



## PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 April 2022
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Development of the Target Operating Model
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance / Lee Davies, Director Strategic Development & Operational Planning
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Andrew Spratt, Deputy Director of Finance / Daniel Warm, Head of Planning

**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 to be undertaken in the next one to three years in order to progress with the Health Board's A Healthier Mid and West Wales strategy. The IMTP should be based on the health needs of the population, the delivery of quality services, ensuring equitable and timely access, and the steps to be undertaken to deliver the vision for the strategy.

This report sets out the Health Boards latest plan for the IMTP that is due for update and submission to Welsh Government (WG) by the end of Quarter 1 2022/23, covering the three-year period 2022-25.

#### Cefndir / Background

The submission of a three-year IMTP to WG is a statutory obligation. However, for an IMTP to be approvable it must demonstrate financial balance over the lifecycle of the Plan and therefore, the Board has not had an approvable Plan to date.

Following the submission of the draft three-year narrative plan and one-year financial plan to the Board on 31<sup>st</sup> March 2022, which breached its statutory financial duties with a draft deficit of £25m, a commitment was made that the Board would submit a revised and approvable IMTP by the end of Quarter 1 2022/23, having bridged the financial sustainability gap that existed in the initial plan.

This report, and accompanying presentation, attached at Appendix 1, provides an update on the progress of the revised IMTP.

#### Asesiad / Assessment

An update to the approach, timelines and content of these plans is provided in the accompanying presentation for the Committee's consideration.

## Argymhelliad / Recommendation

The Sustainable Resources Committee is requested to note the current progress being made and to critique the assurances 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: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019</a>	10. Not Applicable

### **Gwybodaeth Ychwanegol:**

#### **Further Information:**

Ar sail tystiolaeth: Evidence Base:	Contained within the presentation.
Rhestr Termiau: Glossary of Terms:	Not Applicable
Partion / 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)**

<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Financial risks to the recurrent deficit are considered and included within the report.
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Not Applicable
<b>Gweithlu: Workforce:</b>	Significant Workforce requirements underpin the plan, which are still being evaluated to ensure alignment of resource supply with demand, as a key constraint that needs to be prioritised.
<b>Risg: Risk:</b>	Contained within the report.
<b>Cyfreithiol: Legal:</b>	Not Applicable
<b>Enw Da: Reputational:</b>	Not Applicable
<b>Gyfrinachedd: Privacy:</b>	Not Applicable
<b>Cydraddoldeb: Equality:</b>	Not Applicable

# Hywel Dda UHB

## 2022/23 Revised Integrated Medium Term Plan

Sustainable Resources Committee

25<sup>th</sup> April 2022

# Agenda

- 1 Background and Introduction
- 2 Draft Financial Plan and Projected Forecast
- 3 Revised Integrated Medium Term Plan
- 4 Timelines
- 5 Items for Consideration



# Background and Introduction

# Integrated Medium Term Plan (IMTP) Overview

- The 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 1 to 3 years in order to progress the Health Board's A Healthier Mid and West Wales strategy and meet the health needs of the population.
- The submission of a three-year IMTP to Welsh Government (WG) is a statutory obligation. However, for an IMTP to be approvable it must demonstrate financial balance over the lifecycle of the Plan and therefore, the Board has not had an approvable Plan to date.
- For 2022-25, the Health Board confirmed to WG on 28<sup>th</sup> February 2022, and again subsequently on 31<sup>st</sup> March 2022, via Accountable Officer Letters, that the Health Board was not in a position to submit an IMTP, and therefore were breaching the statutory duties by putting forward a draft three year narrative and one year financial plan.
- 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 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, whilst reducing the £25m financial deficit position;
  - demonstrable alignment across service, finance and workforce plans.

