



WALES AUDIT OFFICE
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Structured Assessment 2019 – Management Response to Audit Recommendations – **Swansea Bay University Health Board**

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Management response

Introduction

- 1 We have concluded our 2019 Structured Assessment of Swansea Bay University Health Board. As part of this work, we made a number of audit recommendations to the Health Board.
- 2 This document sets out the Health Board's management response and the actions it intends to take to address our 2019 Structured Assessment recommendations.
- 3 Any enquiries regarding re-use of this document should be sent to the Wales Audit Office at infoofficer@audit.wales.

Swansea Bay University Health Board: management response

The following table sets out the Health Board's management response to our 2019 structured assessment audit recommendations.

Recommendation	Management response	Completion date	Responsible officer
<p>R1 The Health Board is developing estates and asset plans to underpin the Clinical Services Plan and will need to ensure that asset and estates requirements are clearly defined and reflected in the long-term capital plan.</p>	<p>The Health Board has commissioned the services of a specialist consultant to support the organisation in the development of an estate plan.</p> <p>An outline estate plan has been developed to underpin the clinical services plan.</p> <p>The Health Board will need to undertake a condition appraisal of the estate and this work is being progressed. It is anticipated that the estates plan will be finalised by April 2020.</p>	<p>April 2020</p>	<p>Chief Operating Officer</p>
<p>R2 Clinical Services Plan (CSP) implementation is moving forward but it is not yet clear how delivery will be reported. The Health Board should determine a CSP reporting framework to support effective monitoring and scrutiny of CSP delivery.</p>	<p>Progress against delivery of the CSP is reported to the Transformation Board and Health Board.</p> <p>Highlight reports are prepared and submitted on a bi-monthly basis to the Transformation Board.</p> <p>A phasing workshop was held in December 2019 to determine ability to deliver all projects within the available resource. This may result in changes to the phasing of the implementation.</p>	<p>Complete</p>	<p>Director of Strategy</p>

Recommendation	Management response	Completion date	Responsible officer
<p>R3 The transformation programme has been set up and its programme architecture designed. The Health Board should now:</p> <ul style="list-style-type: none"> a. develop a communications/ engagement strategy; and b. test the inter-connections between CSP and enabling programmes. 	<p>The Transformation Portfolio Board has been meeting since June 2019 under the original architecture and meeting structure. A six-month review of progress and how the portfolio is working is going to be initiated at the January 2020 meeting of the Transformation Board. This will include the alignment and interconnections of all key change and enabling programmes as well as agreeing priority programmes and focus for 2020-21 in view of the emerging three-year plan and the learning from the KPMG intervention.</p> <p>A draft communications plan is in place covering both the Transformation Portfolio and the Clinical Services Plan. Further work is being undertaken to test the inter-connections between the CSP and enabling programmes and the outcome of a recent stocktake of the CSP will be reported to the January Transformation Board.</p>	<p>April 2020</p>	<p>Director of Transformation</p>

Recommendation	Management response	Completion date	Responsible officer
<p>R4 The Health Board has included sustainable savings and efficiency in its plans, but these have under-achieved over the last two years. The Health Board should assess the reasons for under-achievement to ensure realistic plans are set and achieved in 2020-21.</p>	<p>The Health Board has a challenging financial position which requires a significant level of savings delivery year on year to manage in-year cost pressures before reducing the underlying deficit. It is recognised that the management of in-year cost pressures is primarily delivered through focussed financial grip and control and transactional savings whilst reducing the underlying deficit requires more transformational savings to be identified eg changes in service models.</p> <p>The Health Board has improved its level of savings delivery in 2019/20 and is forecasting a delivery of £20m, which is 90% of the savings target, this compares favourably with previous years. The 2020/21 financial plan will require a further significant level of savings delivery, which is being supported by the KPMG identified pipeline of opportunities which focusses on both transactional and transformation savings and efficiencies.</p> <p>The enhanced delivery, performance and accountability framework will increase monitoring, escalation and delivery assurance.</p>	<p>March 2021</p>	<p>Director of Finance</p>

Recommendation	Management response	Completion date	Responsible officer
<p>R5 A range of benchmarking is used for planning, service improvement and efficiency work, but scope exists to extend the information used in respect of costs. The Health Board should progress its development and use of costing so that it better informs financial planning and management.</p>	<p>The Health Board has in recent years used costing information to benchmark performance and inform service planning through:</p> <ul style="list-style-type: none"> • Use of the UK wide Patient Costing Benchmarking tool, allowing comparison of unit cost and cost driver information with a range of English providers. • Inclusion of cost information in the internal clinical variation tool. • Use of patient level costs to inform currencies for inter Health Board Funding Flows. • Development of a Commissioning activity Tool to understand internal variation from a population health perspective. • Support of specific pathway redesign projects. <p>It has been our experience that it has been hard to develop service engagement around benchmarking of fully absorbed unit costs – more so in the Welsh environment where tariff-based payments and Service Line Reporting are not operational.</p> <p>In pursuit of technical efficiency therefore the approach has moved towards benchmarking the factors that underpin variation in unit cost:</p> <ul style="list-style-type: none"> • Cost Drivers – indicating how efficiently well we are using our capacity • Cost Base – identifying potential savings in the delivery of that capacity – through workforce, procurement etc. <p>The recent focus of the costing function has been to identify opportunity from cost driver efficiency particularly in respect of patient flow, theatres and outpatients – making use of CHKS and internal information sources.</p> <p>Moving forward the development and use of costing information will be developed in the context of the National Efficiency Framework developed by the Finance Delivery Unit which focuses on</p> <ul style="list-style-type: none"> • Technical Efficiency • Population Health Efficiency 	<p>March 2021</p>	<p>Director of Finance</p>

Recommendation	Management response	Completion date	Responsible officer
	<ul style="list-style-type: none"> • Whole Systems Intelligence <p>Specific priorities for the costing function in the next year will be:</p> <ul style="list-style-type: none"> • To refine the cost driver benchmarking information shared within the organisation to identify opportunities for technical efficiency. • To support development of PIDs developed by KPMG in cost driver functions. • To build a 'front end' to the Costing system to increase service awareness of fully absorbed service costs. • To develop a better understanding of variation of resource utilisation at cluster level in the context of the new needs-based allocation formula and key outcome measures. • To contribute to the national PLICs/National Data Repository development group with specific focus on: <ul style="list-style-type: none"> – Lung Cancer – Knee Pain – Stoke pathway – Alignment of patient cost information with the National Data Repository. • To support local Value Based Projects and in particular, to support the correlation of cost: <ul style="list-style-type: none"> – with PROMs information at a patient level as it becomes available. – to support detailed pathway reviews led by Clinical Reference Groups. 		

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