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Bwrdd Iechyd Prifysgol  
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University Health Board



<b>Meeting Date</b>	<b>23<sup>rd</sup> May 2018</b>	<b>Agenda Item</b>	<b>2b</b>
<b>Report Title</b>	<b>Recovery &amp; Sustainability Programme</b>		
<b>Report Author</b>	Dorothy Edwards, Deputy Director – Recovery & Sustainability		
<b>Report Sponsor</b>	Lynne Hamilton, Director of Finance		
<b>Presented by</b>	Dorothy Edwards		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	To provide an update on the delivery of the Recovery and Sustainability Programme		
<b>Key Issues</b>	<p>An updated delivery confidence assessment will be shared with the Committee after the next meeting of the Recovery and Sustainability Programme. Projects continue to be refined and progress is apparent in a number of areas. However, there are 3 areas where confidence remains low and these will be subject to further scrutiny by the Committee over the next few months. The current risk profile for the Programme indicates that there are significant risks impacting on delivery that are being managed by the Programme Board. A weekly savings tracker is in place and each work stream is being reviewed on a fortnightly basis by the Programme Management Office (PMO).</p>		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
			✓
<b>Recommendations</b>	<p>Members are asked to:</p> <ul style="list-style-type: none"> <li>• Receive the report and to note the current Programme risks</li> <li>• Undertake an in depth review of progress within each work stream on a rolling basis.</li> </ul>		

# RECOVERY & SUSTAINABILITY PROGRAMME

## 1. INTRODUCTION

Performance and Finance Committee have agreed to receive a monthly update on the delivery of the Recovery and Sustainability (R&S) Programme. This report provides an update on progress in May 2018.

## 2. BACKGROUND

Performance and Finance Committee (PFC) have previously received reports on how the R&S Programme has been restructured in 2018/19. The Programme now has a smaller number of work streams that are aligned with the financial plan. Each work stream is led by a Senior Responsible Owner (SRO) and has an allocated Financial Responsible Owner (FRO) to support. SROs have been developing plans in since January and PFC have received an update on progress in both March and April 2018.

The May meeting of the R&S Programme Board took place on 21<sup>st</sup> May and a further verbal update on key issues will be provided at the meeting. At the time of writing the report, an updated delivery assessment is not available as work stream meetings were planned for week commencing 14<sup>th</sup> May. It is apparent though that there is progress in a number of work streams and progress against milestones will be reported to the Programme Board in May.

At the April PFC meeting, it was noted that there were 3 work stream areas that were rated as having a 'low' delivery confidence. It was agreed that the PFC would invite the SROs from these workstreams to attend the Committee over the next 3 months to share issues and progress within their work stream and to outline the proposed approach to savings delivery. In May the Committee will focus on the Review of Mental Health Services and a separate paper is included on the agenda.

This work stream was originally established on the premise that there was a significant gap between the Health Board's expenditure on mental health services (as evidence in the programme budget) and the amount of funding within the ring fenced allocation. However subsequent exploration has identified a number of reasons why the actual gap between spend and programme budget is not significant.

The Health Board has now received confirmation from Welsh Government (WG) that a central allocation will be made available to Health Boards, on receipt of a plan, which will support additional investment in developing mental health services in line with national priorities for mental health services. The proportionate share of this funding for ABMU is £1.254m. There is also a further allocation for the development of psychological therapies amounting to £0.717m.

It is important that ABMU accesses these allocations in a timely way, and that the proposed use of the funding meets Welsh Government requirements but that we maximise the additional funding to help accelerate plans to modernise services, particularly around Older People's Mental Health Services. This could provide

opportunities to review the balance of funding across community and hospital services.

The other two workstreams that were rated as 'low' delivery confidence were Reducing Waste, Harm and Variation and Workforce Redesign.

A workshop took place in late April to identify the potential opportunities to develop new workforce models and to understand the most significant and pressing issues in terms of workforce from a Delivery Unit perspective. A number of key themes emerged from the workshop and these are being shaped into a delivery plan by the SRO. It is suggested that the Committee may want to focus on this area at the meeting in June.

Reducing Waste, Harm and Variation is an umbrella term to describe the work being taken forward around the development of Value Based Healthcare and also Clinical Variation. Following the reshaping of the Programme in March, it was agreed that the Clinical Variation work should be linked more closely into the work that the Chief Operating Officer (COO) is leading around service improvement. In this way, unwarranted variation that is impacting on the delivery of care within the Targeted Intervention (TI) areas can be directly addressed by Unit Medical Directors (UMD) working with the Medical Director. A refreshed forum has been established and will meet in May. Whilst direct savings plans have not yet been identified, it is hoped that work to address variation could impact positively on reducing outsourcing spend and by delivering efficiency improvements that will reduce cost in key areas (eg. theatres).

