



PWYLLGOR CYLLID FINANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 January 2020
TEITL YR ADRODDIAD: TITLE OF REPORT:	Referral to Treatment Time (RTT) Financial Plan & Trajectory 2019/20– Month 9 Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Andrew Carruthers, Director of Operations
SWYDDOG ADRODD: REPORTING OFFICER:	Keith Jones, Assistant Director of Acute Services

**Pwrpas yr Adroddiad (dewiswch fel yn addas)
Purpose of the Report (select as appropriate)**

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

This paper provides the Finance Committee with progress to Month 9 (December 2019) in respect of the Financial Plan and planned expenditure trajectory to support Referral to Treatment (RTT), Diagnostic and Therapy service waiting times delivery for 2019/20. The report also reflects waiting times performance in respect of externally delivered activity contracts commissioned from other Health Boards.

Cefndir / Background

For 2019/20, total funding provision of £6.95m had been made available to support overall delivery of RTT, Diagnostic and Therapy service waiting times objectives. This is summarised below:

RTT, Diagnostic & Therapy Waiting Times Expenditure Plan 2019/20 (£)				
Provision within 2019/20 Annual Plan	Forecast cost of delivery			5,552,310
	Stage 1 additional activity	719,052		
	Stage 2&3 additional activity	60,000		
	Stage 4 additional activity	3,690,258		
	Supporting investments	1,083,000		
	Less Savings Target			(1,400,000)
	Sub Total			4,152,310
	Savings Plan Non-Delivery			500,000
	Risk of non-delivery of Orthopaedic savings target	500,000		
Sub Total				4,652,310

Additional NHS Performance Fund Allocation	Sustainability:		334,662	
	Ophthalmology	100,000		
	Dermatology	234,662		
	New/ Emerging Delivery Risks:		1,164,000	
	Orthopaedics	924,000		
General Surgery	40,000			
Urology	200,000			
Enhanced Performance:		800,000		
32 week Stage 1 RTT maximum wait	300,000			
Delayed Follow-Ups Improvement Plan	500,000			
Sub-Total				2,298,662
Total Allocation				6,950,972

Asesiad / Assessment

RTT, Diagnostics & Therapies Delivery Financial Plan 2019/20 – Progress as at Month 9

A monthly tracker to monitor detailed progress against the Financial Plan has been jointly developed between the Planned Care Directorate and supporting Finance Team. Funding released up to Month 9 is based on actual invoices received together with accruals for planned activity not yet invoiced and confirmed contracts with external parties.

Progress to Month 9 (December 2019) in respect of the Financial Plan and planned expenditure trajectory is summarised below.

RTT, Diagnostic & Therapy Waiting Times Expenditure Plan 2019/20 Month 9 2019/20					
	Delivery Element	Plan (£)	Expenditure Committed to Month 9 (£)	2019/20 Forecast Expenditure (£)	Forecast Variance (£)
Provision within 2019/20 Annual Plan	Forecast cost of delivery	4,652,310	3,497,600	4,652,310	nil
Additional NHS Performance Fund Allocation	Sustainability:				
	Ophthalmology	100,000	72,300	100,000	0
	Dermatology	234,662	0	234,662	0
	New/ Emerging Delivery Risks:				
	Orthopaedics	924,000	0	424,000	(500,000)
	General Surgery	40,000	20,300	40,000	0
Urology	200,000	101,800	200,000	0	
Enhanced Performance:					

	32 week Stage 1 Delayed Follow-Ups	300,000 500,000	0 311,800	300,000 500,000	0 0
	Total Allocation	6,950,972	4,006.800	6,450,972	(500,000)

Activity to Month 9 demonstrates targeted expenditure, above core budgeted levels, of £4.006m.

Based on current and future projected expenditure patterns, the total projected expenditure for 2019/20 against the current financial plan is £6.45m.

RTT Performance & Emerging Risks

Hywel Dda University Health Board (HDdUHB) reported 726 36 week + breaches as at the end of December 2019. The increase within the month reflects the significant impact of cancelled operations due to Unscheduled Care (USC)-related pressures and the legacy impact of the norovirus outbreak at Prince Philip Hospital. Details by specialty are available in the latest Integrated Performance Assurance Report (IPAR).

