



PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	23 February 2022
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

This report provides the Sustainable Resources Committee with an update on current progress on the Health Board's Integrated Medium-Term Plan (IMTP) covering the three-year period 2022/25.

Cefndir / Background

Following the Health Board's internal process, led by the Planning team, all directorates submitted their second draft plans on 6th December 2021. Welsh Government issued the Budget Allocation on 21st December 2021.

The accompanying presentation, attached at Appendix 1, summarises the consolidation of these plans and allocations. It also highlights the Executive Team direction and next steps in preparation for confirmation to Welsh Government on 28th February 2022 regarding the Health Board's intention to submit an IMTP, Three Year Plan or Annual Plan.

Asesiad / Assessment

The assessment of these plans is provided in the accompanying presentation for the Committee's consideration. The assessment is also due to be presented at the Board Seminar meeting on 17th February 2022, following which a verbal update pertaining to direction from the Board Seminar will be provided to the Committee at its meeting on 23rd February 2022.

Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to note the current progress being made and to discuss the level of assurance provided surrounding deliverability of the proposed options.

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 y Pwyllgor: Parties / Committees consulted prior to In Committee Sustainable Resources Committee:	Executive Team Planning Steering Group Operational Planning and 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 are still being evaluated to ensure alignment of 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

Hywel Dda UHB

Integrated Medium Term Plan

Appraisal Post Allocation Letter – Update for
Sustainable Resources Committee

23rd February 2022

Integrated Medium Term Plan (IMTP) Overview

- The Integrated Medium Term Plan 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 and meet the health needs of our population
- It is a statutory duty to produce and submit a balanced IMTP to Welsh Government
- Since its inception Hywel Dda University Health Board has never had an IMTP approved, primarily because the UHB has not been able to produce a plan which is financially balanced
- For 2022-25 it is the ambition of the UHB to produce an approvable IMTP
- It is anticipated that financial balance can only be achieved with additional WG support and that this will likely be required, to some degree, up to the point the UHB 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 UHB's ability to deliver on these plans
 - demonstrable alignment across service, finance and workforce plans

Integrated Medium Term Plan (IMTP) Overview

COVID-19 Assumptions

Planning Objectives

‘Essentials’

Service Plans

Financial plans

Workforce plans

COVID-19 Planning Assumptions

- The Health Board has developed a high-level framework for COVID planning, setting out four levels of COVID impact
- These have been shared across Health Boards to support consistency of planning assumptions for NHS Wales
- An internal assessment of COVID measures has been undertaken via an IP&C Panel and operational review to inform IMTP development
- Latest advice from WG is to assume a return to 'business as usual' by 1st April 2022 for IP&C requirements, with details to follow

Hywel Dda UHB COVID-19 Planning Assumptions

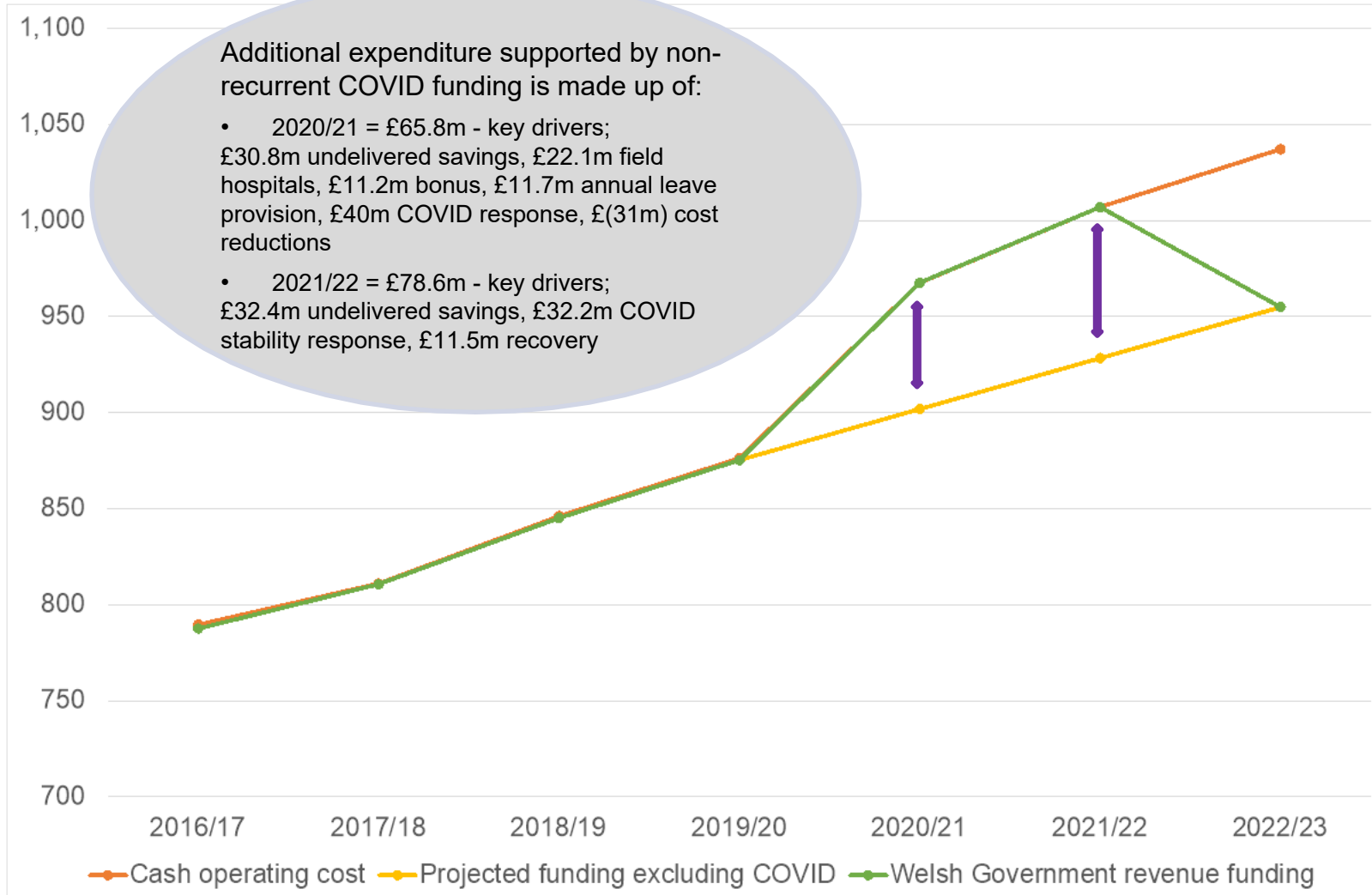
Level	Description	Situation	Planning Assumption
0	Covid eliminated	Covid exists but rarely seen	Unlikely to be reached over next three years
1	Low Covid	Covid circulating in the community, perhaps at levels of last summer, but lower severity (equivalent to Omicron variant)	Following WG guidance assume this level is reached from April 2022
2	Stable Covid	Approximates to levels of Covid seen over Autumn/Winter 2021	Robust plans required to implement enhanced Covid measures if required
3	Urgent Covid	Rapidly spreading and/or extremely high levels of Covid, with high levels of hospitalisation (e.g. emergence of new variant)	Plans for Emergency response

