</b>
<b>Total</b>			<b>26.9</b>

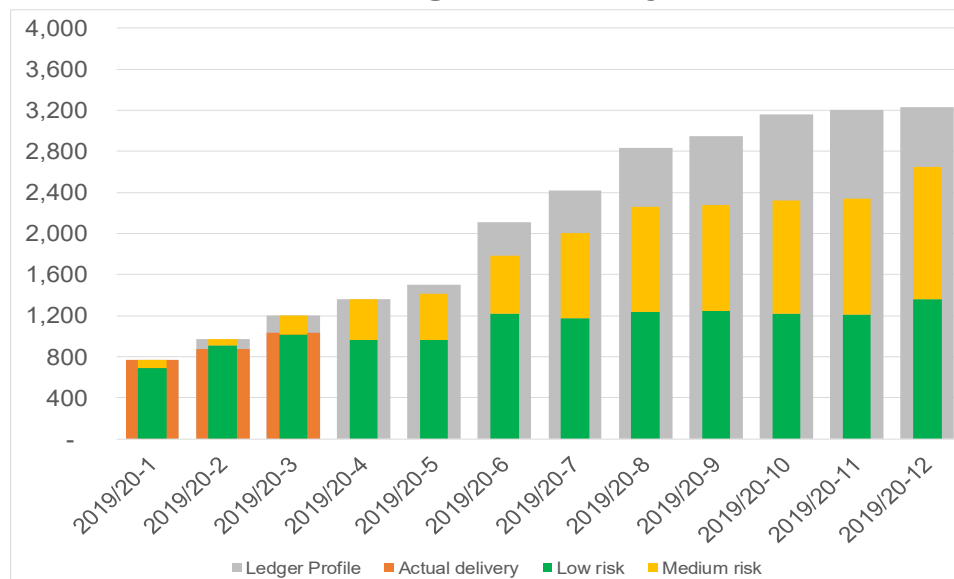
- Total requirement reduced from £28.7m to £25.7m as a result of Welsh Government funding, the cost of which had already been included in our baseline plan.

## 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 £1.0m is an improvement on Month 2, but £0.2m behind Plan
- Significant acceleration in delivery required from Month 4

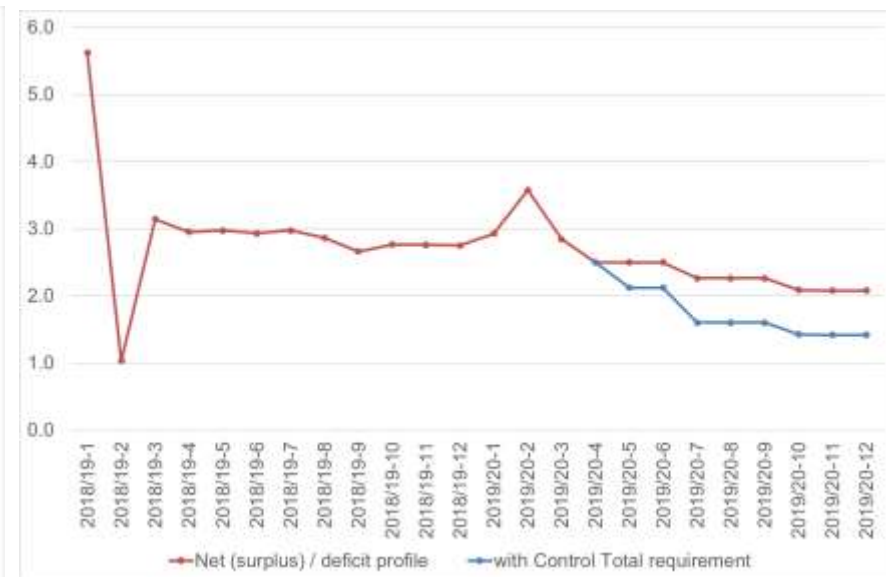
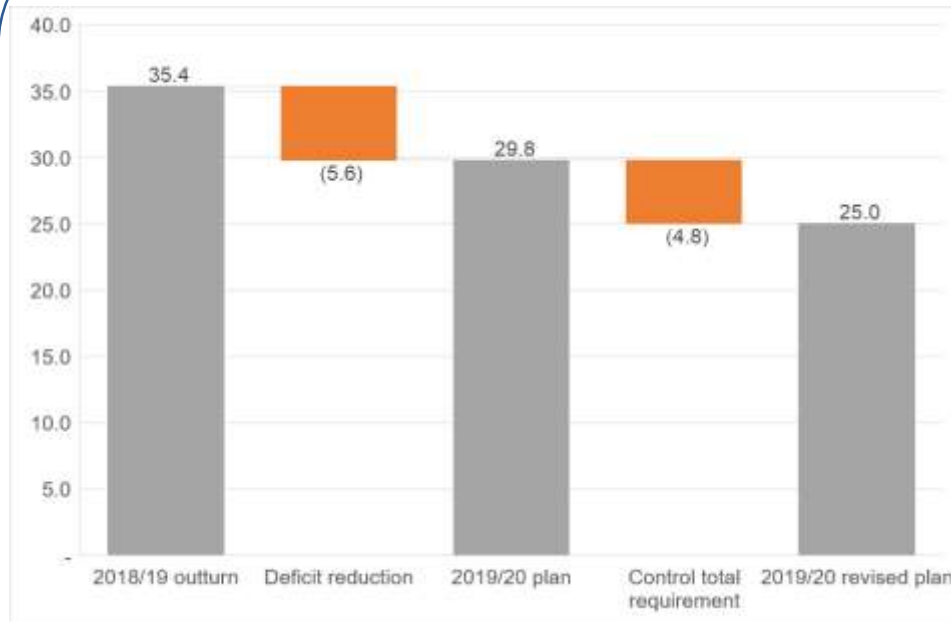
## Assured and Marginal Risk Savings Schemes

Summarised schemes (£'m)	Planned Care	Medicines Management	MHLD, Facilities and Dir Ops	Primary Care and Community	Unscheduled Care	Specialist and Support Services	Across Service Areas/ Other	Total
Workforce	509	-	1,413	2,144	2,546	1,232	1,526	<b>9,370</b>
Non-Pay	179	-	2,251	375	40	53	1,486	<b>4,384</b>
Commissioned Services and CHC	41	-	333	280	-	-	8	<b>662</b>
Medicines Management	207	2,133	-	-	73	447	-	<b>2,860</b>
Operational Effectiveness	759	-	229	152	1,410	670	-	<b>3,220</b>
Outpatients	615	-	-	-	10	23	-	<b>648</b>
<b>Total</b>	<b>2,310</b>	<b>2,133</b>	<b>4,226</b>	<b>2,951</b>	<b>4,079</b>	<b>2,425</b>	<b>3,020</b>	<b>21,144</b>

# Financial Projections Assurance – Month 3

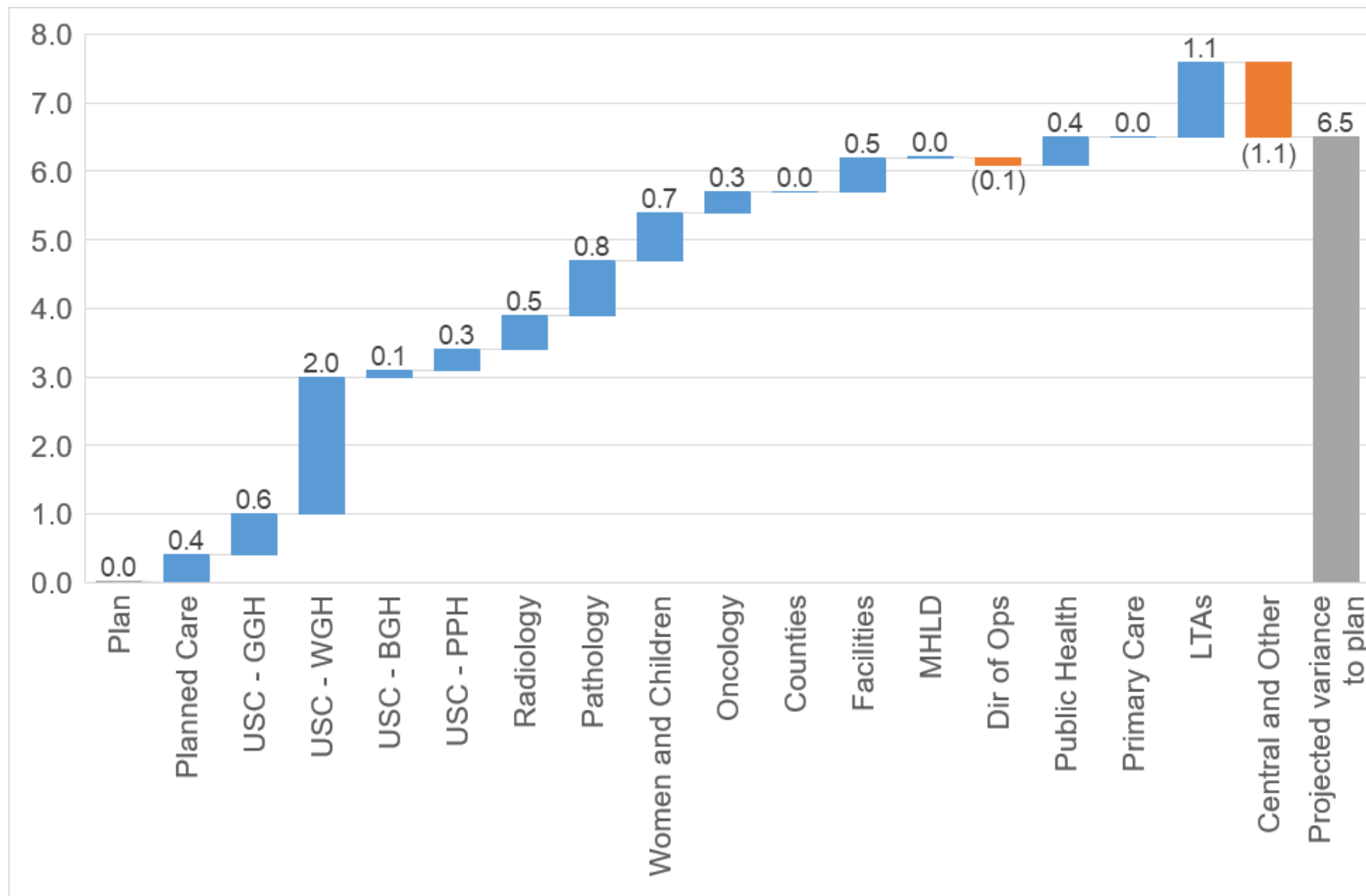


- Draft interim Annual Plan for 2019/20 approved by Board March 2019 with deficit of £29.8m; Welsh Government have since confirmed that the Health Board's Control Total requirement is a deficit of £25.0m.
- The savings requirement has been reduced from £28.7m to £25.7m as a result of additional Welsh Government funding, the cost of which had already been included within our baseline plan.
- Directorate level projections are currently indicating cost pressures of £6.5m.
- 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	7.5	25.0
Operational pressures (see below)	1.2	6.5
Savings delivery	0.2	4.3
<b>Current projection</b>	<b>8.9</b>	<b>35.8</b>
Risks (see below)	0.0	1.5
	<b>8.9</b>	<b>37.3</b>



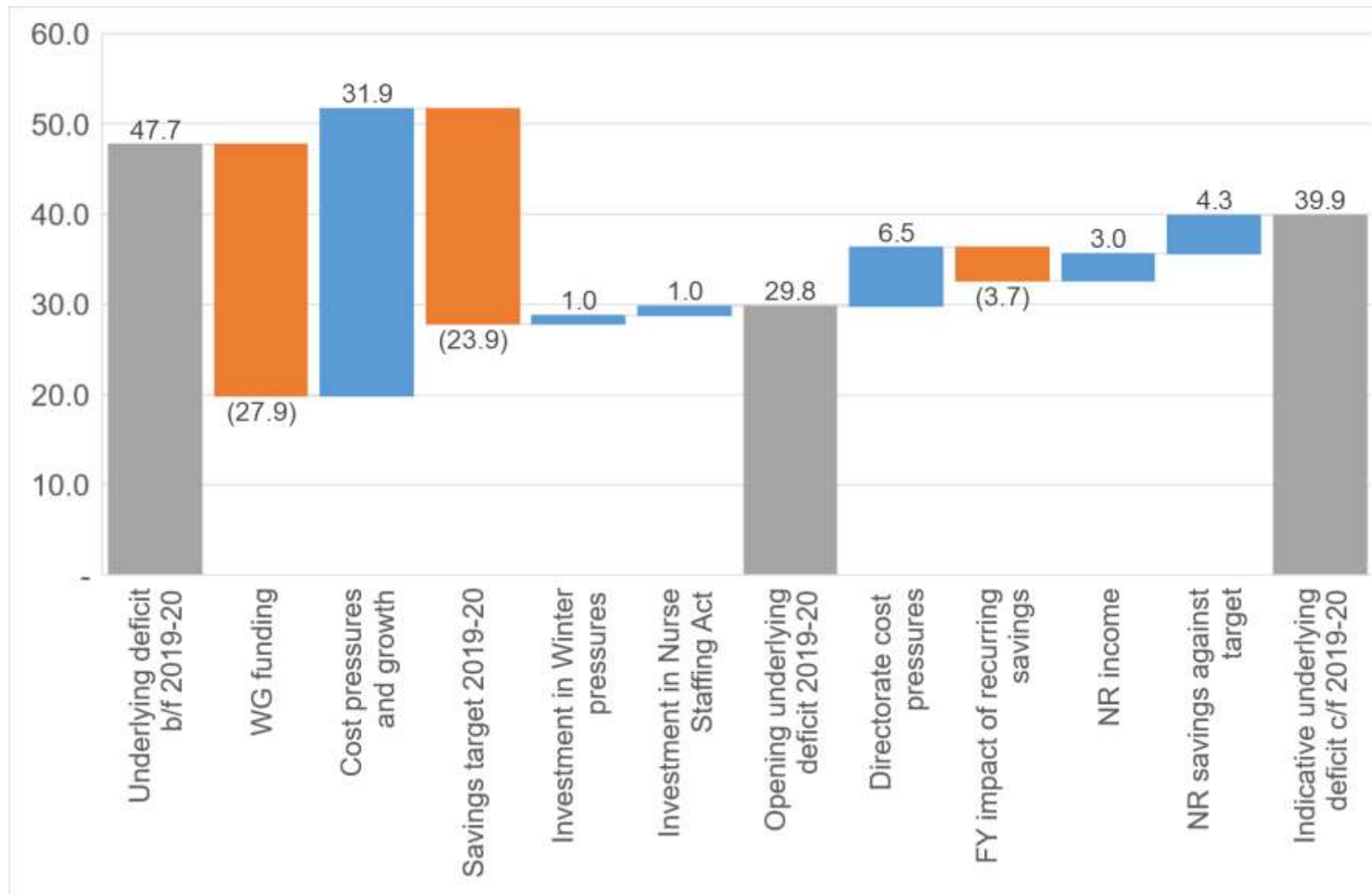
Scheme	Measures	Beds saved
<b>Admission avoidance :</b> <ul style="list-style-type: none"> <li>• Rapid community response supported through transformation funding</li> <li>• Integrated falls pathway supported through ICF</li> <li>• Scaling up of MDT working in primary care and proactive care plans</li> <li>• Pilot of falls bundle in Tenby MIU to be rolled out to WGH ED if successful – review July 2019</li> <li>• Geriatrician led falls clinic established to receive referrals from MIU</li> </ul>	<p>Reduction in WAST conveyances and increase in utilisation of other pathways 19,500 calls per annum 900 fewer calls Assume 20% result in admissions 180 fewer admissions per annum at 10 days per admission</p>	5
<b>Length of Stay Reduction :</b> <ul style="list-style-type: none"> <li>• Stranded patient reviews and QI collaborative project in WGH</li> <li>• Focus on use of MTED prescription for medications &amp; care package restarts to facilitate earlier discharge in Ward 7</li> <li>• Relatives clinics in Ward 10 to improve communication</li> <li>• Embedding of EDD implementation in Ward 12 &amp; Sunderland Ward</li> <li>• Sunderland Ward 10% flow improvement</li> <li>• Palliative care readmission pathway – pending funding approval – to commence September</li> </ul>	<p>1.5 – 2 day LoS reduction on Wards 7,8,10 &amp; 12</p> <p>Sunderland commenced May 2019 Average LoS 41 days April 2019 Reduction of 5 days 356 patients increase to 405 patients 49 patients</p>	<p>10</p> <p>5</p>

Scheme	Measures	Beds saved
<b>Ambulatory Care &amp; admission avoidance</b> <ul style="list-style-type: none"> <li>Improved utilisation of ambulatory care</li> <li>Establishment of medical review clinics</li> <li>MAST weekend working</li> </ul>	Reduction in 2 medical admissions per day at LoS 10 days 20 bed reduction (supporting 12 bed reduction on Ward 10 from May 1 <sup>st</sup> 2019)	8
<b>Bridging Care</b> <ul style="list-style-type: none"> <li>Implementation of 5 additional WTE Care at Home Team HCSW to provide bridging care</li> </ul>	Reduction in bed days waiting Packages of Care and Reablement	5 – pending investment
<b>TOTAL</b>		<b>28 beds + 5 beds – pending investment</b>

- ED overnights and surge beds open April – June 2019 have ranged from 17 to 41, with a mean of 31.1
- Bed plan above to provide 39 beds capacity to reduce pressure and provide some capacity to support variation and the ability of the site to respond rapidly
- 2-weekly improvement meeting established with agreed monitoring metrics
- Initially focussing on Wards 7, 8, 10 & 12 (medical inpatient areas)
- Urgent Response Group to focus on Middle Grade position in ED – first meeting Friday 5<sup>th</sup> July 2019

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
LTA and Specialised activity exceeds available budget	0.5	Medium
<b>Total</b>	<b>1.5</b>	





# 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.

## Planned Care: £0.4m

- Critical Care Surge
- Premium rate cover of key vacancies

## Unscheduled Care: £3.0m

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

## Specialist and Support Services: £2.6m

- 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 ISDU instrument sterilisation

## Primary Care and Community: £0.1m

- CHC

## Mental Health and Corporate: £0.1m

- CHC
- Purchase spot beds

## Retrospective CHC, LTAs and Other Healthcare Providers: £1.1m

- Swansea Bay activity and HCD (adverse)
- WHSSC activity (under performance)

## Central and Other: £(1.1)m

- Slippage on vacancies in Corporate areas



## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	22 July 2019
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Turnaround Update – Month 3, 2019/20
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Andrew Carruthers, Turnaround Director
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	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 3.

##### 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 attached 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 meetings. These Directorates are at an escalated status due to the assessed risk of them delivering their financial plans.

Schemes are RAG 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.

The Chief Executive Officer (CEO) has specified 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 will be held on 26<sup>th</sup> July 2019.

**Section 2** - Provides a summary of the 2019/20 Month 3 position for Directorates who 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 will be held on 23<sup>rd</sup> and 24<sup>th</sup> July 2019.

**Section 3** – provides an update against each of the Turnaround Delivery Groups (TDGs) as at Month 3.

### 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"> <li>• Monthly, quarterly and year to date financial performance;</li> <li>• Performance against the savings delivery and the cost improvement programme; assurance over performance against the Capital Resource Limit and cash flow forecasts;</li> <li>• Oversee and monitor the Health Board's turnaround programme.</li> </ul>
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
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	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
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	Not Applicable

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Not Applicable
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	Not Applicable
<b>Gweithlu:</b> <b>Workforce:</b>	Not Applicable
<b>Risg:</b> <b>Risk:</b>	Not Applicable
<b>Cyfreithiol:</b> <b>Legal:</b>	Not Applicable
<b>Enw Da:</b> <b>Reputational:</b>	Not Applicable
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not Applicable
<b>Cydraddoldeb:</b> <b>Equality:</b>	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 3 as at 5<sup>th</sup> July 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	<b>19/20 target saving £'000s</b>	<b>1,385</b>	<b>Total of saving plans £'000s</b>		<b>771</b> [596]	<b>596</b>	<b>0</b> [187]	<b>1,367</b> [1,379]	<b>Variance £'000s</b>	<b>18</b> [6]
	<b>Schemes</b>	<b>YTD planned</b>	<b>YTD actual</b>	<b>YTD variance</b>	<b>Mitigating actions</b>					
	Green schemes	(135)	(124)	11	On-call reduction scheme is not delivering. To be discussed at CEO HTA on 26 <sup>th</sup> July 19.					
	Amber schemes	0	0	0	Amber schemes are scheduled to start delivering from July 19.					
	Red schemes	0	0	0	Savings for internal benchmarking opportunities have not been included in the plan as there is no clear scheme in place as yet.					
	<b>Total</b>	<b>(135)</b>	<b>(124)</b>	<b>11</b>	<u>Other actions agreed</u> Plan to address catering deficit to be discussed at CEO HTA on 26 <sup>th</sup> July 19. Directorate to also consider other income stream opportunities by then.					