# Welsh Government Engagement and Feedback

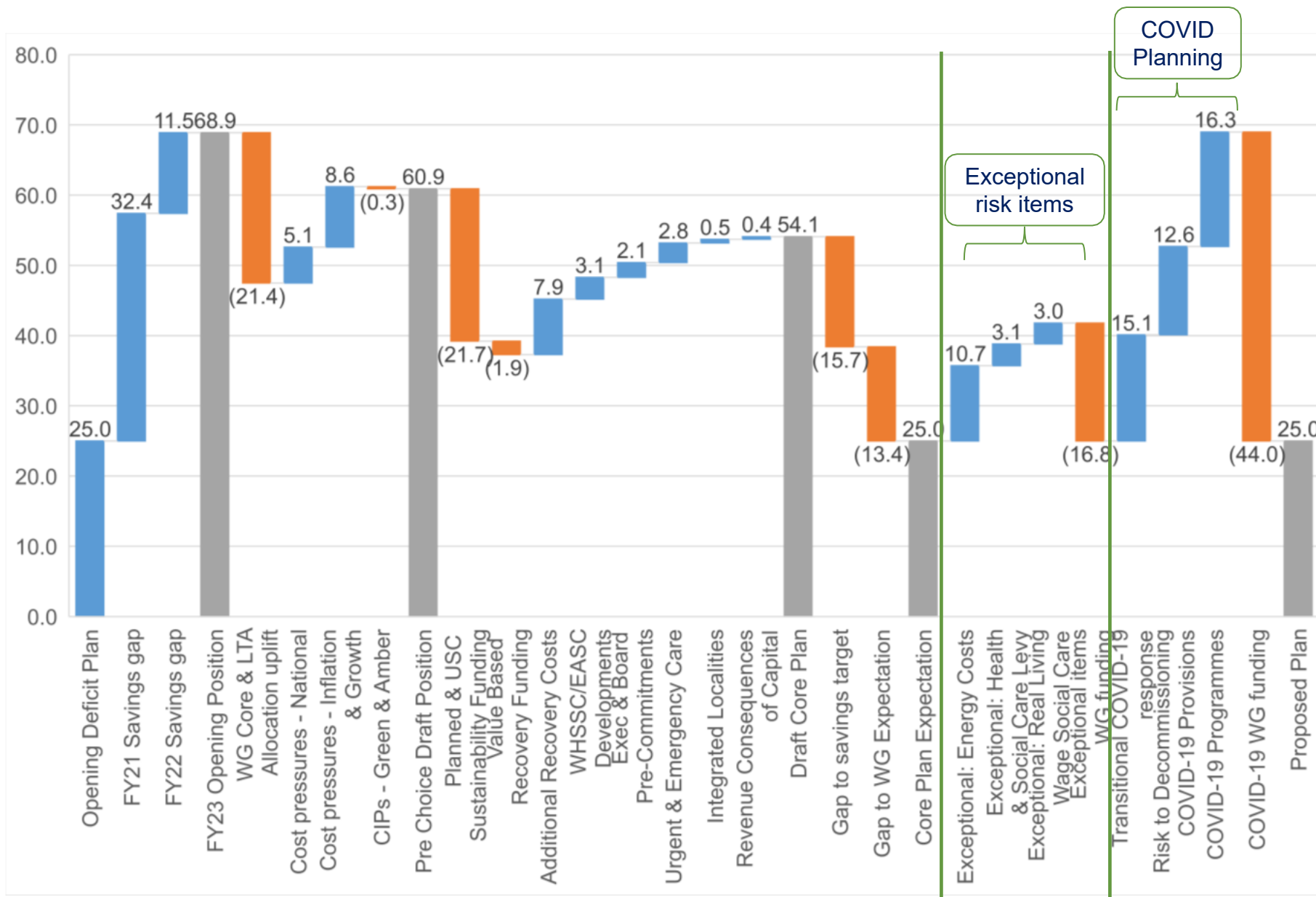
- Sessions have been held between Finance, Planning and Executive teams with WG to engage and discuss progress with the IMTP. There have been clear messages from WG, which are summarised below:
- **Planning Structure** – to be described and assessed in three parts:
  - Core
    - Recurrent core baseline plan, including changes in working patterns introduced as a result of COVID-19 now embedded as business as usual
    - Clear narrative on c/f position, core pressures, use of stability funding, savings
    - Includes the Recovery funding and costs (discretely identified)
  - Exceptional
    - Recognise potentially non-recurrent or pay impacts that are system challenges that require a solution
    - Energy, Employer NI and Real Living Wage
  - COVID-19
    - Ongoing transitional costs of responding to COVID-19 with a clear indication of profile, certainty, robustness of COVID-19 plans
- **Actions** that have been highlighted for these parts are as follows:
  - Core – Triangulated operational, workforce and financial plans to provide clarity against each of these areas described. Core Plans should aim to breakeven or maintain 2021/22 financial out-turn as a minimum;
  - Exceptional – Organisations to clearly capture and present the assessments of these exceptional costs. Ongoing dialogue and actions required to clarify the approach to managing this risk consistently on a system wide basis;
  - COVID-19 – Organisations to provide clear articulation and robust cost assessment of transitional COVID-19 scenario plans. Ongoing dialogue and actions required to clarify the approach to managing this risk.