Planning Timeline

- January and February 2022 – Internal actions to summarise planning requirements
- 14th February 2022 – cut off for latest submission on Savings/Opportunities into February committee cycle
- 17th February 2022 – Board Seminar for draft update of IMTP versus Three Year Plan likelihood
- 23rd/24th February 2022 – Draft plan presented to Sustainable Resources and Strategy Committees
- 28th February 2022 – Confirmation to Welsh Government of IMTP or Three/One Year Plan intention
- 11th March 2022 – provisional date for an additional Board Seminar to review progress
- 31st March 2022 – Board Approval and Submission to WG

Real terms financial position

- In real terms, the following graph depicts the £'000m cash spend and WG funding across the previous six years, and the outlook for 2022/23



- The 2022/23 cash operating cost has been assumed to be inflated by 3%, and with no management action taken, the gap between funding and operating cost would therefore be significant.
- With the core uplift, sustainability and the re-badged RIF funding all forming part of the core allocation for 2022/23 onwards, there is currently no assumed non-recurrent funding included.
- 2022/23 allocation excludes the pending pay award and COVID programme funding that has been confirmed, but yet to be issued to health boards.

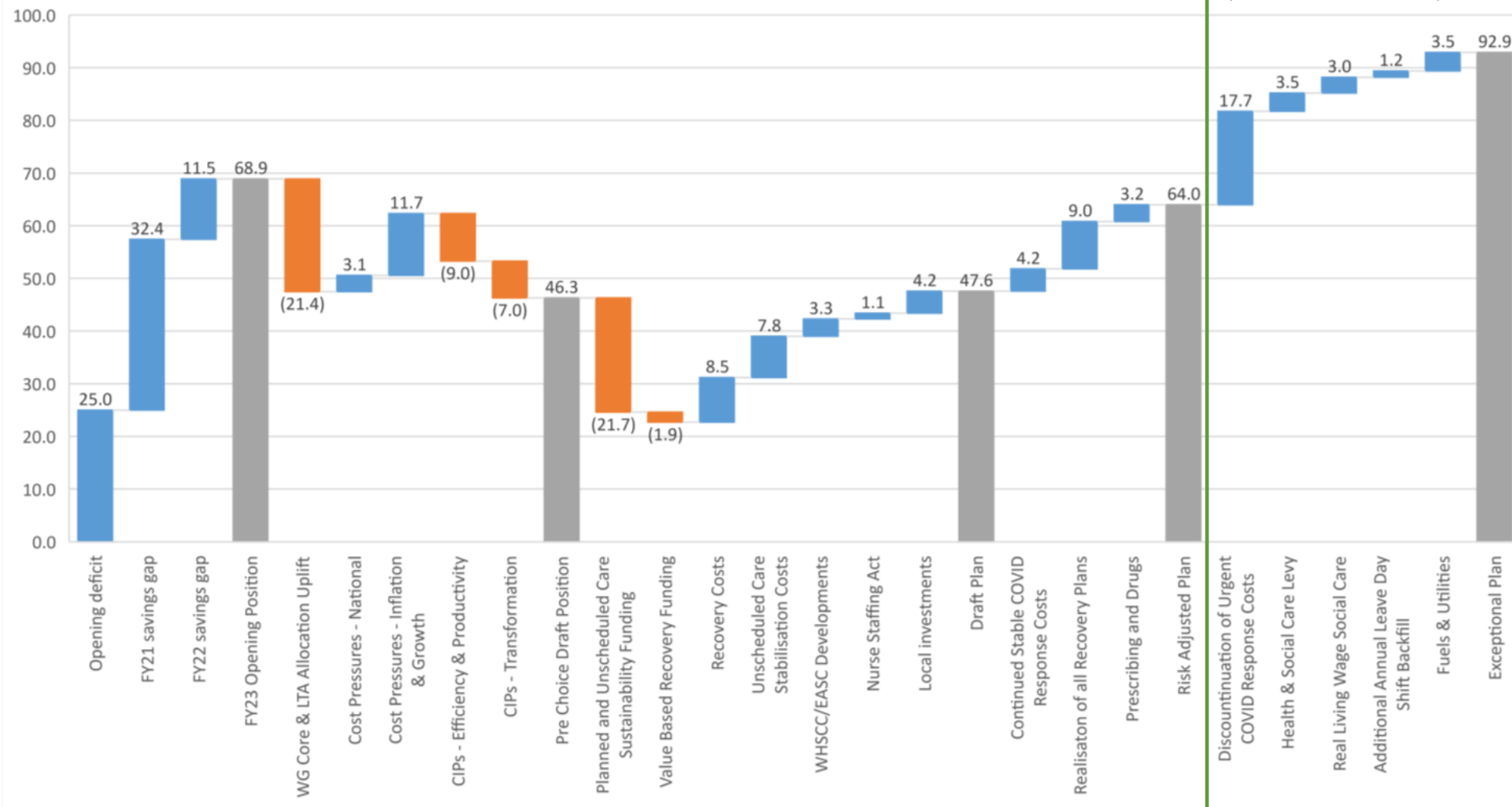
Financial appraisals for option discussion