Mental Health	<b>19/20 target £'000s</b>	<b>2,691</b>	<b>Total plans £'000s</b>		<b>1,640</b> [1,245]	<b>937</b> [1,212]	<b>112</b>	<b>2,689</b>	<b>Variance £'000s</b>	<b>2</b>
	<b>Schemes</b>	<b>YTD planned</b>	<b>YTD actual</b>	<b>YTD variance</b>	<b>Mitigating actions</b>					
	Green schemes	(545)	(490)	55	Delay of recruitment has delivered £175k out of a total planned £142k as at Month 3. Roster review & nursing KPIs planned savings of £14k not achieved in Month 3. To be discussed at CEO HTA meeting on 26 <sup>th</sup> July 19.					
	Amber schemes	(47)	(0)	47	Roster review and nursing KPIs (amber scheme) did not deliver the anticipated £36k by Month 2. LD consultant has also not delivered the planned saving of £12k. To be raised at CEO HTA meeting on 26 <sup>th</sup> July 19. LD commissioning savings planned from July 19 and review of non-pay budgets expected to deliver from November 19.					
	Red schemes	0	0	0	Collaborative Care Scheme – this scheme is now on the QI programme. Start date to be confirmed by Estates, work will take 30 weeks to complete. Model expected to be in place by Dec 19 rather than Nov 19.					
	<b>Total</b>	<b>(592)</b>	<b>(490)</b>	<b>102</b>	<u>Other actions agreed</u> <ul style="list-style-type: none"> <li>Delivery plan for WG CAMHs transformation and innovation funds to be produced by 17<sup>th</sup> July 19.</li> <li>Position on high cost patients to be provided at next CEO HTA on 26<sup>th</sup> July 19.</li> <li>Pay significantly overspent in Month 2 due to high occupancy rate. Some of these costs will be offset by vacancies. A number of NHS locums are due to start within the next few months which should alleviate the cost pressure. 19/20 savings as a result of recruitment are currently being worked through.</li> </ul>					

Pathology	19/20 target £'000s	741	Total plans £'000s		222 [192]	107 [137]	421 [442]	750	Variance £'000s	(9)
	Schemes	YTD planned	YTD actual	YTD variance	Mitigating actions					
	Green schemes	(33)	(33)	0	N/A					
	Amber schemes	(6)	(6)	0	N/A					
	Red schemes	0	0	0	Director of Planning, Performance, Informatics and Commissioning has taken the lead for the demand optimisation work – a PID encompassing all digital Pathology schemes is in development. Update to be provided at next Executive Turnaround Team meeting on 15 <sup>th</sup> July and to be discussed at next CEO HTA meeting on 26 <sup>th</sup> July 19.					
	Total	(39)	(39)	0						

Scheduled Care	19/20 target £'000s	3,682	Total plans £'000s		1,310	1,058	1,884 [1,384]	4,252	Variance £'000s	(570)
	Schemes	YTD planned	YTD actual	YTD variance	Mitigating actions					
	Green schemes	(245)	(197)	48	The YTD variance is mainly in relation to Ophthalmology on-call (£21k) and Conclusion of HR issues (£22k) . These will be discussed at the CEO HTA meeting on 26 <sup>th</sup> July 19.					
	Amber schemes	(13)	0	13	<ul style="list-style-type: none"> <li>Cataract activity - this scheme was derisked from red in May. Additional 8 sessions have started in AVH, with a view to increasing to 10. Werndale activity to start reducing to accelerate saving.</li> <li>Reduction in INNUs - scheme to be re-launched through the clinical and medical leads across primary and secondary care. Policy to be reviewed to ensure it remains fit for purpose.</li> <li>Referral management opportunities - implementation is on track for end July.</li> <li>Eye Care Measures – this scheme sits under the wider Ophthalmology work and it was therefore agreed to derisk at the last CEO HTA meeting.</li> <li>PSA monitoring – this is dependent on the resolution of a national issue around the digital sending of results. Agreement centrally to develop although timescale unknown. Directorate to explore other opportunities within Urology with a view to delivery from October 19.</li> </ul>					
	Red schemes	0	0	0	<ul style="list-style-type: none"> <li>Orthopaedics plan is in development and to be finalised by 1<sup>st</sup> July 19.</li> <li>Critical Care bid in development. To be discussed at next CEO HTA on 26<sup>th</sup> July 19.</li> <li>Endoscopy – proposal to transfer activity to PPH to allow for the reframing of WGH DSU is in development. To be discussed at the next CEO HTA on 26<sup>th</sup> July 19.</li> </ul>					
	All schemes	(258)	(197)	61						

BGH USC	19/20 target £'000s	786	Total plans £'000s		626 [639]	175	162	963	Variance £'000s	(177)
	Schemes	YTD planned	YTD actual	YTD variance	Mitigating actions					
	Green schemes	(137)	(100)	37	Roster efficiency has delivered £15k out of a total planned £54k as at Month 3. Further saving opportunities were identified at the June CEO HTA meeting in relation to HCSW recruitment, staff retirement and a reduction in out of hours payments.					



	Amber schemes	(29)	(24)	5	Length of Stay plan in place - progress being monitored through the Operational Effectiveness Delivery Programme. Aim is to reduce LOS from April 19 average of 9.1 to 7.5 days (11 beds/13% of acute bed base). ALOS May 19 was 9 days. Savings are profiled to commence from Aug 19.
	Red schemes	0	0	0	Collaborative Care Scheme – this scheme is now on the QI programme. Start date to be confirmed by Estates, work will take 30 weeks to complete. Model expected to be in place by Dec 19 rather than Nov 19.
	<b>Total</b>	<b>(166)</b>	<b>(124)</b>	<b>42</b>	

GGH USC	<b>19/20 target £'000s</b>	<b>1,557</b>	<b>Total plans £'000s</b>		<b>1,348</b> [1,176]	<b>383</b> [229]	<b>0</b>	<b>1,559</b> [1,261]	<b>Variance £'000s</b>	<b>(2)</b> [296]
	<b>Schemes</b>	<b>YTD planned</b>	<b>YTD actual</b>	<b>YTD variance</b>	<b>Mitigating actions</b>					
	Green schemes	(177)	(186)	(9)	Cumulative overdelivery of roster efficiency savings (£10k) at Month 3.					
	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 to support the delivery of this scheme.					
	<b>Total</b>	<b>(177)</b>	<b>(186)</b>	<b>(9)</b>	<u>Other actions agreed</u> <ul style="list-style-type: none"> <li>No unfunded beds since 19<sup>th</sup> May. Ward refurbishment underway which will help prevent the use of surge beds. Surge use and impact to be mapped out for all USC sites.</li> <li>Directorate are exploring opportunities to accelerate Thornbury reduction before Nov 19.</li> <li>Opportunities to create efficiencies, reduce hospital admissions and LoS through investment in DLNs and Consultant Nurses to be explored.</li> </ul>					

PPH USC	<b>19/20 target £'000s</b>	<b>931</b>	<b>Total plans £'000s</b>		<b>234</b> [789]	<b>1,129</b> [555]	<b>0</b>	<b>1,561</b>	<b>Variance £'000s</b>	<b>(630)</b>
	<b>Schemes</b>	<b>YTD planned</b>	<b>YTD actual</b>	<b>YTD variance</b>	<b>Mitigating actions</b>					
	Green schemes	(6)	(6)	0	All RN B5 posts will be filled with Sept 19 recruitment. OOH MIU savings planned from October 19. Both green schemes.					
	Amber schemes	(3)	(3)	0	<ul style="list-style-type: none"> <li>Recruitment to posts to support the Intermediate Care scheme is underway.</li> <li>LOS efficiencies planned to deliver from October 19</li> </ul>					
	<b>Total</b>	<b>(9)</b>	<b>(9)</b>	<b>0</b>	<u>Other actions agreed</u> HCSW costs are high – recovery plan requested for next CEO HTA meeting on 26 <sup>th</sup> July 19.					

WGH USC	<b>19/20 target £'000s</b>	<b>1,125</b>	<b>Total plans £'000s</b>		<b>1,125</b>	<b>0</b>	<b>0</b>	<b>1,125</b>	<b>Variance £'000s</b>	<b>0</b>
	<b>Schemes</b>	<b>YTD planned</b>	<b>YTD actual</b>	<b>YTD variance</b>	<b>Mitigating actions</b>					

	Green schemes	(203)	(160)	43	Middle Grade appointments (£28k) and Ambulatory Care schemes (£29k) have not delivered as expected in Months 2 and 3. Cumulative over-delivery of Ward 8 agency reduction (£9k), sickness management (£3k) and release of locum consultant post (£3k)..
	<b>Total</b>	<b>(203)</b>	<b>(160)</b>	<b>43</b>	<u>Other actions agreed</u> <ul style="list-style-type: none"> <li>Plan to manage surge beds to be discussed at HTA meeting on 12<sup>th</sup> July 19.</li> <li>Project plan to achieve a system-wide bed reconfiguration to be in place by next CEO HTA meeting on 26<sup>th</sup>, with a view to implementation from September 19.</li> </ul>

Pembrokeshire County	<b>19/20 target £'000s</b>	<b>729</b>	<b>Total plans £'000s</b>		<b>323</b>	<b>53</b> [123]	<b>388</b> [108]	<b>764</b>	<b>Variance £'000s</b>	<b>(35)</b>
	<b>Schemes</b>	<b>YTD planned</b>	<b>YTD actual</b>	<b>YTD variance</b>	<b>Mitigating actions</b>					
	Green schemes	(125)	(119)	4	N/A					
	Amber schemes	0	0	0	Delivery from July 19					
	Red schemes	0	0	0	Pipeline schemes with planned delivery by March 20.					
	<b>Total</b>	<b>(125)</b>	<b>(119)</b>	<b>4</b>	<u>Other actions agreed</u> <ul style="list-style-type: none"> <li>As WGH above.</li> </ul>					

Oncology & Cancer	<b>19/20 target £'000s</b>	<b>438</b>	<b>Total plans £'000s</b>		<b>284</b>	<b>0</b>	<b>0</b>	<b>284</b>	<b>Variance £'000s</b>	<b>154</b>
	<b>Schemes</b>	<b>YTD planned</b>	<b>YTD actual</b>	<b>YTD variance</b>	<b>Mitigating actions</b>					
	Green schemes	(73)	(73)	0	N/A					
	<b>Total</b>	<b>(73)</b>	<b>(73)</b>	<b>0</b>	<u>Other actions agreed</u> <ul style="list-style-type: none"> <li>Aseptic Unit plan to come back to the next CEO HTA meeting on 26<sup>th</sup> July 19 with more detail on the implications and potential savings opportunities in Q3 and Q4. Commissioning</li> <li>LTAs/SLAs - clear opportunities plan to be discussed at the next HTA meeting on 26<sup>th</sup> July 19.</li> <li>Strategic Outline Case on TRAMS to be progressed for discussion at September CEO HTA meeting.</li> </ul>					

**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 10<sup>th</sup> May 2019 and will be subject to change with the identification of further savings opportunities.

Carmarthenshire County	19/20 target £'000s	884	Total plans £'000s		636	189 [289]	0	825	Variance £'000s	59
	Schemes	YTD planned	YTD actual	YTD variance	Mitigating actions					
	Green schemes	(77)	(49)	28	<ul style="list-style-type: none"> <li>Community Nurse recruitment slippage is £11k as at Month 3 and CDM and variable pay schemes have not started to deliver in Month 3 as planned (£9k &amp; £4k respectively).</li> </ul>					
	Amber schemes	(23)	(6)	17	<ul style="list-style-type: none"> <li>Travel and subsistence – cumulative over-delivery of £6k to Month 3.</li> <li>Savings of high cost high frequency care packages on continence assessment unlikely to deliver until July now.</li> <li>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.</li> <li>Relocation of nursing team – clarity requested on delivery timeline.</li> <li>Update on community nurse attrition scheme requested including the actions that are in place to ensure delivery.</li> </ul>					
	Total	(100)	(55)	(45)	<u>Other actions agreed</u> Undertaken an analysis of the CHC position and forecast for 19/20.					

Ceredigion County	19/20 target £'000s	415	Total plans £'000s		155	260 [35]	0	415 [190]	Variance £'000s	0 [225]
	Schemes	YTD planned	YTD actual	YTD variance	Mitigating actions					
	Green schemes	(38)	(37)	1	N/A					
	Amber schemes	(21)	(20)	1	N/A					
	Total	(59)	(57)	2	<u>Other agreed actions</u> <ul style="list-style-type: none"> <li>New CHC scheme (£150k) added due to a revised model which is reducing the need for CHC spend.</li> <li>Opportunities to use Transformation funding to support Cardigan and Aberaeron schemes.</li> </ul>					

Women & Children	19/20 target £'000s	1,359	Total plans £'000s		360 [400]	61 [123]	108	529	Variance £'000s	830 [729]
	Schemes	YTD planned	YTD actual	YTD variance	Mitigating actions					
	Green schemes	(28)	(24)	4	MLU staffing model - OCP signed off by WOD in June 19. Savings resulting from vacancies to be transacted.					
	Amber schemes	0	0	0	Integration of on call rota - Notice of change cannot commence until consultation period is finished. Savings resulting from vacancy since February 19 to be transacted.					
	Red schemes	0	0	0	C sections – improved performance continues. Cash savings are likely to be transacted through job planning although non-pay benefit also needs to be undertood. Savings delivery to be reprofiled.					
	Total	(28)	(24)	4						

Primary Care	19/20 target £'000s	790	Total plans £'000s		1,058 [1,022]	227	400 [436]	1,685 [1,285]	Variance £'000s	(895)
	Schemes	YTD planned	YTD actual	YTD variance	Mitigating actions					
	Green schemes	(70)	(127)	(57)	Locum cost scheme has started to deliver 4 months earlier than planned.					
	Amber schemes	0	0	0	<ul style="list-style-type: none"> <li>GP Hub due to start delivering in July. Plan to be produced in June.</li> <li>Salaried GPs due to start delivering in November.</li> </ul>					
	Red schemes	0	0	0	<ul style="list-style-type: none"> <li>Locum costs - scheme to be reviewed and actions and savings to be validated to ensure planned start date of Sept 19 is met.</li> <li>Red pipeline scheme to be added to plan, potential in-year benefit of £300-£450k in relation to the return of another managed practice.</li> </ul>					
	Total	(70)	(127)	57						

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	(60)	(40)	20	Outsourcing to be discussed at next HTA meeting.					
	Amber schemes	0	0	0	On call rota review is currently out for consultation. Paper to be presented at Executive Team meeting 24 <sup>th</sup> June 19. Revised delivery date of September 19.					
	Total	(60)	(40)	20	Decision on escalation to be made at next HTA meeting.					

### Section 3 – Turnaround process update

3.1 The table below provides an update against each of the Turnaround Delivery Groups (TDGs) as at Month 3.

Delivery Group	Target saving 19/20 (£000's)				Delivered YTD (£000's)	Update
	Total	Green	Amber	Red		
Operational Effectiveness	5,604	1,801	1,424	2,379	182	<ul style="list-style-type: none"> <li>This group is a continuation of the 60 Day Cycle Group. Terms of Reference reviewed and refreshed in April 2019.</li> <li>All counties have USC plans in place. Site LOS/Reducing Harm plans and a set of metrics to evidence progress are in development.</li> </ul>
Outpatients	796	25	625	146	4	<ul style="list-style-type: none"> <li>This group is a continuation of the 60 Day Cycle Group. Areas of focus will continue to include follow-up rates, follow-ups not booked, DNA reduction, E-referrals, non-attenders and patient pathway management.</li> <li>Referral management opportunities represent £525k of this 19/20 outpatient savings. Delivery is planned from July 19.</li> <li>Objectives for this Turnaround Delivery Group will be agreed in the next few weeks.</li> </ul>
CHC/FNC	418	30	0	388	5	<ul style="list-style-type: none"> <li>This group is a continuation of the 60 Day Cycle Group.</li> <li>The CHC TDG has not met in 19/20. Additional savings opportunities identified through this group will be included as they progress.</li> <li>New group - meeting with Executive Lead to agree objectives before the end of July 19</li> </ul>
Patient Communications	TBC	TBC	TBC	TBC	TBC	<ul style="list-style-type: none"> <li>This group is a continuation of the 60 Day Cycle Group. The focus will continue to be on modernising the way the Health Board communicates with its patients and will support Scheduled Care to deliver against their outpatient plans.</li> <li>This work is likely to become part of the Patient empowerment programme.</li> <li>Additional savings opportunities identified through this group will be included as they progress.</li> <li>Objectives for this Turnaround Delivery Group will be agreed in the next few weeks.</li> </ul>
Medicines Management	3,860	1,682	1,186	992	477	<ul style="list-style-type: none"> <li>New group - this Group will support operational Directorates to deliver against their drug savings plans.</li> <li>Meeting with Executive Lead to agree objectives before the end of July 19.</li> </ul>
Worforce	9,702	6,621	2,569	512	1,474	<ul style="list-style-type: none"> <li>New group - this Group will support Directorates to deliver against their workforce savings plans.</li> <li>Meeting with Executive Lead to agree objectives before the end of July 19.</li> </ul>

Commissioning	1,689	506	133	1,050	115	<ul style="list-style-type: none"> <li>• New group - this Group will support Directorates to deliver against their commissioning savings plans.</li> <li>• Meeting with Executive Lead to agree objectives before the end of July 19.</li> </ul>
Non-pay/ Procurement	4,507	2,533	1,961	13	383	<ul style="list-style-type: none"> <li>• New group - this Group will support Directorates to deliver against their non-pay/procurement savings plans.</li> <li>• Meeting with Executive Lead to agree objectives before the end of July 19.</li> </ul>

- 3.2 The Director of Nursing is reviewing all PIDs and EqualityQuality Impact Assessments with a view to signing off schemes as soon as possible. All schemes are mapped to one of the delivery programmes, therefore the figures included in the table above are not in addition to the Directorate savings.
- 3.3 It is the intention to merge the PID and Equality/Quality Impact Assessments to avoid duplication and to simplify the process moving forward.
- 3.4 A Turnaround Dashboard is in development that will provide assurance to the Chief Executive and the Finance Committee on the delivery of Directorate savings and Turnaround Programme Group delivery.

## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD:</b> <b>DATE OF MEETING:</b>	23 July 2019
<b>TEITL YR ADRODDIAD:</b> <b>TITLE OF REPORT:</b>	Referral to Treatment Time (RTT) Financial Plan & Trajectory 2019/20– Month 3 Update
<b>CYFARWYDDWR ARWEINIOL:</b> <b>LEAD DIRECTOR:</b>	Joe Teape, Deputy Chief Executive
<b>SWYDDOG ADRODD:</b> <b>REPORTING OFFICER:</b>	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 3 (June 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.

#### Cefndir / Background

In June 2019, the Finance Committee received a progress report to Month 2 (May 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 2018/19.

The total financial plan to support RTT, Diagnostics and Therapy delivery proposals for 2019/20, above core operational Directorate & service specific budgets is summarised as 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
<b>Total</b>		<b>£5,552,310</b>

In return, Hywel Dda University Health Board (HDdUHB) is required to deliver:

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

Unlike previous years, Welsh Government requested the HDdUHB to 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 held for monitoring purposes as a separate RTT / Diagnostics / 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 applied 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 & 4 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
- **Other Specialities (including Breast Surgery)** – proposals to reduce operating costs for 2019/20

The Orthopaedic (£500k) element of the above £1.4m savings plan is now considered to be at significant risk due to the need to mitigate separate risks associated with the temporary closure of orthopaedic theatre capacity at Withybush Hospital during the Summer period 2019.

Based on the above, it is therefore expected that 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:

<b>Forecast Delivery Plan Expenditure 2019/20</b>	<b>£</b>
Forecast cost of delivery	<b>5,552,310</b>
Less Savings Target	<b>1,400,000</b>
<b>Sub Total</b>	<b>4,152,310</b>
Risk of non-delivery of Orthopaedic savings target	<b>500,000</b>
<b>Total</b>	<b>4,652,310</b>

## Asesiad / Assessment

### **RTT, Diagnostics & Therapies Delivery Financial Plan 2019/20 – Progress as at Month 3**

Progress to Month 3 (June 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 3 is based on actual invoices received together with accruals for planned activity not yet invoiced. This is summarised in Appendix 1 and shows:

- Activity to Month 3 demonstrates targeted expenditure, above core budgeted levels, of £1.048m



- Based on current and future projected expenditure patterns, the total projected expenditure for 2019/20 has been revised to £4.65m, allowing for non-delivery of the Orthopaedic savings target.

In considering the above, the Finance Committee is requested to note the following:

- Ophthalmology outsourcing** – current expenditure to Month 3 totals £516k. This rate of external activity and expenditure is scheduled to reduce during Quarters 3 & 4 to within a total limit of £1.9m as a consequence of the planned improvements to internal core capacity referred to above. This would facilitate the targeted saving of £400k against the originally forecast expenditure level of £2.3m as reflected in the 2019/20 Delivery Plan considered by the Finance Committee in April 2019.
- Orthopaedics** - current expenditure to Month 3 totals £316k. Extrapolated to year end, this pattern of activity and expenditure would total an approximate £1.25m. This contrasts with the previously projected expenditure level of £750k, after application of the orthopaedic savings target of £500k. As reflected above, the previously forecast savings target delivery of £500k is now considered to be at significant risk as a consequence of the need to mitigate separate risks associated with the temporary closure of orthopaedic theatre capacity at Withybush Hospital during the Summer period 2019. Initial assessments, subject to confirmation, indicate that the total mitigation plan for the temporary loss of theatre capacity at Withybush Hospital may further increase planned expenditure by £424k.

A plan to mitigate the financial risk associated with the above is referenced below.

### **NHS Performance Fund**

In June 2019, HDdUHB received confirmation that a total allocation of £5.8m from the NHS Wales Performance Fund is to be made available to HDdUHB to support the cost of delivery of RTT, diagnostic, therapies and delayed follow-ups Tier 1 targets for 2019/20 as follows:

<b>NHS Wales Performance Fund Allocation to Hywel Dda UHB 2019/20 (£m)</b>	
RTT / Diagnostics / Therapies	5.3
Delayed Follow-ups	0.5
<b>Total</b>	<b>5.8</b>

A copy of the allocation letter is attached at Appendix 2 for information.

In addition to supporting planned expenditure in respect of HDdUHB's Delivery Plan for 2019/20, Welsh Government has specified that this allocation must also be used to:

- Develop more sustainable solutions for Ophthalmology & Dermatology
- Cover the closure of orthopaedic theatres at Withybush Hospital through extended working at Prince Philip Hospital
- Address other service priorities and risks highlighted in discussion with Welsh Government, including achievement of a 32 week maximum waiting times target for all Stage 1 outpatients by March 2020

- Deliver a reduction in delayed follow-ups, reflecting new improvement targets recently agreed by Welsh Government.

Whilst a detailed plan regarding application of this NHS Performance Fund allocation is being prepared, and will be reported to the Finance Committee in August 2019, the Finance Committee is requested to note that this allocation will enable HDdUHB to mitigate the financial risk associated with alternative delivery plans required to offset the temporary closure of Orthopaedic theatre capacity at Worthybush Hospital during the summer period 2019.

### **RTT Performance**

HDdUHB reported 123 36 week + breaches as at the end of June 2019. This falls within the expected range for the period and HDdUHB remains on course to deliver zero breaches by March 2020. Details by specialty are available in the latest Integrated Performance Assurance Report (IPAR).

### **Argymhelliad / Recommendation**

The Finance Committee is requested to note progress to Month 3 (June 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.

<b>Amcanion: (rhaid cwblhau)</b> <b>Objectives: (must be completed)</b>	
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"> <li>• Monthly, quarterly and year to date financial performance;</li> </ul>
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: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Support people to live active, happy and healthy lives
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<b>Gwybodaeth Ychwanegol: Further Information:</b>	
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
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	Welsh Government Delivery Unit Planned Care Directorate

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

TOTAL RTT FUNDING RELEASED UP TO 30th JUNE 2019						
	Actual (April)	Actual (May)	Actual ( June)	July to March 19	Total Funding Released to Date (M3)	
Specialty/Activity	£000's	£000's	£000's	£000's	£000's	Notes
SUMMARY BY SPECIALTY:-						
INTERNAL:-						
Cardiology	0.5		1.4		1.9	
COTE						
Dermatology		21.0	15.6		36.6	Claims received to date
Endocrinology						
Endoscopy						
ENT						
Gastroenterology						
General Surgery						
Breast	0.0					
Vascular						
Neurophysiology						
Pain Management						
Ophthalmology	0.2				0.2	
Orthopaedics	82.5	133.4	100.1		316.0	Claims received to date
Respiratory						
Urology - cancer	0.1	20.8	6.4		27.3	Claims received to date
Neurology		2.4	1.7		4.1	
Gynaecology						
Mobile Cardiac Lab						
Therapies						
Audiology						
Other	0.8	0.3	0.5		1.6	Medical records
Sub Total	84.1	177.9	125.6		387.7	
OUTSOURCING ( Based on estimates provided on work undertaken to date)						
Neurology			13.0			
Ophthalmology	119.6	190.2	206.5		516.3	Werndale cataracts (Patients treated in April and May)
Orthopaedics						
Dermatology	15.0		15.0		30.0	Insourcing booked in April and May
Sub Total	134.6	190.2	234.5		559.3	
Total Variable	218.7	368.1	360.2		947.0	
Agreed Additional items included in Plan:						
Neurology Consultant & Secretary	9.4	9.4	9.4		28.2	
Eye Care Coordinators	6.7	6.6	6.1		19.4	
Supporting pathology diagnostic capacity	0.0				0.0	
Additional endoscopy diagnostic capacity	9.7	22.0	22.3		54.0	
Therapies & Audiology	0.0				0.0	
Sub total	25.8	38.0	37.8		101.6	
Total Actual	244.5	406.1	398.0		1,048.6	



Mr Steve Moore  
Chief Executive  
Hywel Dda University Health Board  
Corporate Offices  
Ystwyth Building  
Hafen Derwen  
St David's Park  
Job's Well Road  
Carmarthen  
SA31 3BB

27 June 2019

Dear Steve

### **NHS Performance Fund 2019-20**

I am writing with regard to the allocation of the 2019-20 NHS Performance Fund.

