



PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	21 December 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Financial Plan Development Update
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Andrew Spratt, Deputy Director of Finance

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 purpose of this report and accompanying presentation, attached at Appendix 1, is to provide the Sustainable Resources Committee with the latest update on the Health Board's Integrated Medium-Term Plan (IMTP) that is under construction, covering the three-year period 2022/25.

Cefndir / Background

Following an internal process, led by the Planning team, all directorates submitted their first version of draft plans on 25th October 2021. The accompanying presentation summarises the consolidation of these plans and highlights the Executive Team direction and next steps for the second iteration that is due on 6th December 2021.

Asesiad / Assessment

The assessment of these plans can be found in the accompanying presentation.

At the time of submitting papers for this meeting, the second iteration has not been consolidated nor shared with the Executive Team, and therefore a verbal update will be provided to Members at the Committee meeting.

Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to note the current progress being made on the Health Board's Integrated Medium-Term Plan (IMTP) 2022-25 and the Roadmap to Financial Sustainability.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	2.1 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, give early warning of potential performance issues, 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:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	All Health & Care Standards Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Contained within the presentation.
Rhestr Termiau: Glossary of Terms:	Not Applicable
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Executive Team, Planning Steering Group, Operational Delivery Group

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Financial risks to the recurrent deficit are considered and included within the report.
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Significant workforce requirements underpin the business cases being put forward, which will be evaluated as part of the next iteration of the IMTP to aligned resource supply

	with demand, as a key constraint that needs to be prioritised.
Risg: Risk:	Contained within the report.
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable

2022/25 Integrated Medium Term Plan (IMTP) and Roadmap to Financial Sustainability

Sustainable Resources Committee

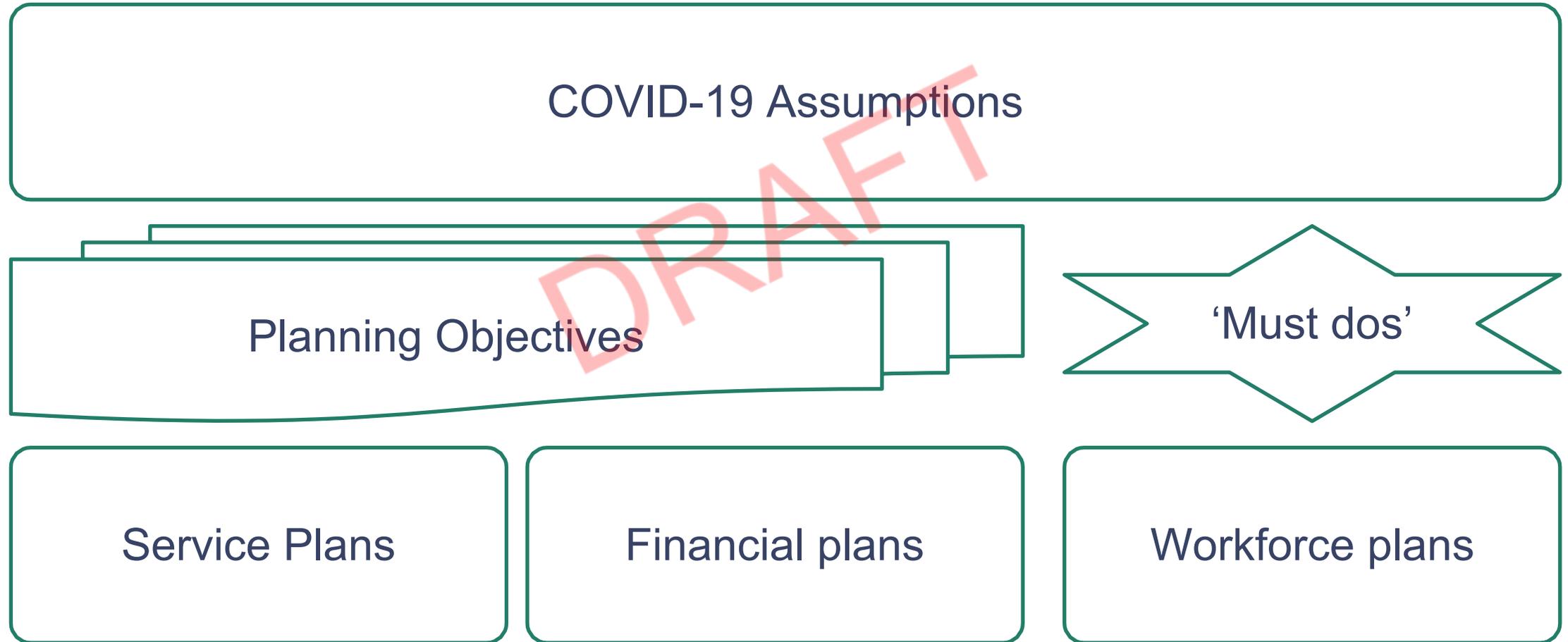
21st December 2021

Content

1. Context
2. Planning Objective Overview – background and context
3. Key Planning Milestones
4. Template return update
5. Strategic and Operational Priorities
6. Workforce overview
7. Financial overview
8. Savings and Opportunities identified
9. Investment proposals for prioritisation
10. Resource allocation
11. Executive Team priorities and forward plan

