

<b>ABM University Health Board</b>	
<b>Date of Meeting: 24<sup>th</sup> January 2018</b> <b>Name of Meeting: Performance and Finance Committee</b> <b>Agenda item: 2g</b>	
<b>Subject</b>	Recovery and Sustainability Programme Update
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<b>Approved by</b>	Alexandra Howells, Interim Chief Executive
<b>Presented by</b>	Dr Robert Royce, Recovery and Sustainability Director

## 1.0 Situation

This report provides an update on the progress of the Recovery and Sustainability Programme and the delivery of the 2017/18 savings programme following the Programme Board meeting in December 2017.

## 2.0 Background

The Recovery and Sustainability Programme was established in 2017 to drive the planning, monitoring and implementation of actions needed to restore the organisation to a sustainable position so that it can deliver the required level of services within the resources available to it. It was informed by lessons from national reviews such as the Carter review; the work of the National Efficiency and Value Board; local benchmarking information, and local reviews and reports commissioned by the Health Board including reports from Capita and PwC.

## 3.0 Assessment

### 3.1 Current Programme Status

At the Finance and Performance Committee in December 2017, the Committee were provided with an update on the financial position after month 8. The financial outlook had improved since the reported position in October 2017, and there was growing confidence that the control total would be met. However, the balance of recurrent savings and non recurrent opportunities had changed and some of the anticipated savings in the workstream areas had not materialised as planned.

The following is a summary of the status reported to the December Recovery and Sustainability (R&S) Programme Board which was based on the month 8 position. The areas where this has the most significant impact on the underlying savings programme are in workforce and capacity redesign.

Workstream	Reported	Status	in
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	<b>December 2017</b>
Workforce	
Medical Workforce	
Patient Flow	
Outpatients	
Theatres	
Capacity Redesign	
Medicines Management	
Procurement	
Back Office & Estates	
Clinical Variation	

Capacity Redesign was discussed in detail at the December meeting of the R&S Board. It is important that the work undertaken to review service areas and delivery models undertaken in 2017/18 is acknowledged. Delivery Units have reshaped care in a number of areas, and with the support of the Community Health Council, changes have been made to service provision across the Health Board as summarised in the following table:

<b>Unit</b>	<b>Service Area</b>	<b>Number of Beds</b>
Singleton	COTE/oncology	34
	Gynaecology	14
Princess of Wales	Paediatrics	10
	COTE	3
Neath Port Talbot	Medical	20
Primary & Community	Gorseinon	8
MHLD	Tonna	18
	Total	107

Following agreement from the CHC to these 'temporary' changes, engagement/consultation is now required to ensure that the changes are agreed on a permanent basis from April 2018.

The following schemes have not yet progressed as planned:

- Closure of mental health beds in Tonna and Bridgend (POW or Angleton)
- Learning Disability beds at Hafod y Wennol
- Further medical bed reductions in Bridgend
- Changes to the Minor Injuries Unit at Singleton
- Centralisation of endoscopy at Singleton
- Transfer of neo-natal cots from POW to Singleton.

The key reason for slippage on these capacity redesign schemes is a delay in collating information required to enable the Community Health Council to properly consider engagement and consultation requirements of these service changes under an agreed framework between ABMU Health Board and the Community Health Council. Given the scale of service change proposed, the CHC would prefer to consider the totality of service change rather than on a piecemeal basis. It is essential that work to conclude the 'phase 1' service changes in 2017/18 is taken

forward in January in order that full year savings plans can be realised from April 2018 as these are already assumed into the financial plan for 2018/19.

The Director of Strategy is working with Delivery Units to map out planned service changes for 2018/19 so we can properly plan for engagement and consultation requirements jointly with the Community Health Council during final quarter of this year.

In terms of workforce, the Programme Board discussed the following issues:

- The higher starting salary protocol had been agreed with staff side and is being implemented
- With delivery of the agreed savings of £100k in 2017/18, non medical study leave budgets should be protected as far as possible going to ensure that the organization can continue to recruit and support staff in line with the wider organisational development priorities
- A review of occupational health has highlighted opportunities to improve the quality of referrals into the service and Delivery Units were asked to consider how they ensure that referral quality is improved
- There are further opportunities to reduce the time taken to recruit staff by managers ensuring that vacancies were progressed through to recruitment as soon as an individual resigns
- A consultation on standardising shift patterns across the Health Board whilst still maintaining local Delivery Unit flexibilities was being progressed.

### **3.2 Lessons Learned from 2017/18**

There are some general reflections that have emerged from a review of programme arrangements which will inform the development of the programme for next year:

- Accountability and Responsibility – whilst undoubtedly the matrix approach of having individual delivery unit savings plans, together with a range of cross cutting savings programme is correct, there is a risk that the accountability and responsibility for delivery is not clear, leading to inaction, duplication of effort or double counting of savings. It is important that this is addressed as part of the savings programme for next year
- Scope – each workstream needs to be clear on its objectives and scope and interdependencies between workstreams need to be explicitly mapped
- Risks and Issues – a risk and issues log should be established for the programme to ensure that key issues and risks are addressed at the Programme level
- Reporting – reporting against the delivery plan requires strengthening and a fortnightly 'battle rhythm' established so that slippage against milestones is quickly recognised and risks understood to enable mitigation and contingency planning
- Programme /project milestones – there needs to be a focus on ensuring that milestones across individual projects are properly mapped into a Gantt chart to enable reporting against delivery to be aligned across the whole programme not just within the individual workstream
- Project status – project status should be assessed by the workstream and also independently by the Programme Management Office (PMO) to ensure that this is accurately assessed. Project status should take into account delivery against milestones and tasks, as well as financial delivery to present a rounded picture
- Programme templates – templates need to be strengthened to provide a simpler, more visual assessment of progress across the programme, and to support the Programme Board in being able to make effective and timely decisions.

An effective PMO function is considered essential in being able to successfully support performance and financial turnaround. The PMO function will therefore be strengthened in 2018/19 based on good practice from elsewhere.

The Executive Team is considering the structure of the Programme for 2018/19 in mid January and an update will be provided to the next Finance and Performance Committee.

#### **4.0 Recommendations**

The Finance and Performance Committee are asked to:

- Note the current position in respect of savings schemes within the Recovery and Sustainability Programme
- Receive a further report on the structure of the Recovery and Sustainability Programme in February 2018.