- To provide high level indicative financial scenarios, based on certain decisions, two options have been completed to illustrate the financial outlook dependant on the decision making focus of the Board
- The two options can be summarised as below:
 1. Delivery focus – include all recovery plans and key enabling strategies of Urgent and Emergency Care, Home Based Care Service, WHSSC and EASC and Nurse Staffing Act
 2. Roadmap – a balance of providing a shift in delivery performance, with the need to reduce the widened deficit position over a longer term timeline
- COVID planning assumptions have changed significantly during the planning cycle, and significant management focus will be required to deliver the multiple conflicting elements to realise a resource base that resembles as business as usual state
- Operational plans are in development at this stage, and will be required prior to submitting our plan, in support of the decision making that is agreed
- Planning Objectives, through CEO to Exec 1-2-1's, are being reviewed in line with the submission dates
- With the initial desire to, as a minimum, submit a plan that did not worsen a £25m deficit in FY23, recognising the amount of expenditure currently in the system, it would not resemble a credible option for consideration at this stage. It will be reviewed continually across the 3 year time horizon in line with discussions being tabled

Financial appraisal – Delivery Focus

Financial Overview - Year 1 2022/23

■ Increase
 ■ Decrease
 ■ Total

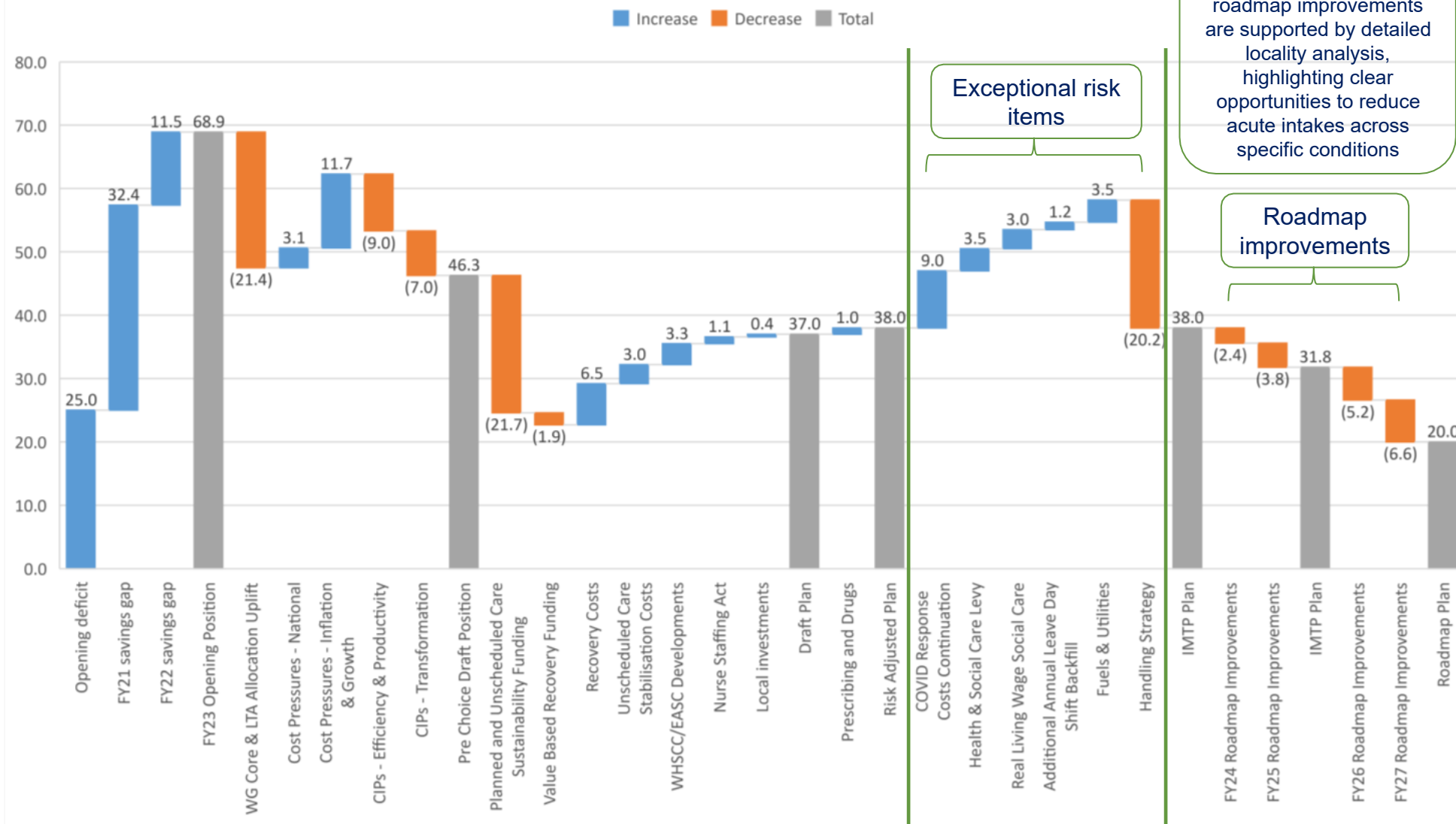


Exceptional risk items

- Performance focused outlook includes all Recovery plans, including outsourcing
- COVID response costs are assumed to be a risk that will materialise due to operational focus to increase performance activities and savings plans
- Exceptional risks are recognised on the basis that there is little preventative action that can be undertaken

Financial appraisal – Roadmap

Financial Overview - 5 Year Roadmap



£10.1m of the £18m roadmap improvements are supported by detailed locality analysis, highlighting clear opportunities to reduce acute intakes across specific conditions

Roadmap improvements

- Recovery outlook includes demountable and optom plans only
- COVID response costs are assumed to be aggressively discontinued recognising a return to quality standards pre pandemic
- Longer term acute bed reduction plans based on appropriate patient management in North Pembrokeshire and Llanelli provide a roadmap to erode the deficit

Financial appraisal – Differences

- To explain the differences between both financial appraisals, the table highlights the changes, and also references the likely impact that would need to be managed, with supporting narrative on subsequent slides:

Component	Delivery Focus £'m	Roadmap £'m	Difference £'m	Impact
Recovery Costs	8.5	6.5	(2.0)	Support roles for Outpatients and Recovery management reduced
Unscheduled Care Sustainability Costs	7.8	3.0	(4.8)	Covered by the subsequent slides that span service areas
Local investments – Urgent & Emergent	2.8	0.0	(2.8)	Withdrawal of the Carmarthenshire SDECs not funded by WG policy
Local investments – Integrated Localities	1.0	0.0	(1.0)	Withdrawal of additional home based care service
Continued Stable Response Costs	4.2	0.0	(4.2)	Covered by the subsequent slides that span service areas
Realisation of all Recovery Plans	9.0	0.0	(9.0)	No further plans supported outside Demountables consol. and Optom
Prescribing and Drugs	3.2	1.0	(2.2)	Growth risk mitigation required
Total	36.5	10.5	(26.0)	

Facilities and Director of Operations Impact

- No ability to maintain the current equipment and devices purchased in response to covid without the qualified staff
- Potential Impact on non-urgent patient transport and attending appointments and/or discharges
- A reversion back to pre-covid cleaning standards, would result in no enhanced cleaning being undertaken which could result in a number of preventable hospital acquired infections, including the increased risk of living with a new transmissible respiratory virus