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01. IMTP Key Components



01. Context – must do's



02. Planning Objective Overview – background and context

- The Integrated Medium Term Plan (IMTP) is the key planning document for the Health Board, setting out the milestones and actions we are taking in the next 1 to 3 years in order to progress our Strategy. It should be based on the health needs of our population, delivering quality services, ensuring equitable and timely access, and the steps we will take to deliver our vision for a Healthier Mid and West Wales.
- It is the ambition of the Health Board to produce an approvable IMTP for 2022/25; this is predicated on the Health Board being able to demonstrate financial balance and financial sustainability. Without a plan for financial balance (over the three year period) it is not possible to have an approvable IMTP. In this case, the Health Board would have to produce a Three Year/Annual Plan, as we have done over the last few years.
- It is anticipated that financial balance can only be achieved with additional Welsh Government (WG) support and that this will likely be required, to some degree, up to the point that the Health Board can reduce the number of acute hospital sites.
- Key to securing this support will be:
 - realistic but ambitious plans which meet the Ministerial priorities (not only financial);
 - WG's confidence in the Health Board's ability to deliver on these plans;
 - demonstrable alignment across service, finance and workforce plans.

02. Planning Objective Overview – background and context

The development of the IMTP is an iterative process and will require us to bring together a few different components.

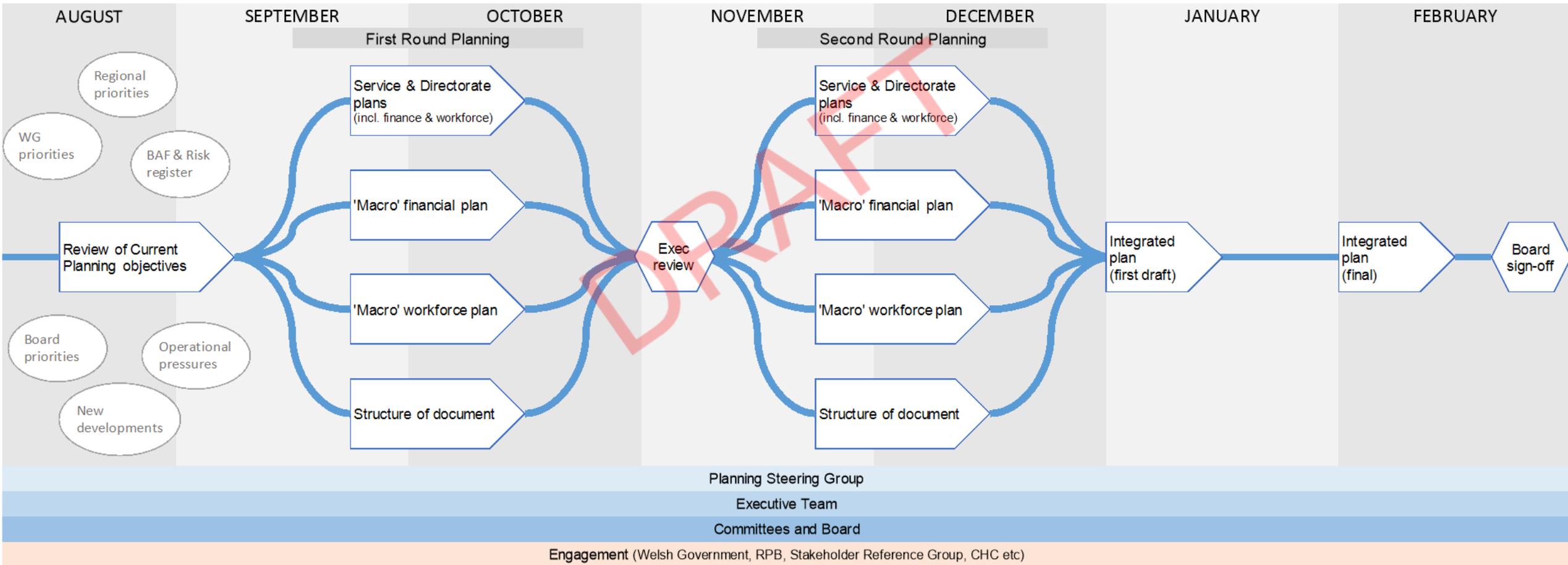
At a high-level, we are aiming for the following timeline:

- **Directorates** – First cut of directorate plans by 25th October 2021 (note: there was an expectation for these to be reasonably well progressed drafts to enable Health Board decisions) and second/final cut of directorate plans by 6th December 2021. The following were used as the key considerations when constructing their plans:
 - Each directorate to manage within their existing financial envelope, prioritising resource as required;
 - Deliver productivity, efficiency and/or disinvestment savings of 1.2% recurrently, against non-ring fenced budgets;
 - Contribute to the Executive led Strategic Planning Objectives, through both Savings and Investments.
- **Macro financial and workforce plans** – to be modelled following the first submission for Executive review;
- The above fed in to Executive discussions between the 3rd and 10th November 2021 to prioritise resources and provide clear direction to teams in readiness for their refinement by the 6th December 2021 submission
- This will also inform the alignment to our Education and Commissioning intentions and return to Health Education and Improvement Wales (HEIW).

