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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	20th June 2018	Agenda Item	2b
Report Title	Recovery & Sustainability Programme Update		
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Report Sponsor	Lynne Hamilton, Director of Finance		
Presented by	Dorothy Edwards, Deputy Director – Recovery & Sustainability		
Freedom of Information	Open		
Purpose of the Report	To provide an update on Recovery and Sustainability actions in June 2018.		
Key Issues	<p>Progress has been sustained in a number of areas of the programme but there is limited confidence in a number of key areas. The current risk profile for the Programme indicates that there are significant risks impacting on delivery that are being assessed and managed by the Programme Board. Following discussion at the last Performance & Finance Committee (PFC), action in the last 4 weeks has focused on identifying further mitigating opportunities to offset slippage in programme delivery. The savings tracker after month 2 now includes schemes totalling £15.5m and around 50% of these are in the ‘amber’ category. Further work is required in June to identify schemes to enable 100% savings identification as part of the July monitoring return.</p>		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			✓
Recommendations	<p>Members are requested to:</p> <ul style="list-style-type: none"> • Note the current delivery assessment as at June 2018 • Discuss progress in identifying further mitigating actions • Discuss potential remedial action if the position does not improve by the end of June including the potential adoption of stringent controls on expenditure. 		

Recovery and Sustainability Programme Update – June 2018

1. INTRODUCTION

Performance and Finance Committee have agreed to receive a monthly update on the delivery of the Recovery and Sustainability Programme. This report provides an update on progress in June 2018.

2. BACKGROUND

Performance and Finance Committee (PFC) have previously received reports on the delivery of the Recovery and Sustainability Programme (R&S). At the May PFC meeting, the Committee noted the month 1 financial position which indicated that the Health Board was 'off track' in delivering its monthly financial trajectory and that there were significant risks in work streams not delivering the anticipated savings in 2018/19, taking into account the agreed profiling of schemes that had been revised in March 2018.

In May 2018, the Committee noted that the savings tracker had identified a potential delivery of £9.5m schemes against a recurrent savings plan of £21.2m. It was noted that the R&S Programme Board in May had considered a range of mitigating actions to identify further savings that would offset the shortfall in agreed savings plans.

A discussion took place at PFC on the potential benefits and risks of introducing further 'turnaround' controls, to tightly manage pay and non pay expenditure. It was agreed that this could have a negative and counter productive impact on the organisation and that a further assessment of should be undertaken after the month 3 position has reported to allow further time for a range of mitigating actions to be considered and worked up.

The R&S Programme Board received an updated delivery confidence assessment at its meeting held on 12th June 2018. This is attached at Appendix 1 (Table 1). The assessment remains consistent with the position in May and has not materially improved since that date.

Also attached within Appendix 1, is a summary of the latest identification of savings as reported on the savings tracker which was updated on 8th June 2018. This highlights that the overall assessment of savings schemes on the tracker has improved from £9.5m reported in May, to £15.5m in June. This means that the Board has identified 73% of the required £21.2m savings programme. There are a small number of 'red' schemes within the tracker with the remainder of schemes split between amber and green categories. A further assessment of the savings tracker to assess the balance of recurring and non recurring areas is underway and will be reported to the Committee.

Each unit and corporate directorate has been asked to continue the identification of schemes to enable an updated position to be reported into Welsh Government (WG) as part of the month 3 monitoring return with the aim of being able to provide WG with assurance that we have 100% savings identification.

The Committee discussed a range of potential mitigating actions at the last meeting and these are summarised in the table below:

Area	Description	Estimated Impact £m	Progress
Assess opportunities at SDU/ Corporate Directorate level	Review all expenditure and traditional areas to identify recurrent and non recurrent and short term opportunities to reduce or contain costs	5.0	Underway and savings tracker used to monitor progress
Engagement	Ideas & Efficiency Workshop with cross section of staff and focus on clinical engagement in July	TBC	On track
Income	Review of income trends and benchmarking with initial analysis undertaken	0.3	On track for completion by end June
Efficiency framework	Benchmark and comparison with other HB's in key areas	1.0	On track for completion by end June
Medicines Management	Explore opportunities in primary care prescribing	1.0	On track for identification by end June
Paybill Review	Systematic review of all aspects of paybill including variable pay usage and non contract, non standard payments and establishment review	1.0	On track and detailed analysis undertaken and progressing through June
Senior Clinical Recruitment	Process for senior clinical recruitment to enhance control	TBC	On track – draft proposal to be consider at Executive Team on 18 th June
Population Health care /Commissioning	Review of commissioning information to identify and consider opportunities linked to demand and referral management, thresholds and value interventions	TBC	Limited progress due to A/L but initial analysis of LTAs completed
	Sub Total	£8.3m	
Turnaround Controls	Following review of plans and opportunities potential further turnaround controls will be required	3.5m	Further controls to be considered at PFC in July
	Total	£11.8m	