- Enhanced cleaning reduces the risk of MRSA/Clostridium Difficile which improves patient outcomes, experience and potential damages through litigation and reputation
- Reduction in the enhanced cleaning could increase the risk of contamination:

“Enhanced cleaning was associated with a 32.5% reduction in levels of microbial contamination at hand-touch sites when wards received enhanced cleaning” - BMC Medicine

Planned Care and Health Systems Impact

- A discontinuation of Green Pathways could increase the risk of infections and other respiratory illnesses.
- A lack of protected Green Pathways in Planned Care could risk the recovery programme and increase the current PTL backlog
- Equally, no dedicated Red Pathway could result in a significant increase in patient contamination through the spread of virus loads between covid and non-COVID patients
- There will be an increase in the need for agency and locum staff, as wards could be contaminated and thus closed. Consequently, staff sickness may simultaneously increase, through an infection and/or the impact on wellbeing
- A correlating increase in DTOCs where community provision and discharge options are reduced

Women's and Children and Oncology Impact

- A reduction in the patient experience by reverting to IV infusions instead of subcutaneous
- Increased patient time spent in hospital, therefore, limiting capacity for other patients whose medication can not be delivered via subcutaneous
- A reduction in in patient satisfaction and potentially outcomes (less capacity)
- An increase in RSV linked to low covid and/or other respiratory illnesses not being reflected appropriately within the financial planning
- Children requiring ambulatory care and assessments not having the requisite dedicated area and timely treatment

Primary Care - Dental Income Impact

- The Dental Income is a significant risk, as Dental Services are unlikely to see and treat the number of patients comparatively to pre-COVID
- This could represent a reduction in dental resources and have a destabilising effect on dental services
- The consequences of the above, could impact on the accessibility and treatment for patients who require said services

Financial Plan 2022/25: Savings and Opportunities

- For IMTP process 2022/23 challenged directorates to present two aspects as part of their considerations:
 - A general housekeeping target consistent with best practice and achievability recommendations of 1.2% across all applicable (not ring-fenced) areas, circa £9m.
 - Recognising both insufficiency for a balanced plan and risk of achieving above, a further strategic redesign challenge, circa £7-10m was requested.
- By the 17th December, the planned expectation was that 100% FY23 savings target, 50% for FY24 and 25% for FY25 as part of these submissions.
- Whilst varying on BRAG ratings, overall only three directorate areas delivering plans around or exceeding this request. Submitting an Overall £4m of which £1.8m was initially self-assessed as green or amber.
- Given the significant shortfall and operational focus upon frontline service pressures, a corporately considered list of potential opportunities was drawn together for further discussion in bridging such a gap.
- Whilst acknowledging that said proposals are operationally untested (now underway), proposals combining productivity and cash-releasing opportunities and totalling a further £17m have been generated.
- *Acknowledging that all of these exercises have been hampered by lack of more traditional forms of benchmarking information and performance measurement, both being paused and difficult to contrast with more recent and/or adapted operational performance during this COVID period.*

Financial Plan 2022/25: Savings and Opportunities

Given savings and opportunities shortfall identified through draft IMTP, corporately suggested potential opportunities, and thereby operationally untested thus far, for further discussion in bridging such a gap.