With the Health Board's ambition to improve sustainability and produce an approvable IMTP for 2022/25, a clear, realistic and affordable financial roadmap and workforce strategy is required. To achieve this, service plans need to recognise and articulate realistic resource requirements, largely within our existing clinical workforce given supply constraints.

The level of approvable investments will need to balance affordability with our transformational aspirations, acknowledging our finite workforce constraints and our capability to deliver an achievable level of recurrent savings.

03. Key Planning Milestones



04. Shape of the templates and processes to support

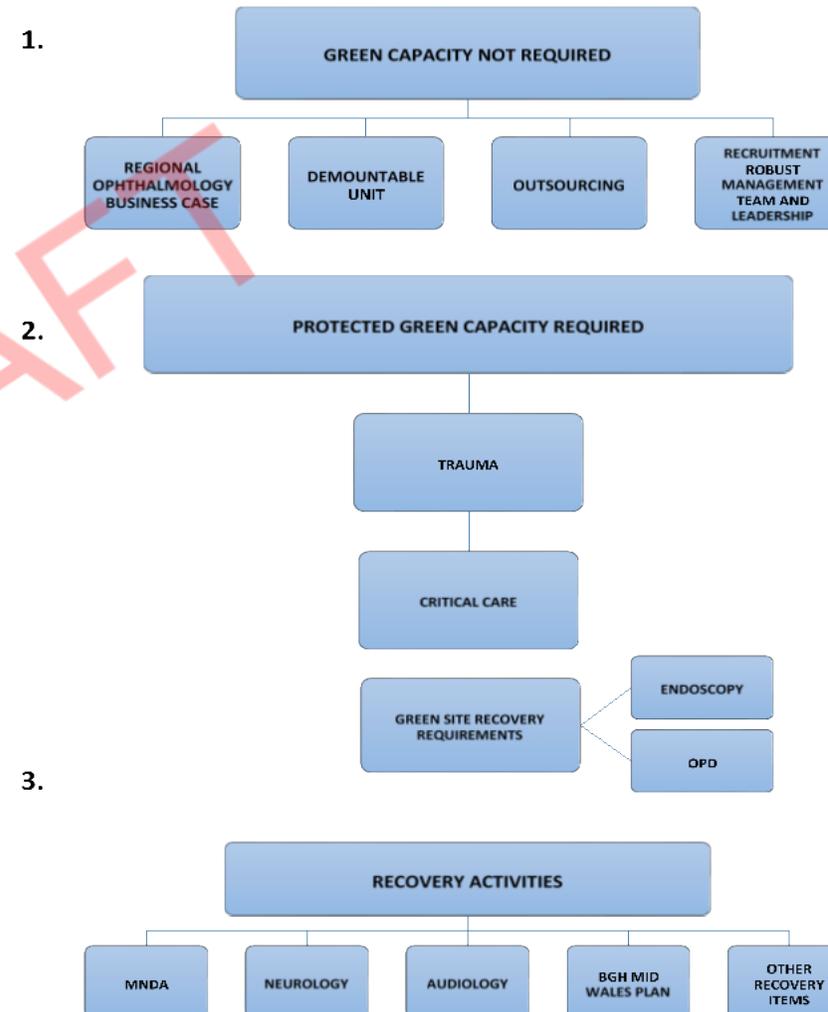
- Templates developed in conjunction with operational team colleagues and discussed at a number of meetings
- Templates circulated by Executive Director to operational teams (and others) included:
 - Summary of plans
 - Enablers
 - Risk Log
 - Workforce requirements
 - Finance – opportunities and savings
 - Finance - investments
- Completion of the templates aided by support from planning, finance and workforce colleagues
- Planning, finance and workforce have been reviewing the templates, seeking clarifications where appropriate, and have looked to distil the key messages.
 - The majority of teams acknowledged that the gaps in their templates were due to on-going work and that they wanted to ensure whatever had been developed so far was submitted.
- Further feedback to Directorates / services will be required for the areas of their plans that require further development / re-focusing
- Key is to ensure that there is a consistency and read-across between tabs, in addition to ensuring all elements have been completed
- Need to cross-reference plans (this is currently in progress for some services, including therapies).
- A number of the templates are supported by draft narrative/supporting documents e.g. (Integrated) County plans
- Need to further link proposed actions against the 'revised' list of Planning Objectives; and regional priorities.