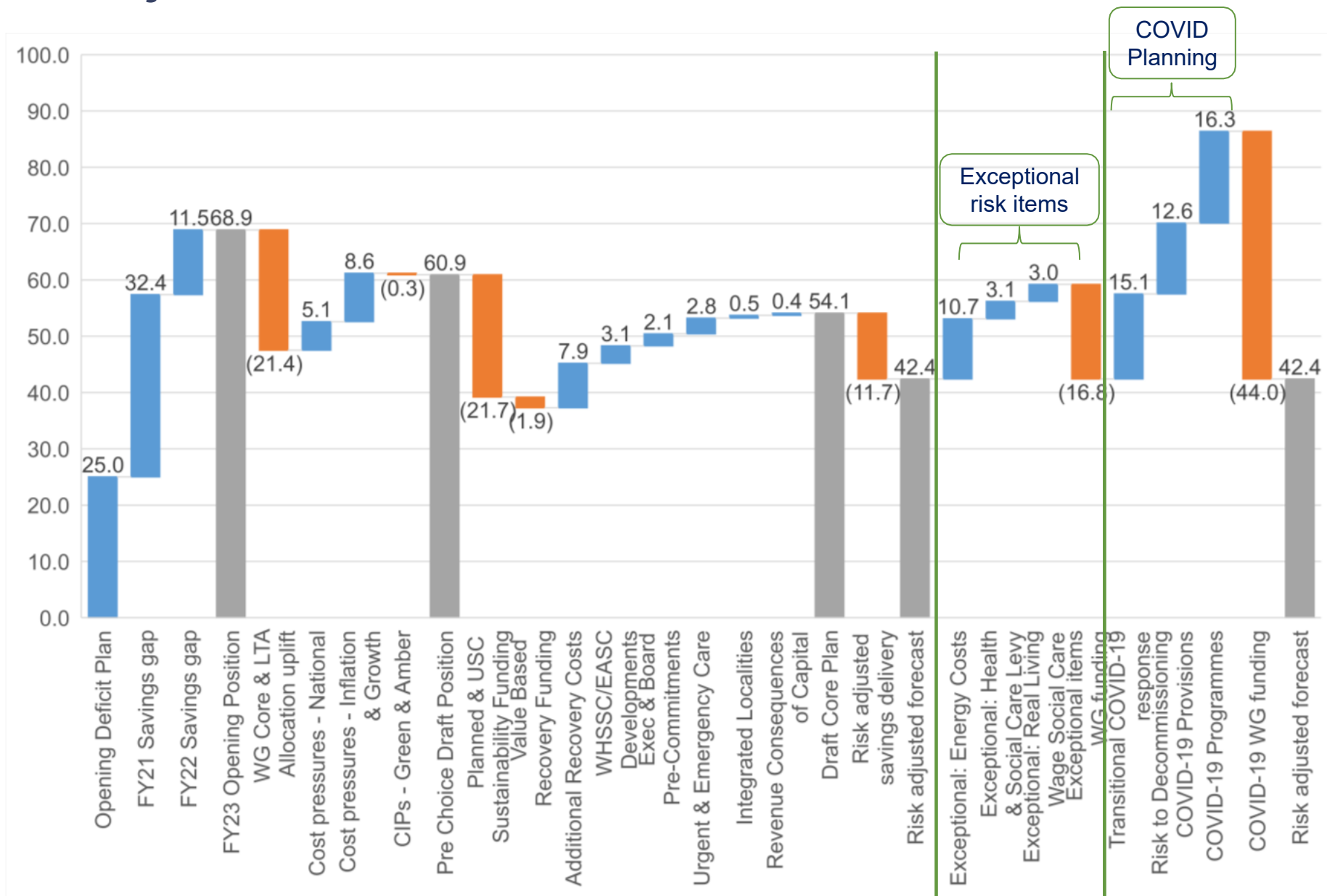
# Draft Financial Plan and Projected Forecast