Aspect	Description	Directorate(s)	Cash £'k	Productivity £'k
Supply Side	E-Rostering Efficiencies / reduced agency dependency (in part connected to counties plans for reduced bed reliance)	Various		1,000
	Reduced suspension	Workforce / All		500
	Recovery scheme, recruitment and slippage	Mental Health	2,000	
	WellSky pharmacy benefits (external SLA opportunity)	Meds Mgmt / All	150	
	Procurement	Procurement	1,000	
	Team around the patient	Various		2,000
	Family Liaison Officers (FLOs)	Various		1,000
			3,150	4,500
Productivity & System Improvements	health records digitisation - reduced secretarial requirement (initial cost of backlog to be recouped and then savings delivered)	All	1,000	
	Theatre productivity	Planned Care		1,000
	Ring fencing opportunity (release WLI etc)	Planned Care		350
	Digital validation	IM&T		1,000
	Symbiotic benefit realisation (food wastage, break even and then reduce ongoing spend)	Estates	500	
	Cataract redesign (through comparison with outsourced solution)	Planned Care		

Phasing over the IMTP period not included at this point as only known from early discussions or plans for a small number of these.

Financial Plan 2022/25: Savings and Opportunities Cont.

Given savings and opportunities shortfall identified through draft IMTP, corporately suggested potential opportunities, and thereby operationally untested thus far, for further discussion in bridging such a gap.

Aspect	Description	Directorate(s)	Cash £'k	Productivity £'k
Productivity & System Improvements	Cardiology transformation - 9 key priorities invest to save (<i>linked to Urgent and Emergency Care changes</i>)	Unscheduled Care		
	Demand optimisation - Pathology (a paused programme of work)	Pathology		200
	Finance team transformation	Finance	300	
	Onboarding / offboarding transformation	Workforce	200	
	Maintenance Contracts (digital)	IM&T	300	
	Post COVID Accomodation Review	Estates / Various	1,000	
	CHC reviews (FNC / MHL D)	Health Systems	1,000	
	CHC Decommissioning (quality and VFM review)	Women & Childrens	300	
	VAT reviewing	Finance	200	
			4,800	2,550
Demand Side	LTAs	Finance	500	
	Prevention slippage	Public Health		125
	Income Generation - Clinical	Various	500	
	Income Generation - Non-Clinical	Various	500	
			1,500	125
			9,450	7,175

Phasing over the IMTP period not included at this point as only known from early discussions or plans for a small number of these.

COVID-19: Response / Management

Directorate	Forecast 2021/22 £'000	Plan 2022/23 £'000	Low Scenario £'000	Stable Scenario £'000	Urgent Scenario £'000
Facilities	6,952	6,780	1,320	3,300	6,270
Planned Care	744	689	138	289	689
Pembrokeshire System	3,539	4,278	596	1,495	3,642
Carmarthenshire System	5,159	5,639	523	1,202	5,639
Ceredigion System	2,028	1,727	271	570	1,727
Pathology	667	352	-	31	352
Director of Operations	703	540	95	194	540
Medicines Management	4,508	4,462	4,462	4,462	4,462
Women and Children	1,121	590	78	164	390
Oncology	718	750	-	-	750
Primary Care	1,606	1,653	-	-	1,440
Therapies	188	318	318	318	318
Other	5,447	-	-	-	3,500
Total	33,380	27,778	7,801	12,025	29,719

Whilst the scenarios shown present the theoretical desktop modelling, management action has yet to identify the exit plans to reduce expenditure down to these levels. There is therefore a significant inherent risk.

Programme costs assumed to be fully match-funded, excluded from the table:

- Test, Trace, Protect £8.3m;
- COVID-19 mass vaccination programme £8.0m;
- PPE £2.6m.

Key themes of planned expenditure

Facilities: Enhanced cleaning standards, sickness cover and shielding, Red pathway porters, waste management, laundry costs (IP&C guidance), remedial work and additional maintenance, loss of commercial income.

Planned Care and County Systems: Pathway duplication, sickness cover and shielding, community hospital and acute surge bed capacity, changes to drug treatment regimes, critical care beds for COVID-19 patients.

Oncology, Pathology: Haematology & Oncology drugs change in treatment regime, additional testing capacity.

Director of Operations: additional WAST vehicle, equipment and device maintenance.

Medicines Management: Increase in Prescribing drugs prices in April 2020 and small element of dispensing service.

Women and Children: RSV drugs and Enhanced PACU Service.

Primary Care: Loss of Dental Contract income, Extended flu vaccination programme.

Therapies: Long COVID-19 Service provision.



Appendix 1

Background and Implications of 21st December 2021 Budget Allocation

Context: National Health & Social Services Budget 2022/23

Headlines

- £1.3bn increase in direct funding over the next 3 years;
- £0.9bn extra for core NHS services in 2022/23. An increase of 10.7% on this year's baseline budget, 7.8% real term growth when inflation is taken into account. Total funding of £10.3bn.