I am pleased to inform you that Hywel Dda UHB has been allocated £5.8 million from the £50 million fund this year. This is made up of the following:

- £5.3 million for RTT, diagnostic and therapy waiting times during the remainder of 2019-20.

We have had a number of discussions around delivery at recent targeted intervention meetings and the recent JET. My officials have also met separately with colleagues to discuss elective care delivery. The funding is to be used to

- maintain zero breaches in RTT, diagnostics and therapy services,
  - to develop more sustainable solutions for ophthalmology and dermatology,
  - to cover the closure of the orthopaedic theatre in Withybush through extended working at Prince Philip; and
  - other proposals as set out in Joe Teape's communication with Andrew Sallows of 5 June.
- £0.5 million to address follow-up reduction. This is a commitment that was made in the Public Accounts Committee meeting on 17 June to allow health boards to implement the actions of the Planned Care Programme and make reductions in the number of people waiting over their due date for follow-up appointments. Further details on expectations will follow.

It should be noted that as in previous years, the allocations are being made on a "provider basis" and where, for example, they include patients for other health boards e.g. Powys, the commissioning body will not be charged for this activity from 1 July 2019 onwards.



We will be reviewing progress against delivery on a regular basis, with a full assessment in December 2019, and, if at any point it looks as though you will not achieve the expected levels of improvement, we reserve the right to recover some, or all of this funding.

I would be grateful if you could confirm you agree with this and provide a revised profile to Lesley Law ([Lesley.law@gov.wales](mailto:Lesley.law@gov.wales)) and Martyn Rees ([martyn.rees@gov.wales](mailto:martyn.rees@gov.wales)) by 12 July 2019. If you have any queries, please do not hesitate to contact my office.

Yours sincerely

A handwritten signature in black ink, appearing to be 'SD', written in a cursive style.

**Simon Dean**

Cc:

Andrew Goodall, Chief Executive, NHS Wales  
Alan Brace, Director of Finance, Welsh Government  
Andrew Sallows, Delivery Programme Director, Welsh Government  
Lesley Law, Head of Planned Care, Welsh Government  
Olivia Shorrocks, Head of Major Conditions, Welsh Government  
Joe Teape, Chief Operating Officer, Hywel Dda UHB



## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	22 July 2019
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Update on All-Wales Capital Programme - 2019/20 Capital Resource Limit and Capital Financial Management
<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)**

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, and to 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:

<b>Expenditure</b>	<b>£m</b>
All Wales Capital Programme	31.961
Discretionary Programme	7.421
<b>Balance</b>	<b>39.382</b>

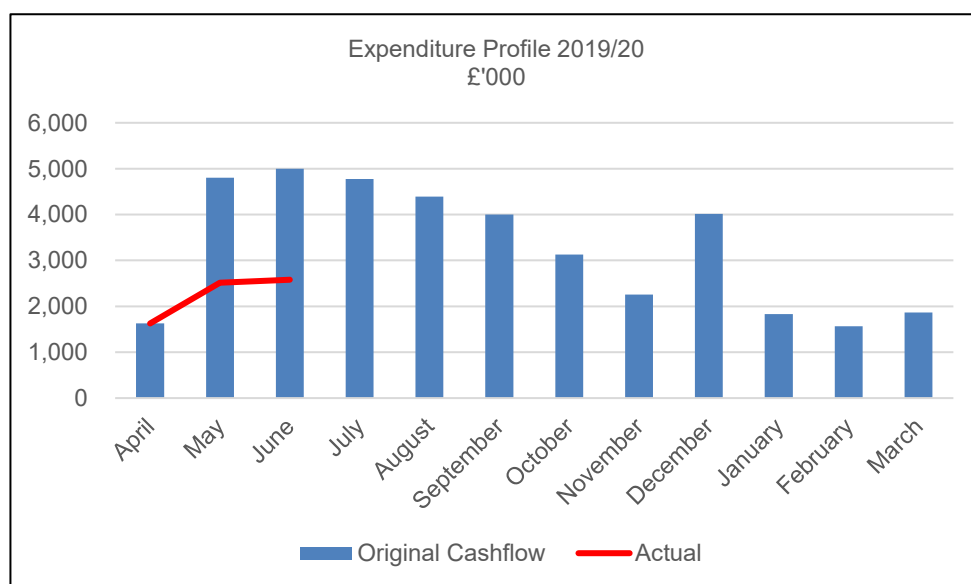
The All Wales Capital Programme (AWCP) schemes being funded in 2019/20 are:

- Bronglais Hospital Magnetic Resonance Imaging (MRI) Scanner
- Women and Children Phase II Scheme, Glangwili Hospital
- Cardigan Integrated Care Centre
- Aberaeron Integrated Care Centre
- Wards 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 June 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
<b>Balance</b>		<b>7.421</b>

The expenditure profile for 2019/20 is shown below:





The variance reported against the planned expenditure profile is associated with a lower level of expenditure than anticipated on the All Wales Capital Schemes, both on Cardigan and Women And Children's Phase II during Quarter 1. Further work to update the profiles is being undertaken by Hywel Dda University Health Board's (HDdUHB's) cost advisors based on updated schedules of work provided by the supply chain partner. The discretionary capital profile will continue to be reviewed with Estates, IT and the Deputy Director of Operations.

Expenditure against the £39.382m allocation as at the end of Month 3 was £6.718m.

### 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

At the Project Board held on 13<sup>th</sup> June 2019, it was agreed that an application to Welsh Government Financial Transaction Capital in the form of a loan be progressed by Mid and West Wales Housing. The work to progress this application has involved the Project Group members working closely with the Welsh Government Housing team. As part of the application, a draft Full Business Case has been submitted to Welsh Government to facilitate the release of £0.300m in order that progress can be made to develop the detailed design work which is required prior to a Full Business Case submission.

### 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: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	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

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



## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	22 July 2019
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Contracts Update
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Shaun Ayres, Interim Healthcare Contracting Consultant

**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 report attached at Appendix 1 is to provide the Finance Committee with an update on the steps taken, in regard to the contracting strategy, presented to the Finance Committee in June 2019.

##### Cefndir / Background

Following the contracts strategy presentation to the Finance Committee in June 2019, the Finance Committee requested a contracts update on the changes and actions being undertaken.

The information in this report is to provide assurance to the Finance Committee that there are a number of concurrent actions being undertaken and to provide an update against each of these.

##### Asesiad / Assessment

The risks associated with the contracts strategy are focused on the lack of clarity around value for money. The report aims to address the preliminary actions undertaken to address the current risks such as a delivery framework, which includes outcome measures

##### Argymhelliad / Recommendation

The Finance Committee is asked to note the content of the report and to provide affirmation that the steps taken are in line with the Finance Committee's expectations.

<b>Amcanion: (rhaid cwblhau)</b> <b>Objectives: (must be completed)</b>	
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):	1.1 Health Promotion, Protection and Improvement Governance, Leadership & 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: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Improve efficiency and quality of services through collaboration with people, communities and partners

<b>Gwybodaeth Ychwanegol:</b> <b>Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Contract Strategy Approach
Rhestr Termiau: 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:	Not Applicable

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Included within the body of the report
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	Included within the body of the report

<b>Gweithlu: Workforce:</b>	Included within the body of the report
<b>Risg: Risk:</b>	Included within the body of the report
<b>Cyfreithiol: Legal:</b>	Included within the body of the report
<b>Enw Da: Reputational:</b>	Included within the body of the report
<b>Gyfrinachedd: Privacy:</b>	Not Applicable
<b>Cydraddoldeb: Equality:</b>	Not Applicable

## **Introduction**

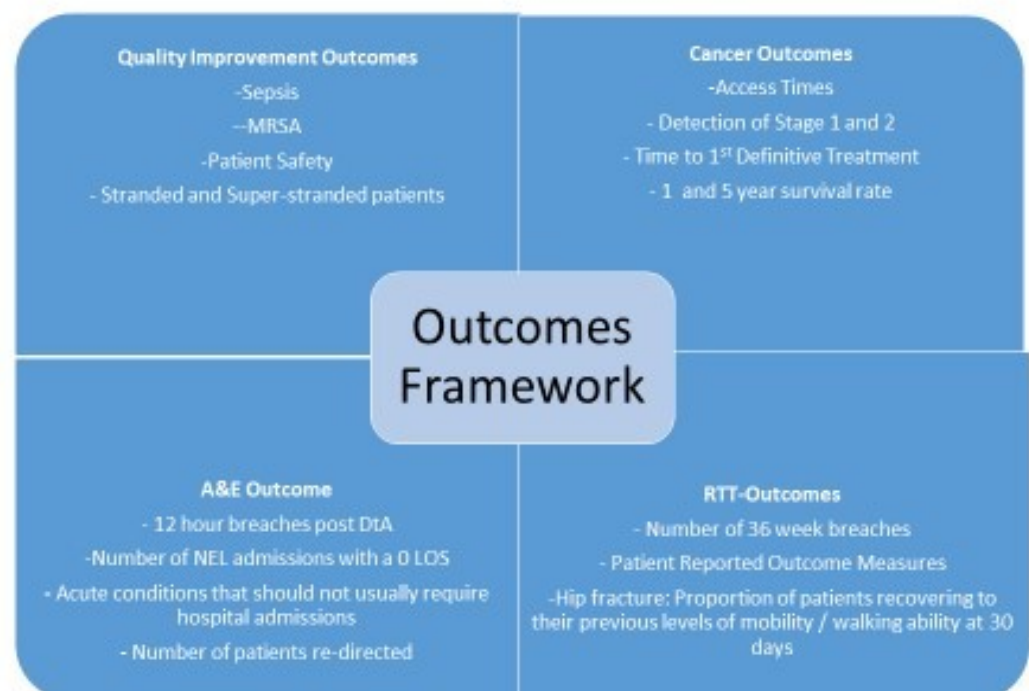
The below articulates and sets out a number of different areas that the contracts team have been progressing since the Finance Committee meeting held on 25<sup>th</sup> June 2019. The below is not exhaustive but rather illustrative of the keys steps taken. There include:

- Standardising documentation
- Outcomes Framework (principles)
- Contracts Register and Contracts Review
- Alignment of Long Term Agreements (LTAs) and Operational Staff
- Directorate Opportunities and Matrix working
- LTA Activity disseminated to Operational Leads
- Mental Health Workshop

## **Standardising Documentation**

Since the last Finance Committee meeting the contracts team have begun looking at the standardisation of documentation. The documentation is based on the English NHS Standard Contract. Moreover, there was a fruitful discussion at the Commissioning Group around focusing on around 10 core outcomes within the contract. The outcomes will comprise of operational, clinical and quality outcomes. The outcomes will also differ between LTAs with other Health Boards and those held with the Third Sector.

At the point of writing, the outcomes are under development. However, the Outcome Framework below provides a flavour of what should be explored within LTAs with other Health Boards:



The above list is indicative and far from exhaustive. However, it provides the reader with a flavour of the aims and objectives the LTA seeks to achieve.

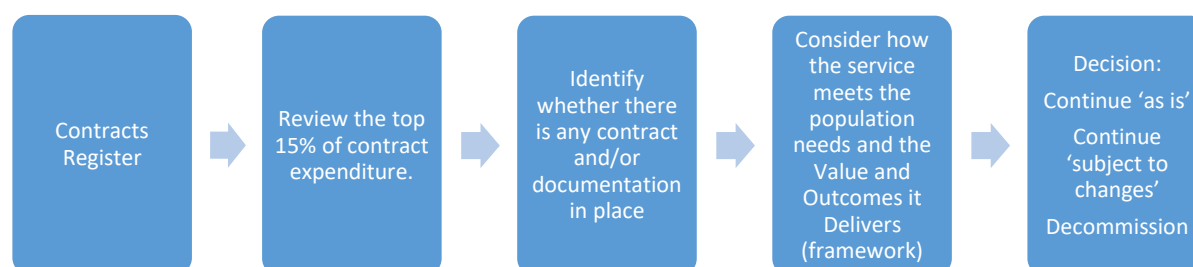
NHS Wales Delivery Framework 2019/20 will also form part of the documentation.

### **TIMESCALES**

Timeline	Completion Date	Status
Standardised Documentation	July 2019	On Track
Provisional Outcomes Framework	August 2019	On Track

### **Contracts Register and Contracts Review**

The below sets out the process around understanding Hywel Dda University Health Board's (HDdUHB) total expenditure. The first aspect is critical and sets the foundations for all sequential 'must dos'.



The above process begins by building a solid foundation by capturing all of HDdUHB expenditure in one place. This aspect is already in train and is expected to be captured no later than the end of July 2019.

The second aspect focuses on breaking down the areas of expenditure by the top 15% (most costly). This will focus on expenditure within areas such as the third sector and other services aligned to supporting HDdUHB.

Thirdly, there is a requirement to ascertain whether there is any current agreement/service specification in place. In the absence of said documentation, there is likely to be an 'implied contract'.

Fourth, services being commissioned/contracted require review and consideration as to how they support HDdUHB strategic direction, operational delivery, value for money and quality outcomes. For example, can it be demonstrated that a reduction in alcohol related admissions links to an investment in alcohol prevention services?

Finally, there is an opportunity to use the Commissioning Group to establish and evaluate the evidence of delivery and value for money. The commissioning group can then decide the following:

- Continues 'as is'
- Continues 'subject to change' (this may be financial, operational and/or quality change)
- De-commission (where value for money and/or quality outcomes cannot be ascertained)



### **Operational Teams Linked to the LTAs**

For the first time, there will be operational colleagues linked to the LTAs. The first meeting with Swansea Bay University Health Board (SBUHB) will have the following representation:

Cardiology (Pacing)	Paul Smith
T&O (fracture Clinic)	Lydia Davies
Neuro-rehabilitation	John Evans
PPH	Brett Denning

The rationale is to invite colleagues who are involved in work programmes/priorities with SBUHB. Furthermore, this will ensure that a number of directorates are fully abreast of developments and can have the required discussions with their respective counterparts. For example, where there is a focus on repatriating activity, this provides a unique opportunity for operational, quality and finance representatives to ascertain any pertinent information. This should reduce any disputes further down the line, such as, how much money will be removed from the LTA. Subsequently, and to facilitate change, there will be a clear action log to hold individuals to account, as clear dates and milestones will be agreed.

### **Directorate Opportunities and Matrix working**

Since the Finance Committee meeting in June 2019, there has been a number of discussions with several Directorates around potential opportunities in the following areas:

- Cardiology
- Trauma and orthopaedics
- Vascular
- Urology
- Pain Clinic- both medical and psychological

Whilst many of these meetings were preliminary in their nature, a number of potential opportunities arose, including both the potential repatriation of services and internal opportunities to reconfigure the services.

There will also be contracting attendance at the Operations Business and Outpatient Turnaround meetings. A contracting presence will increase interoperability between Directorates and contribute to the facilitation and identification of potential areas of exploration.

### **LTA activity relating to external services**

A dataset has now been shared with Directorates relating to external LTA activity. LTA datasets are intended to inform each directorate by speciality the level of externally commissioned activity. This dataset will help the directorates understand the level of planned activity within areas such as Day Case, Outpatients, Outpatient Procedures, Follow Ups, Elective and Emergency Inpatients. Notionally, this provides a good initial indication of what is in the art of the possible. As there may be areas identified such as Day-Cases where Directorates require further information to realise a potential opportunity.

### **Mental Health Workshop**

A workshop around Mental Health pathways and contracting for value and outcomes will be held. The focus will be on the current pathways and mental health outcomes such as physical health checks (care plan), waiting lists for Improving Access to Psychological Therapies (IAPT) and Mental Health Delayed Transfers of Care (DToC). It is vital that quality outcomes and LTA principles are equally applied to any and all Mental Health Services. Subsequently, the workshop aims to discuss the risks around Section 117 of the Mental Health Act 1983, including the responsible Commissioner/Health Board.

## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	22 July 2019
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Draft Indicative Financial Plan 2020/21
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Rhian Davies, Assistant Director of Finance (Corporate Finance) / Eldeg Rosser, Senior Business Partner (Major Projects and Planning)

**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 and the accompanying presentation, attached at Appendix 1, have been prepared to provide the Finance Committee with a draft indicative financial plan for 2020/21 which includes :

- An initial assessment of the financial challenge for the organisation for 2020/21
- An initial assessment of the scale of the savings challenge for 2020/21

#### Cefndir / Background

Work has commenced on the preparation of Hywel Dda University Health Board's (HDdUHB's) Financial Plan for 2020/21 -2022/23. The presentation provides the Committee with an initial assessment and summary of this work.

#### Asesiad / Assessment

The initial assessment of the HDdUHB's financial position for 2020/21 is based upon:

- The opening underlying financial position from 2019/20
- High level assessment of known and likely cost pressures
- An assessment of additional allocations that may be received from Welsh Government
- An assessment of the likely savings requirements
- High level assessment of known risks

#### **Underlying position**

The opening underlying position for 2020/21 has been calculated at £41.7m.

	£'m
Financial Plan 19/20	25.0
Non-recurring savings – to achieve control total	4.8
Existing Operational Directorate cost pressures	6.5
Non-recurring savings – balance	4.3
Full year impact of recurring savings	(3.7)
Non-recurring income	3.0
<b>Opening underlying deficit 2020/21</b>	<b>39.9</b>

This assessment of the opening deficit currently includes an assessment of £6.5m of existing cost pressures within the Operational Directorates. Further work is required to split the Operational Directorate cost pressures between recurring and non-recurring issues.

### Cost Pressures

A high level assessment of cost pressures has been undertaken, details of which are included in the accompanying presentation. Further work will be undertaken to review these cost pressures and their financial impact. Information will also be collated from the Senior Finance Business Partners working with the Operational Directorates to inform the financial plan as it is refined over the next 3 months.

### Allocation

An assumption has been made for this initial assessment that HDdUHB will receive a 2% increase on the discretionary revenue allocation from Welsh Government.

No funding is assumed in this initial assessment from Welsh Government for the following:

- Transformation Fund
- Digital Funds
- Prevention and Early Years
- Clinical plans, quality and value based healthcare

### Savings

Based on the current identification of cost pressures and allocation increase assumptions, to enable HDdUHB to maintain an outturn position of £25m deficit, savings opportunities of £30.8m will need to be identified in addition to the £3m of savings which are identified on an annual basis.

Therefore, to achieve a deficit position of £20m, a further £4.1m of savings would need to be identified.

A decision will need to be taken around how the savings requirements will be shared, whether these will be targeted or be shared equally between directorates.

### Risks

There are several known financial risks that may materialise, which are not currently included within this initial assessment. These are detailed in the accompanying presentation.

There is currently no funding or costs assumed within this assessment for any enabling costs associated with HDdUHB's Health and Care Strategy, 'A Healthier Mid and West Wales', or the funding of new local service developments.

### **Argymhelliad / Recommendation**

The Finance Committee is requested to note:

- the initial assessment of the financial challenge for the organisation for 2020/21
- the initial assessment of the scale of the savings challenge for 2020/21

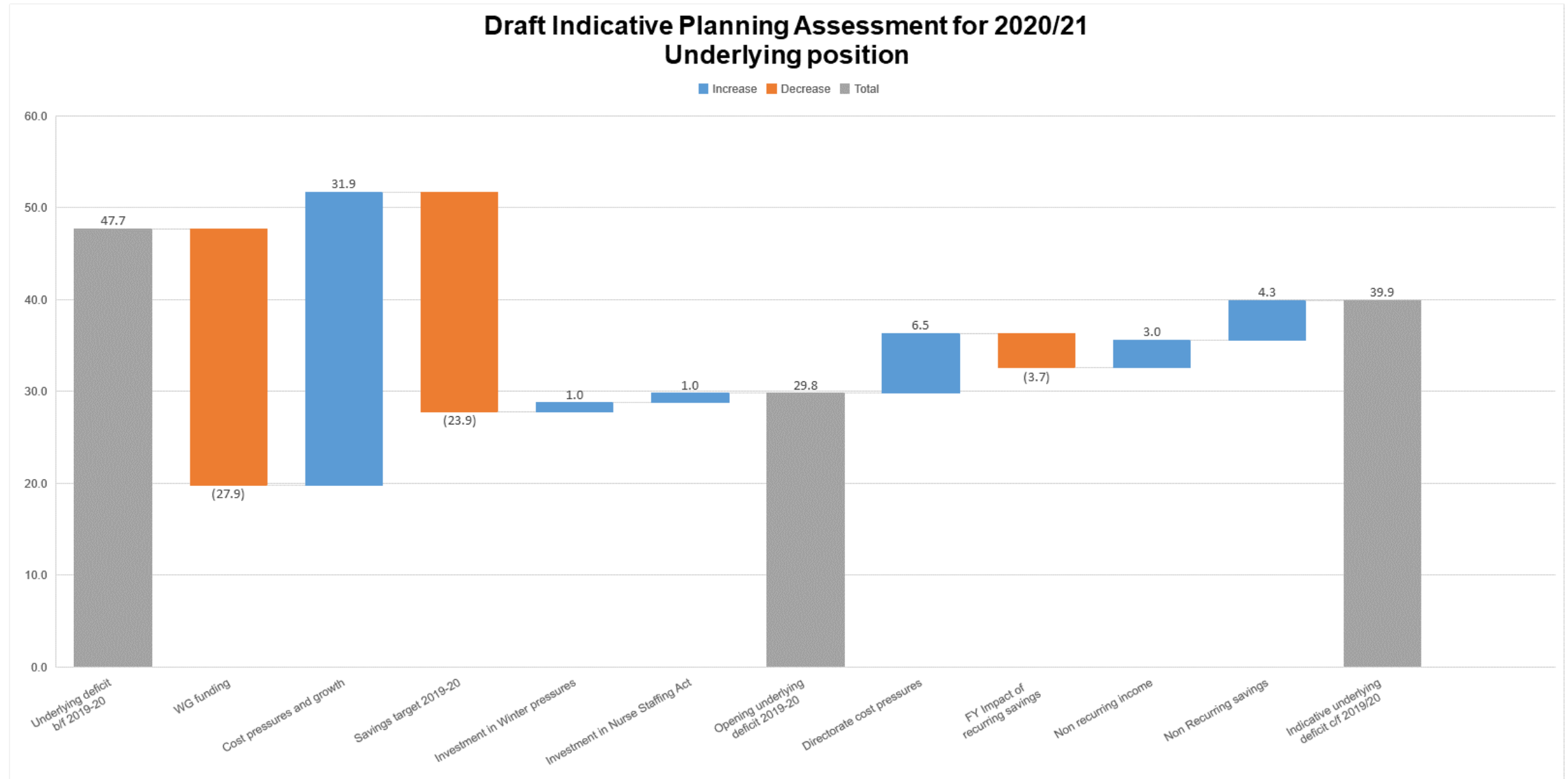
<b>Amcanion: (rhaid cwblhau) Objectives: (must be completed)</b>	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	4.5 Provide assurance to the Board that robust arrangements are in place for financial planning, financial performance and financial forecasting.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Risk 630 - Ability to deliver the Financial Plan for 2019/20 – 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: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Improve efficiency and quality of services through collaboration with people, communities and partners  The HB's financial plan will align with the organisational priorities & to the UHB's Well-being Objectives where applicable