In terms of Value Based Healthcare (VBHc), the Health Board made a joint submission with Hywel Dda University Health Board late in 2017, for additional resources to establish VBHc teams in each region to develop a Programme. WG confirmed at the TI meeting in April that they are minded to approve the submission and we await confirmation of funding. A workshop focussing on "Value and variance" took place on 11<sup>th</sup> May and this will provide the platform to enable a delivery plan to be developed.

The Committee may want to review progress on both these areas in July.

In addition, to the formal reporting mechanisms into the programme, and the regular updating of a Gantt chart, a weekly savings tracker is in place which is completed by the Finance Business Partners. In June, it will be possible to analyse the information within the tracker by Delivery Unit and by work stream in a more intelligent way. This will enhance the overall programme management and help to identify quickly where plans are off track, or not delivering at the level expected.

### **3. GOVERNANCE AND RISK ISSUES**

Programme governance for 2018/19 has been strengthened. The R&S Programme Board meets monthly and reviews progress against each work stream. Each work stream has its own risk register and these are assimilated into a Master Risk Register. Risks scored at 15 or above will be discussed at the Programme Board to test mitigating actions.

The risk register presented to the R&S Programme Board in April included the following risk profile:

Work Stream	Green	Yellow	Amber	Red
Overall Programme			3	3
Workforce Delivery	1	5	6	4
Service Remodelling		3	6	2
Procurement			2	2
Workforce Redesign	Not yet scored			
Mental Health Services Review	Not yet scored			
Medicines Management	Not yet scored			
Reducing waste, harm and variation	Not yet scored			

The risk register will be updated for the May R&S Board. The 3 overall programme risks are:

- Potential boundary change
- Programme resourcing
- Joint working with partner organisations.

Equality Impact Assessments are being completed for individual work streams as appropriate.

#### 4. FINANCIAL IMPLICATIONS

Failure to deliver the savings identified within the financial plan will impact on the Health Board's ability to contain its deficit to £25m. Achieving a £25m deficit position (or better) is a critical step towards the Health Board being able to develop an Integrated Medium Term Plan for 2019/20 and being able to demonstrate to WG that we have a plan that will lead to a sustainable financial position over the medium term.

Of the £21.2m savings required to deliver the £25m deficit position only £9.5m of schemes have been worked up, the Recovery and Sustainably Programme is therefore currently focussed on the remaining £11.7m of schemes for which we need fully worked up plans by the end of Q1.

Failure to deliver against the financial plan in 2018/19 will have a significant reputational risk for the organisation and will make the development of a medium term financial plan more challenging.

#### 5. RECOMMENDATION

Members are asked to:

- receive the report and note the current position on the delivery of the savings programme
- support the review of two further work streams at the PFC in June and July.

<b>Governance and Assurance</b>							
<b>Link to corporate objectives</b> <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
					✓		
<b>Link to Health and Care Standards</b> <i>(please ✓)</i>	Staying Healthy	Safe Care	Effective Care	Dignified Care	Timely Care	Individual Care	Staff and Resources
							✓
<b>Quality, Safety and Patient Experience</b>							
A Quality Impact Assessment (QIA) process has been initiated for 2018/19. The process is being tested in May with a Panel meeting to consider 3 schemes. The QIA process will test schemes against the Health Care Standards and to provide assurance to the Board that proposals will not impact negatively on the delivery of these standards.							
<b>Financial Implications</b>							
Failure to deliver the agreed savings will have an adverse impact on the Health Board's overall position and its ability to meet a control total that will be set by Welsh Government. This will have an impact on the Health Board's reputation (and that of NHS Wales) and could result in further escalation under the Welsh Government policy.							
<b>Legal Implications (including equality and diversity assessment)</b>							
There are no specific legal issues to highlight. Equality Impact Assessments on individual schemes are being undertaken.							
<b>Staffing Implications</b>							
Management capacity within the programme has been highlighted as a risk in light of the scale of the programme and its risks. This has been included on the Programme risk register.							
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>							
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. The Programme is part of the wider transformation of services to deliver improved and integrated care, working with partners to support people to live healthy and fulfilled lives.							
<b>Report History</b>	PFC Reports in March and April 2018.						
<b>Appendices</b>	None						