3. GOVERNANCE AND RISK ISSUES

The R & S Programme Board continues to meet monthly. A full Programme risk register is now in place and the following table summarises the risk profile for June 2018:

April 2018	May 2018	June 2018
Number of Risks = 37	Number of Risks = 56	Number of Risks = 56
1 (risk score less than 5)	2 (risk score less than 5)	2 (risk score less than 5)
8 (risk score 5-8)	9 (risk score 5-8)	10 (risk score 5-8)
17 (risk score 8-15)	28 (risk score 8-15)	30 (risk score 8-15)
11 (risk score 16-25)	15 (risk score 16-25)	14 (risk score 16-25)
1 (closed)	1 (closed)	0

Risks are distributed across the Programme as follows:

Work Stream	Green	Yellow	Amber	Red	Closed
Overall Programme	0	1	5	4	
Workforce Delivery	1	6	7	4	
Service Remodelling	0	2	4	1	2
Value Based Procurement	0	0	2	2	
Medicines Management	1	1	0	0	
Value & Variance	0	0	7	0	
Workforce Redesign	0	0	4	1	
Mental Health	0	0	1	2	
TOTALS	2	10	30	14	

There are a number of risks within the risk register that describe the impact of the potential change in Health Board boundary on individual work streams and the programme as a whole. The majority of these risks relate to the impact on workforce; either as a result of staff being required to prioritise work to manage the transition, or the risk of losing staff within a team that could impact on the delivery of the core function, which in itself may present a financial risk to the Health Board.

As the decision on the boundary change is imminent, R&S Board will review the risk profile in July and consider further mitigating action. There is some further review required of the risk register to ensure that it is consistent and in line with the wider organisational register.

4. FINANCIAL IMPLICATIONS

Failure to deliver the savings identified within the financial plan, or to identify mitigating actions, will impact on the Health Board's ability to contain its deficit to £25m or to achieve a further suggested 'stretch' position of £20m. The Health Board has identified a range of schemes that will deliver £15.5m of the required £21.2m savings plan and further opportunities need to be identified to bring that level up to 100% by the end of June reporting period.

5. RECOMMENDATION

Governance and Assurance							
Link to corporate objectives <i>(please ✓)</i>	Promoting and enabling healthier communities		Delivering excellent patient outcomes, experience and access		Demonstrating value and sustainability	Securing a fully engaged skilled workforce	Embedding effective governance and partnerships
					✓		
Link to Health and Care Standards <i>(please ✓)</i>	Staying Healthy	Safe Care	Effective Care	Dignified Care	Timely Care	Individual Care	Staff and Resources
							✓
Quality, Safety and Patient Experience							
A Quality Impact Assessment (QIA) process has been initiated for 2018/19. The first Panel meeting to test the process was held in May, and will meet again in June to test the service remodelling schemes. This process will continue to be refined during 2018/19.							
Financial Implications							
Failure to deliver the agreed savings plan will have an adverse impact on the Health Board's overall position and its ability to meet a control total set by Welsh Government.							
Legal Implications (including equality and diversity assessment)							
Equality Impact Assessment are being undertaken on individual schemes within the service remodelling work stream. Further internal discussion is required on the requirements for resourcing this work both in the short and medium term to ensure that the EQIA's are completed to the required standard.							
Staffing Implications							
Management capacity within the programme has been highlighted as a risk and is included on the risk register. Further discussions are taking place with Welsh Government on a range of resourcing issues.							
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)							
The Recovery and Sustainability Programme has been established to provide a framework for the Health Board to deliver sustainable performance improvements and to use its resources wisely to meet the needs of its population.							
Report History	PFC Reports in March, April, May 2018						
Appendices	Programme Delivery Assessment						