05. Strategic and Operational Priorities

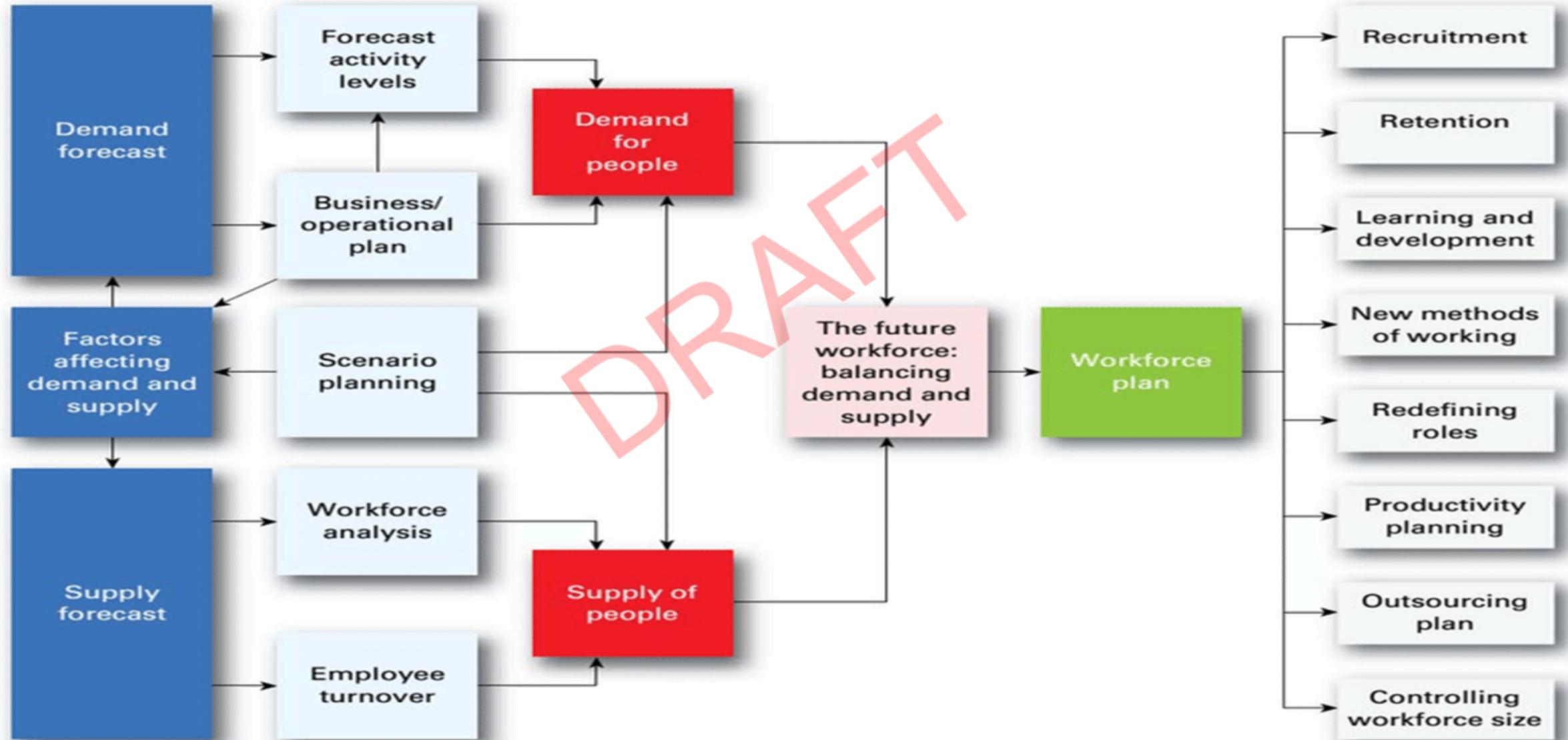
Planned Care main themes:

- Secured green capacity across the Planned Care system.
- Critical Care and associated delivery option appraisal Health Board wide.
- To seek and implement accredited Endoscopy services, which are both robust, sustainable, and fit for purpose .
- To continue to implement and embed the VBHC model and available digital model in Outpatient services.
- An appropriately skilled workforce to deliver services includes the Senior Management Team, professional leadership and investment to service safe staffing models and utilising modernised roles across our clinical service.
- Investment into local, national, and regional schemes includes appropriate workforce.