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Draft interim financial plan and monitoring returns
Rhestr Termau: Glossary of Terms:	Included within the body of the report

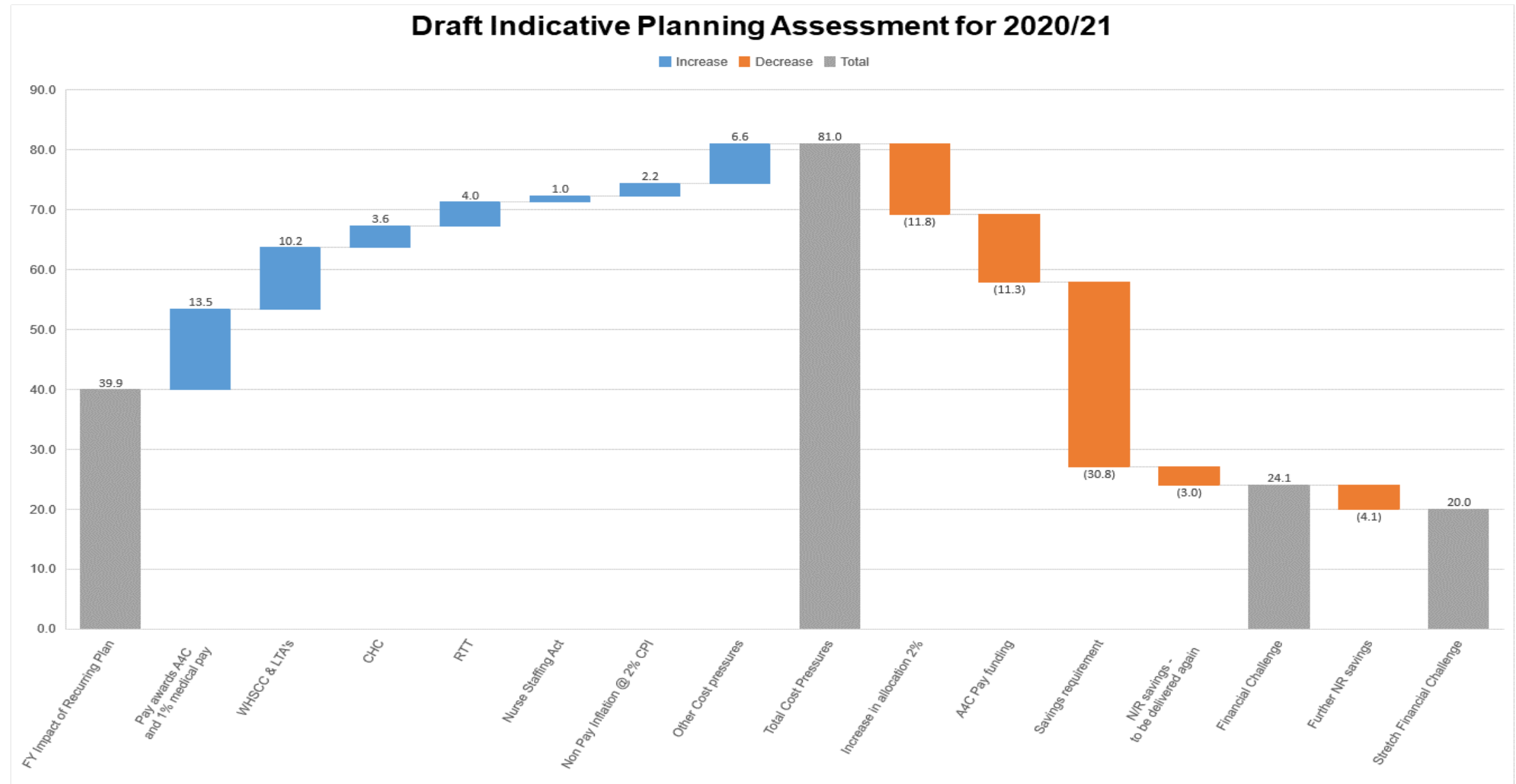
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	Not Applicable

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Financial values noted within the report.
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	Not Applicable
<b>Gweithlu:</b> <b>Workforce:</b>	Not Applicable
<b>Risg:</b> <b>Risk:</b>	Financial risk is highlighted within the report
<b>Cyfreithiol:</b> <b>Legal:</b>	Not Applicable
<b>Enw Da:</b> <b>Reputational:</b>	Not Applicable
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not Applicable
<b>Cydraddoldeb:</b> <b>Equality:</b>	Not Applicable

# Draft Indicative Financial Plan, 2020/21







# Breakdown of Deficit, 2020/21

Area	2020/21 £m
<b>Deficit 2019/20</b>	<b>25.0</b>
Non Recurring savings - to deliver control total	4.8
Full year impact of existing cost pressures and new cost pressures	6.5
Non Recurring savings - balance	4.3
Full year impact of recurring savings	(3.7)
Non Recurring income	3.0
<b>Full year impact of recurring plan</b>	<b>39.9</b>
New cost pressures 2020/21	41.0
2% increase in allocations	(11.8)
A4C pay award funding	(11.3)
Savings requirements	(30.7)
Non recurring savings – assumed to be found again in 2020/21	(3.0)
<b>Financial Challenge</b>	<b>24.1</b>
Further non-recurring savings	(4.1)
<b>Stretch Financial Challenge</b>	<b>20.0</b>

# Initial assessment of Cost Pressures, 2020/21

Area	£m	Assumption
<b>Cost Growth</b>		
Pay inflation	13.5	A4C circular & 1% medical pay award
Non pay inflation	2.2	2% CPI
<b>Demand Growth</b>		
WHSSC	9.2	WHSSC current plan
LTA	1.0	Draft assumptions
CHC/FNC/Packages of Care	3.6	Draft assumptions
<b>Local Issues</b>		
RTT	4.0	Estimate based on 2019/20
Nurse Staffing	1.0	Continued roll-out
Other cost pressures	6.6	Major Trauma, Microsoft 365, Lymphodema
<b>TOTAL</b>	<b>41.1</b>	

These cost pressures currently do not include an assessment of new Directorate cost pressures or any of the items on the following risk slide

# Detail of other cost pressures, 2020/21

Area	£m
A4C Impact on LTA	1.7
Major Trauma Centre	1.6
Dental Inflation	1.0
Microsoft 365	0.6
Revenue consequences of capital schemes	0.5
Impact of funding decisions in 19/20	0.3
Patient Flow	0.2
Lymphodema	0.2
LINC	0.2
Eye Care Business Case	0.1
WCCIS	0.1
Welsh Pharmacy & Medicines Management System rollout	0.1
Other	0.2
<b>TOTAL</b>	<b>6.6</b>

Financial Risks not included in the initial plan	£m
Additional Pensions contribution not funded	21.4
Integrated Care Fund being used to fund different priorities	0.7
Holiday pay on overtime	0.5
Changes to Stroke Delivery Plan funding	0.2
Sickness enhancement payment	TBC
Genetic Testing - Pathology	TBC
111 IT System Replacement	TBC
Tax on high earners pensions	TBC
Midwifery Staffing	TBC
Enablers for 'A Healthier Mid and West Wales'	TBC
Local Service Developments	TBC
<b>TOTAL</b>	<b>22.8</b>

These risk are not currently included in the draft indicative plan for 2020/21

## Other Risks not yet quantifiable

Inability to identify and deliver savings to the required level

Costs unfunded cannot be contained e.g. incremental drift

Inflation growth not contained

All Nationally agreed developments to be contained within budget

Welsh Risk Pool

# WGH

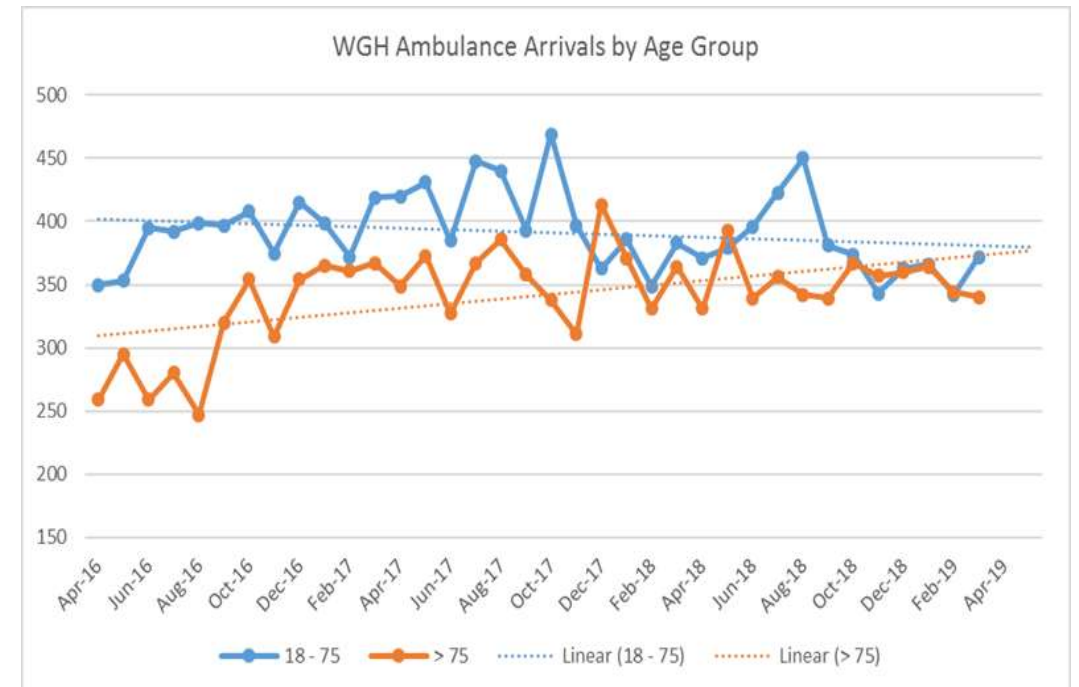
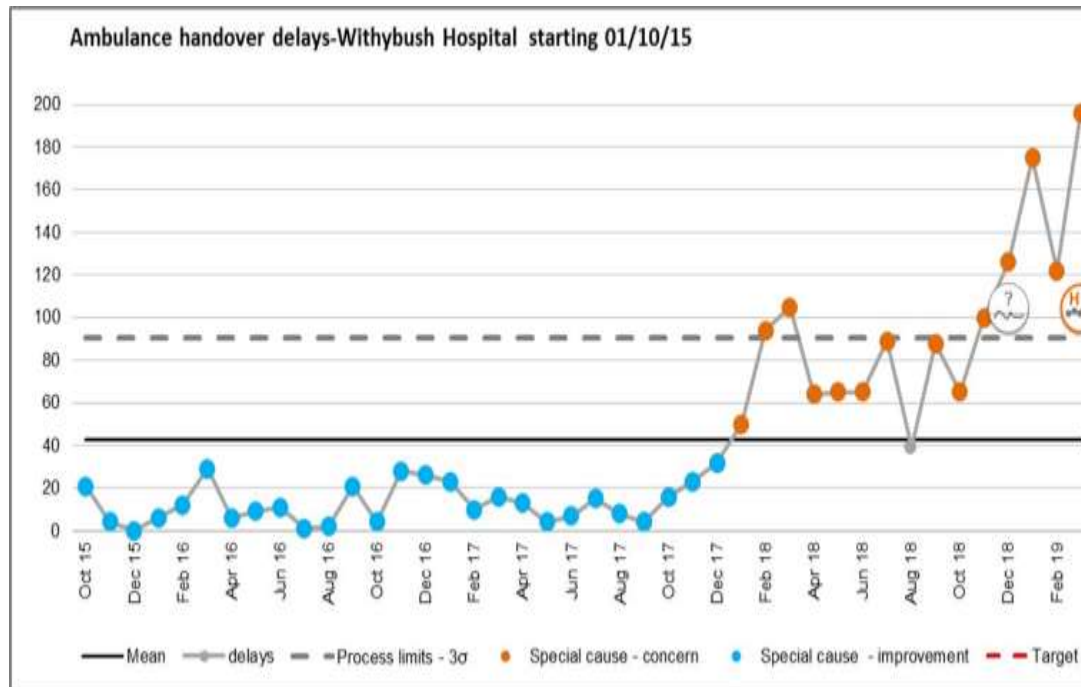
July 2019

# Activity and Performance



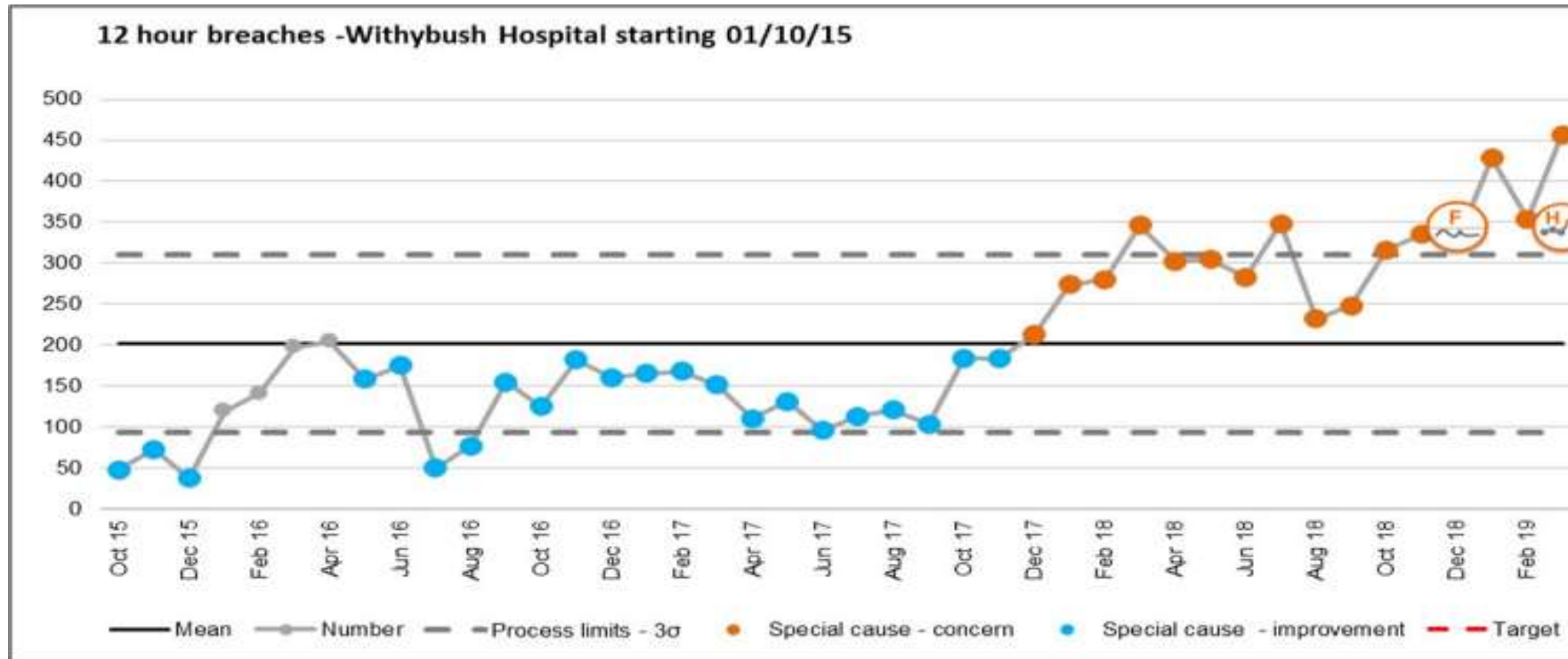
# Activity & Performance – Winter 2019

- 1 hour handover delays - 144% increase (782 from 321)
- Ambulance arrivals reduced by 5%
- New attenders reduced by 2%



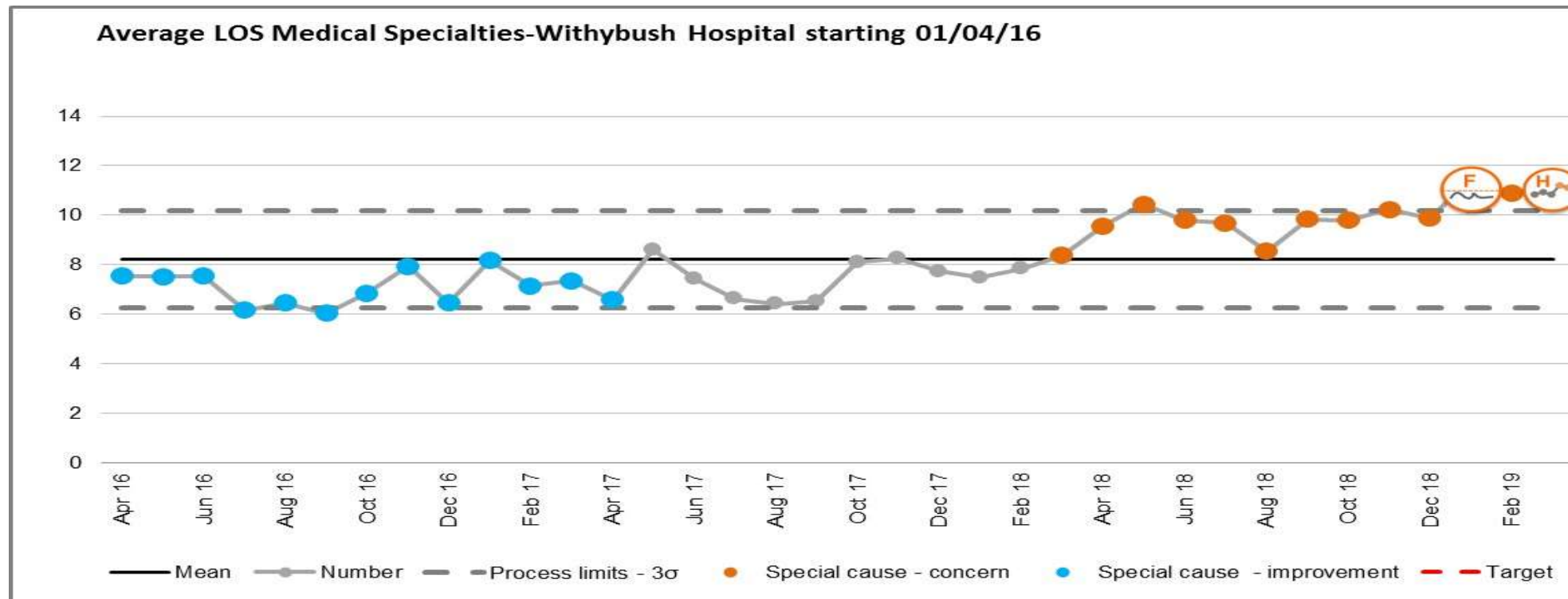
# Activity & Performance – Winter 2019

- 12 hour breaches increased by 51% - 2,237 from 1,478



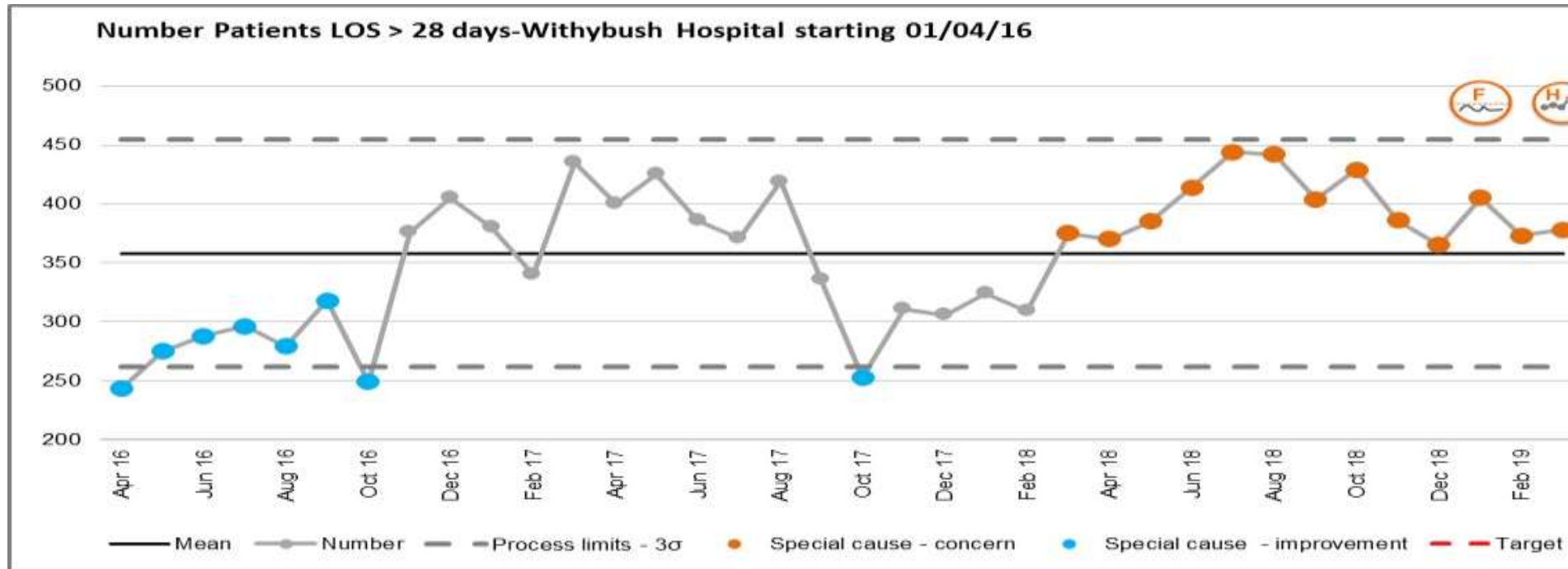
# Activity & Performance – Winter 2019

- Average length of stay up by 34%
- 12 hour waiters would impact as whole episode of care in ED



