

CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 March 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Annual Plan 2023/24
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies, Director of Strategy and Planning Huw Thomas, Director of Finance Lisa Gostling, Director of Workforce and Organisational Development
SWYDDOG ADRODD: REPORTING OFFICER:	Daniel Warm, Head of Planning Shaun Ayres, Deputy Director of Operational Planning and Commissioning

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

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA SBAR REPORT

Sefyllfa / Situation

Health Boards in Wales are required to produce a Board-approved Integrated Medium-Term Plan (IMTP) and submit to the Welsh Government for approval. A statutory requirement is that the IMTP must be financially balanced over the three-year period. Hywel Dda University Health Board (HDdUHB) was unable to do that for this financial year, which led to the Health Board being escalated by the Welsh Government to Targeted Intervention for Planning and Finance.

Whilst the ambition and aspiration for HDdUHB remains to submit an approvable IMTP, the challenges over the last 12 months are such that, despite our best endeavours, we are not in a position to produce a balanced financial plan at this stage. This was formally noted to Welsh Government (WG) in an accountability letter from the Chief Executive in February 2023.

In lieu of an IMTP, HDdUHB has developed a one-year Annual Plan for 2023/24 which includes a one-year financial plan and key deliverables for the next 12 months.

Cefndir / Background

The submission of a three-year IMTP to Welsh Government is a statutory obligation. However, 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.

As has previously been noted, as an organisation we are in 'targeted intervention' for planning and finance and this has been the starting point for the building of our Plan.

Following agreement at the January 2023 Board meeting, HDdUHB wrote to the Welsh Government on 28 February 2023, to provide formal notification through an accountability letter

that unfortunately we would again not be in a position to submit a financially balanced IMTP by 31 March 2023 and instead would produce an Annual Plan for 2023/24.

As noted in the January 2023 Board update, as part of developing our plan, we have reviewed the Planning Objectives. Our plan prioritises several Planning Objectives aligned to the Ministerial Priorities and the key programmes of work required to respond to our opportunities framework. We are also (in line with Welsh Government's Targeted Intervention expectations) developing a Clinical Services Plan, which will begin to bridge the operational challenges we are facing today and our plans for a new hospital network and realisation of our strategy 'A Healthier Mid and West Wales'.

In recognition of the financial challenge, our 2023/24 Annual Plan is predicated on no additional workforce and/or further investments (outside of the nursing workforce stabilisation). Equally, it is understood that no one action remedies the multifaceted and unprecedented challenges we as a Health Board and wider Health and Care System face going into 2023/24. Our key priorities and revised Planning Objectives align to the national priorities and the key opportunities and challenges facing Mid and West Wales. Consequently, we expect this approach will not only support improved and sustainable operational performance, but equally, will be the basis of a revised roadmap to financial sustainability.

Asesiad / Assessment

Plan development

Our general approach and key considerations in the development of the Plan were presented to the Board in January 2023 and Board Seminars in February and March 2023. The key principles have been:

- The Health Board will be submitting an **Annual Plan**
- The core philosophy of the plan is one of stabilisation and laying the foundations for a medium-term recovery plan, aligned to our strategy
- The majority of plans are based upon **existing resources** (workforce and funding) with the nursing workforce stabilisation programme the main exception to this
- The plan and organisational priorities are focused on delivery of the ministerial priorities
- The plan is a continuation of the organisation's journey to date, consistent with the strategy and building on the strategic objectives, planning objectives, BAF etc methodology
- It is, however, more focused, so fewer planning objectives, and more ambitious

Revised set of Planning Objectives

As indicated previously to Board, work has been undertaken to review the Planning Objectives sitting under the six Strategic Objectives that that have been agreed, namely:

- SO1 : Putting people at the heart of everything we do
- SO2 : Working together to be the best we can be
- SO3 : Striving to deliver and develop excellent services
- SO4 : The best health and wellbeing for our communities
- SO5 : Safe, sustainable, accessible, and kind care
- SO6 : Sustainable use of resources

The purpose of our Planning Objectives is to:

- Provide clarity about our priorities
- Provide a steer as to how work should be planned, informing our planning cycle
- Allow the Board to measure whether progress is being made

A revised set of proposed Planning Objectives for 2023/24 have been developed and are included as Appendix 1, for the Board to approve. The table below provides an overview and the alignment to either Ministerial or Local priorities.

Domain	Goals	Planning Objectives
Our People <i>We have the people we need to achieve our purpose and strategy</i>	Goal 1: Grow and Train our Workforce <i>We have the right people we need, with the right skills and knowledge</i>	1a - Recruitment plan
	Goal 2: Support and Retain our Workforce <i>Our people feel motivated and supported</i>	1b - Career progression
		2a - Staff health and wellbeing
		2b - Employer of choice
Our Patients <i>Our patients receive the highest quality care</i>	Goal 3: Safe and high quality care <i>Our services are safe and deliver good outcomes</i>	2c - Workforce and OD strategy
		3a – Transforming Urgent and Emergency Care programme
	Goal 4: Accessible and kind care <i>Patients have timely access to services and positive experiences</i>	3b – Healthcare Acquired Infection Delivery Plan
		4a - Planned Care and Cancer Recovery
		4b – Regional Diagnostics Plan
Our Future <i>Building a better health care system for future generations</i>	Goal 5: World class infrastructure <i>We are building the infrastructure needed to provide high quality care</i>	4c – Mental Health Recovery Plan
		5a – Estates Strategies
		5b - Research and innovation
	Goal 6: Sustainable services <i>Designing and implementing more sustainable services</i>	5c – Digital Strategy
		6a - Clinical services plan
		6b - Pathways and Value Based Healthcare
Our Communities <i>Our population is healthy and we have a positive impact on the determinants of health</i>	Goal 7: Healthier communities <i>Our communities support good health</i>	6c - Continuous engagement
		7a – Population Health
		7b – Integrated Localities
	Goal 8: Positive impact beyond health <i>As an organisation we have a positive impact beyond health</i>	7c - Social model
		8a – Decarbonisation & Sustainability
		8b – Local Economic and Social Impact
		8c – Financial Roadmap
		8d – Welsh Language and Culture
Ministerial priorities	Local priorities	

Plan Narrative and Structure

The draft Plan is presented as Appendix 2 and is structured around the Ministerial priorities and our Health Board Planning Objectives. Additionally, we are required to submit a set of standardised WG templates and Minimum Datasets (MDS) detailing, for example, core activity, finance and workforce, at Health Board level.