SEQUENCING OF PLANNED CARE IMTP ACTIVITIES



06. Workforce overview

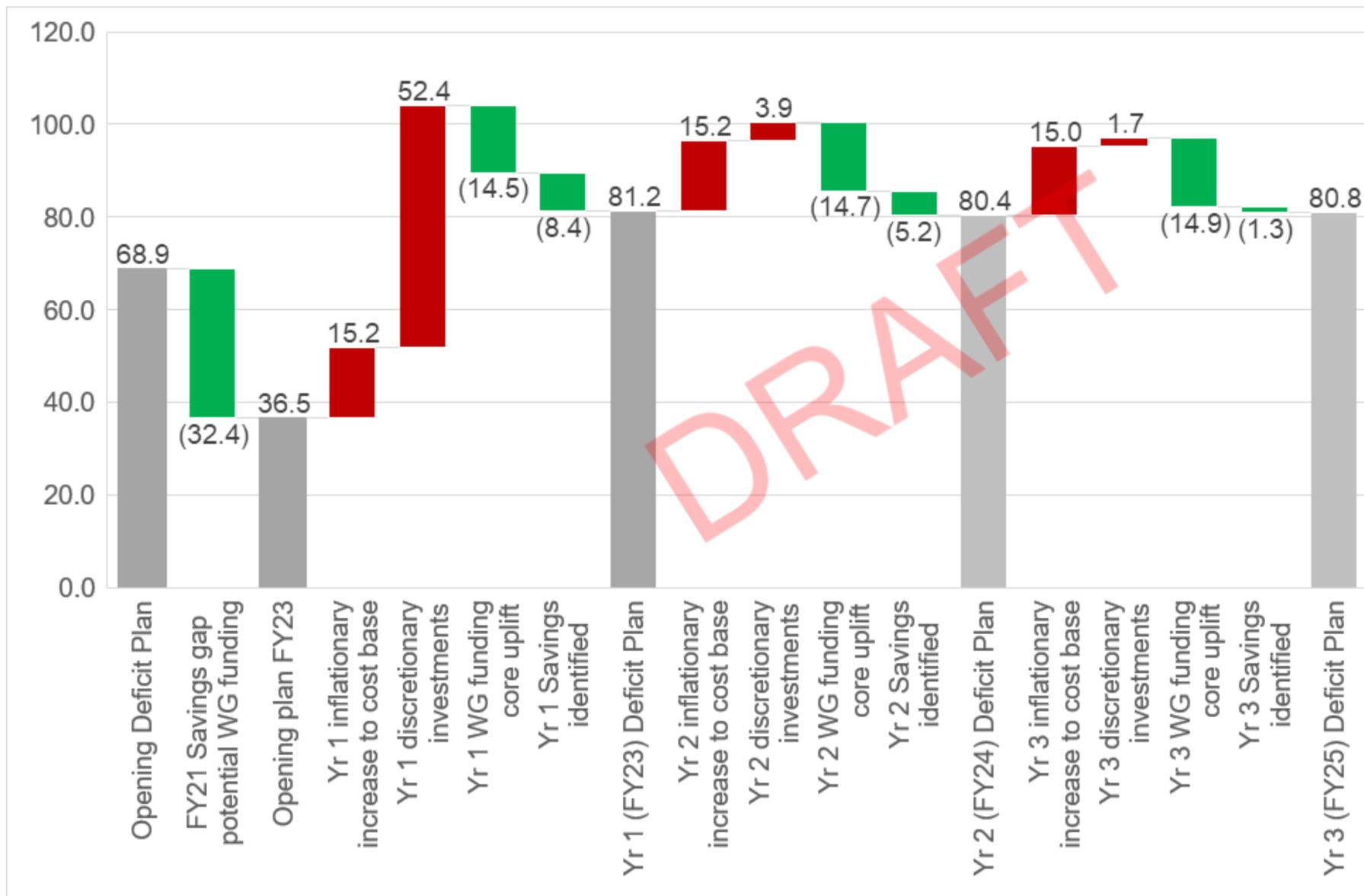


06. Workforce overview

	Year 1	Year 2	Year 3	Notes
Planning Objectives Total	36.7			Discrepancies (Stage 1)
Carmarthenshire System	82	5	4	Feasibility (Stage 2)
Pembrokeshire System	74.8			Further review (Stage 1)
Ceredigion System	122.4	54.4	53	Further review (Stage 1)
Planned Care	325.7			Discrepancies (Stage 1)
Women & Children	70			Further review (Stage 1)
Mental Health & LD	0	0	0	Workforce Redesign
Corporate (Nursing, Ops)	10.8			Further review (Stage 1)
Facilities	126			Consistent/Check (Steg 1)
Therapies	0	0	0	Further review (Stage 1)
Radiology	6	0	0	Workforce Review
Medicines Management	50			Feasibility (Stage 2)
Pathology	40.5	0	0	Check (Stage 1)
Total	944.9	59.4	57	<u>1061.26</u>

- Figures are Whole Time Equivalent (WTE)
- Reviews of the Plans to validate / confirm numbers are being undertaken – this will ensure there is no ‘double-counting’
- Further work will be done to break these down by staff group

07. Financial Overview



Positive progress made with Opportunity ideas ahead of target milestones for the first submission.

Assumptions made regarding funding for WG priorities totalling £40.3m in FY23, which are excluded from the graph.

Significant local investment proposals received for FY23, which exceed our affordability envelope. Prioritisation will be needed.