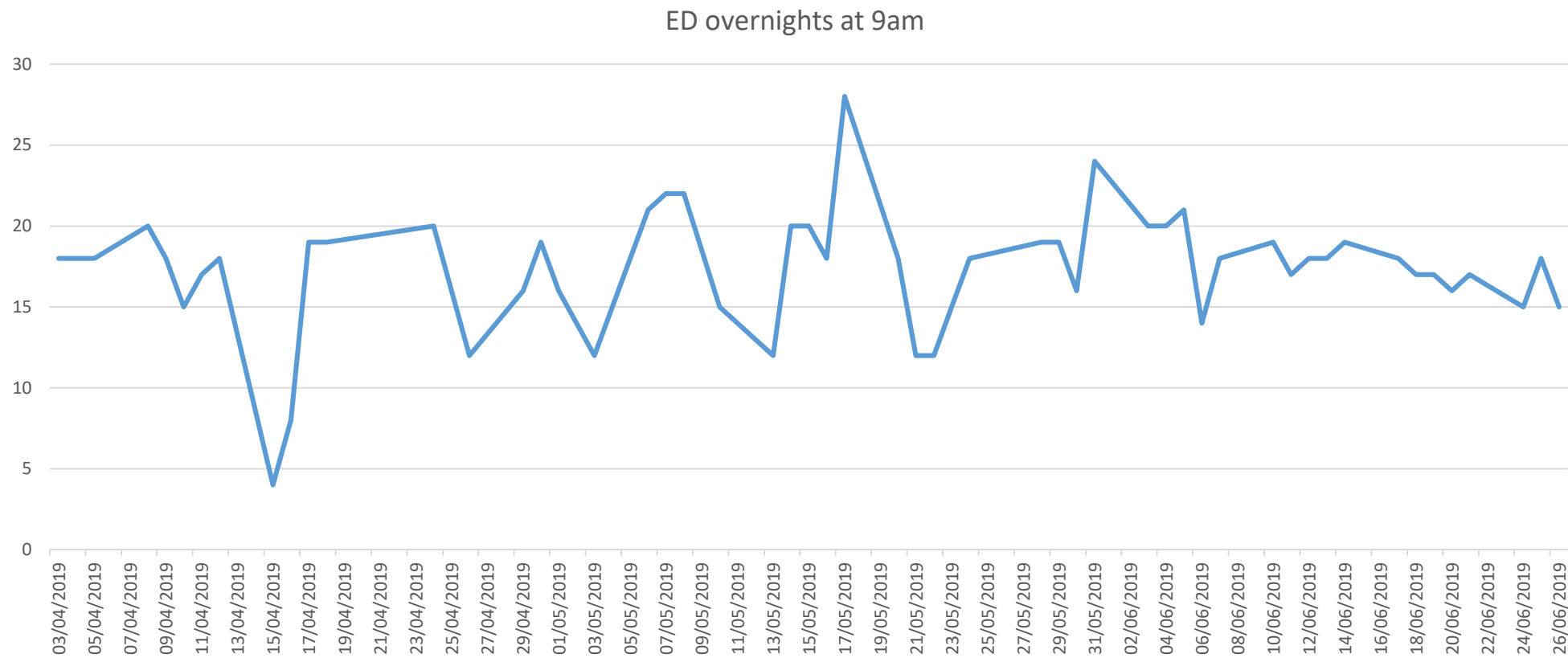
# Activity & Performance – Winter 2019

- Patients above 28 days increasing significantly

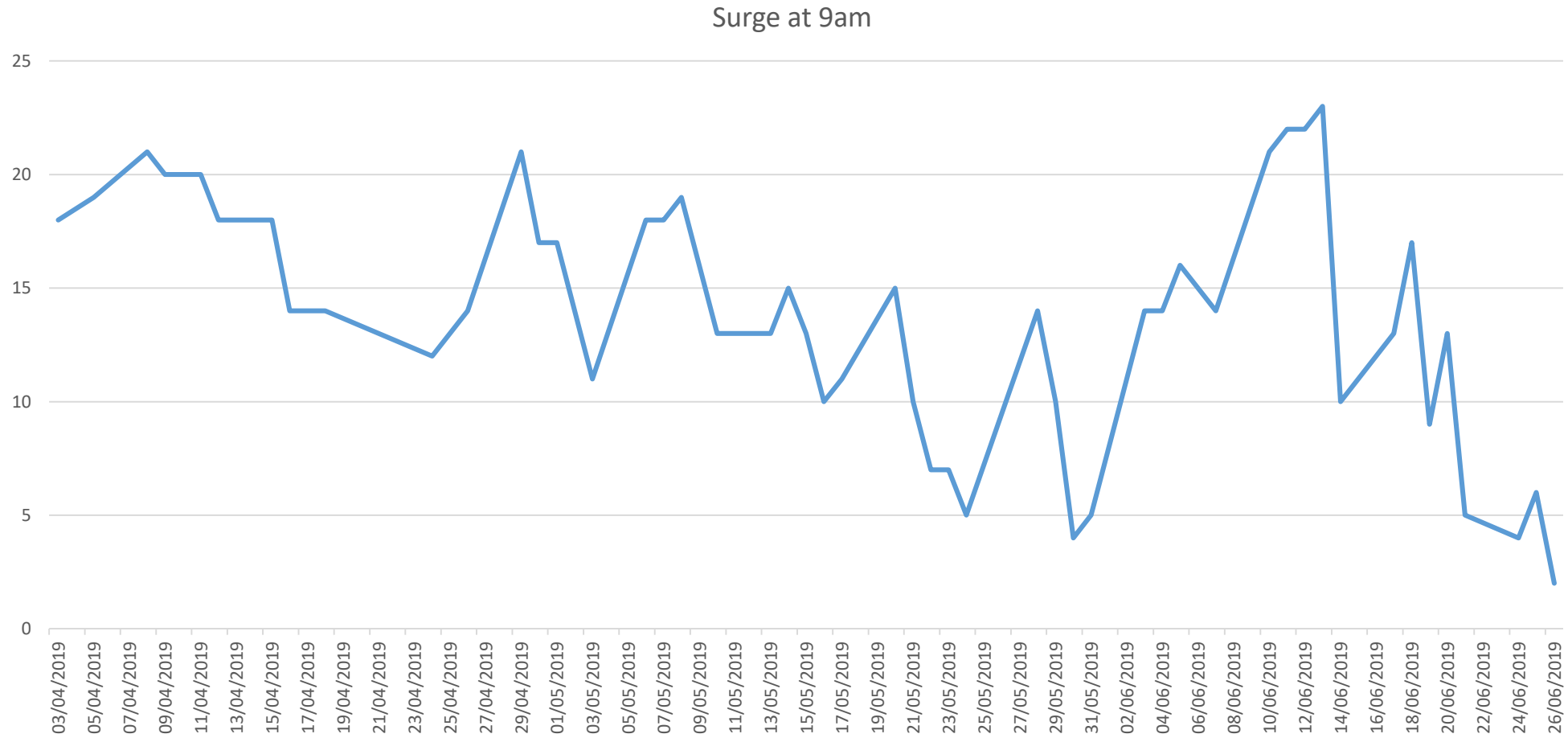


# Quality and Safety Challenges

# Quality & Safety - A&E Unplaced



# Quality & Safety – Surge Beds



# Quality & Safety

- Mortality for patients in A&E increasing from below all wales average to above in same time periods
- A&E not designed to be medical ward – one bathroom
- Pressure on staff due to escalation levels unprecedented
- Patients around nurses station regularly occurring
- Over period March to May 3 patients spent more than 3 days in Department - 3rd March (78hrs), 5th April (76hrs) and 31st May (72hrs).



# Workforce Issues

# Workforce – A&E

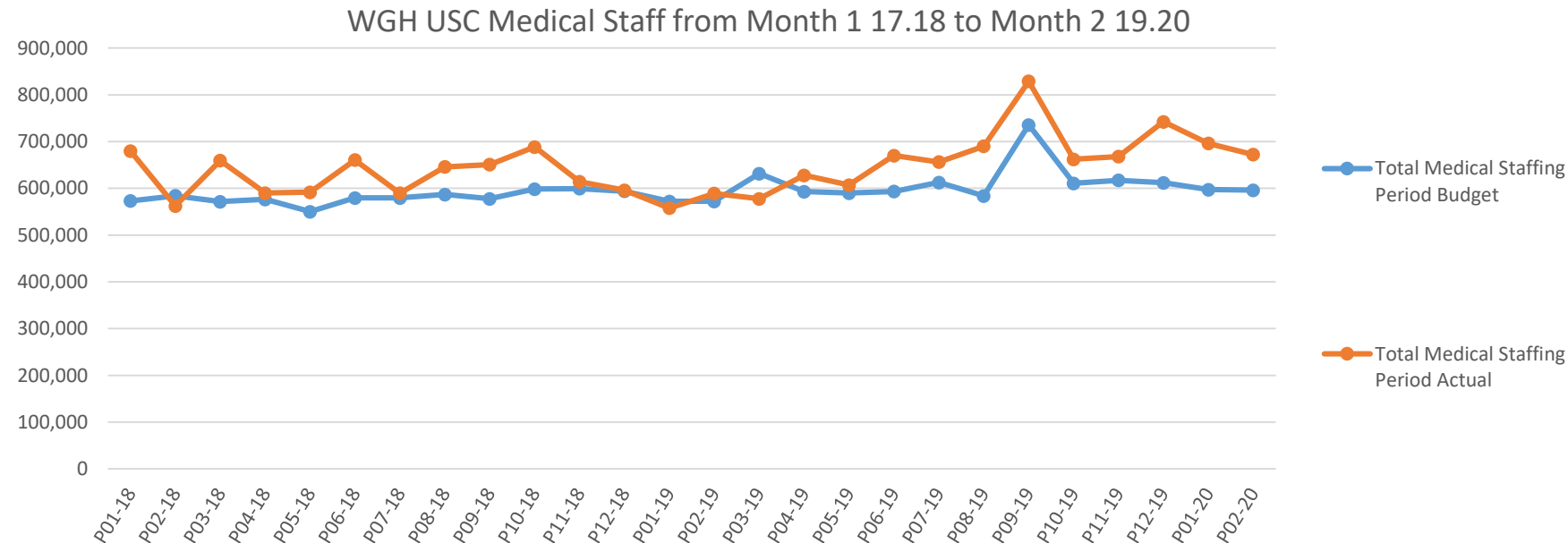
- The middle grade vacancies present a significant risk to our ability to continue to cover the Emergency Department rotas
- Only 4 out of 7 posts substantively filled by August 2019 (1 Middle Grade currently on long term sick leave until at least January 2020 and 2 new recruits from overseas not near to reaching the required standard to work as a middle grade in Emergency Medicine)
- Agency fill is variable with only partial compliance with the agency cap of £60 per hour. Double running 2 new recruits adds additional cost pressure
- Vulnerability of the role overnight due to back up pathways especially paediatrics in addition to the only other specialty middle grades being General Medicine and Anaesthetics on site overnight
- Limited UK recruitment
- All of the overseas recruited doctors will need a bespoke training package
- Significant gaps in nursing workforce issue (10.5 RN vacancies), exacerbated by ED surge requiring 2 extra nurses per shift equivalent of 9 WTE agency

# Workforce – A&E

- Re-establish local Urgent Response Group
- Meet with WGH ED Consultant team to explore internal options to cover identified shortfalls (Completed 18/06/19)
- Medical Director & Director of Ops to attend local selected consultant meeting to discuss position with wider consultant team (Completed 2<sup>nd</sup> July)
- Consider offering a higher rate of pay, paid travel or accommodation to middle grades as an incentive to pick up available shifts (To be discussed by executive team)
- Consultants to continue to support the new doctors with achieving their competencies
- Scope potential to deploy senior staff from GGH to support 24 hour middle grade cover in WGH. Cross site meeting to be arranged.
- Work towards a Hospital at Night model where all team members work out of the ED, including the site management team (Concern about paediatric cases)
- Scope potential for specialty middle grades (T&O and General Surgery) to change to being resident on site overnight. This will need discussion with the scheduled care team and will inevitably impact on their current work load and job plans
- Review alternative models of service provision.

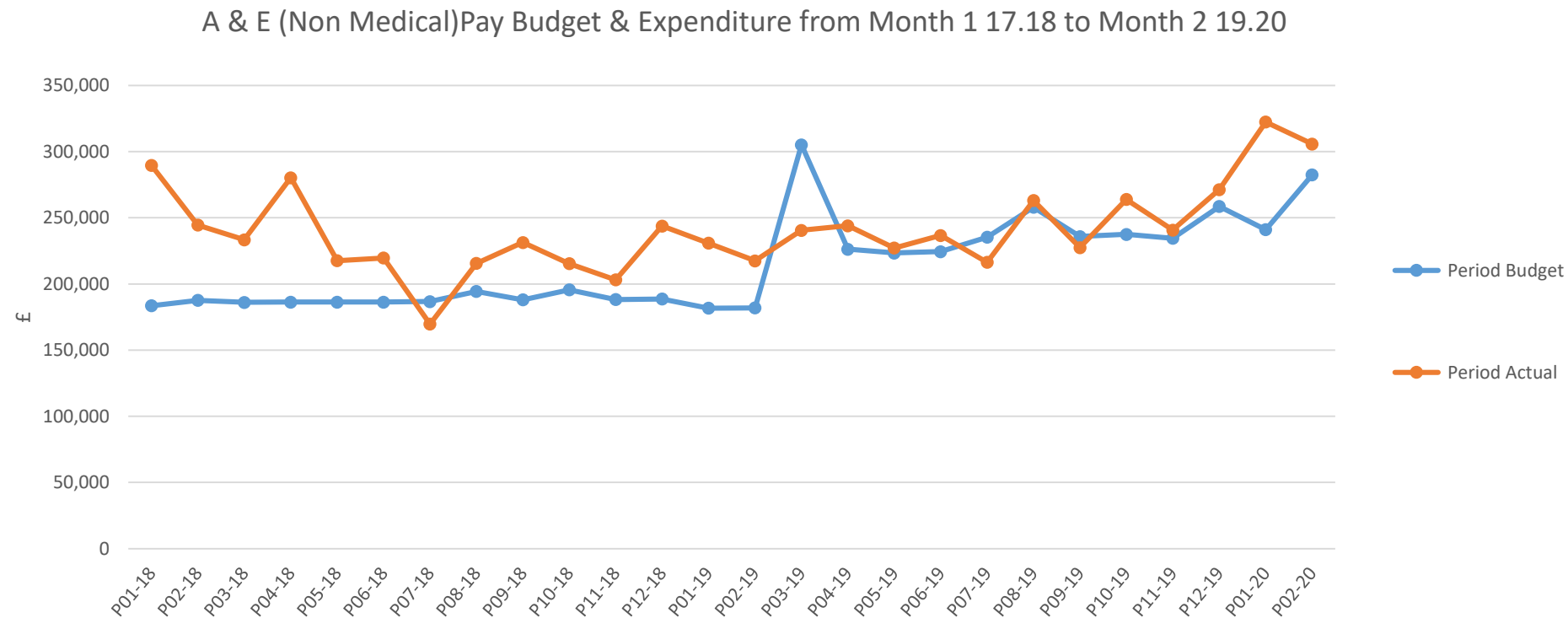
# Workforce

- Medical staffing (A&E plus Medicine) – Budget **reduced by £15k pcm** from 2018-19
- Spend **increased to £699k pcm in last 9 months from £592k pcm in preceding 5 months** – spend higher in last 9 months means settlement on outturn misses FYE



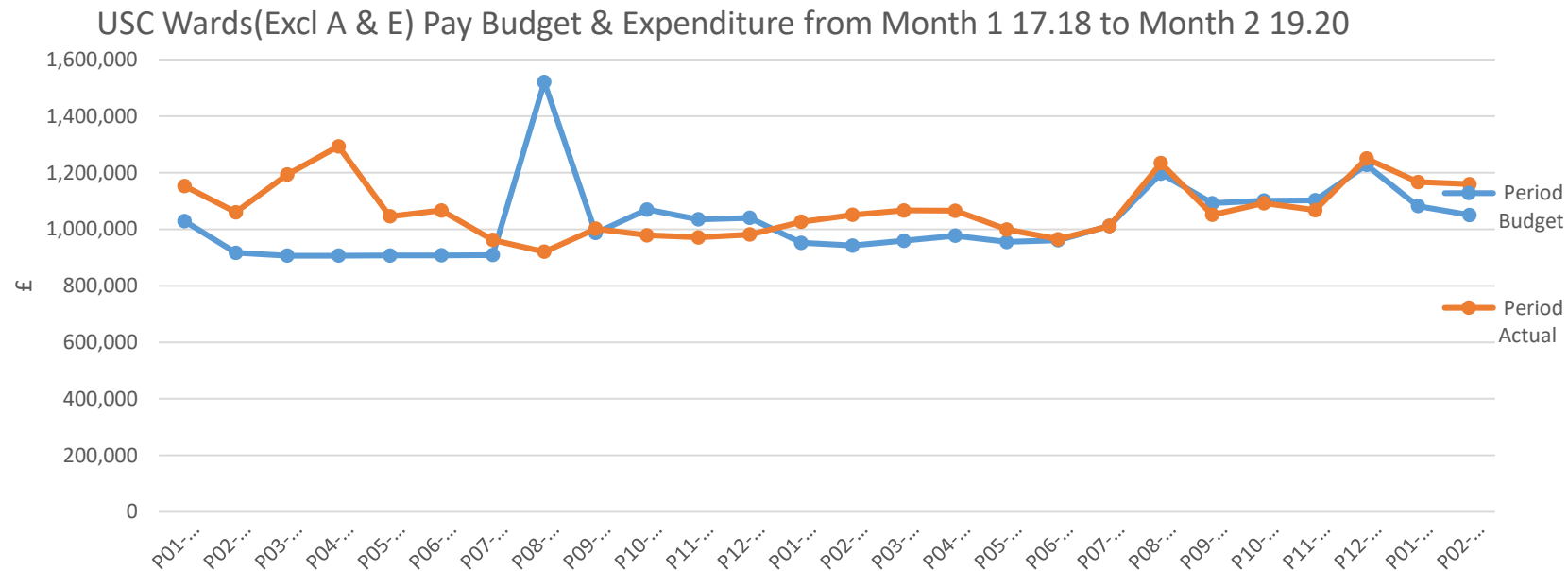
# Workforce

- A&E Nursing spend increased to £314k pcm in first 2 months of 2019-20 from £240k pcm LYA (232k first 6 months 247k last 6 months)
- A&E Surge - spending more on nurse surge via E-Roster on average in 2019-20 than average of 2018-19.



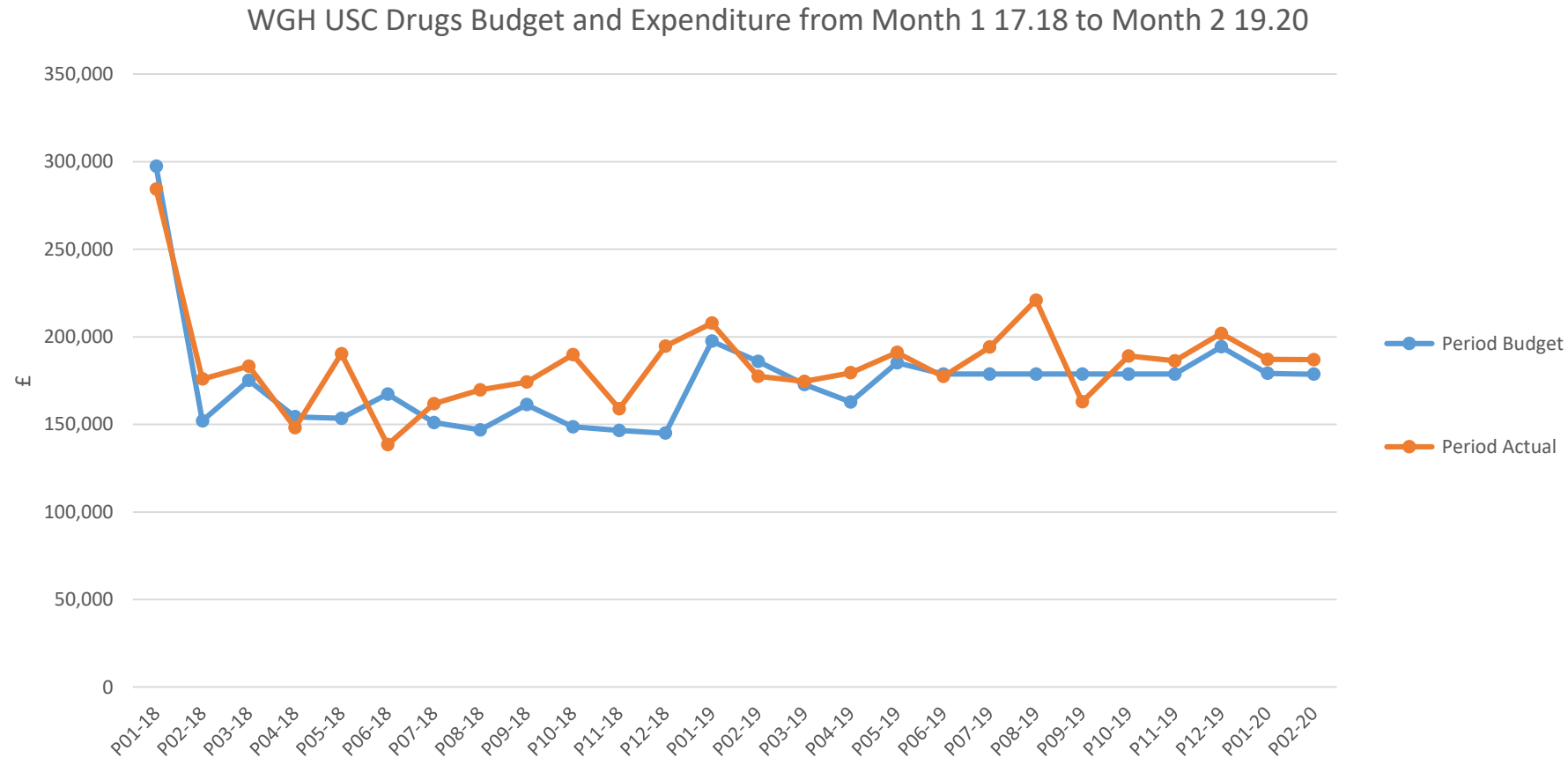
# Workforce

- Winter ward budgets £1,144k per pcm (last 5 months of 2018-19), reduced to £1,066 pcm first 2 months of the year **Budget reduced by £78k per month**
- Spend **increased by £24k pcm in first 2 months of 2019-20**
- **£47k overspend in 5 months changed to £220k overspend in 2 months**
- Impact of removing winter funding plus removing recurrently the WGH share of the £1m (beds never closed).



