



## PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	28 February 2023
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Plan Development
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Rebecca Hayes, Senior Finance Business Partner

**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

The Integrated Medium Term Plan (IMTP) is the key planning document for Hywel Dda University Health Board (HDdUHB) setting out the milestones and actions we are taking in the next one to three years. It is based on the health needs of our population, responds to the Welsh Government's Planning Framework and Ministerial priorities, and sets out the steps we will take to deliver our clinical strategy, "A Healthier Mid and West Wales".

The development of the Plan for the period 2023/24 – 2025/26 has begun and this report provides the Committee with an update on our approach.

##### Cefndir / Background

The submission of a three-year IMTP to Welsh Government (WG) is a statutory obligation. For an IMTP to be approvable, it must show financial balance over the lifecycle of the Plan and, as such, HDdUHB has not had an approvable Plan to date.

Given the current financial position of HDdUHB, alongside the fact that the organisation is currently in Targeted Intervention for finance and planning, we will not be in a position to submit a financially balanced plan over the three years of the current IMTP cycle and, as such, an annual plan within a three-year context will be submitted instead. The inability to submit an IMTP will require the organisation to submit an Accountable Officer letter to WG to confirm this (by 28 February 2023), which the Board approved on 26 January 2023.

##### WG expectations and timelines

Each year WG issues guidance through the NHS Wales Planning Framework which aims to provide NHS Wales organisations with the scope of what needs to be included in our plan.

All final, Board approved plans must be submitted to Welsh Government by 31 March 2023.

## Asesiad / Assessment

In developing our Plan for 2023/24 – 2025/26, there are a number of important factors to take into consideration:

### Targeted Intervention

As an organisation we are in 'targeted intervention' for planning and finance and, as such, this must be taken as a starting point for the building of our Plan.

### Finance

The WG expectation is that HDdUHB should, as a minimum, deliver a financial outturn no worse than that of 2021/22, which was £25.0m. It is also expected by WG that all Health Boards will deliver a minimum savings plan of 2.5% of allocated budgets, which is c.£19.5m of non-ring-fenced budgets for HDdUHB.

During the Board meeting on the 26 January 2023, it was communicated that:

- The Health Board's Opportunities Framework and Drivers of Waste have been shared with budget holders throughout 2022/23 and articulates c.£77m of opportunities. However, the current assurance over transformation and efficiency plans is low.
- During Quarter 4, all directorates are expected, through their Executive Leads, to develop improvement programmes for their services with trajectories for performance indicators, milestones, and financial impacts, to enhance efficiency for staff and patients, and therefore deliver financial savings. The Planning function will be clearly setting out the process, principles and deadlines for the organisation to respond to, and from this, financial plans can then be finalised in harmony with Workforce requirements.
- With the significant draft deficit, it is expected that large scale change will be required, and this will need to be clearly set out within the principles and clear direction given to service leads from their Executive Team leads.

An indicative draft financial plan, building in the current run rates and the macro-economic inflationary cost modelling, and 1.5% core funding uplift from WG would leave the Health Board with a significant deficit in excess of £100m, before delivering savings plans.

### Process for the development of the Plan

- Weekly Wednesday Executive Team meetings through February 2023 utilised to agree plans for 2023/24 key deliverables:
  - Senior Responsible Officers and Executive leads to present plans, trajectories, risks opportunities, investment and disinvestment choices
  - Set out timeline and process for savings plans
- Improving Together integrated finance & performance and Financial Plan Deep Dive meetings with Directorates in February 2023 will be utilised to refine investment and disinvestment Choices and Opportunities.
- The In-Board Seminar on 1<sup>st</sup> March 2023 will be presented with the detailed outputs of these Executive Team, Improving Together and Plan Deep Dive meetings, in addition to the Opportunities Framework, summary of current Operational Drivers of the Deficit and

Draft Indicative Plan. Each Executive Director will present their Plans to deliver an improvement trajectory through efficiency, transformation, service improvement and investment & disinvestment choices. The Board will then be in a position to make informed Choices impacting the overall Plan and the assigned delegated budgets to budget holders.

### Argymhelliad / Recommendation

The Sustainable Resources Committee is asked to note and discuss the current status of the Plan development.

### **Amcanion: (rhaid cwblhau)**

#### **Objectives: (must be completed)**

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	4.5 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, giving early warning on potential performance issues and making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	1199 (score 25) Achieving financial sustainability.
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	5. Timely Care 7. Staff and Resources
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019</a>	9. All HDdUHB Well-being Objectives apply

### **Gwybodaeth Ychwanegol:**

#### **Further Information:**

Ar sail tystiolaeth: Evidence Base:	Monitoring returns to Welsh Government based on HDdUHB's financial reporting system.
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Rhestr Termau: Glossary of Terms:	Contained within the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Finance Team Management Team Executive Team

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	Financial implications are inherent within the report.
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	The impact on patient care is assessed within the savings schemes.
<b>Gweithlu:</b> <b>Workforce:</b>	The report considers the financial implications of our workforce.
<b>Risg:</b> <b>Risk:</b>	Financial risks are detailed in the report.
<b>Cyfreithiol:</b> <b>Legal:</b>	HDdUHB has a legal duty to deliver a breakeven financial position over a rolling three-year basis and an administrative requirement to operate within its budget within any given financial year.
<b>Enw Da:</b> <b>Reputational:</b>	Adverse variance against HDdUHB's financial plan will affect its reputation with Welsh Government, Audit Wales, and with external stakeholders.
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not applicable.
<b>Cydraddoldeb:</b> <b>Equality:</b>	Not applicable.