



## CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	31 May 2023
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Submission of Supplementary Information to Welsh Government on the 2023/24 Annual Plan
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Lee Davies, Director of Strategy and Planning
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Shaun Ayres, Deputy Director of Operational Planning and Commissioning Daniel Warm, Head of Planning

**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

Welsh Government wrote to Hywel Dda University Health Board on 21<sup>st</sup> April 2023 noting that the Health Boards Annual Plan for 2023/24 Plan is 'not supportable or acceptable', specifically the level of financial deficit and the delivery of the Ministerial priorities. Welsh Government requested that the Health Board submit a supplementary paper by 31 May 2023 outlining the further work undertaken and the impact this has upon plan assumptions but noting a resubmission of the Plan itself was not required.

#### Cefndir / Background

Health Boards in Wales are required to produce a Board-approved Integrated Medium-Term Plan (IMTP) and submit to the Welsh Government (WG) 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 again unable to do that for 2022-23, which led to the Health Board being escalated by the WG to Targeted Intervention for Planning and Finance.

As noted at previous Board meetings, whilst the ambition and aspiration for HDdUHB remains to submit an approvable IMTP, the current challenges are such that, despite our best endeavours, we are again not in a position to produce a balanced financial plan at this stage for 2023/24. Following discussion at Board, this was formally noted to WG in an accountability letter from the Chief Executive in February 2023.

In lieu of an IMTP, an annual plan was developed for 2023/24 and presented at the March Board meeting for approval. The plan considered by Board can be found at: [Annual Plan 2023/24](#). The annual plan was subsequently submitted to WG on the 31<sup>st</sup> March.

Following receipt and review of this Plan, the Director General, Health and Social Services, WG wrote to the Health Board noting that the 2023/24 Plan is 'not supportable or acceptable', and that further work was required around a number of areas:

- *Given the scale of risk, urgent work is required on setting out an improvement in the position on delivery of all Ministerial priorities, and an improvement in your financial assessment by 31 May. It is recognised that this will require both strengthening existing plans, and consideration of options and choices to deliver further improvement.*
- *All Ministerial templates must be fully completed, setting out how delivery ambitions will be achieved. The Ministerial ask was for a greater degree of focus and robust action plans on the specific and immediate in-year priority areas for 2023-24. It is understood that this will require choices around other areas, balanced against an assessment of quality and safety.*
- *Whilst we are not seeking a resubmission of full plans, greater clarity and improvement is required over and above the templates already received.*
- *The financial challenge as a consequence of the service and workforce challenges we face are understood, as is the challenging economic context within which we are operating. However, significant improvement is required on the plans which have been set out given they are not supportable, specifically:*
  - *The underlying positions described require actions to reduce and mitigate this assessment.*
  - *•Significant new cost growth is contained in plans with a varying combination of inflationary components and investment choices. Given the scale of deficit plans submitted, actions are required to increase cost control and reduce cost growth.*
  - *Savings plans and mitigations submitted within plans have very low confidence levels indicating that submitted plans are not sufficiently robust. This needs to be strengthened, in addition to considering the need for improvement.*
- *The requirement therefore is to deliver improvement to delivery of ministerial priorities and the financial plans submitted, in addition to strengthening the quantified options and choices that organisations face to make further progress from this revised position which will require consideration.*

The requirements of WG and of the Plan were discussed in detail at a review meeting between the Health Board and WG on 3<sup>rd</sup> May 2023. Following this meeting, a further letter was received from WG on 15<sup>th</sup> May 2023, confirming the details that must be included in the supplementary information required

- The requirements from the scrutiny session are set out below. Health boards must **resubmit the relevant Ministerial templates to provide assurance and clarity** including the following detail:
  - baseline activity/position for each template;
  - milestones for each quarter to represent a significant step towards delivering the Ministerial priority;
  - milestones supported by tangible and measurable actions which clearly support delivery.
  - outcomes for patients and the organisation articulated; and
  - risks associated with delivery should be clearly articulated and mitigating actions described.
- **Health boards must provide a paper** which outlines any major changes that have taken place between 31 March and 31 May that amends your organisation's plan. Consideration must also be given to the local and national choices that could be made. For clarity from a financial perspective, organisations are expected to reduce the risk in existing plans, improve the financial deficit projected, and outline quantified options and choices to make further improvement from that position.
- **Updated financial returns** are required including Month 1 return as usual (15 May) and updated Minimum Dataset (MDS) financial sections that reflect the changes identified as part of the overall review of plans (31 May). The Financial Planning & Delivery team of the NHS Executive will also provide specific feedback on the financial plans.