# Drugs

- Nothing has really changed, average overspend remains constant at circa £8k per month



# Finance Issues



# Money – reported overspend

- June 2019 overspend - £317k
  - Medical Pay - £85k
  - Qualified Nursing - £88k
  - HCSW - £51k
  - Drugs - £47k
- Year to date overspend - £841k
  - Medical Pay - £272k
  - Qualified Nursing - £259k
  - HCSW - £184k
  - Drugs - £63k
- Forecast end of overspend £1,954k

# Money – some of the issues

- FYE of 2018-19 medical pay much higher than outturn = £45k pcm
- Medical pay cost increases = £22k pcm on last 12 month average
- Reductions applied to medical pay budget reflecting amber and green savings but hard to see how these have been achieved given cost increases - (savings schemes targeted and delivering but at macro level costs are overtaking savings )
- Nursing increased costs in A&E month 1-3– surge and vacancies = £72k pcm on last year average
- Removal of approved winter budgets surge remains open= £75k pcm but beds on ward 10 closed which has impacted
- Removal of part of £1m winter bail out – beds remain open- £30k pcm
- Wards - Increased spend over and above winter period first 2 months £24k pcm
- Settlement gap £20k pcm – settlement funded a proportion of projected at M9
- Increase drugs overspend - £13k pcm

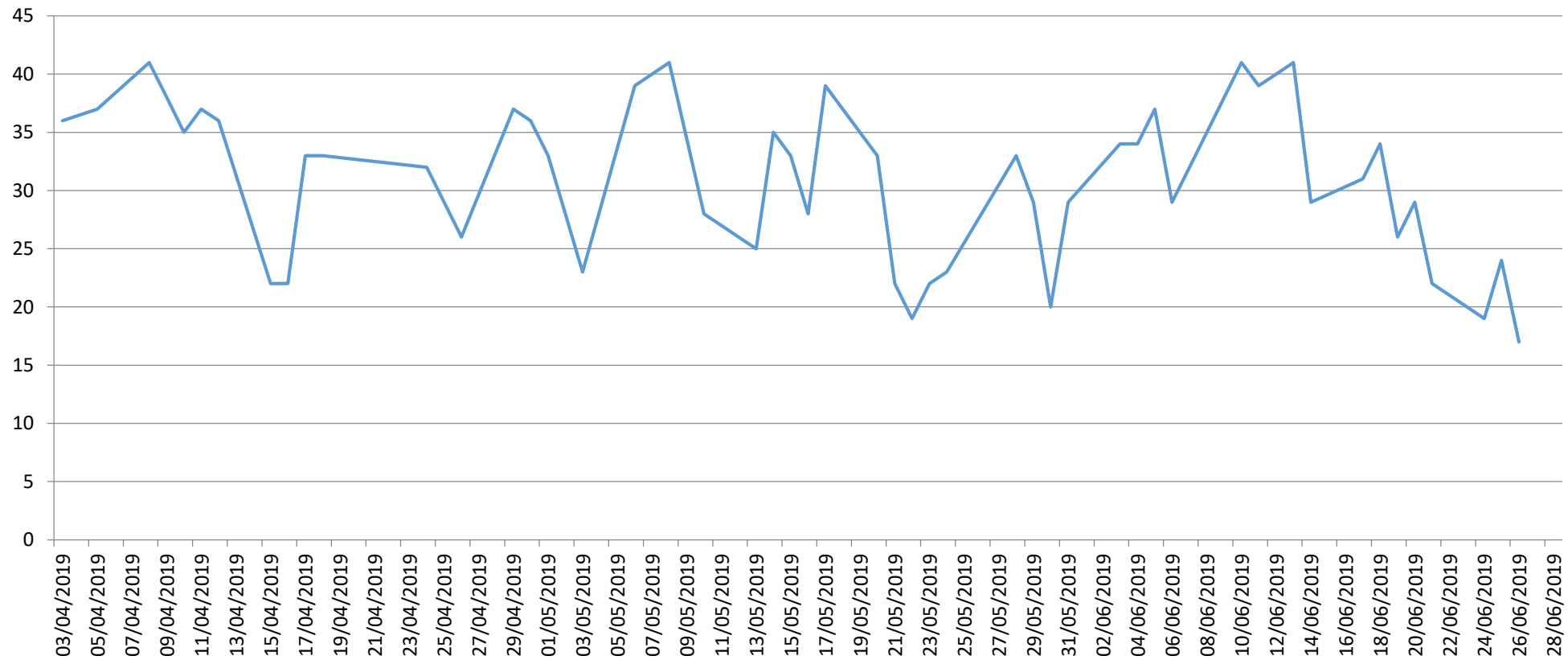
# Money – overall summary

- Significant steps forward in budget setting process but some issues such as full year effect of cost growth not covered (This is the same for all areas, specifically for WGH the cost driver is reduced staff in post increasing variable pay)
- Surge costs in A&E and across the wards a significant driver and these have all increased
- Winter funding removed yet capacity remains open
- Impact of reducing budgets for last years planned bed closures not achieved (part of the £1m)
- Significant vacancy issues in nursing and medicine

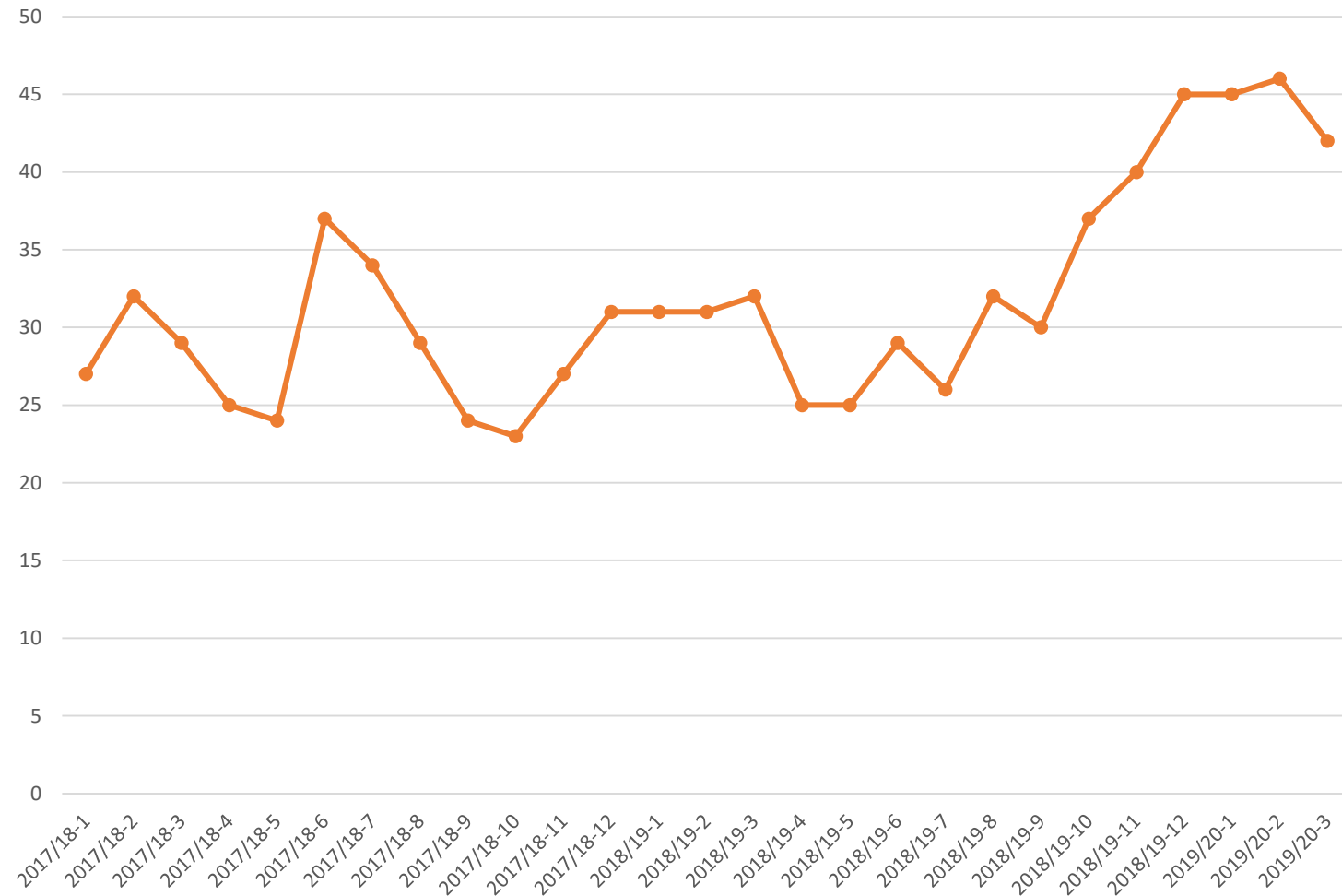
Recovery

# System recovery plan

**Withybush Additional Beds**  
ED Overnighters at 8am & open surge



# Medically Optimised



# System recovery plan

Scheme	Measures	Beds saved
<b>Admission avoidance :</b> <ul style="list-style-type: none"> <li>•Rapid community response supported through transformation funding</li> <li>•Integrated falls pathway supported through ICF</li> <li>•Scaling up of MDT working in primary care and proactive care plans</li> <li>•Pilot of falls bundle in Tenby MIU to be rolled out to WGH ED if successful – review July 2019</li> <li>•Geriatrician led falls clinic established to receive referrals from MIU</li> </ul>	Reduction in WAST conveyances and increase in utilisation of other pathways 19,500 calls per annum 900 fewer calls Assume 20% result in admissions 180 fewer admissions per annum at 10 days per admission	5
<b>Length of Stay Reduction :</b> <ul style="list-style-type: none"> <li>•Stranded patient reviews and QI collaborative project in WGH</li> <li>• Focus on use of MTED prescription for medications &amp; care package restarts to facilitate earlier discharge in Ward 7</li> <li>• Relatives clinics in Ward 10 to improve communication</li> <li>•Embedding of EDD implementation in Ward 12 &amp; Sunderland Ward</li> <li>•Sunderland Ward 10% flow improvement</li> <li>•Palliative care readmission pathway – pending funding approval – to commence September</li> </ul>	1.5 – 2 day LoS reduction on Wards 7,8,10 & 12	10
	Sunderland commenced May 2019 Average LoS 41 days April 2019 Reduction of 5 days 356 patients increase to 405 patients 49 patients	5

# System recovery plan

Scheme	Measures	Beds saved
<b>Ambulatory Care &amp; admission avoidance</b> <ul style="list-style-type: none"> <li>• Improved utilisation of ambulatory care</li> <li>• Establishment of medical review clinics</li> <li>• MAST weekend working</li> </ul>	Reduction in 2 medical admissions per day at LoS 10 days 20 bed reduction (supporting 12 bed reduction on Ward 10 from May 1 <sup>st</sup> 2019)	8
<b>Bridging Care</b> <ul style="list-style-type: none"> <li>• Implementation of 5 additional WTE Care at Home Team HCSW to provide bridging care</li> </ul>	Reduction in bed days waiting Packages of Care and Reablement	5 – pending investment
<b>TOTAL</b>		28 beds + 5 beds – pending investment

ED overnights and surge beds open April – June 2019 have ranged from 17 to 41 with a mean of 31.1.

Bed plan above seeks to provide 39 beds capacity to reduce the pressure and provide some capacity to support variation and the ability of the site to respond rapidly.



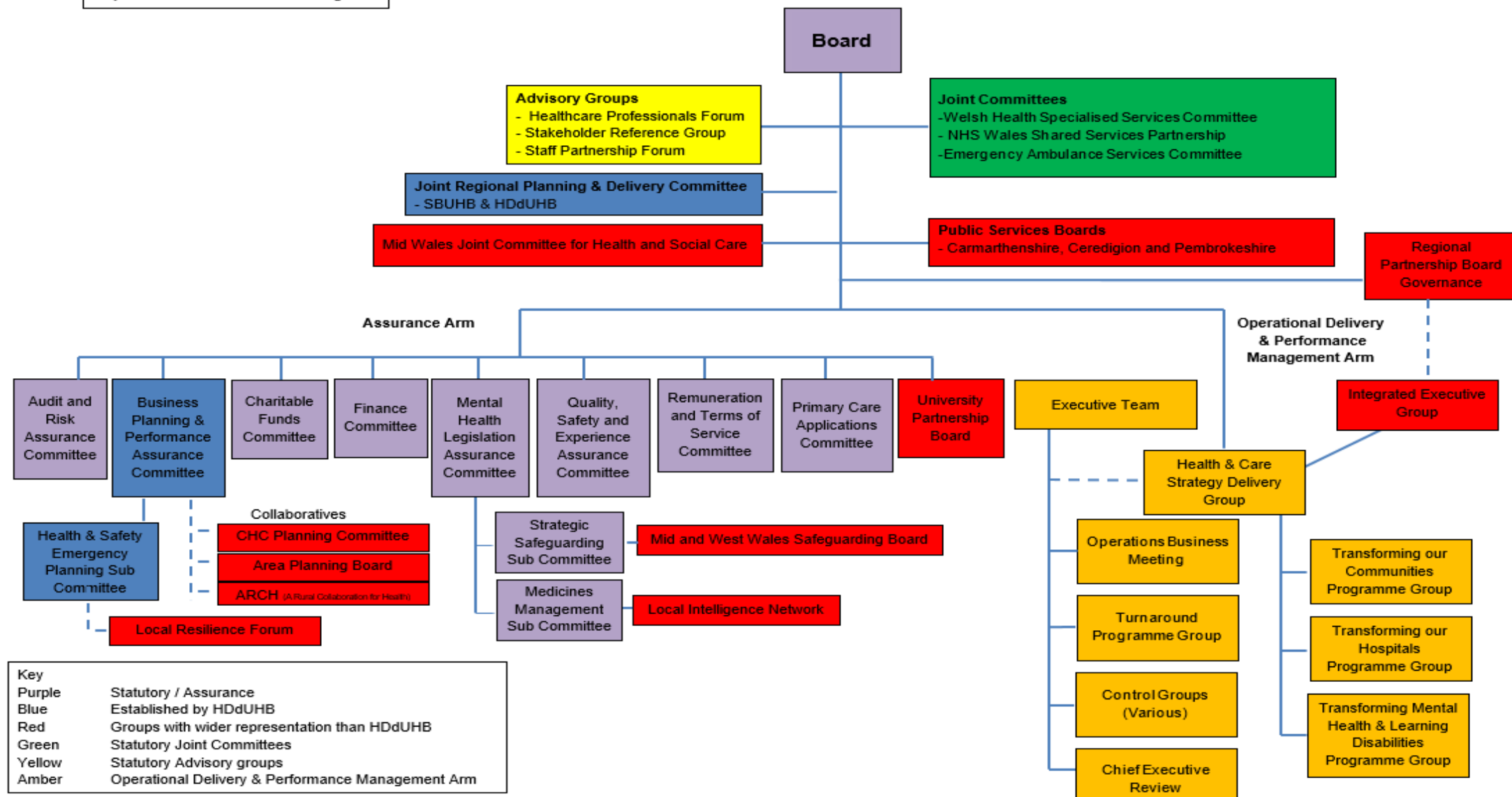
# Improvement

- Whole System Improvement Work – workshop held May 2019
- Scoping work completed by Improvement Team – May/June 2019
- 2 weekly improvement meeting established with agreed monitoring metrics
- Initially focussing on Wards 7, 8, 10 & 12 (medical inpatient areas)
- Perfect week – frailty pathway – wc 1 July 2019 (Therapists, Geriatrician & Physicians Associate at front door assessing all referrals to medicine over 65yrs and putting functional & clinical criteria for discharge in place)
- Urgent Response Group to focus on Middle Grade position in ED – first meeting Friday 5<sup>th</sup> July 2019
- MSC – Tuesday 2<sup>nd</sup> July 2019
- Sunderland – LoS reduction to 36 days mid-June. Wait for bed from referral reduced from 6 days in January to 1 day in June. Testing maintenance of both.

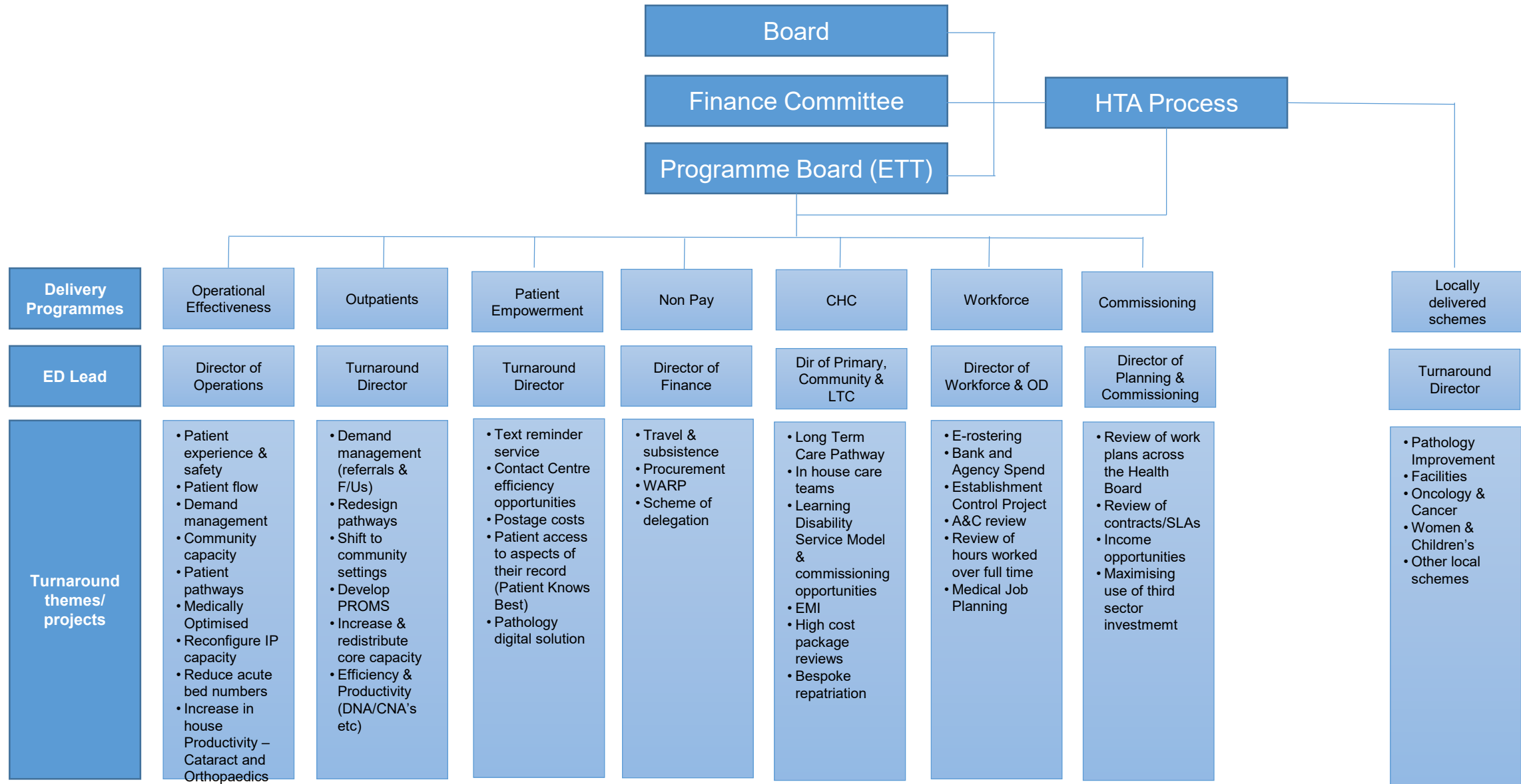
# Turnaround To Transformation

Andrew Carruthers  
Finance Committee  
22<sup>nd</sup> July 2019

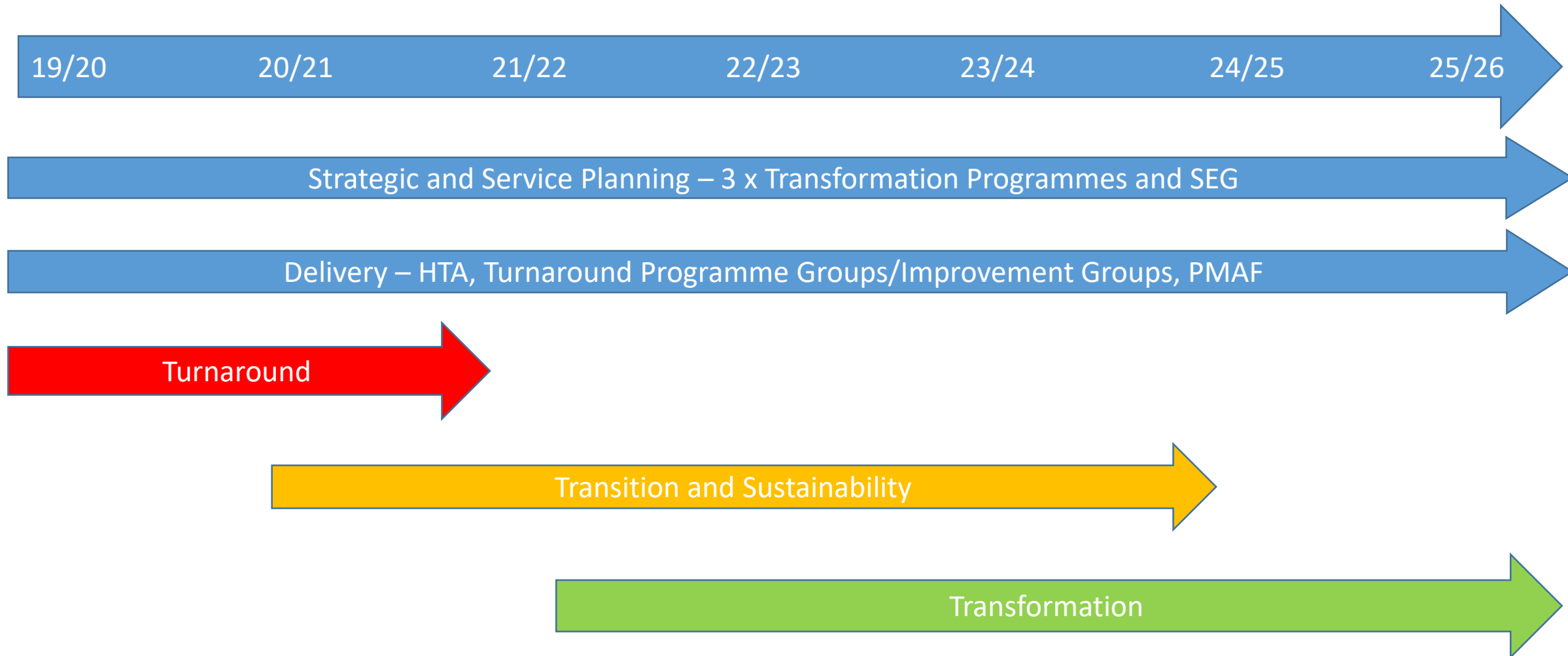
Hywel Dda UHB - Governance Diagram



# Turnaround Programme Structure 19/20



# Turnaround to Transformation





## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD:</b> <b>DATE OF MEETING:</b>	22 July 2019
<b>TEITL YR ADRODDIAD:</b> <b>TITLE OF REPORT:</b>	Financial Procedures
<b>CYFARWYDDWR ARWEINIOL:</b> <b>LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD:</b> <b>REPORTING OFFICER:</b>	Huw Thomas, Director of Finance

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Ar Gyfer Penderfyniad/For Decision

### ADRODDIAD SCAA

#### SBAR REPORT

##### Sefyllfa / Situation

Each year, planned reviews are undertaken of the financial procedures operated by Hywel Dda University Health Board (HDdUHB). The procedures, which set out the main financial system controls, are reviewed in terms of:

- Relevance
- Best practice
- Audit recommendations
- System change
- Health Board policy

A proposal for review was presented to the Finance Committee in February 2019.

##### Cefndir / Background

The following procedures have been reviewed and are presented to the Finance Committee for approval:

1. Cash Imprest Accounts – Rehabilitation Monies, attached at Appendix 1
2. Disposal of Surplus & Obsolete Furniture, Equipment, Sale of Scrap and Other Waste Materials, attached at Appendix 2
3. Main Control Stores, attached at Appendix 3

##### Asesiad / Assessment

The above Financial Procedures have been reviewed by key personnel within Finance, Procurement, Counter Fraud and the Service.

Each procedure includes tracked changes and a version control schedule outlining the changes, and is accompanied by an Equality Impact Assessment (EqIA). The Cash Imprest Accounts procedure is covered by a partial EqIA specific for this procedure and the Disposal of Surplus and Main Control Stores procedures are covered by a general overarching Financial Procedures EqIA.

Overall, there are only minor amendments to the procedures reviewed.

### Argymhelliad / Recommendation

The Finance Committee is asked to approve the attached revised Financial Procedures.