Sustainability Funding (recurrent)

- £180m – equivalent of 2.8% core funding uplift which excludes the wage award (1.5% year 2 and 0.75% year 3). £170m to Health Boards (of which £20m ring fenced for Mental Health). £10m for PHW, DHCW, HEIW;
- This funding is included in the 2022/23 base allocation letter;
- Assumed pass through to provider organisations e.g. Velindre Trust, border flows;
- To support system sustainability (e.g. underlying positions, undelivered savings b/f, new cost pressures, investments etc.).

Pay Award (recurrent)

- Funding is not part of the 2022/23 base allocation letter but will be funded over 3 years;
- Organisations are to assume all wage award growth and off-setting funding as part of their 2022/23 plans;
- First 1% of pay awards therefore now funded by WG, however impact of H&SC Levy (Employers' NI) to be funded through core uplift in base allocations;
- Real Living Wage impact for NHS staff will be funded by WG, however impact for external provider costs to be funded through core uplift in base allocations.

Context: National Health & Social Services Budget 2022/23

Planned & Unscheduled Care Sustainability Funding (recurrent)

- £170m allocation as per previously notified recurrent allocations – £150m recovery and £20m for planned care;
- Consolidated into 2022/23 base allocation letter;
- Focus on effective utilisation and outcomes as part of ongoing monitoring.

COVID-19 Response and Programmes (non recurrent)

- Provision has been made to match fund specific national COVID-19 programmes;
- Organisations to assume funding for PPE, Mass Vaccination and Test, Trace, Protect only;
- Funding is not included in the 2022/23 base allocation letter;
- Ongoing COVID-19 generic responses are not specifically funded; organisations are to utilise Sustainability funding to support continuing costs in the short term, balancing with recovery activities.

Other Funding (recurrent)

- Urgent / Emergency Care – £25m announced in 2021/22 is recurrent with WG policy leads;
- £20m to support value based healthcare (£15m to LHBs);
- £31m to support education and training through HEIW;
- Establishment of £132m Regional Integration fund (formed by merging ICF & Transformation funding).

Health & Social Services Budget 2022/23: Hywel Dda UHB

Sustainability Funding (recurrent)

- £21.4m core uplift (2.8% increase for Hospital and Community Health Services and Prescribing (HCHS&P), of which £2.5m is for MHL D Services;
- UHB allocation share has decreased from 12.79% to 12.65%. This applies to new allocations;
- Funding is being held centrally in WG for the impact of NICE mandated Advanced Therapeutic Medicinal Products;

Pay Award (recurrent)

- Separate funding confirmation will be issued by WG;
- The impact of WG funding the first 1% of Pay Awards is expected to broadly offset the impact of H&SC Levy (Employers' NI) to be funded through core uplift in base allocations.

Planned & Unscheduled Care Sustainability Funding (recurrent)

- £21.7m funding confirmed.

Health & Social Services Budget 2022/23: Hywel Dda UHB

COVID-19 Response and Programmes (non recurrent)

- Match funding to be assumed for PPE, Mass Vaccination and Test, Trace, Protect only (c.£19m planned);
- Ongoing COVID-19 generic responses are not specifically funded; organisations are to utilise Sustainability funding to support continuing costs in the short term, balancing with recovery activities.

Other Funding (recurrent)

- £1.9m new funding in relation to Value Based Recovery;
- Establishment Regional Integration fund £16.9m (formed by merging ICF & Transformation funding);
- Primary Care uplifts of £0.4m in the Community Pharmacy contract and £0.2m for Dental Access.



Appendix 2

Assessment of underlying
deficit, inflationary impacts and
investment proposals

Underlying deficit assessment – FY21 impact

- After allocating the uplift to core WG funding to macro-inflationary increases in expenditure;
- Before delivery of £1.8m of recurrent savings schemes against an in-year target of £34.2m:

Theme	Description / Directorate	£'m
Non-Pay	Facilities – utilities, advertising and income	0.5
	Dir Ops – MIU/OOH, leases, consumables	0.2
	Carmarthenshire – CCT enhancement	0.1
	Oncology – aseptic unit development	0.1
	Carmarthenshire – Pacing LTA	0.2
CHC	Counties – CHC packages	0.3
Pay	BGH – short stay ward weekend closure	0.2
Drugs	Oncology – rebates, homecare, vial share	0.2
Total FYE Savings		1.8

- Comprises £26.4m of centrally modelled and £7.8m of local investments;
- Appraisal of outcomes, value for money and/or return on investment required.

Theme	Description / Directorate	£'m
Primary Care Prescribing	Medicines Management (price and item)	5.4
Variable Pay	4 Acute sites – Nursing and HCSW	5.1
WHSSC Developments	LTAs National Investment contribution	3.3
Secondary Care Drugs (£2.0m)	Oncology	1.3
	Pathology	0.5
	Medicines Management	0.1
	Women and Children	0.1
	Horizon scanning (all)	0.9
CHC inflation and growth	MHLD, Counties, Women and Children	2.4
Welsh Risk Pool	National uplift in contribution	1.5
Welsh LTA investment	LTA high cost drug increases	1.6
	LTA new investments and performance	1.0
	LTA national 2% inflationary uplift	1.2
Nurse Staffing Act	4 acute sites	1.0
Utilities and Maintenance	Facilities – inflationary uplifts	0.7
Revenue Consequences of Capital Schemes (RCCS)	Various	0.3
Sub-total	Centrally modelled items	26.4

NB. Items highlighted green are deemed unavoidable, other items were investment choices