07. Financial Overview

Component	Roadmap Plan £'m	First Draft £'m	Difference £'m
Yr 1 (FY23) Macro inflationary cost base	16.1	15.2	(0.9)
Yr 1 (FY23) Investment proposals	8.5	52.4	43.9
Yr 1 (FY23) Savings and opportunities identified	(10.1)	(8.4)	1.7
Yr 0 (FY22) Unidentified savings b/f	(11.5)	(0.0)	11.5
Yr 2 (FY24) Macro inflationary cost base	16.5	15.2	(1.3)
Yr 2 (FY24) Investment proposals	8.7	3.9	(4.8)
Yr 2 (FY24) Savings and opportunities identified	(11.5)	(5.2)	6.3
Yr 3 (FY25) Macro inflationary cost base	16.9	15.0	(1.9)
Yr 3 (FY25) Investment proposals	8.8	1.7	(7.1)
Yr 3 (FY25) Savings and opportunities identified	(11.3)	(1.3)	10.0

08. Savings and Opportunities identified

Directorate(s)	Target £'k	FY23 £'k				FY24 £'k Total	FY25 £'k Total
		Total	Green	Amber	Red		
Planned Care	1,297	1,792	0	1,739	53	1,710	0
Carmarthenshire System	1,121	1,553	0	0	1,553	1,297	0
Medicines Management	1,006	0	0	0	0	0	0
Mental Health & LD	978	0	0	0	0	0	0
LTAs and Contracting	959	0	0	0	0	0	0
Facilities & Dir Ops	617	645	140	493	12	0	0
Pembrokeshire System	604	4,412	500	800	3,113	1,320	1,320
Corporate Directorates	524	0	0	0	0	0	0
Women and Children	485	0	0	0	0	0	0
Radiology and Pathology	462	0	0	0	0	0	0
Ceredigion System	386	0	0	0	0	898	0
Therapies	249	0	0	0	0	0	0
Oncology	179	0	0	0	0	0	0
Primary Care	148	0	0	0	0	0	0
Public Health	104	0	0	0	0	0	0
Efficiency and Productivity Total	9,119	8,402	640	3,032	4,731	5,225	1,320
Overall Total	21,400	8,402	640	3,032	4,731	5,225	1,320

First submission identification milestone: 50% of FY23 savings target. Actual return has identified 92%, of which 35% are Green or Amber rated.

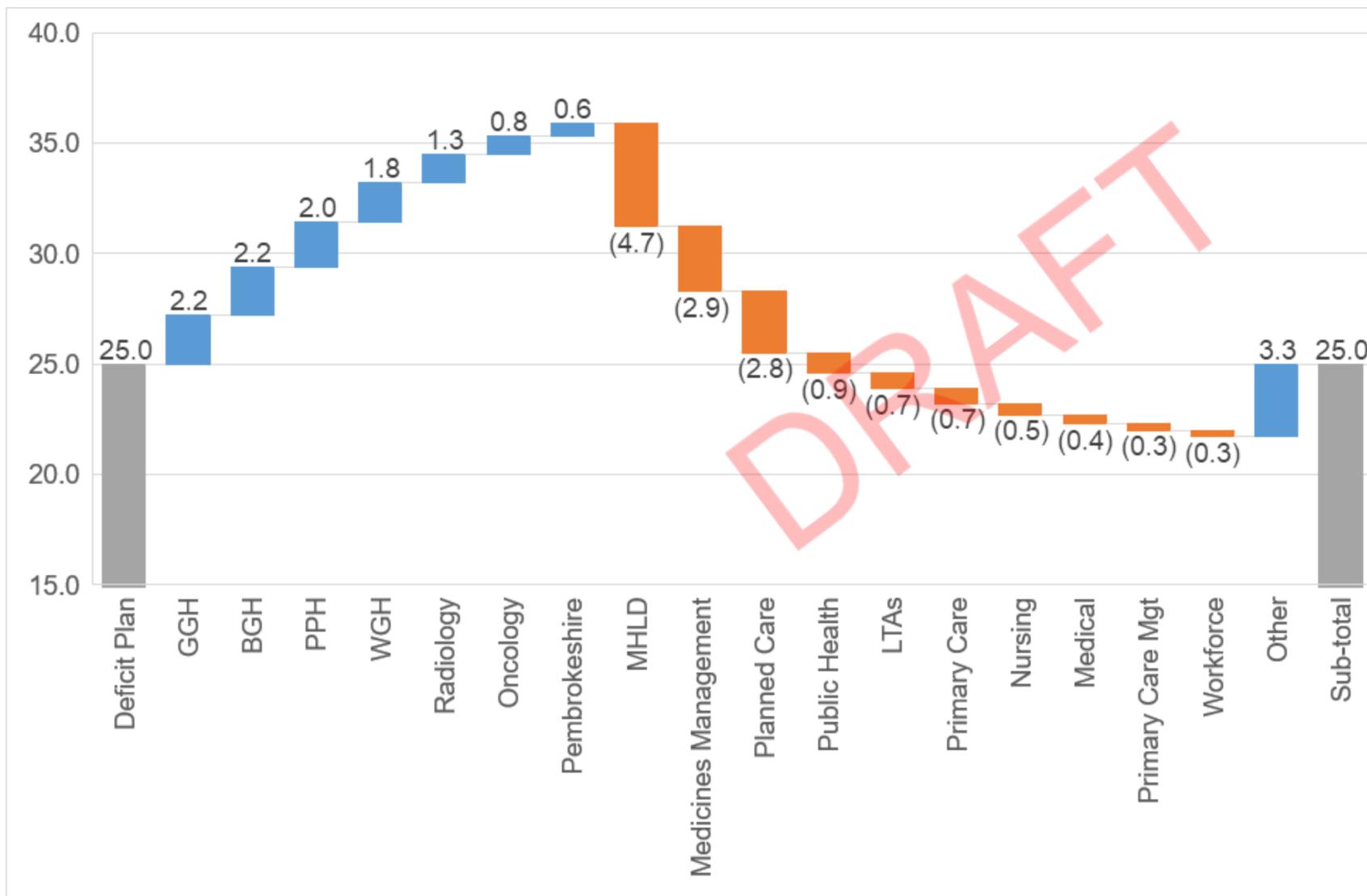
Note, some schemes were highlighted as cost avoidance, which won't form part of our final savings plans following the second iteration.