<b>Amcanion: (rhaid cwblhau)</b> <b>Objectives: (must be completed)</b>	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	5.7 Review and approve financial procedures on behalf of the Health Board.
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 7. Staff and Resources
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 Statement</a>	Improve efficiency and quality of services through collaboration with people, communities and partners

<b>Gwybodaeth Ychwanegol:</b> <b>Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Previous procedures, internal audit report recommendations, Standing financial instructions
Rhestr Termiau: Glossary of Terms:	AP-Accounts Payable AR –Accounts Receivable NWSSP-NHS Wales Shared Services Partnership PO –Purchase Order PSPP-Public Sector Payment Policy VAT-Value Added Tax EqIA – Equality Impact Assessment
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	UHB's Finance Team UHB's Management Team Executive Team Finance Committee NWSSP

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

<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Financial implications are inherent within the report
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Not applicable
<b>Gweithlu: Workforce:</b>	Not Applicable
<b>Risg: Risk:</b>	Financial risks are detailed in the report.
<b>Cyfreithiol: Legal:</b>	Not Applicable
<b>Enw Da: Reputational:</b>	Financial procedures are required to ensure good governance and sound financial control
<b>Gyfrinachedd: Privacy:</b>	Not Applicable
<b>Cydraddoldeb: Equality:</b>	Not Applicable





# FP 01/06 CASH IMPREST ACCOUNTS – REHABILITATION MONIES PROCEDURE

Procedure Number:	050	Supersedes:		Classification	Financial
Version No:	Date of EqlA:	Approved by:	Date Approved:	Date made active:	Review Date:
2		Finance Committee			3 years

Brief Summary of Document:	This document is one of a series of financial procedures, the aim is to provide a clear process to be followed in relation to provision of cash to facilitate the payment of rehabilitation/occupational therapy. This policy needs to be read in conjunction with patients property and monies policy.
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Scope	Health Board wide procedure
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To be read in conjunction with:	Standing Orders. Standing Financial Instructions. Other Financial Procedures.
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Owning group	Finance Team
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# HYWEL DDA UNIVERSITY HEALTH BOARD

Reviews and updates		
Version no:	Summary of Amendments:	Date Approved:
1	New Procedure	
2	Full review	

## Glossary of terms

Term	Definition
MH	Mental Health Services
LD	Learning Disabilities
CAMHS	Child and Adult Mental Health Services

Keywords	Patients, Money, Cash, Rehabilitation
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### Cash imprest accounts; rehabilitation monies

Please check that this is the most up to date version of this written control document

Paper copies of this document should be kept to a minimum and checks made with the electronic version to ensure that the printed version is the most recent

# HYWEL DDA UNIVERSITY HEALTH BOARD

## CONTENTS

### Contents

1. INTRODUCTION .....	5
2. SCOPE .....	5
3. AIM .....	5
4. OBJECTIVES .....	5
5. ISSUING THE WEEKLY ALLOWANCE - PATIENTS WELFARE DEPARTMENT .....	5
6. HANDLING OF MONIES AT WARD LEVEL .....	5
7. CHANGES TO THE WEEKLY ALLOWANCE .....	6

### **Cash imprest accounts; rehabilitation monies**

Please check that this is the most up to date version of this written control document

Paper copies of this document should be kept to a minimum and checks made with the electronic version to ensure that the printed version is the most recent

# HYWEL DDA UNIVERSITY HEALTH BOARD

## Interpretation Note

This Financial Procedure should be read in conjunction with the LHB's Standing Orders, Standing Financial Instructions, and other Financial Procedures. These can be found by following the Policies and Procedures intranet link to the Financial pages.

## CONTROL LOG

<b>Created By</b>	<b>Financial Management Accounting</b>
<b>Date Created</b>	<b>01/10/09</b>
<b>Effective From</b>	<b>01/10/09</b>
<b>Approved by the Board</b>	<b>Approved by Audit Committee on behalf of the Board</b>
<b>Approved by Audit Committee</b>	<b>08/12/09</b>
<b>Review Date</b>	<b>01/10/12</b>
<b>Lead Director</b>	<b>Director of Finance</b>
<b>Officer Responsible for Review</b>	<b>Assistant Director of Finance Financial Management Accounting</b>
<b>Lead Officer</b>	<b>Head of Financial Accounting</b>
<b>Distributed by</b>	
<b>Distributed to</b>	
<b>Document Name</b>	<b>FP Rehabilitation Monies- v1.doc</b>

[Bwrdd Iechyd Hywel Dda yw enw gweithredol Bwrdd Iechyd Lleol Hywel Dda]

[Hywel Dda Health Board is the operational name of Hywel Dda Local Health Board]

# HYWEL DDA UNIVERSITY HEALTH BOARD

## 1. INTRODUCTION

A number of wards and departments within the Mental Health Services are allowed a fixed amount every week for patients' rehabilitation/occupational therapy, which they receive, from the Patients' Welfare Department. This amount shall be determined and periodically reviewed by the Mental Health Director with responsibility for Rehabilitation services.

## 2. SCOPE

The financial procedure is Health Board Wide but covers the Mental Health Directorate within the Health Board.

## 3. AIM

The aim of this procedure is to:

- Provide clarity of process to the Mental Health Service managers
- Provide governance around the security of cash

## 4. OBJECTIVES

The aim of this procedure will be achieved by:

- Providing clear guidelines to follow
- Details the limits for cash allowances and process for review

## 5. ISSUING THE WEEKLY ALLOWANCE - PATIENTS WELFARE DEPARTMENT

The Patients' Welfare Department issues the allowance weekly to a member of the ward staff on receipt of the previous weeks Record of Expenditure form.

The Record of Expenditure form shall be completed, giving details of the expenditure, attaching receipts and signed by a qualified member of the staff.

The Patients' Welfare Department will check that receipts are attached for each item (particularly that the dates on receipts fall within the claim period), that the form is arithmetically correct and duly signed. If the nature of the expenditure appears to be inappropriate to the patients needs, this will be brought to the attention of the Mental Health Director.

Having completed the above checks the Patients' Welfare Department will issue a new form for the new period indicating the brought forward balance and total balance of monies held by the ward, together with the cash.

The member of the ward staff collecting the cash shall check the cash and sign the Rehabilitation Book.

## 6. HANDLING OF MONIES AT WARD LEVEL

The cash must be kept in a locked secure cash box.

The cash box when not in use must be locked in a safe or secure location, the Nurse in charge of the ward/dept shall hold keys.

# HYWEL DDA UNIVERSITY HEALTH BOARD

Each ward shall keep a register recording issuing and receipt of cash, a running balance and signatures of those issuing and receiving cash

## Issuing Cash

- The nurse in charge is to issue the necessary monies and record in the register: date monies issued, who the monies were issued to (can be either staff or patients), the amount issued and appropriate signatures.
- When the purchase has been made receipts and unspent monies shall be returned to the nurse in charge who will again complete the register to show; Date monies/receipts returned, amount of money spent, supported by receipts, Amount of money returned to the float and appropriate signatures.
- The “record of expenditure” form shall be completed for each purchase.
- For LD there is a maximum allowance of £250 per month which can be held in cash/receipts at one time. When cash is issued, this allowance must not be exceeded. This will be monitored closely by the Patients Welfare Department.
- For CAMHS, there is a maximum limit of £100 per month.
- Patients Welfare department will not issue any more cash if it exceeds the £15-£20 carrying forward value.

## Reimbursement Of Cash

- Reimbursement is available on a weekly basis from the Patients Welfare Department.
- The “record of expenditure” form will be totalled and the amount carried forward calculated.
- The new carried forward figure shall be checked back to the amount of cash held, and reconciled by the Patients Welfare Department. If there is a difference, then this shall be investigated. Any deficits will be notified in writing to the Head of Service and Senior Finance Business Partner (Accounting and Statutory Reporting).
- In some cases, discrepancies will be reported to the Counter Fraud department.
- Once the record of expenditure form has been completed and signed by the member of staff in charge, then it is taken to the Patients Welfare Department for reimbursement.
- The Patients welfare staff will issue a new record of expenditure form and the next weeks allowance, this amount shall be checked in the presence of the patients welfare staff and both parties shall sign the cash counter sheet to acknowledge issue and receipt of monies.
- The monies shall be returned to the ward immediately, and given to the member of staff in charge. Both members of staff shall check the money before it is placed in the secure box, and the register updated to record the reimbursement. The register shall be signed by both members of staff to record the receipt of the new monies.

## 7. CHANGES TO THE WEEKLY ALLOWANCE

The Mental Health Director with responsibility for Rehabilitation services is responsible for agreeing allowances and reviewing the level and appropriateness of expenditure. Requests for additional or increased allowances shall be made in writing. The Mental Health Director will then inform the manager and the Patients' Welfare Department of his/her decision and confirm to the Senior Finance Business Partner (Accounting and Statutory Reporting).

## VERSION CONTROL SUMMARY OVERVIEW

Number and title of written control document:	FP 01/06 Cash Imprest Accounts – Rehabilitation Monies Procedures
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Type of review	Full review
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Person making changes to the document:	Name: Jennifer Thomas Job title: Senior Finance Business Partner
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Attach a copy of the old version with tracked changes with this form and highlight the key changes below:

Page number	Sentence/paragraph which requires changing	Updated sentence/paragraph	Which professional group/department does the change impacts on?	Has the change been approved?

Throughout the document the following terms have changed:	
From:	To:

Have the references been reviewed?	Yes
Do the proposed changes made require the Equality Impact Assessment to be reviewed?	No

Owning group: Finance	Date approved: 16/7/19
Chair: Jennifer Thomas	

Any material or significant changes to an existing written control document will require to be re-approved by the approving committee/group following the process ([190 - Flowchart - Approval Stage](#)).

Approving Group:	Date approved:
Chair	



## SUMMARY EQUALITY IMPACT ASSESSMENT –

<b>Organisation:</b>	Hywel Dda University Health Board
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<b>Proposal Sponsored by:</b>	<b>Name:</b>	Jennifer Thomas
	<b>Title:</b>	Senior Finance Business Partner – Accounting and Statutory Reporting
	<b>Department:</b>	Finance

<b>Policy Title:</b>	FP 01/06 - CASH IMPREST ACCOUNTS – REHABILITATION MONIES PROCEDURE
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<b>Brief Aims and Objectives of Policy:</b>	<p>A number of wards and departments within the Mental Health Services are allowed a fixed amount every week for patients' rehabilitation/occupational therapy, which they receive, from the Patients' Welfare Department. This amount shall be determined and periodically reviewed by the Mental Health Director with responsibility for Rehabilitation services.</p> <p>The financial procedure is Health Board Wide but covers primarily the Mental Health Directorate within the Health Board. The aim of this procedure is to:</p> <ul style="list-style-type: none"><li>• Provide clarity of process to the Mental Health Service managers</li><li>• Provide governance around the security of cash</li><li>• The aim of this procedure will be achieved by:</li><li>• Providing clear guidelines to follow</li><li>• Details the limits for cash allowances and process for review</li></ul>
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<b>Was the decision</b>	<b>Yes</b>	<b>No</b> ✓
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<p><b>reached to proceed to full Equality Impact Assessment?:</b></p>	<p>This procedure outlines the steps to be followed to ensure the fair and legal management of monies issued to wards within Mental Health Services for patients' rehabilitation/occupational therapy, which they receive, from the Patients' Welfare Department. This amount shall be determined and periodically reviewed by the Mental Health Director with responsibility for Rehabilitation services. Whilst it is recognised that people from some protected groups are more at risk of experiencing mental health issues and may be disproportionately represented among service users, mental ill-health can affect all groups.</p> <p>This procedure ensures that patients within Mental Health Services, through the allocation of dedicated funds are provided with rehabilitation and occupational therapy services to enhance and improve their recovery. There is nothing within the procedure to indicate that mental health service users will be treated unfairly or adversely impacted as a result of this procedure. It will be the responsibility of staff accessing and issuing the money to ensure that it is allocated and used appropriately and fairly to enhance the patient experience and improve outcomes.</p> <p>A search of similar policies elsewhere indicated a similar result:-</p> <p><a href="https://www.bing.com/search?q=Cash+imprest+accounts+procedure+nhs+equality+impact+assessment+&amp;qsn&amp;form=QBLH&amp;sp=-1&amp;ghc=1&amp;pq=cash+imprest+a&amp;sc=0-14&amp;sk=&amp;cvid=CD06CE50A8BC482CB441A1B1026BE82C">https://www.bing.com/search?q=Cash+imprest+accounts+procedure+nhs+equality+impact+assessment+&amp;qsn&amp;form=QBLH&amp;sp=-1&amp;ghc=1&amp;pq=cash+imprest+a&amp;sc=0-14&amp;sk=&amp;cvid=CD06CE50A8BC482CB441A1B1026BE82C</a></p>	
<p><b>If no, are there any issues to be addressed?</b></p>	<p><b>Yes</b> ✓</p>	<p><b>No</b></p>
	<p>Where staff have responsibility for issuing monies to individual patients, a monitoring system is advised to identify any adverse trends, ensure that monies are allocated fairly and equitably and that no individuals from any protected groups are unfairly treated or disadvantaged in</p>	

	comparison with those who do not share relevant protected characteristic/s.
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<b>Is the Policy Lawful?</b>	<b>Yes</b> ✓	
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<b>Will the Policy be adopted?</b>	<b>Yes</b> ✓	
	<b>If no, please record the reason and any further action required:</b>	

<b>Are monitoring arrangements in place?</b>	<b>Yes</b> ✓	
	Any complaints received in relation to equality, diversity or human rights at any stage during development, consultation or implementation will be addressed on an individual basis and appropriate action taken.	

<b>Who is the Lead Officer?</b>	<b>Name:</b>	Finance Team
	<b>Title:</b>	

	<b>Department:</b>	
<b>Review Date of Policy:</b>	Three yearly or sooner if required.	

<b>Signature of all parties:</b>	<b>Name</b>	<b>Title</b>	<b>Signature</b>
	Jennifer Thomas	Senior Finance Business Partner – Accounting and Statutory Reporting	03/07/19
	Jackie Hooper	Senior Equality and Diversity Officer	Partial draft 28/03/2019
<b>Please Note: An Action Plan should be attached to this Outcome Report prior to signature</b>			





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**NHS**  
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Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board

# FP 14/03

## PROCEDURE FOR THE DISPOSAL OF SURPLUS AND OBSOLETE FURNITURE AND EQUIPMENT, THE SALE OF SCRAP AND OTHER WASTE MATERIAL PROCEDURE

Procedure Number:	093	Supersedes:		Classification	Financial
Version No:	Date of EqIA:	Approved by:		Date Approved:	Date made active:
3		Finance Committee			3 years

Brief Summary of Document:	This document is one in a series of financial procedures providing clear process to be followed.
Scope	Health Board wide procedure

To be read in conjunction with:	Standing Orders. Standing Financial Instructions. Other Financial Procedures.
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Owning group	Finance Team
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# HYWEL DDA UNIVERSITY HEALTH BOARD

Reviews and updates		
Version no:	Summary of Amendments:	Date Approved:
1	New Procedure	
2	Full review	

## Glossary of terms

Term	Definition

Keywords	Income cash
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**DRAFT**

DRAFT



# HYWEL DDA UNIVERSITY HEALTH BOARD

## 1. 1. INTRODUCTION

WHN(76)34, dated 12<sup>th</sup> March 1976, gives guidance on the disposal of surplus equipment and within its framework there is a clear need to implement a policy which relates the estimated value of the equipment being disposed of with the administrative cost of arranging the disposal. Bearing in mind the need for flexibility, it is recommended that there are two inter linking procedures, details of which are as follows:-

## 2. SCOPE

The financial procedure is Health Board Wide.

## 3. AIM

The aim of this procedure is to:

- Advise the Health Board on the process to follow with regards goods and products surplus to requirement

## 4. OBJECTIVES

The aim of this procedure will be achieved by:

- Provide clarity to the Health Board and staff of the process to follow

## 5. PROCEDURE FOR DISPOSAL OF SURPLUS AND OBSOLETE EQUIPMENT

The Head of Procurement should be advised of items surplus to requirements by means of a surplus equipment notice.

Competitive Tendering or Quotation procedures is discretionary in respect of the disposal of:

- (a) Any matter in respect of which a fair price can be obtained only by negotiation or sale by auction as determined (or pre-determined in a reserve) by the Chief Executive or his/her nominated officer;
- (b) Obsolete or condemned articles and stores, may be disposed of in accordance with applicable regulations and law at the prevailing time (e.g. WEEE) and the procedures of the LHB;
- (c) Items to be disposed of with an estimated sale value of less than £1,000;
- (d) Items arising from works of construction, demolition or site clearance, should be dealt with in accordance with the relevant contract;

In all other instances the best possible market price should be obtained.

Details of the surplus equipment should be circulated to the other Procurement Managers in Wales and to the Director, WHS, who will circulate to English regions as appropriate.

Where possible attention of would be purchasers will be drawn to their responsibilities as detailed by the Trade Description Act, 1968 and 1972, the duties imposed on them as suppliers by section 6 of the Health & Safety at Work Act, 1974 and by the Electrical Equipment (Safety) Regulations 1975 and an Indemnity Form (see Appendix 1) should be signed by both parties

Having satisfied himself that the highest offer is realistic, the Head of Procurement should advise the successful bidder that his offer has been accepted and that he should make payment to the Director of Finance' Department or the General Office prior to making arrangements to collect goods. If payment is by cheque, then this must be made payable to Hywel Dda University Local

## HYWEL DDA UNIVERSITY HEALTH BOARD

Health Board and the cheque should be cleared before the goods are released. The Chief Executive can authorise the immediate removal of the goods paid for by credit card / debit card or same day payment to the bank account.

Under no circumstances should anyone be allowed to collect surplus equipment from Health Services premises without being in possession of the Health Board's official receipt, obtained from General Office or the Finance Department.

### 6. DISPOSAL OF OBSOLETE EQUIPMENT OF MINIMAL VALUE

Where there is a need to dispose of equipment which is unlikely to be of use within the organisation and which is of very minimal intrinsic value, the responsibility for disposal should lie with the appropriate General / Service Manager rather than Procurement.

The General / Service Manager will be responsible for ensuring that the equipment is not required internally within the Health Board before arranging disposal. The acceptance of offers for these items of very low value and arrangements for the collection of income will also be the responsibility of these managers. Items of equipment should only be removed from any location on production of an official receipt relating to these items, issued by one of the Health Board's General Offices'.

It is recommended that this procedure for disposal only applies to items of very limited value, with individual items not exceeding £20 in value.

The advice of the Head of Procurement should be sought if there is any doubt as to the most appropriate method of disposal.

### 7. V.A.T.

All sales of scrap, obsolete or surplus goods attract the standard rate of Value Added Tax.

### 8. CAPITAL CHARGES

Pieces of equipment with an original value of £5,000 or more may be counted as assets for capital charging purposes. It is imperative that budget holders disposing of such equipment contact the Finance Department to check its current status. If it is on the register the Finance Department (Capital ) will issue a form enabling the asset to be deleted.

## VERSION CONTROL SUMMARY OVERVIEW

Number and title of written control document:	FP 14/03 Disposal of surplus & obsolete furniture, equipment, sale of scrap and other waste materials
---	---

Type of review	Full review
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Person making changes to the document:	Name: Jennifer Thomas Job title: Senior Finance Business Partner
--	---

Attach a copy of the old version with tracked changes with this form and highlight the key changes below:

Page number	Sentence/paragraph which requires changing	Updated sentence/paragraph	Which professional group/department does the change impacts on?	Has the change been approved?
5	Updated paragraph 5		All staff	

Throughout the document the following terms have changed:	
From:	To:
Finance Sub Committee	Finance Committee
Business Manager	Service Manager
Asset Controller	Finance Department

Have the references been reviewed?	Yes
Do the proposed changes made require the Equality Impact Assessment to be reviewed?	No

Owning group: Finance	Date approved: 16/7/19
Chair: Jennifer Thomas	

Any material or significant changes to an existing written control document will require to be re-approved by the approving committee/group following the process ([190 - Flowchart - Approval Stage](#)).

Approving Group:	Date approved:
Chair	

## SUMMARY EQUALITY IMPACT ASSESSMENT –

<b>Organisation:</b>	Hywel Dda Health Board
----------------------	------------------------

<b>Proposal Sponsored by:</b>	<b>Name:</b>	Jennifer Thomas
	<b>Title:</b>	Senior Finance Business Partner
	<b>Department:</b>	Finance

<b>Policy Title:</b>	<b>ALL FINANCIAL POLICIES AND PROCEDURES FOR HYWEL DDA HEALTH BOARD</b>
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<b>Brief Aims and Objectives of Policy:</b>	To ensure effective governance, correct and timely execution of financial duties, effective use of health board resources and protection of the public purse.
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<b>Was the decision reached to proceed to full Equality Impact Assessment?:</b>		<b>No</b>
	The procedures required by the Finance Dept of the Health Board are for the most part mandated by the Dept of Health and the Treasury. Research of other Health Boards and an analysis of complaints received regarding previous procedures has shown that there is no impact on service users, staff or external bodies in relation to protected characteristics or human rights. Financial procedures are relevant to all those affected and apply equally to all regardless of protected characteristics. The procedures were drawn up by the Director of Finance with appropriate assistance from designated colleagues and were based on predecessor procedures.	

	If any policy/procedure is found to require a full impact assessment, this will be undertaken as appropriate.	
If no, are there any issues to be addressed?		No
	<b>Provision of copies of policies/procedures in alternative formats on request.</b>  <b>If anyone identified any difficulty complying with any procedure or in carrying out the procedure as prescribed, appropriate assistance would be given on a case by case basis.</b>	

Is the Policy Lawful?	Yes <input type="checkbox"/>	Complies with DoH and Treasury mandates
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Will the Policy be adopted?	Yes <input type="checkbox"/>	
	If no, please record the reason and any further action required:	

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<b>Are monitoring arrangements in place?</b>	Yes <input type="checkbox"/>	
	Any complaints received around equality, diversity or human rights issues following implementation of the reviewed and revised procedures will be addressed on an individual basis and appropriate action taken	

<b>Who is the Lead Officer?</b>	<b>Name:</b>	Jennifer Thomas
	<b>Title:</b>	Senior Finance Business Partner
	<b>Department:</b>	Finance
<b>Review Date of Policy:</b>		

<b>Signature of all parties:</b>	<b>Name</b>	<b>Title</b>	<b>Signature</b>
	Jean Reynolds	Head of Financial Accounting	8/10/12
	Jackie Hooper	Equality and Diversity Advisor	8/10/12
	Jennifer Thomas	Senior Finance Business Partner	3/7/19

<p><b>Please Note: An Action Plan should be attached to this Outcome Report prior to signature</b></p> <p><b>N/A</b></p>			





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WALES

Bwrdd Iechyd Prifysgol  
Hywel Dda  
University Health Board

# FP 03/01 MAIN CONTROL STORES PROCEDURE

Procedure Number:	093	Supersedes:		Classification	Financial	
Version No:	Date of EqlA:	Approved by:		Date Approved:	Date made active:	Review Date:
3		Finance Committee				3 years
Brief Summary of Document:	This document is one in a series of financial procedures providing clear process to be followed.					
Scope	Health Board wide procedure					
To be read in conjunction with:	Standing Orders. Standing Financial Instructions. Other Financial Procedures.					
Owning group	Finance Team					

# HYWEL DDA UNIVERSITY HEALTH BOARD

Reviews and updates		
Version no:	Summary of Amendments:	Date Approved:
1	New Procedure	
2	Full review	

## Glossary of terms

Term	Definition
NWSSP	NHS Wales Shared Services Partnership

Keywords	Income cash
----------	-------------

## 1. SCOPE

The financial procedure is Health Board Wide.