# Draft Financial Plan



- Recovery outlook includes demountable and ophthalmology and Long Term Agreement (LTA) plans only
- COVID-19 response activities have been reviewed by operational teams following the desktop exercise, and directional decisions made for what is included
- The unidentified gap to our £25m deficit stands at £29.1m
- A transformational approach to service design will be required to bridge the savings and expectation gap

# Risk Adjusted Financial Forecast

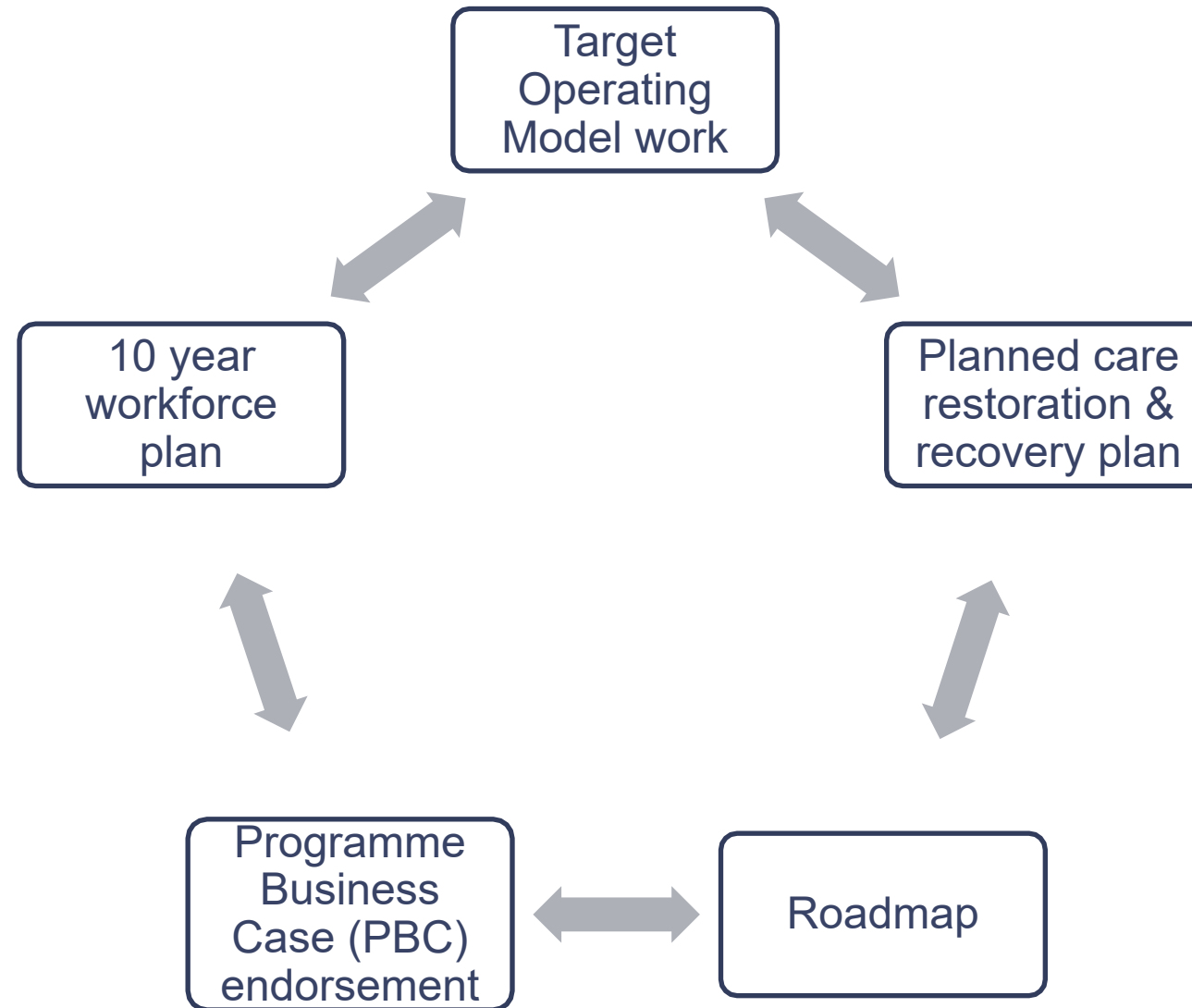


