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Bwrdd Iechyd Prifysgol  
Abertawe Bro Morgannwg  
University Health Board



<b>Meeting Date</b>	17 December 2019	<b>Agenda Item</b>	<b>4.1</b>
<b>Report Title</b>	<b>The Efficiency Framework</b>		
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<b>Report Sponsor</b>	Lynne Hamilton, Director of Finance		
<b>Presented by</b>	Lynne Hamilton, Director of Finance		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	To advise of the use of the Efficiency Framework within the Health Board.		
<b>Key Issues</b>	<p>The Health Board has used benchmarking and other data/information sources to support strategic and operational planning over a number of years, including to underpin the development of the Clinical Services Plan which sets out improvement trajectories in a number of key metrics over the next 10 years.</p> <p>The Health Board is an active user of the Efficiency Framework and the analysis is being used in the integrated planning process underpinning the development of the IMTP.</p> <p>The oversight, leadership and delivery assurance of efficiency and variation opportunities is being taken forward by the Transformation, Value &amp; Efficiency Board. This will provide an enhanced focus on delivery and impact, to ensure that the Health Board is fully realising the benefits of improvement opportunities.</p> <p>The work currently being undertaken by KPMG includes the development and assessment of a pipeline of opportunities, which can be utilised in future years' plans. The KPMG analysis is emerging and an update will be provided in the meeting, including alignment to the opportunities that have already been identified and scoped as part of our internal review of the Efficiency Framework.</p>		
<b>Specific Action Required</b> <i>(please ✓ one only)</i>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
		✓	
<b>Recommendations</b>	Committee members are asked to consider the Health Board's approach to the use of the Efficiency Framework, including the planning, monitoring and delivery of opportunities.		



# **The Efficiency Framework**

## **1.0 Introduction**

The Efficiency Framework was launched in 2018 by the Finance Delivery Unit to support NHS bodies in identifying opportunities to deliver more efficient and effective services. It provides a single point of access to a wide range of resources, enabling organisations to consider variation and improvement opportunities and to share learning and good practice.

## **2.0 Background**

Prior to the development of the Efficiency Framework, the Health Board was already using data from a number of sources to generate and improve service intelligence and to inform strategic planning. Strategically, the Clinical Services Plan is underpinned by a suite of efficiency improvement assumptions (see below). In operational planning, for example, the 2018-19 Annual Plan used technical efficiency data to identify opportunities in capacity redesign. The Annual Plan 2019-20 has used benchmarking data to inform the development of the “high value opportunities” in theatres, outpatients, as well as setting priorities for pathway redesign such as chronic obstructive pulmonary disease (COPD), heart failure and the Hospital 2 Home service.

The attached presentation provides an overview of the Efficiency Framework, providing further detail on its component parts, and is intended to build on the presentation to the Board on 31 October. It gives an oversight of the currently identified key opportunities for Swansea Bay, which are now being examined and developed at a both system and local Unit level through the Integrated Medium Term Plan (IMTP) process.

A key point to reference is that the Health Board's Clinical Services Plan (CSP) is underpinned by detailed modelling across a number of improvement areas. The modelling uses data featuring within the Efficiency Framework. It is based on two improvement scenarios – doing things better (via efficiency) and doing things differently (via transformation) – and this provides a phased and incremental journey of progression framing the strategic development of clinical services.

# CSP – Phasing of Service Improvements

Area	Type	Year 1 19/20	Year 2 20/21	Year 3 21/22	Year 4 22/23	Year 5 23/24	Year 6 24/25	Year 7 25/26	Year 8 26/27	Year 9 27/28	Year 10 28/29	Basis	Rationale for Phasing
Community-Delivered Care	Admission Avoidance			10%	15%	25% (Scenario B)	27%	30%	33%	35% (Scenario C)		Avoiding admissions due to ACS conditions; interventions in primary care	Admission reductions will take longer to deliver / reliance on strong links / new community models of care.
Shift to Daycase	Daycase Rate		75th (Scenario B)	80th	85th	90th	95th (Scenario C)					Benchmarked Performance vs BADS criteria; x <sup>th</sup> -percentile	Already good progress in daycase surgery - less of a stretch to 75th percentile and beyond
Shift to Ambulatory Emergency Care (AEC)	AEC Directory			Minimum (Scenario B)	80th	85th	90th	95th	Maximum (Scenario C)			Increase in patients accommodated in an ACU setting; patients currently staying 1-2 nights stay 0 nights	
Direct Transfer from Assessment	Length of Stay Reduction					60% / 30% Scenario B/C						60% (30% for Geriatric) of admissions to assessment and short-stay areas discharged before specialty admission	Requires new SPOA / combined assessment model?
Day of Surgery Admission	Pre-Op LoS Reduction		80% (Scenario B)	84%	87%	90%	93%	95% (Scenario C)				Zero pre-operative length of stay for elective patients	
Length of Stay	Long LoS Reduction			50% / 50th Percentile (Scenario B)	56%	62%	68%	72%	76%	80% / 75th Percentile (Scenario C)		Graduated reduction in LoS based on day of care audit	Scenario C length of stay relies on significant investment in community models of care.