Underlying deficit assessment – FY21 impact continued

Description / Directorate	£'m
Primary Care – Dental CDO/CEO	0.9
Strategic Planning – Transforming Clinical Services	0.6
Digital – Microsoft 365	0.6
Estates Health and Safety	0.5
Major Trauma Network	0.4
Therapies – Making Malnutrition Matter	0.3
Bed replacement scheme	0.3
Public Health uplift	0.3
Digital – Patient Flow system	0.2
VIPAR	0.2
Public Health – Health Protection	0.2
Oncology – funding for ended Macmillan posts	0.2
Mental Health – ASD development (autism)	0.2
Therapies – Lymphedema service	0.2
Pathology – LINC	0.2
Therapies uplift	0.2

Description / Directorate	£'m
Other Primary Care – Clusters	0.2
Therapies – Neuro-muscular service	0.1
Mental Health & LD – CHC growth (local)	0.1
Carmarthenshire – Community Nurse triage	0.1
Welsh Language Act	0.1
Workforce – Allocate e-job planning	0.1
Digital – WCCIS	0.1
Public Health – Immunisation Service	0.1
Nursing – E-docs national project	0.1
USC PPH – TB Nurse post	0.1
Therapies – funding for ended Macmillan posts	0.1
Counties – IT mobile working	0.1
Pathology – funding for ended Macmillan posts	0.1
Other <£0.1m	0.9
Sub-total – local investments	7.8
Total – centrally modelled & local investments	34.2
FYE Savings Delivered	(1.8)
Remaining Savings Gap c/f	32.4

Underlying deficit assessment – FY22 impact

- After allocating the uplift to core WG funding to macro-inflationary increases in expenditure;
- Before delivery of £4.6m of recurrent savings schemes against an in-year target of £16.1m:

Theme	Description / Directorate	£'m
Drugs	Secondary Care horizon scanning	1.1
	PC Prescribing – Category M price	0.7
CHC	CHC demand management	0.8
	Retrospective reviews	0.7
	CHC package mix	0.2
Non-Pay	Travel and lease car reductions	1.1
Total FYE Savings		4.6

- Appraisal of outcomes, value for money and/or return on investment required.

NB. Items highlighted green are deemed unavoidable, other items were investment choices

Theme	Description / Directorate	£'m
Primary Care Prescribing	Medicines Management (price and item)	4.2
WHSSC Developments	LTAs National Investment contribution	2.0
Secondary Care Drugs (£1.4m)	Planned Care	0.7
	Swansea Bay LTA	0.3
	Pathology	0.2
	Women and Children	0.2
CHC inflation	MHLD, Counties, Women and Children	2.5
Welsh LTA inflation	LTA national 2% inflationary uplift	2.1
RCCS	ED Streaming, CT, MRI, Imaging, Equipment	0.7
Nurse Staffing Act	4 acute sites	0.3
Local investments (£2.9m)	Workforce OCP – OD investment	0.7
	Women and Children – BirthRate Plus	0.6
	Primary Care – expansion of flu cohort	0.5
	USC PPH – Diabetes Strategy	0.4
	Carmarthenshire – Palliative Care Consultants	0.3
	Therapies – Phase 2 Malnutrition	0.2
	Other	0.2
Total – centrally modelled & local investments		16.1
FYE Savings Delivered		(4.6)
Remaining Savings Gap c/f		11.5

Financial Plan 2022/25: Macro Inflationary and National

Macro Inflationary Increases	£'m
CHC and FNC Contracted Increases	2.9
LTA National Uplift (2.8%)	3.5
CPI (3.2%)	1.7
Secondary Care Drugs Horizon	1.2
Primary Care Prescribing price	0.0
Pay Award spine changes FYE	2.4
Sub-total inflationary rises	11.7
Health & Social Care Levy	3.5
Real Living Wage Care Homes / Dom	3.0
Fuels and Utilities (NB. £2.5m lower than the Low estimated impact assessed by NWSSP)	3.5
Additional Annual Leave Day backfill	1.2
Sub-total exceptional items	11.2
Total	22.9

National Implications	£'m
WHSSC Developments	2.6
Microsoft SLA	1.8
Welsh Risk Pool	0.9
EASC Developments	0.7
RISP all-Wales business case	0.1
LINC/LIMS all-Wales business case	0.3
Digital Intensive Care Unit all-Wales business case	TBC
Total	6.4

CPI inflation modelled on August 2021 of 3.2%,
November 2021 rate was 5.1%

Financial Plan 2022/25: Local Investments

Urgent and Emergency Care (UEC)	£'m
Virtual Urgent Primary Care Centre	2.1
SDEC Carmarthenshire – Acute	1.3
SDEC Carmarthenshire – Frailty	0.2
SDEC Ceredigion – Acute	0.6
SDEC Ceredigion – Integrated Care	0.5
SDEC Ceredigion – Community wrap around	0.3
SDEC – Pembrokeshire system	0.9
SDEC – Pharmacy response	0.2
111 ContactFirst extension to OOH	0.5
Project Management team	0.4
WG confirmed funding	(4.2)
Total	2.8

Other Local Investments	£'m
Home Based Care Plans (management of medically fit patients)	1.0
Nurse Staffing Act priority wards	1.1
Revenue consequences of capital schemes	0.4
Total	2.5

- UEC Expenditure has been capped at funding available; prioritisation of schemes by Senior Reporting Officer and supporting teams underway to rationalise from £7.0m of proposed schemes to £4.2m.
- Potential for HBC funding through a recharge to Local Authorities or reallocation of WG funding.