- Draft Core Plan with risk-adjusted savings delivery forecast based on historical delivery trends and transformational nature of schemes required.
- A total assumed savings delivery of £12m is included, assuming Green and Amber schemes are delivered as planned, coupled with a realistic view of likely non-recurrent benefits to be expected, and further recurrent schemes yet to have assured plans



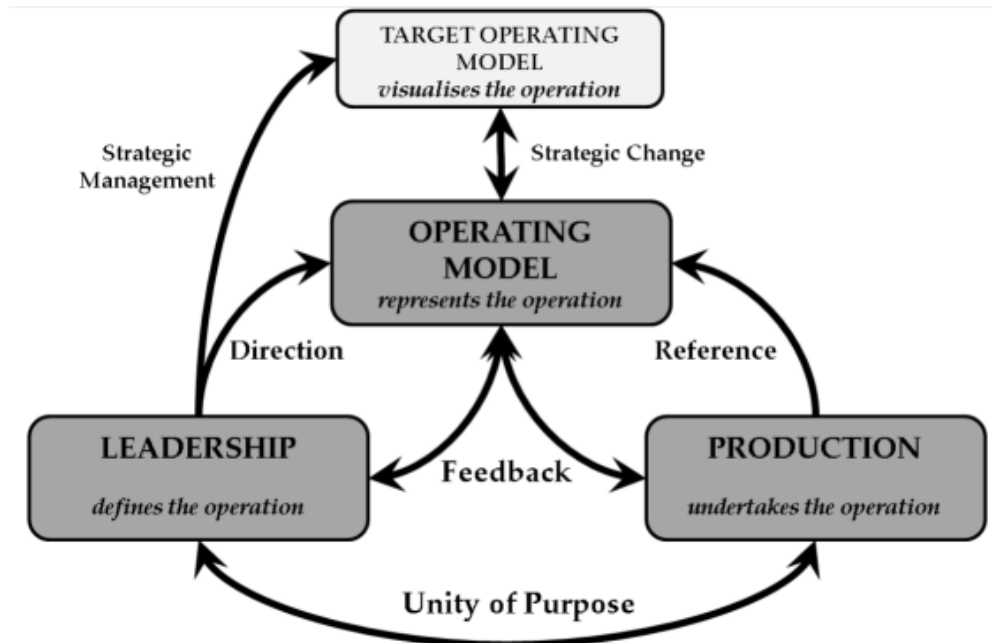
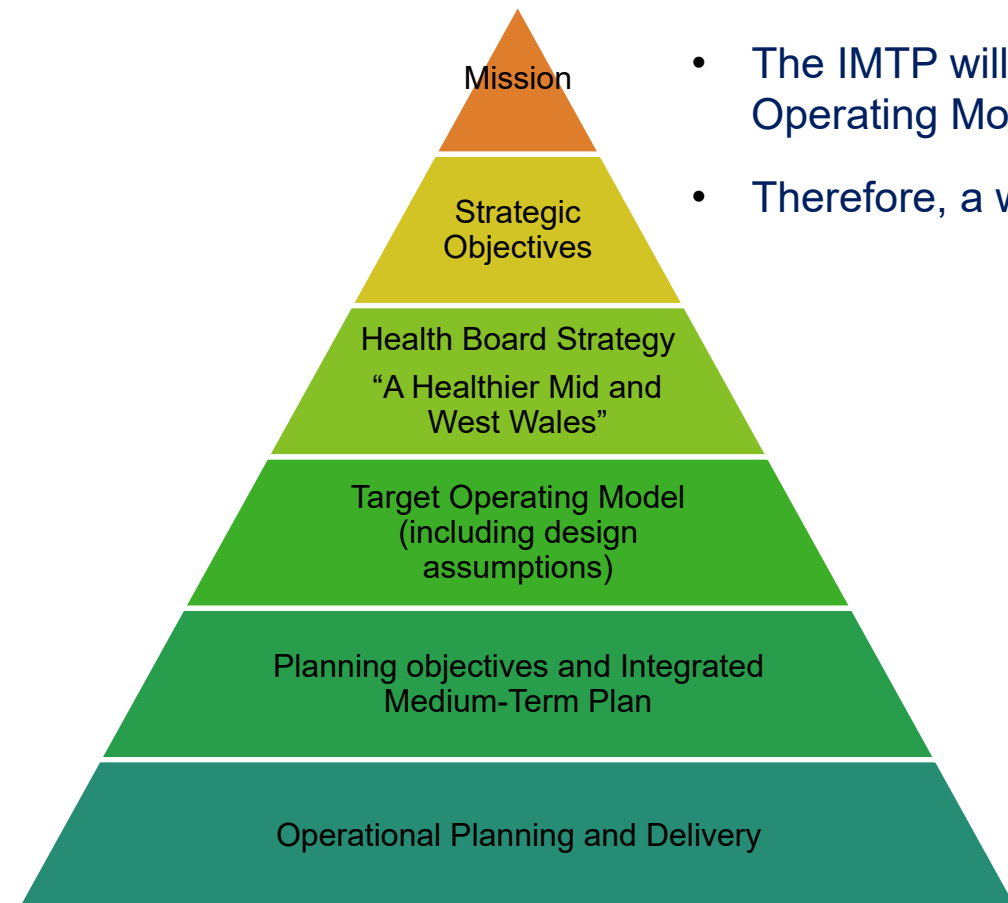
# Revised Integrated Medium Term Plan