The higher-than-forecast level of cancelled operations which continued into January 2020 due to extreme levels of USC-related pressures has now increased the risk of non-delivery of zero 36 week breaches by March 2020. This has impacted on the orthopaedic pathway where HDdUHB's activity delivery plan is at risk by approximately 200 cases.

To help mitigate the risk of non-delivery, the Planned Care Directorate has reviewed current delivery plans and launched a provisional mini-competition tender for up to 200 orthopaedic cases to be delivered via outsource suppliers during February and March 2020. If successful, the anticipated cost of delivery will exceed the value of the current 2019/20 Delivery Plan and discussions are being progressed with Welsh Government to explore potential financial support for this risk mitigation plan. The financial risk to the Health Board will be confirmed following evaluation of tenders, which will be completed by 31st January 2020.

External Health Board RTT Performance.

Outside of the Health Board's RTT Delivery Plan, residents of Hywel Dda UHB are also treated via external Health Boards for specialist treatment pathways not available within Hywel Dda.

Predominantly, this activity is delivered via Swansea Bay UHB and Cardiff & Vales UHB, with a small volume of patients treated by hospital providers based in England.

An assessment of waiting times experience for Hywel Dda residents treated by external Health Boards is shown in Appendix 1. This shows the position as at end November 2019. Financial plans supporting this activity are separate from the Health Board's current RTT Delivery Plan and sit within the Long term Agreements (LTA) with these external providers.

Argymhelliad / Recommendation

The Finance Committee is requested to note progress to Month 9 (December 2019) in respect of the Financial Plan and planned expenditure trajectory to support Referral to Treatment (RTT),

Diagnostic and Therapy service waiting times delivery for 2019/20, and performance in respect of externally delivered activity contracts commissioned from other Health Boards.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	5.5.1 Undertaking detailed scrutiny of the organisation's overall: <ul style="list-style-type: none"> Monthly, quarterly and year to date financial performance;
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	3.1 Safe and Clinically Effective Care
Amcanion Strategol y BIP: UHB Strategic Objectives:	4. Improve the productivity and quality of our services using the principles of prudent health care and the opportunities to innovate and work with partners. 5. Deliver, as a minimum requirement, outcome and delivery framework work targets and specifically eliminate the need for unnecessary travel & waiting times, as well as return the organisation to a sound financial footing over the lifetime of this plan
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Statement	Support people to live active, happy and healthy lives

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Paper reflects delivery plan in support of a key Welsh Government Tier 1 performance target.
Rhestr Termau: Glossary of Terms:	Included within the body of the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid: Parties / Committees consulted prior to Finance Committee:	Welsh Government Delivery Unit Planned Care Directorate

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Outlined within the body of the report
Ansawdd / Gofal Claf: Quality / Patient Care:	Improved waiting times is a key component for patient experience and service quality.
Gweithlu: Workforce:	Outlined within the body of the report
Risg: Risk:	Outlined within the body of the report
Cyfreithiol: Legal:	External outsourcing activity commissioned in accordance with NHS Wales Shared Services guidance and procedures.
Enw Da: Reputational:	Reduced waiting times impacts directly on HDdUHB's service and delivery reputation.
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Paper reflects plans to reduce waiting times for all patients.

Referral to Treatment (RTT), Diagnostic and Therapy Service Waiting Times Funding 2019/20

For 2019/20, the total funding provision to support overall delivery of Referral to Treatment (RTT), Diagnostic and Therapy service waiting times objectives has been released in two separate tranches:

Tranche 1 - Initial Delivery Plan (as reflected in Annual Plan 2019/20)

The initial financial plan (as reflected in the Health Board's Annual Plan for 2019/20) to support RTT, Diagnostics and Therapy delivery proposals for 2019/20, above core operational Directorate & service specific budgets is summarised as below:

Total forecast cost of delivery 2019/20 (as reflected in Annual Plan)		
Stage 1 additional activity	£719,052	
Stage 2&3 additional activity	£60,000	
Stage 4 additional activity	£3,690,258	
Sub Total		£4,469,310
Supporting investments	£1,083,000	
Sub Total		£1,083,000
Total		£5,552,310

In return, Hywel Dda University Health Board (HDdUHB) is required to deliver:

- RTT – zero 36 weeks + breaches
- Diagnostics – zero 8 week + breaches in all disciplines
- Therapies – zero 14 week + breaches

Unlike previous years, Welsh Government requested the HDdUHB to reflect the cost of delivery of these targets into the overall Annual Plan, and supporting financial plan, for 2019/20. The above sum has therefore been built into recurrent operational financial plans for 2019/20. However, this sum has held for monitoring purposes as a separate RTT / Diagnostics / Therapy services reserve to be drawn down into individual service budgets as agreed costs are incurred, and is subject to a savings and efficiency and productivity improvement challenge in a similar manner to all operational budgets.

With specific regard to the RTT, Diagnostics and Therapy delivery plan for 2019/20, a savings target to the value of £1.4m has been applied spanning the following service areas:

- **Ophthalmology** – improvements to internal core capacity levels which will reduce the dependency (and cost) of planned outsourcing via the private sector through Quarters 3 & 4 2019/20
- **Orthopaedics** – proposals to further increase the volume of elective patients treated at Prince Philip Hospital and reduce forecast backfill and Waiting List Initiative (WLI) costs
- **Other Specialities (including Breast Surgery)** – proposals to reduce operating costs for 2019/20

The Orthopaedic (£500k) element of the above £1.4m savings plan is now considered to be at significant risk due to the need to mitigate separate risks associated with the

temporary closure of orthopaedic theatre capacity at Withybush Hospital during the Summer period 2019.

Based on the above, the forecast cost of the RTT, Diagnostics and Therapy delivery proposals for 2019/20 (as outlined in the HDdUHB Annual Plan), is expected to be as follows:

Forecast Delivery Plan Expenditure 2019/20	£
Forecast cost of delivery	5,552,310
Less Savings Target	1,400,000
Sub Total	4,152,310
Risk of non-delivery of Orthopaedic savings target	500,000
Total	4,652,310

Tranche 2 - NHS Performance Fund

In June 2019, HDdUHB received confirmation that a total allocation of £5.8m from the NHS Wales Performance Fund was to be made available to HDdUHB to support the cost of delivery of RTT, diagnostic, therapies and delayed follow-ups Tier 1 targets for 2019/20 and to address the following additional priorities:

- Develop more sustainable solutions for Ophthalmology & Dermatology
- Cover the closure of orthopaedic theatres at Withybush Hospital through extended working at Prince Philip Hospital
- Address other service priorities and risks highlighted in discussion with Welsh Government, including achievement of a 32 week maximum waiting times target for all Stage 1 outpatients by March 2020
- Deliver a reduction in delayed follow-ups, reflecting new improvement targets recently agreed by Welsh Government.

Following confirmed approval from WG of the HDdUHB delivery plans in respect of the supporting delayed follow-ups improvement plan in August 2019, the latest forecast additional expenditure plan to address the above priorities is summarised in the table below:

NHS Performance Fund – Additional Expenditure Plan 2019/20 (£)			
Sustainability:			334,662
	Ophthalmology	100,000	
	Dermatology	234,662	
New / Emerging Delivery Risks:			1,164,000
	Orthopaedics	924,000	
	General Surgery	40,000	
	Urology	200,000	
Enhanced Performance:			800,000
	32 week Stage 1 RTT maximum wait	300,000	
	Delayed Follow-Ups Improvement Plan	500,000	
Total			2,298,662

As reflected in the September 2019 Finance Committee report, whilst the above forecast expenditure plan is subject to ongoing review, a forecast £3.5m has been

released from the £5.8m Performance Fund allocation as a consequence of the level of RTT funding previously planned in the opening budgets for 2019/20.