Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

Financial Recovery Group Report

Month 4 2019/20

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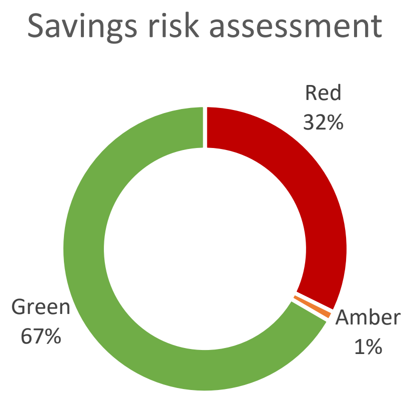
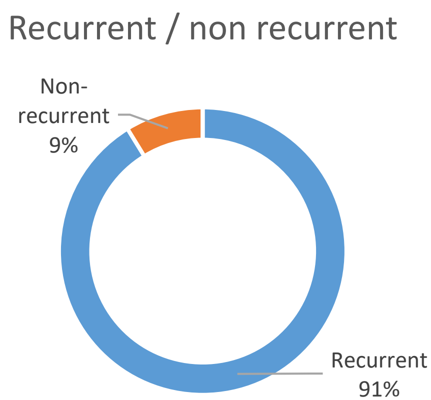
Cost savings summary

Source: BCUHB PMO tracker

£000	Pipeline	In development	Scheduled to deliver	In delivery / delivered	Total	Target	Variance
Current position as at Month 4 *	**7,823**	**267**	**1,694**	**14,459**	**24,242**	**35,000**	**(10,758)**

* **Note:** Monthly movement will be reported going forward using the new definitions as set out below.





Definitions

- **Pipeline:** Idea in planning, values unverified
- **In development:** Workbook in progress, values being validated, QIA and EQIA in progress
- **Scheduled to deliver:** Workbook signed off by project lead, finance lead and SRO and has been suitably approved. Scheme not yet due to commence
- **In delivery / delivered:** As above with scheme in delivery or fully delivered

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Month 4 performance of projects in delivery by Area *

Source: BCUHB PMO tracker

£'000s	In Mth Plan*	In Mth Actual	In Mth Variance	YTD Plan*	YTD Actual	YTD Variance
Area - Centre	304	270	(34)	1,037	1,164	127
Area - East	498	621	123	1,184	1,295	111
Area - Other	12	12	-	49	49	-
Area - West	163	224	62	598	832	233
Contracts	12	12	-	42	42	-
Corporate	321	316	(5)	756	744	(13)
MHLD	57	41	(15)	130	88	(41)
Provider - NW	57	78	22	143	172	29
Provider - YG	53	46	(7)	198	197	(1)
Provider - YGC	53	67	14	114	156	41
Provider - YMW	55	94	40	182	224	42
Women's	15	57	42	60	156	96
Grand Total	**1,598**	**1,839**	**241**	**4,492**	**5,119**	**626**

*includes schemes "Scheduled to deliver" and "In delivery / delivered" (ie. all schemes rated "Green" in the development stage)

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Cost savings narrative (1 of 2)

What have we done well

- Established the Financial Recovery Group with agreed terms of reference and Executive/IM membership on a fortnightly cycle. Associated reporting is being provided to members on a weekly basis.
- Communication of new financial recovery arrangements issued by CEO.
- Established divisional review meetings with reporting to support these also put in place.
- Discretionary spend review panel is now in place and conducted on a weekly basis with the Recovery Director, procurement and finance input (first panel held 31 July 2019). Recovery Director and Finance maintaining watching brief to ensure controls cannot be circumvented.
- Established a pay control (VAP/WAP) process with a weekly executive panel to provide oversight and challenge to pay spend.
- Plan to introduce a vacancy sweep of the year to date month 4 position, with removal of underspend in vacant posts (not being back filled). Note this is only applicable for year to date underspends and is not applied prospectively.
- Commenced a review of the business case process to improve scrutiny of cost benefit of business cases (led by Finance).
- Established a Task and Finish group to target areas where grip and control (G&C) can be improved. This is being led by the Recovery Director and Deputy Director of Finance for a 6 week period, using the NHSI G&C checklist. Relevant areas for improvement are being shared with Executives to action and report back.
- Conducted a PID review alongside ongoing data validation to provide assurance to the recovery programme (led by PMO).
- Recovery plans have been requested from the Divisions, Directorates and Corporate departments to facilitate idea generation and run rate reduction.
- Reviewed all Improvement Group (IG) terms of reference (TOR), resulting in need for further revision in light of the Recovery Programme Framework, placing revised responsibilities on the IG and Executives who chair them. All IG Chairs communicated and supported all changes in respect of the TOR revisions, standard agenda and governance arrangements.

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Cost savings narrative (2 of 2)

Where we need to focus

- Develop and progress existing schemes, with a sharp focus on subsequent delivery.
- Grow the savings pipeline to help mitigate any slippage in year.
- Divisions/Areas/IGs to produce and progress plans at pace to close their current gaps (cost savings and reduction in run rate). The Recovery Director has tasked management teams to develop their plans and will continue to drive this at pace through divisional review and IG meetings. Recovery plan ideas received from Divisions will be reviewed and converted into tangible opportunities and PIDs. This includes implementing task and finish groups across the three regions to work on early supported discharge to reduce escalation beds.
- Improvement Groups are in their infancy and need to focus on financial recovery as well as longer term transformational / service improvement schemes.
- Comprehensive staff engagement and consideration of ‘ideas generation’ events to grow the savings pipeline and mitigate slippage.
- Review withdrawn/rejected schemes to reassess their viability and review current non cash-releasing schemes to assess which can be made them cash releasing.
- For month 5, will identify c.£5-10m of schemes to bridge the savings gap through the above actions which will require rapid development and approval during month 6. Aiming for conversion of current schemes to green of c.£1m-3m.

Our key risks, issues and mitigations

- The ongoing PID review and assurance may impact on the value of the programme. This will be mitigated by fast, remedial action by project leads, with PMO/Programme support, to ensure that schemes are assured.
- Staff annual leave in Month 5 will impact on programme pace. Need to maintain established governance and processes to keep up momentum.
- Divisions/Areas/Improvement Groups fail to identify, develop and deliver the additional £10m required in-year at pace. The divisional review process and related local plans, as well as clear Executive expectations and accountability (particularly through the IGs) will help to mitigate this.