# Quarter 1 Objectives



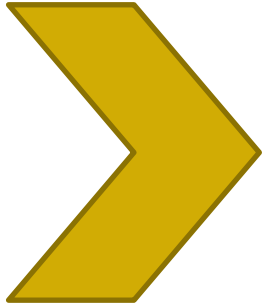
# Target Operating Model (TOM) Discussion

- A strategic overhaul of our operating model is required to make the transformational shift in services that are required to deliver workforce and finance sustainability
- The TOM should be shaped by the Health Board's strategy, "A Healthier Mid and West Wales", and align to the design assumptions set out
- The IMTP will then be required to set out a clear roadmap to move from the Current Operating Model (COM) to the TOM
- Therefore, a workplan for the next 3 months is required to achieve this



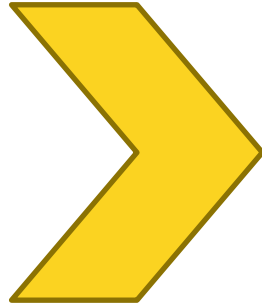
# The Hywel Dda Way

## Enquire



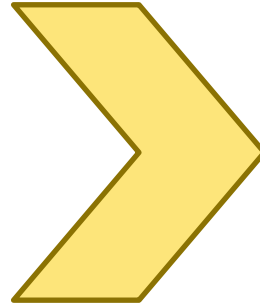
- Is this being done already?
- Has this type of change happened before?
- Is it something that can be done by itself?
- Can it fit into someone else's work?
- Chances to collaborate?
- Is anyone else interested?
- How big will this be?

## Discover



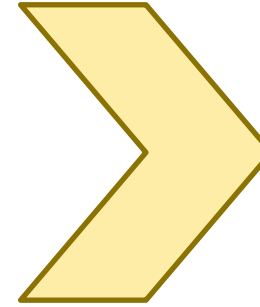
- What do things look like now?
- Who might be affected and how?
- What are the drivers?
- Is there learning you can use?
- Who will benefit and how?
- Has impact screening raised anything you were not expecting?
- 'So What?'

## Design



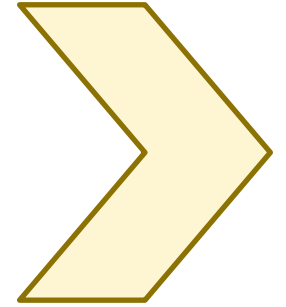
- Has the idea changed after your Discovery work?
- How many ways can it be done?
- Who will know about it?
- Who will help decide how it is done?
- What are the stages that need to happen turn the idea into reality?