For the 6th December submission, expectation is 75% FY23 savings target and 25% for FY24.

09. Investment proposals for prioritisation

Directorate(s)	Proposed Workforce Investment WTE			Proposed Financial Investment £'k		
	FY23	FY24	FY25	FY23	FY24	FY25
Planned Care	TBC	TBC	TBC	0.0	0.0	0.0
Carmarthenshire System	TBC	TBC	TBC	14.8	0.2	0.7
Medicines Management	TBC	TBC	TBC	1.9	0.5	0.3
Mental Health & LD	TBC	TBC	TBC	3.5	0.0	0.0
LTAs and Contracting	TBC	TBC	TBC	0.0	0.0	0.0
Facilities & Dir Ops	TBC	TBC	TBC	2.2	0.0	0.2
Pembrokeshire System	TBC	TBC	TBC	9.7	0.0	0.0
Corporate Directorates	TBC	TBC	TBC	1.7	0.0	0.0
Women and Children	TBC	TBC	TBC	1.6	0.0	0.0
Radiology and Pathology	TBC	TBC	TBC	0.3	0.0	0.1
Ceredigion System	TBC	TBC	TBC	7.8	3.2	0.4
Therapies	TBC	TBC	TBC	0.0	0.0	0.0
Oncology	TBC	TBC	TBC	0.0	0.0	0.0
Primary Care	TBC	TBC	TBC	2.5	0.0	0.0
Public Health	TBC	TBC	TBC	0.0	0.0	0.0
Health Board wide	TBC	TBC	TBC	6.4	0.0	0.0
Total Proposed Investment	TBC	TBC	TBC	52.4	3.9	1.7

10. Resource Reallocation



Current pressures have been included within the investment proposals, however mitigating benefits in other areas have not been presented, which artificially inflates our underlying expenditure trends.

Reallocation could be considered; the acute site challenges rebalanced with on-going underspends.

Medicines Management could be included if COVID-19 prescribing pressures are funded by WG.

11. Decisions Required and Next Steps

- What are the prioritisation criteria in order to feedback to the teams?
- Further review of templates and feedback to Teams including savings gaps, which require a step change approach for the brought forward FY22 gap
- Ensure feedback is communicated to all teams, recognising some were omitted in the first iteration
- Transitional funding
- Savings milestones
- Alignment between plans
- Prioritisation in line with critical “must dos”
- Common feedback to Directorates to re-submit with more realistic Workforce and Finance proposals in line with the “must dos” only
- Executive agreement required on potential resource reallocation or alternative handling strategy, for example, non-recurrent Control Totals that recognise overspends in some areas and underspends in others.

11. Priority areas of work ahead of second / final submission

- Detailed bed plan (to support financial roadmap, incorporating bed spacing assumptions and COVID-19 contingencies)
- Workforce roadmap (equivalent to financial roadmap)
- Greener site/zones and role of Prince Philip Hospital (PPH)
- Route to 100%+ of pre-COVID-19 elective activity
- Plan for extended Bridging service post-March 2022

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11. Priority Actions for Second/Final Submissions

Following discussions at Executive Team on 3rd November 2021, confirmation on key priorities and focus areas are proposed as follows:

- Construct a **Detailed Bed Capacity Plan** across all Acute and Community sites at Ward level (Gold #1)
- Continue planning for a **Mass Vaccination Programme** (Gold #2)
- Review our response for a **Local Testing Programme** (Gold #3)
- Review our regional response for a **Test, Trace and Protect** service (Gold #4)
- Develop comprehensive **Elective Recovery Plans** for the following areas in line with RTT targets (Gold #5):
 - Planned Care including Outpatients and the role of PPH and the Demountable solution
 - Cancer, Diagnostics, Therapies and Mental Health & Learning Disabilities
- **Urgent and Emergency Care** Plans and associated benefits (PO 5J)
- **Integrated Locality** Plans and associated benefits, including extending Home Based Care Service proposals (PO 5H)
- **Delivery of Design Assumptions** for A Healthier Mid and West Wales strategy (PO 6K)
- **Nurse Staffing Level** requirements for all wards and staff groups, aligned to bed capacity plans and the Team Around the Patient
- **Strategic Opportunities** linked to the benefits expected from the above priorities and Financial Roadmap
- **Efficiency and Productive Opportunities** across all directorates for the targeted 1.2%
- **Workforce Roadmap** that aligns to the above and the Financial Roadmap
- **Financial Roadmap** that aligns to the above and the Workforce Roadmap

11. Actions for directorate teams

Recognising our capacity and system pressures, the Executive Team has requested an iterative approach to our IMTP given the high volume of proposed service changes in the first iteration. This will focus on key areas initially.