In terms of the planning of opportunities, both within the CSP modelling and additional opportunities generated through the Efficiency Framework analysis, the Health Board has a number of mechanisms to oversee more detailed exploration and to develop implementation plans. Key to this is the IMTP Executive Steering Group, which is responsible for the top down (using system plans) and bottom up (through Unit and Directorate plans) oversight, scrutiny and co-ordination of plans. The IMTP describes the first three years of transforming our services and improving efficiencies to deliver the CSP.

# Realisation Opportunity – Operational Plans

System-Wide Approach (CSP/IMTP)	Clinical Redesign Groups (CRG) / Similar	High Value Opportunities (HVO)	Unit-Focused
Population Health	Respiratory Health	Theatres	Primary Care & Community Services
Planned Care	Heart Failure	Outpatients	Singleton
Older People	Stroke (ARCH)	Medical Workforce	Morrison
Maternity, Children & Young People	Diabetes	Hospital 2 Home	Mental Health & Learning Disabilities
Unscheduled Care	Older People	Value & Variance	Neath Port Talbot
Mental Health & Learning Disabilities	Neurological Services (ARCH)	MCAS	
Cancer		Nursing Workforce	
		Therapies Workforce	

The overarching leadership and delivery assurance of efficiency and value opportunities is being taken forward through the Transformation, Value & Efficiency Board. This Board is currently being reconfigured to strengthen the Health Board's approach, ensuring that there is an enhanced, integrated and targeted focus on delivery and impact, to ensure that the Health Board is fully realising the benefits of improvement opportunities.

The work currently being undertaken by KPMG includes the development and assessment of a pipeline of opportunities, which can be utilised in future years' plans. This includes key areas of service and performance efficiency, which broadly align with our assessment of opportunities arising from the Efficiency Framework, as well as wider actions involving income generation and contract review. We are expecting the KPMG final report on 20 December and, prior to this, will be undertaking a technical assessment of the KPMG methodology, assumptions and data sources to sense check their findings. We will also need to cross reference the phased framework of improvement underpinning the CSP, where key efficiencies and service changes are planned in a number of areas over the next three years,

A significant issue for planning is the Health Board's ability to make cash releasing savings – KPMG describes this as “the route to cash”. It is important to emphasise that this is not within the scope of the KPMG work and will need resourcing to plan and develop detailed implementation actions to inform our response to Welsh Government and to operationally prepare prior to the start of the new financial year.

## 4.0 Financial Implications

Financial benefits, including both cash releasing and non-cash releasing savings, arising from efficiency and value actions and developments are captured in the financial plan as part of the IMTP.

## **5.0 Recommendations**

Committee members are asked to consider the Health Board's approach to the use of the Efficiency Framework, including the planning, monitoring and delivery of opportunities.

Governance and Assurance										
Link to corporate objectives (please ✓)	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 (please ✓)	Staying Healthy	Safe Care	Effective Care	Dignified Care	Timely Care	Individual Care	Staff and Resources			
	✓	✓	✓	✓	✓	✓	✓			
Quality, Safety and Patient Experience										
A Quality Impact Assessment and Equality impact Assessment process is part of the broader planning arrangements in 2019 to ensure that the IMTP is Quality and Equality impact assessed.										
Financial Implications										
Financial benefits, including both cash releasing and non-cash releasing savings, arising from efficiency and value actions and developments are captured in the financial plan as part of the IMTP.										
Legal Implications (including equality and diversity assessment)										
A Quality Impact Assessment and Equality impact Assessment process is part of the broader planning arrangements in 2019 to ensure that the IMTP is quality and equality impact assessed. An approved medium term three year plan is a statutory duty for the Health Board.										
Staffing Implications										
The annual plan includes our integrated workforce plans.										
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)										
The Clinical Services Plan and Annual Plan deliver our Strategic Objectives which were aligned to our Wellbeing Objectives through the development of the Organisational Strategy. <ul style="list-style-type: none"><li>○ <b>Long Term</b> – The proposed approach to the IMTP ensures alignment with the long term vision of the Health Board as set out in the Organizational Strategy.</li><li>○ <b>Prevention</b> – The development of the IMTP and the Planning Framework ensure risks and challenges and health needs (current and future) are considered enabling actions and plans to be preventative wherever possible.</li></ul>										
Report History										