## Deliver



- Carry out the tasks that are needed to complete each stage
- Monitor the tasks as they take place
- Report activity and changes (risks, issues, tasks, etc.)
- Communicate the changes to those who need to know

## Evaluate



- Did your idea work?
- What do things look like now?
- What did you learn?
- Who has been affected and how?
- Did everyone benefit as expected, did others benefit too?
- How will you share your learning?

# Week-by-week 'Plan for a Plan'

Milestones	ET / UoR
'In or out' decision and PO(s) agreed	20 <sup>th</sup> April 2022
Plan on a page	27 <sup>th</sup> April 2022
Current situation mapped	4 <sup>th</sup> May 2022
Complete 'Discover' phase	18 <sup>th</sup> May 2022
'Design' phase planned	25 <sup>th</sup> May 2022
Options appraisal	1 <sup>st</sup> June 2022
Target Operating Model proposed	8 <sup>th</sup> June 2022
Delivery plan developed	15 <sup>th</sup> June 2022
Target Operating Model and Delivery plan signed-off	22 <sup>nd</sup> June 2022



# Quarter 1 - Target Operating Models

Theme	Savings Opportunity	Executive Lead
Transforming Urgent and Emergency Care	Bed reduction route map	Andrew Carruthers
	Emergency front-door redesign	Andrew Carruthers
Planned Care	Reset & recovery LTA income opportunities	Andrew Carruthers
	Recovery planning	Andrew Carruthers
Transforming Mental Health & Learning Disabilities		Andrew Carruthers
CHC packages		Jill Paterson
Primary care and OOH		Jill Paterson
Workforce redesign	Workforce controls	Lisa Gostling
	Nursing Transformation	Mandy Rayani
Digital transformation	Digital validation, digitisation and redesign initiatives	Huw Thomas
	Administrative review – digitalisation and efficiency of back-office	Huw Thomas
Clinical Support Services		Alison Shakeshaft
Community and non-clinical estates strategy		Lee Davies

# Checklist

Stage	Checklist	Target Week (w/c)	Progress	Comments
<b>1 Enquire</b>	Potential opportunity identified Lead Executive in place Lead Officer in place Initial scoping undertaken (how big is this?) Planning Objective(s) agreed			
	Interdependencies and risks identified Initial research undertaken (has this been done before?) Opportunities to collaborate explored Support requirements identified and secured Plan on a page developed and signed-off by Exec lead Programme/project structure established			

Can we aim for:

- 1a to be completed for ET on 20<sup>th</sup> April
- 1b to be completed for ET on 27<sup>th</sup> April

# Checklist

Stage	Checklist	Target Week (w/c)	Progress	Comments
2 Discover	Current situation mapped			
	Data analysis completed			
	SWOT analysis undertaken			
	Diagnosis of current situation completed and agreed			
	Stakeholder mapping completed			
	Drivers for change identified			
	Learning collated (internal and external)			
	Potential benefits identified (who and how much)			
	Equality impact assessed			
	'So what?' defined			

Can we aim for:

- 2a completed for ET on 4<sup>th</sup> May
- 2b completed for ET on 11<sup>th</sup> May
- 2c completed for ET on 18<sup>th</sup> May

# Checklist

Stage	Checklist	Target Week (w/c)	Progress	Comments
<b>3 Design</b>	Opportunity/PO revised following Discovery phase			
	Process agreed for identifying and assessing options			
	Communication and engagement plan developed			
	Options generated and shortlisted			
	Options assessed, including potential impact and deliverability			
	Target Operating Model proposed including: <ul style="list-style-type: none"> <li>- Future service model</li> <li>- Key measures</li> <li>- Workforce model</li> <li>- Financial implications</li> </ul>			
	Delivery plan developed, including proposed phases			
	Implementation resources identified and secured			
	Benefits realisation plan and trajectories/timescales in place			
	Monitoring mechanisms developed and agreed			
	Target Operating Model and Delivery Plan signed off			

Can we aim for:

- 3a completed for ET on 25<sup>th</sup> May
- 3b completed for ET on 1<sup>st</sup> June
- 3c completed for ET on 8<sup>th</sup> June
- 3d completed for ET on 15<sup>th</sup> June
- 3e completed for ET on 22<sup>nd</sup> June