All directorates are asked to focus their 6th December 2021 submissions on the priorities highlighted on the previous slide, whilst also considering the following items. Only a one page investment proposals is required, recognising key prioritisation will still be required given the resources included in the initial plans:

- The bed capacity plan across all Acute and Community sites at Ward level, and should:
 - incorporate bed spacing assumptions
 - incorporate COVID-19 contingencies
 - recognise the Workforce led Nurse and HCSW staff constraints
 - include the benefits articulated within the enabling priorities to highlight a sustainable resource requirement
- Continue to produce an investment proposal **only** for the following items:
 1. Any National directives that we have been instructed on (update in investment template only at present)
 2. Any COVID-19 responses that will still be required into the new financial year (update in investment template only at present)
 3. The priorities supported by the Executive Team on the previous slide (update as one page investment proposal)
 4. Invest to Save themed proposals that payback across a three year timeline (update as one page investment proposal)
 - *Please note any existing cost pressures are expected to be managed across the directorates' current financial envelope*
- Aligned Workforce and Finance submissions (WTE and £) factoring in the key priority items

11. Key considerations and assumptions

The following items should be given consideration when evaluating the next iteration of plans:

- COVID-19 responses should be reviewed internally within the directorates in terms of what is necessary to continue versus not, and only required responses should feed into the Workforce and Investment sections of the next template submission, i.e. directorates are making decisions to cease some responses if appropriate
- Ensure there is alignment between the Workforce additional resource requested, and the financial investment required
- Template completion should focus on all requested fields, to aid decision making and minimise follow up actions being requested
- Outcome measurements should be a focus for the prioritised investment proposals to include the 'Metrics that Matter' within the services proposed, linking back to the WTE and £ impact
- Holistic reviews are undertaken to join proposals and benefits across systems and services
- There are finite workforce and finance resources available, therefore, directorates are requested to assess a prioritised list in the next submission, to enable options to be put forward to the Executive Team in a prioritised or option basis, from the one page investment case proposals where possible
- For Efficiency and Productivity savings, Finance Business Partnering teams are supporting with an evaluation of financial sustainability across the services provided, to aid with option generation for the directorate triumvirate to consider, together with items they are generating

11. One page investment proposal

Plan on a Page

Investment Name:	
Service Area:	
Descriptor of Investment:	
Indicative Size of Investment: 2022/23 only <small>Only an initial indication is required e.g. <100k, 100-250k, 250-500k, 500k+</small>	

Anticipated Impact
1.
2.
3.
4.
5.
6.
7.
8.

Appropriateness
1.
2.
3.
4.
5.
6.
7.
8.

Affordability
1.
2.
3.
4.
5.
6.
7.
8.

Achievability/Risk
1.
2.
3.
4.
5.
6.
7.
8.

Prioritisation Framework for Investment Plans

The following framework is intended to support the self-prioritisation of investments and will be used by the Executive Team to support organisational prioritisation. Only the proposals prioritised by the relevant Executive Lead will require an investment "Plan on a Page" to be submitted for Executive Team consideration and alignment with the three year IMTP. Please note the key resource for the UHB is workforce and therefore all proposals requiring funding or workforce should be considered in this way, even if funding is potentially coming from external sources.

Appropriateness	Affordability
A direct link to one or more of the UHB's 6 Strategic Objectives / Planning objectives	Recurring revenue has been secured and/or high degree of confidence that revenue will be secured OR
Direct contribution to improving population health & wellbeing	Scheme is evidenced as revenue generating OR
A direct link to delivery of one or more of the "must do's"	Evidence of spend to save OR
	Evidence that the scheme is cost neutral
A critical enabler for other agreed service developments to be able to progress as planned	Necessary capital has been secured and / or high degree of confidence that capital will be secured
Addresses a major Health Board risk (on the risk register)	
Represents an area of political interest / national policy	
Achievability & Risk	Anticipated Impacts
The workforce requirements have been assessed and is either available, appointable or within existing pipelines or succession plans	Outcome measures are defined, measurable and demonstrate value principles
Strong clinical, managerial and executive support	Anticipated impacts are of a scale commensurate with the resource required (incl. workforce)
Infrastructure requirements (estate, digital, equipment etc) are understood and viable plans exist to deliver within the timescales	Timescales to benefits are understood and deliverable
Risks to delivery have been considered and mitigating actions established	The critical path for delivery of these benefits is clearly understood and demonstrate that desired outcomes are achievable

11. Forward Plan