## 2. AIM

This procedure details the guidelines set for the management and day-to-day operation of the main stores functions within the Health Board (HB). This procedure should be read in conjunction with the 'Stores and receipt of goods' section of the Health Board's Standing Financial Instructions

## 3. OBJECTIVES

The objective of these guidelines is to promote:

- a) the efficient running of stores,
- b) the security and safety of stores items,
- c) the correct and timely accounting of all stores transactions.

:

## 4. STOCKHOLDING POLICY

The Stores Manager is to determine the stockholding policy in respect of all stores goods in conjunction with the procurement department.

The Oracle reporting tool is to be used to establish the patterns of stores goods movements in helping to determine the stockholding policy.

In determining the stockholding policy the following factors should be considered:

- a) annual usage
- b) cost of re-ordering
- c) safety stock level
- d) stockholding costs

# HYWEL DDA UNIVERSITY HEALTH BOARD

- e) shelf life
- f) shelf space
- g) lead time
- h) discount
- i) security of stock items
- j) stock turnaround
- k) critical use items

The stockholding policy should be reviewed on a periodic basis by the Stores Manager and Procurement Manager.

Information regarding the introduction of newly identified goods required to be held in Main Stores must be communicated to the Procurement Department in order for prior correct setup in Oracle.

## 5. CATALOGUE AND TRANSFER POINT NUMBERS

Creation and maintenance of transfer point numbers will be undertaken by the Finance Department.

The Finance Department shall notify the Stores Manager and all departments of their transfer point numbers.

It is the responsibility of the requesting department to ensure that the correct transfer point number is used when requisitioning stores issues.

It is the responsibility of the NWSSP Procurement Department to ensure that all catalogue numbers are linked to the financial code subjective numbers.

## 6. SECURITY OF STORES

Access to the stock holding areas is restricted to authorised stores personnel.

Any visitors to the stock holding areas must be accompanied at all times. There is no admission to the stock holding areas without the invitation of stores personnel.

Goods are only to be issued at the stores reception area.

The Goods Inward Area is strictly restricted to stores personnel and delivery drivers. All delivery drivers must identify themselves at the stores Goods Inward Area.

Notices informing all visitors of restricted access will be prominently displayed.

Fire instructions must be prominently displayed. Fire extinguishers must be provided and maintained.

When not staffed, the stores area must be kept locked at all times.

All keys to the stores area must be kept in a secure central location. Keys must be kept on the person of the key holder and returned to the central location after use. Any loss of keys must be reported at once to the Stores Manager.

## HYWEL DDA UNIVERSITY HEALTH BOARD

The Main Stores must be adequately manned and supervised during periods of annual leave and sickness.

### 7. ORDERING OF STORES GOODS

The Stores Manager is electronically provided with item detailed blanket order information in Microsoft Excel format. This information template is to be used to generate a stock requisition on Oracle.

The stock requisition is forwarded electronically from the Stores Manager or his nominated deputy, for approval, to the Deputy Procurement Manager. Releases are generated against the Oracle Blanket agreements by the Procurement Department and will reference carriage costs where appropriate as an attachment on the header of the Oracle release.

The Procurement Department will provide advice on suppliers and negotiate prices in advance to enable blanket agreements to be generated. The Procurement Department will inform the Stores Manager if the supplier is different from the usual supplier.

### 8. DELIVERY AND RECEIPT OF STORES GOODS

All deliveries for stock items must be checked carefully by the stores personnel to ensure that the correct quantity has been delivered and the goods are free of noticeable defect and match the order description.

The delivery note is to be signed and "unchecked" to be written on the delivery note and dated in the presence of the delivery driver. The quantity and catalogue number of the goods actually received is to be recorded on the delivery note.

The Oracle Receipts program should be opened and the order number entered to enable retrieval of anticipated delivery detail. The confirmed detail on the delivery note must be used to record the line(s) value/quantity received. The receipting of goods must be actioned on a timely basis. The Stores Manager is to notify the supplying company of any discrepancies in the goods supplied. The Stores Manager may accept any over-deliveries where it is cost effective to retain the deliveries.

All goods to be returned to the supplier must be entered in Oracle via the Returns program by the Stores Manager or authorised personnel. A listing of all returns is to be held by the Stores Manager detailing reasons for returns, order details which should be reviewed periodically with the procurement department.

Short deliveries and Returns to be made to NWSSP must be referenced by a NWSSP unique code and summarised on a specific NWSSP form.

The Stores Manager is to ensure that any returnable pallets left by delivery drivers are kept to a minimum, held in a safe place and are available for return if requested by the driver.

All deliveries for non stock items must be checked carefully by the stores personnel using Oracle to establish that the correct quantity has been delivered and to determine where the goods need to be delivered to. A photocopy of the delivery note is to be taken by stores staff and the goods taken to the end user location. The end user location must sign the stores delivery note as proof that the stores staff have taken the delivery.

## HYWEL DDA UNIVERSITY HEALTH BOARD

### 9. STORAGE OF GOODS

All goods must be stored in their respective locators as soon as possible after delivery.

Goods must be stored so as to allow easy inspection and cleaning. Goods must not be stored directly on the floor.

All goods must be stored in order to allow stock rotation on a "first in first out" basis.

All COSHH instructions must be complied with when storing potentially harmful goods in the store.

Any leaks or other hazards which may affect the goods whilst in store must be reported immediately to the Estates Manager.

Unwanted materials, packaging etc must not be allowed to accumulate in the stores area or in the Goods Inwards Area but disposed of appropriately.

### 10. ISSUES FROM STORES

All stores requisition forms must be fully completed by the requesting department as per the Desk Instructions. It is the responsibility of the requesting department to ensure that all details, e.g. product, quantity, units of issue and transfer point number, are correctly entered onto the requisition form.

#### A. Counter Issues

All persons requesting stores requisition must present themselves at the stores reception area. The completed requisition form is handed to the stores personnel who will record the requisition and produce a picking ticket from the Oracle system.

The stores personnel will supply the required goods and picking ticket. The person requesting the goods must check the stores goods and sign the picking ticket to confirm their acceptance.

#### B. Top-Up Requisitioning

The stock controller will raise a requisition and produce a picking ticket from the Oracle system.

The stores personnel will make up the order from the picking ticket.

The stock controller will collect the order from stores, deliver to the ward and put away the goods, checking against the picking ticket.

#### C. Issues made against Requisitions from Users outside the HB

The completed requisition should be telephoned/sent or emailed to Main Stores. A picking ticket will be produced either by the stores personnel who should inform the requestor on availability for collection.

A copy of the requisition and signed picking ticket is to be filed by the stores personnel.

It is the responsibility of the Stores Manager to ensure that all stores issues are properly recorded and processed.

There are no loans to be made out of the stores.

# HYWEL DDA UNIVERSITY HEALTH BOARD

Any emergency issues made out of stores hours must be recorded.

Any goods returned to store must be in a fit and proper condition for reissue. Soiled or damaged goods, or out-of-date stock that will not be credited by the supplying company may not be returned to store. Any goods to be returned to store must be accompanied by supporting identification documents.

## 11. OBSOLETE STOCK

Every effort must be made to minimise losses through deterioration or obsolescence.

Where such losses occur the Stores Manager will confirm to the Finance Department via e-mail the quantity and description of items written off and the value in Oracle and the action taken to avoid reoccurrence.

Where the goods are to be disposed of outside the HB the Stores Manager must inform Finance in writing, stating clearly to whom the disposed goods have been given to, the details of the goods disposed and details of the receipt number and amount paid for the goods. No stock disposed of by sale may be released without an official receipt.

Where the goods are to be destroyed, the Stores Manager should inform the Finance Department of the method of destruction.

The Director of Finance shall keep a record of all obsolete stock written off.

## 12. RECONCILIATION

The Director of Finance shall ensure that the Oracle controlled stores information is reconciled to the financial ledger on a monthly basis.

The responsible Finance Officer shall document all reconciliations and review the reconciliation with the Manager on a monthly basis.

## 13. STOCK VALUATION

All controlled store items must be stock checked on a continuous basis by NWSSP.

. Adjustments are actioned by stores officers directly into the Inventory module, such as write off, write on, stock adjustment, price adjustment and unit of measure adjustment.

Any stocktaking adjustments must be immediately notified via e-mail to the Assistant Director of Finance or Senior Finance Business Partner.

The Oracle stores goods are valued at moving average price. Price lists are maintained and updated by the procurement department regularly.

## HYWEL DDA UNIVERSITY HEALTH BOARD

### 14. DESK INSTRUCTIONS - ORDERS FROM MAIN STORES

1. Insert ward/department, transfer point and name on requisition.
2. Ensure correct quantity required is ordered against the correct catalogue number.
3. Ensure that the person authorising the order is on the Authorised Signatory List.
4. Telephone the requisition detail and/or take the confirmatory requisition to Stores.
5. Despatch of goods may be made immediately or delivered.
6. Issuing Officer to sign the Requisition and enter the quantity issued.
7. Receiving person to sign the Requisition for receipt of goods.
8. If a Picking Ticket has been printed, both signatures should be included.
9. Once the Requisition is complete, the copies should be distributed as follows:

Top copy	-	Stores
Bottom copy	-	Retained by ward/department.

## HYWEL DDA UNIVERSITY HEALTH BOARD

### 15. DESK INSTRUCTIONS - FOR WARD "TOP UP" ISSUES

1. The stores officer will visit Ward/Department twice weekly.
2. The stores officer will compare stock levels with minimum quantities for each Ward/Department.
3. A "Top Up" requisition form to identify the goods required, Department and Transfer Point will be completed and signed by a stores officer.
4. The requisition is taken to Main Stores, entered on Oracle and the picking ticket printed.
5. From this picking ticket the goods will be packed and despatched to the Ward/Department by the stores officer.
6. The stores officer will then check off the goods to the picking ticket when placing the goods into storage at the receiving Ward/Department.
7. This service is extended for NWSSP items held at Wards/Departments except that the information is captured using automated data capture equipment. Upon return to the stores the stores personnel must download this information directly to NWSSP.

**DRAFT**



## HYWEL DDA UNIVERSITY HEALTH BOARD

### 16. DESK INSTRUCTIONS - FOR REQUISITIONS OUTSIDE THE HB (E.G. FROM ANOTHER NHS BODY OR AN ESTABLISHED CUSTOMER)

1. Outside users inform Main Stores of goods required.
2. The Stores Officer enters the goods and quantities required on the computer.
3. In the case of a telephone order stock availability may be confirmed at once.
4. On completion of order a picking ticket is printed.
5. Goods are then packed ready for despatch.
6. A picking ticket is issued with the goods for checking on receipts.
7. A signature must be obtained at all times when goods are collected from Main Stores

**DRAFT**

## HYWEL DDA UNIVERSITY HEALTH BOARD

### 17. DESK INSTRUCTIONS - REMOTE REQUISITIONING FROM MAIN STORES

1. This function is only available to the Main Stores manager and one delegated stores officer.
2. This function is password protected and access to the requisitioning voucher number is strictly controlled by the Main Stores Manager.
3. The sales order screen must be completed using the relevant customer number and the details of the products required entered.
4. The goods are delivered from Main Stores with an accompanying picking ticket carrying the requisitioning voucher number.
5. The picking tickets and products are checked for discrepancies.
6. The correctly delivered products are receipted into Oracle using the Receipts program.
7. The picking tickets and requisitions are stapled together and filed by ward/department and retained for 12 months.

**DRAFT**

## VERSION CONTROL SUMMARY OVERVIEW

Number and title of written control document:	FP 03/01 Main Control Stores
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Type of review	Full review
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Person making changes to the document:	Name: Jennifer Thomas Job title: Senior Finance Business Partner
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Attach a copy of the old version with tracked changes with this form and highlight the key changes below:

Page number	Sentence/paragraph which requires changing	Updated sentence/paragraph	Which professional group/department does the change impacts on?	Has the change been approved?
4	Removal of the word 'Discoverer'		Finance	
5	Updated paragraph 5 & 6		Stores / Finance	
6	Updated paragraph 8		Stores / Finance	
7	Updated paragraph 10		Stores / Finance	
8	Updated paragraph 12 & 13		Stores / Finance	
12	Updated paragraph 17		Stores / Finance	

Throughout the document the following terms have changed:	
From:	To:
WHS	NWSSP
Finance Sub Committee	Finance Committee

Have the references been reviewed?	Yes
Do the proposed changes made require the Equality Impact Assessment to be reviewed?	No

Owning group: Finance	Date approved: 16/7/19
Chair: Jennifer Thomas	

Any material or significant changes to an existing written control document will require to be re-approved by the approving committee/group following the process ([190 - Flowchart - Approval Stage](#)).

Approving Group:	Date approved:
Chair	

## SUMMARY EQUALITY IMPACT ASSESSMENT –

<b>Organisation:</b>	Hywel Dda Health Board
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<b>Proposal Sponsored by:</b>	<b>Name:</b>	Jennifer Thomas
	<b>Title:</b>	Senior Finance Business Partner
	<b>Department:</b>	Finance

<b>Policy Title:</b>	<b>ALL FINANCIAL POLICIES AND PROCEDURES FOR HYWEL DDA HEALTH BOARD</b>
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<b>Brief Aims and Objectives of Policy:</b>	To ensure effective governance, correct and timely execution of financial duties, effective use of health board resources and protection of the public purse.
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<b>Was the decision reached to proceed to full Equality Impact Assessment?:</b>		<b>No</b>
	The procedures required by the Finance Dept of the Health Board are for the most part mandated by the Dept of Health and the Treasury. Research of other Health Boards and an analysis of complaints received regarding previous procedures has shown that there is no impact on service users, staff or external bodies in relation to protected characteristics or human rights. Financial procedures are relevant to all those affected and apply equally to all regardless of protected characteristics. The procedures were drawn up by the Director of Finance with appropriate assistance from designated colleagues and were based on predecessor procedures.	

	If any policy/procedure is found to require a full impact assessment, this will be undertaken as appropriate.	
If no, are there any issues to be addressed?		No
	<b>Provision of copies of policies/procedures in alternative formats on request.</b>  <b>If anyone identified any difficulty complying with any procedure or in carrying out the procedure as prescribed, appropriate assistance would be given on a case by case basis.</b>	

Is the Policy Lawful?	Yes <input type="checkbox"/>	Complies with DoH and Treasury mandates
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Will the Policy be adopted?	Yes <input type="checkbox"/>	
	If no, please record the reason and any further action required:	

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<b>Are monitoring arrangements in place?</b>	Yes <input type="checkbox"/>	
	Any complaints received around equality, diversity or human rights issues following implementation of the reviewed and revised procedures will be addressed on an individual basis and appropriate action taken	

<b>Who is the Lead Officer?</b>	<b>Name:</b>	Jennifer Thomas
	<b>Title:</b>	Senior Finance Business Partner
	<b>Department:</b>	Finance
<b>Review Date of Policy:</b>		

<b>Signature of all parties:</b>	<b>Name</b>	<b>Title</b>	<b>Signature</b>
	Jean Reynolds	Head of Financial Accounting	8/10/12
	Jackie Hooper	Equality and Diversity Advisor	8/10/12
	Jennifer Thomas	Senior Finance Business Partner	3/7/19

<p><b>Please Note: An Action Plan should be attached to this Outcome Report prior to signature</b></p> <p><b>N/A</b></p>			



<b>Enw'r Pwyllgor / Name of Committee</b>	Finance Committee
<b>Cadeirydd y Pwyllgor/ Chair of Committee:</b>	Michael Hearty, Associate Member
<b>Cyfnod Adrodd/ Reporting Period:</b>	Meeting held on 25 <sup>th</sup> June 2019
<b>Y Penderfyniadau a'r Materion a Ystyriodd y Pwyllgor / Key Decisions and Matters Considered by the Committee:</b>	
<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 25<sup>th</sup> June 2019, with the following highlighted:</p> <ul style="list-style-type: none"> <li>• <b>Finance Report Month 2</b> – the Month 2 Finance Report was presented to Committee. The Committee was advised that the Health Board'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 has been driven by surge bed pressures in Unscheduled and Critical Care, in addition to the continued closure of the Aseptic Unit in Glangwili General Hospital (GGH).</li> <li>• <b>Financial Projections Report Month 2</b> – the Month 2 Financial Projections Report was presented to Committee. The Committee was advised that current projections indicate a gap of £7.6m in fully identified savings schemes, together with operational forecasts in excess of budget of £5.4m, resulting in a projection of a £13m adverse variance to plan. This would equate to a year end deficit position of £38m. 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.</li> <li>• <b>Turnaround Report/Savings Plan Month 2</b> – the Month 2 Turnaround and Savings Plan Report was presented to Committee. The Committee was advised of significant improvements in plans within Facilities, Mental Health, Pathology and Scheduled Care in Glangwili and Withybush Hospitals. However, there are still some areas of concern, such as Oncology and Cancer, which is impacted upon by the Aseptic Unit issues. The Committee requested further understanding of the governance structure in relation to the Turnaround Programme structure, which will be presented to the next Committee meeting</li> <li>• <b>Referral to Treatment Time (RTT) Month 2 Report</b> – the Month 2 Referral to Treatment Time (RTT) Report was presented to Committee. The Committee was advised that the forecast cost of delivery stands at £5.5m to support RTT, Diagnostics and Therapy delivery proposals for 2019/20. The Committee was</li> </ul>	

assured that, following work on cataract and orthopaedic pathways, HDdUHB is currently on plan to deliver savings targets and delivery against these plans would reduce the resource requirement to £4m.

- **Establishment Control** – the Committee received an interactive demonstration of a tool developed by the workforce team used to support the Establishment Control work. The tool will enable managers to view vacancy rates within each department of each directorate, providing information on the monthly budget and the actual contracted Whole Time Equivalents (WTE) in the Electronic Staff Record (ESR) system, which in turn will indicate where departments are over or under established through monthly reports. The tool will be trialled within Glangwili Hospital prior to roll out across HDdUHB.
- **Capital Financial Management** – the Capital Financial Management report was presented to Committee. The Committee was advised that the Business, Planning and Performance Assurance Committee (BPPAC) receives the content of the report for assurance purposes.
- **External Finance Review** – a verbal update on the external finance review was provided to Committee. Although the initial start date had been 24<sup>th</sup> June 2019, the contract has not yet been awarded. However, it is anticipated that the successful supplier will be announced over the next two weeks, with an immediate commencement.
- **Benchmarking Network Summary Report** - the Benchmarking Network Summary Report produced by the Financial Delivery Unit (FDU) was presented to Committee. The Committee was advised that the Summary Improvement Opportunity Reports for HDdUHB will contribute to the direction of work for long term financial management, and updates on the work underway will be brought to future Committee meetings. The Committee also received a presentation from the Director of the FDU, who was invited to provide an overview of the Unit and the Unit's assessment of HDdUHB's financial position which is provided at every Targeted Intervention (TI) meeting.
- **Strategic Workshop**
  - **Implementing Value** – the Committee received a presentation on Implementing Value, providing an overview of the Intelligence and Value Strategy, combining intelligence and a Value Based Health Care (VBHC) approach.
  - **Implementing Contracting** – the Committee received a presentation on Implementing Contracting. The Committee was advised of the proposed approach to future contracting and service/commissioning arrangements. The Committee requested further understanding of the connection between the proposed contract strategy and the commissioning framework.
  - **Implementing Finance Strategy** – the Committee received a presentation on Implementing Finance Strategy, providing an update on the status of the finance team, and the development of a finance function to support better decision making within HDdUHB. Members acknowledged the positive outcome and progress of the strategy, with positive feedback received on the way that finance business partnering functions are working and the support provided by the finance team.

**Materion y mae angen Ystyriaeth neu Gymeradwyaeth Lefel y Bwrdd are u cyfer /  
Matters Requiring Board Level Consideration or Approval:**

There were no matters requiring Board level consideration or approval.

**Risgiau Allweddol a Materion Pryder /  
Key Risks and Issues/ Matters of Concern:**

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

**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 also receive reports on a draft initial view of the 2020/21 Financial Plan, a deep dive into Withybush General Hospital in relation to the processes involved with a view to improving activity planning, and the connectivity of the Turnaround Programme Structure governance links/connectivity. The Committee will also receive 3 financial procedures for review and approval.

**Dyddiad y Cyfarfod Nesaf / Date of Next Meeting:**

22<sup>nd</sup> July 2019



## 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 <sup>th</sup> April 2019	20 <sup>th</sup> May 2019	25 <sup>th</sup> June 2019	22 <sup>nd</sup> July 2019	22 <sup>nd</sup> Aug 2019	24 <sup>th</sup> Sept 2019	21 <sup>st</sup> Oct 2019	26 <sup>th</sup> Nov 2019	19 <sup>th</sup> Dec 2019	28 <sup>th</sup> Jan 2020	2 <sup>nd</sup> March 2020	24 <sup>th</sup> March 2020
<b>GOVERNANCE</b>													
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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>FOR DISCUSSION</b>													
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 • Implementing Contracting • Implementing Value • Turnaround Programme Structure	HT  AC			✓ ✓ ✓ ✓	✓		✓			✓			✓
External Finance Review*	HT		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Year End Debrief	HT		✓										
Addressing Recommendations from the Deloitte ZBR	HT		✓										
Development and Implementation of Value Based Health Care (VBHC)	HT			✓			✓			✓			✓
Financial Delivery Unit Presentation	HJ			✓									
Opportunities Identified by the Financial Delivery Unit	HT						✓						
Underlying Deficit	HT					✓							
<b>ASSURANCE</b>													
Corporate Risks	HT		✓			✓			✓			✓	



## HYWEL DDA UNIVERSITY HEALTH BOARD – FINANCE COMMITTEE

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Finance Operational Risks	HT		✓			✓			✓			✓	
Winter Planning 2019/20	JT		✓										
Deep Dive into Medicines Management/Aseptic Unit	JPJ		✓										
Deep Dive into Continuing Health Care	LC/JP					✓							
Deep Dive into Withybush Hospital	JT				✓								
Deep Dive into Ring-fenced Allocations in MH&LD	LC					✓							
<b>FOR APPROVAL</b>													
Annual Financial Plan/Enabling Plan	HT									✓			
<b>FOR INFORMATION</b>													
Scheme of Delegation	HT		✓					✓					
Finance Committee Annual Workplan*	MH	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Update Reports to Board*	MH	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Strategic Financial Planning Group Update Report to IEG	HT			✓		✓	✓	✓	✓	✓	✓	✓	✓
Draft Annual Accounts 2018/19	HT		✓										
Benchmarking Network Summary Report	HT			✓									

## HYWEL DDA UNIVERSITY HEALTH BOARD – FINANCE COMMITTEE

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Any Other Business*		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
<b>ADMINISTRATION</b>													
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	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Type up minutes and TOA within 7 days of the meeting	SB	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓

<b>MH – Michael Hearty</b> <b>HT – Huw Thomas</b> <b>FP – Fiona Powell</b> <b>AC – Andrew Carruthers</b> <b>JT – Joe Teape</b> <b>LG – Lisa Gostling</b> <b>KJ – Keith Jones</b>	<b>SB – Sarah Bevan</b> <b>LC – Liz Carrol</b> <b>JP – Jill Patterson</b> <b>MB – Mark Bowling</b> <b>HJ – Hywel Jones, FDU</b>
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## 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 \*).

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

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