Financial Considerations

The draft Financial Plan for 2023/24 presents a significant deficit position, which reflects the significant step-change in expenditure during COVID-19. This has persisted, as operational pressures have remained; and a further step-change in expenditure is expected into next year, arising, largely, from inflationary pressures.

There are several working assumptions, principles, and risks which the Health Board is actively managing to ensure this position can be delivered across the financial year. Therefore, there will be several steps that will be taken in 2023/24, which it is anticipated will support the recovery of the organisation in as far as is reasonably possible. It is imperative that the Health Board utilises the 2023/24 financial year to provide stability and a recovery trajectory at pace, as a foundation for addressing both Enhanced Monitoring/Targeted Intervention and the development of an IMTP in future years.

The key elements of the financial consequences of the plan can be grouped and explained as follows:

Item Group	2023/24 £'m	Treatment Description
Welsh Government Expectation of Deficit	25.0	Centrally recognised deficit in line with WG expectations for 2023/24
Full Year Effect of 2022/23, Net remaining COVID-19 to Core, Local Investments	87.0	Local expenditure items requiring offset with Directorate Opportunities; to be recognised against identified Directorates, with Opportunities being allocated in line with Opportunities Framework
Welsh Government Core Funding uplift, Macro Economic Inflation, National Investments	20.4	Macro-Inflationary and National items are unavoidable, and funding will be issued to affected Directorates. The inflationary uplift in funding received from WG is insufficient, therefore, the net offsetting deficit will be recognised centrally
2023/24 Savings Expectation	(19.5)	2.5% of non-ring-fenced budgets. Further Opportunities requiring identification and in-year delivery by Directorates
Total	112.9	

It has been accepted by HDdUHB that an achievable saving expectation for the opportunities delivery will be set at 2.5% of the non-ring fenced allocation, and all portfolios will be expected to review services and delivery against this expectation, utilising the Opportunities Framework and service intelligence and innovation. This is a minimum level of expected recurrent savings delivery, and further recurrent and non-recurrent opportunities will be pursued.

The delivery of the savings is reflected within each of the respective Operational Plans aligned to the respective Planning Objectives.

Key Risks

HDdUHB recognises that there are risks associated with the delivery of the Plan we have set out for 2023/24. The most significant risks and mitigations, in respect of ongoing recovery plans, have been outlined throughout the plan and the HDdUHB will, through its governance structures, monitor delivery of the plan and ensure appropriate actions are taken to ensure that risks are appropriately managed. The plan has been developed in the full knowledge of these risks, and the HDdUHB is also cognisant that there are some key factors that are outside of our direct control.

Corporate and Clinical Directorates and Services are responsible for ensuring that risks to achieving their objectives, delivering a safe and effective service and compliance with legislation and standards, are identified, assessed and managed to an acceptable level, i.e. within the Board's agreed risk tolerance. These are reported through the Committee Structure to provide assurance that risks are being managed effectively and efficiently.

Argymhelliad / Recommendation

The Board is asked to:

- **APPROVE** the revised set of Planning Objectives for 2023/24
- **APPROVE** the annual plan for the period 2023/24, acknowledging the risks highlighted above and recognising the forecast financial outturn remains unacceptable and further work will be required during 2023/24 to improve the position
- **NOTE** that our plan does not achieve financial balance which can be interpreted as a novel or contentious action per our Standing Orders and will require the Chief Executive to write an Accountable Officer letter to Welsh Government to explain our position and actions
- **NOTE** that without further support, at this stage, HDdUHB will require further cash-backed support from Welsh Government as the extent of our cash allocation will be insufficient to continue to service our liabilities as they fall due after early February 2024
- **APPROVE** the delegation of budgets to the organisation's budget managers in line with our scheme of delegation to enable the organisation to continue to commit expenditure and service our liabilities as they fall due from 1 April 2023.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

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 Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	9. All HDdUHB Well-being Objectives apply

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	Not applicable
Rhestr Termiau: Glossary of Terms:	Not applicable

Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Executive Team Board Seminar Strategic Development and Operational Delivery Committee (SDODC) Sustainable Resources Committee (SRC) For Planning Objectives – Individual Committees responsible for the assurance of those Planning Objectives aligned to them
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Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	This is a key component in the delivery of the Integrated three year plan for the period 2023/24
Ansawdd / Gofal Claf: Quality / Patient Care:	This is a key component in the delivery of the Integrated three year plan for the period 2023/24
Gweithlu: Workforce:	This is a key component in the delivery of the Integrated three year plan for the period 2023/24
Risg: Risk:	Risks will be assessed as part of the ongoing process of both the development of the 2023/24 Plan and its subsequent monitoring
Cyfreithiol: Legal:	As above
Enw Da: Reputational:	Hywel Dda University Health Board needs to meet the targets set in order to maintain a good reputation with Welsh Government, together with our stakeholders, including our staff
Gyfrinachedd: Privacy:	Not applicable
Cydraddoldeb: Equality:	Consideration of Equality legislation and impact is a fundamental part of the planning of service delivery changes and improvements.