Financial Plan 2022/25: Investment Decisions/Choices

Local Growth	£'m
Primary Care Prescribing items	0.5
Cancer drugs (10% increase)	1.5
Secondary Care drugs	1.2
MH packages of care	0.0
Physical health packages of care	0.0
Directorates to manage pressures	(3.2)
Total	0.0

- Recognising the likelihood of local growth within key areas of expenditure, Directorates will be responsible to contain any local growth pressures during the year;
- The budget allocation is likely to lead to an inability to support any Local investments.

Investment Decisions (key examples)	£'m
Telephony modernisation	0.5
Electronic Document Management System	0.5
Ambulatory Community Clinical Care	0.4
Digital Telehealth equipment and maintenance	0.4
Fracture Liaison Service	0.3
Cancer rapid diagnostic clinic	0.3
Digital inclusion	0.2
Cyber resilience	0.2
Ear Wax Management	0.2
Phlebotomy Service sustainability	0.2
Unable to support Local investments	(3.2)
Total	0.0



Appendix 3

Current level of saving
opportunities identified

Savings Identified

Directorate(s)	Target £'k		No. of Schemes	FY23 £'k				FY24 £'k Total	FY25 £'k Total
	1.2%	Strategic		Total	Green	Amber	Red		
Planned Care	1,297	1,405	1	270	-	270	-	-	-
Ceredigion System	386	418	1	-	-	-	-	898	449
Carmarthenshire System	1,121	1,215	1	1,553	-	-	1,553	1,298	-
Pembrokeshire System	604	654	1	150	150	-	-	-	-
Radiology	197	213	0	-	-	-	-	-	-
Pathology	266	288	1	150	-	-	150	50	-
Women and Children	485	526	2	317	-	-	317	-	-
Oncology	179	193	0	-	-	-	-	-	-
Facilities	463	502	9	483	203	280	-	513	260
Mental Health & LD ¹	978	1,059	1	611	611	-	-	2,129	1,748
Director of Operations	154	166	3	100	-	100	-	-	-
Medicines Management	1,006	1,090	0	-	-	-	-	-	-
Primary Care	91	99	0	-	-	-	-	-	-
Primary Care Mgt	57	61	0	-	-	-	-	-	-
LTAs and Contracting	959	1,039	0	-	-	-	-	-	-
Public Health	104	112	0	-	-	-	-	-	-
Therapies	249	269	0	-	-	-	-	-	-

There have been a further c.£15m of identified opportunities shared through the opportunities framework that the organisation is considering. Tracking will incorporate these 'Black' schemes as part of weekly reporting updates to Executive Team.

¹ MHL D's savings scheme relates to an estimation of continued underspends, largely in relation to vacancies that have not been filled, which should be excluded from the total savings identified if a resource reallocation is proposed between overspending and underspending Directorates.

Savings Identified

Directorate(s)	Target £'k		No. of Schemes	FY23 £'k				FY24 £'k Total	FY25 £'k Total
	1.2%	Strategic		Total	Green	Amber	Red		
Chief Executive	55	62	0	-	-	-	-	-	-
Nursing	82	89	0	-	-	-	-	-	-
Workforce	121	132	0	-	-	-	-	-	-
Finance	65	72	2	70	-	35	35	35	-
Digital	127	137	3	252	-	252	-	-	-
Performance	3	3	0	-	-	-	-	-	-
Strategic Planning	30	33	0	-	-	-	-	-	-
Medical	32	35	0	-	-	-	-	-	-
Asst Dir Ops Qual & Nur	8	9	2	9	-	9	-	-	-
Sub Total	9,119	9,881	27	3,965	946	964	2,055	4,923	2,457
Gap to be identified				15,035				6,577	8,843
Overall	9,119	9,881		19,000				11,500	11,300
	19,000								

Note: £16m of savings has been included in the overall financial position, but targets set for £19m to ensure there is a contingency should some not delivery, or to facilitate the Financial Focus

For the 6th December submission, expectation was 75% FY23 savings target and 25% for FY24. Actual return has identified 25% for FY23, of which 48% are Green or Amber rated; and 43% for FY24.

Some schemes were highlighted as cost avoidance, which have been excluded from this summary.

By the 17th December, expectation was 100% FY23 savings target, 50% for FY24 and 25% for FY25.



Appendix 4

Progress reporting and governance / assurance tests

- A Savings Identification and COVID-19 Response Costs master tracker reports have been created and shared across the Finance Business Partnering team
- These two progress trackers will be shared to the Executive Team each week, and used by Finance Business Partners to facilitate decision making

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Key Tests for Submitting an IMTP

- Key tests have been created as a way to critique whether or not our plan will pass the grade for IMTP status, and will provide the basis for how it is put forward for Board approval;

Type	#	Test	Purpose	Exec Owner	Status
Internal	1	All planning objectives have been assigned sufficient resources to implement the expectations arising in at least the first year of the plan	Plan deliverability	Lee Davies	
	2	All staffing requirements are contained within the anticipated staffing pipeline over the IMTP timeline	Workforce sustainability	Lisa Gostling	
	3	There is a net shift of resources from the acute setting over the plan timeline	Alignment with long term vision	Lee Davies	
	4	All funding requirements have clear outcome measures in place and a measurable outcomes trajectory. An exit strategy is in place if outcomes are not delivered in line within expectations halfway through the planning cycle	Financial sustainability	Huw Thomas	
	5	80% of the savings requirement identified by 28 February 2022; with 90% identified before Board approval of the plan. Total savings required are capped at 2.5%, which is 1% in excess of the Health Foundation anticipated NHS Wales savings outlined in 2016	Financial sustainability	Huw Thomas	
External	6	Welsh Government agree to the Health Board's transitional funding requirement to achieve financial balance over the three year period	Financial sustainability	Huw Thomas	