5.2 Value for Money Framework

Presenter: Huw Thomas

5.2 Finance Committee SBAR Value for Money Framework.docx

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

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

The Finance Team continues to perform a key role in shaping the future direction of the Health Board in terms of maximising the value for money element in the resources at its disposal. This Framework sets out the approach that Finance Directorate is seeking to promote when key decisions are to be made regarding the return to a more “business as usual” phase of operations. It has been shaped by senior Finance colleagues, and sets out a direction of travel, rather than seeking to ensure adherence to a control framework, and underpins the philosophy that the role of a Finance leader is based upon creating value, seeking to break down professional barriers and helping to support innovation.
This behaviour change and a shift toward a more value-added role for Finance leaders also supports the other key aims of driving opportunities for change throughout the organisation, in addition to reviewing the underlying causes of Health Board expenditure exceeding its income.

### Argymhelliad / Recommendation

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

<table>
<thead>
<tr>
<th><strong>Amcanion: (rhaid cwblhau)</strong></th>
<th><strong>Objectives: (must be completed)</strong></th>
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</thead>
<tbody>
<tr>
<td>Committee ToR Reference:</td>
<td>Developing and improving financial management</td>
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<tr>
<td>Cyfeirnod Cylich Gorchwyl y Pwyllgor:</td>
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<tr>
<td>Cyfeirnod Cofrestr Risi Datix a Sgôr Cyfredol:</td>
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<td>Datix Risk Register Reference and Score:</td>
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<td>Safon(au) Gofal ac lechyd:</td>
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<tr>
<td>Health and Care Standard(s):</td>
<td></td>
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<tr>
<td>Amcanion Strategol y BIP:</td>
<td>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.</td>
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<tr>
<td>UHB Strategic Objectives:</td>
<td></td>
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<td>Amcanion Llesiant BIP:</td>
<td>10. Not Applicable</td>
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<tr>
<td>UHB Well-being Objectives:</td>
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### Gwybodaeth Ychwanegol: Further Information:

<table>
<thead>
<tr>
<th><strong>Ar sail tystiolaeth:</strong></th>
<th><strong>Evidence Base:</strong></th>
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<tbody>
<tr>
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<tr>
<td><strong>Rhestr Termau:</strong></td>
<td><strong>Glossary of Terms:</strong></td>
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<td><strong>Partiôn / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Cyllid:</strong></td>
<td><strong>Parties / Committees consulted prior to Finance Committee:</strong></td>
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<td>Gyfrinachedd: Privacy:</td>
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<td>Cydraddoldeb: Equality:</td>
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Value for Money Framework: a Framework for Decisions
### Basics: Decision Framework and Value Chain

<table>
<thead>
<tr>
<th>Problems to be addressed</th>
<th>Resources required</th>
<th>Tangible delivery expected</th>
<th>Outcomes for patients, population and taxpayer</th>
<th>Impact on:</th>
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<tbody>
<tr>
<td></td>
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<td></td>
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<td>1. Equality</td>
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<td>2. Wellbeing of future generations</td>
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<td>3. Welsh Language</td>
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- **Economy**: Minimising cost of resources having regard to quality
- **Efficiency**: Maximising outputs delivered from the inputs utilised
- **Effectiveness**: Extent to which outcomes are achieved
- **Equity**: Extent to which spend may need to vary to give equity of outcome
Approaches

Flexibility

Control

External

Internal

Create

Collaborate

Control

Compete

Value

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

Behaviours

• Energised
• Aligned
• Impactful
• Supportive

Proportionate Controls

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

Learning from Others

• Rapid adoption
• ‘Pinch with pride’
• Process excellence

• Rapid adoption
• ‘Pinch with pride’
• Process excellence
Finance: Behaviours

- Energised
  - Relational energy
  - Deep connections
  - Engaging

- Aligned
  - Quality focused
  - Alignment of transformation

- Impactful
  - Outcomes for patients
  - Evidence based
  - Materiality

- Supportive
  - True partnering
Summarised Approach

Where to look

Indicative and evidential data

Engagement and clinical leadership

Effective process improvement processes

What to change

• Underlying deficit
• Financial frameworks

• Teamwork
• Collaboration

How to change

• Hywel Dda Way
Resetting of Opportunities Framework in light of Covid-19 changes

Preserve beneficial changes to value chain
  E-consultations, community treatments / pathways etc

Minimise / eliminate harmful changes to value chain
  Additional staff roles, unused capacity

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

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

Also, refreshed benchmarking data to inform further efficiency opportunities
Further work to quantify impact on cost of delivery that is unique to us

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

Cost of rotas for acute sites, A&E etc