- **An updated MDS will be required** where any material changes have been made to plans.

Further, a number of informal meetings have been held with members of the WG Planning Team in order to gain feedback on specific issues relating to the resubmission of the Ministerial Templates

In addition, at the Health Board's Public Board meeting on 25<sup>th</sup> May 2023, an overview of our approach to the resubmission was presented and discussed.

## Asesiad / Assessment

### **Changes from the March 2023 Annual Plan**

There are minimal changes to the MDS and wider trajectories. However, there are a few pertinent issues to highlight in the following areas:

- Aligned to the feedback from WG regarding the Ministerial Templates, the Health Board has updated the information (Annex A) based on the following expectations "Health Boards must **resubmit the relevant Ministerial templates to provide assurance and clarity** including the following detail:
  - baseline activity/position for each template;
  - milestones for each quarter to represent a significant step towards delivering the Ministerial priority;
  - milestones supported by tangible and measurable actions which clearly support delivery.
  - outcomes for patients and the organisation articulated; and
  - risks associated with delivery should be clearly articulated and mitigating actions described."

There are minimal changes to the overall March 2023 Annual Plan. However, there are a few pertinent issues to highlight in the following areas:

### **Delayed Transfers -(Pathways) of Care (DPoC)**

- The original trajectory produced was under the auspices of the Bridging Community Capacity programme. Furthermore, since submitting the original trajectory, there has been a reduction in the anticipated whole time equivalents (WTEs) upon the conclusion of the third round of recruitment for additional care capacity. Consequently, the updated DPoC trajectory is now indicative of the latest planning assumptions aligned to the 80 bed efficiencies. However, there is an agreement to create an additional operational stretch target in Quarter 4 (subject to Quarter 3 achievement) of an additional 25% capacity (13 patients) over and above the Complex Discharge Improvement trajectory set out in the Ministerial Priority slides.

### **Planned Care**

- There is now a Planned Care template for the Ministerial Priority; with the narrative and trajectories consistent with the March 2023 Annual Plan. In addition, the Health Board has submitted a detailed bid against the Nationally held Planned Care monies to accelerate elective recovery.

### **De-risking of the Plan**

- As part of the rigorous process set out above to de-risk the plan and aligned to the Month 1 financial result; a number of risks and mitigations have materialised as set out on slide 9 within the Plan. Consequently, the identification and materialisation of these risks and mitigations may result in a financial outturn which exceeds the planned deficit of £112.9m.

### **Estates Rationalisation Project**

- There is a significant opportunity to accelerate an existing proposal that would support the consolidation of a number of current Health Board leases (Planning Objective 5A) resulting in a circa £300k > FYE cost reduction. Equally, there is a significant opportunity for Welsh Government to reduce their liabilities such as service charges and utilities etc. The Health Board requires support from Welsh Government to purchase the building (or an alternative arrangement) to the benefit of both organisations and supports estates rationalisation and effective utilisation.

### **Argymhelliad / Recommendation**

The Board are asked to **APPROVE** the submission to Welsh Government of the supplementary information regarding the Annual Plan for 2023/24 in-line with their letter of 3<sup>rd</sup> May 2023 but noting that Welsh Government indicated that the original submission was “not supportable or acceptable’ and that 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.

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

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

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not applicable
Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	6. All Apply
Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a>	7. All 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: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	9. All HDdUHB Well-being Objectives apply

### **Gwybodaeth Ychwanegol: Further Information:**

Ar sail tystiolaeth: Evidence Base:	Not applicable
Rhestr Termau: Glossary of Terms:	Contained within the body of the text.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Board (March 2023 for approval of submission to Welsh Government) Board (May 2023 for an update on the process and activities)

<b>Effaith: (rhaid cwblhau)</b> <b>Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian:</b> <b>Financial / Service:</b>	This is a key component in the delivery of the Integrated plan for the period 2023/24
<b>Ansawdd / Gofal Claf:</b> <b>Quality / Patient Care:</b>	This is a key component in the delivery of the Integrated plan for the period 2023/24
<b>Gweithlu:</b> <b>Workforce:</b>	This is a key component in the delivery of the Integrated plan for the period 2023/24
<b>Risg:</b> <b>Risk:</b>	Risks will be assessed as part of the ongoing process of both the development of the 2023/24 Plan and its subsequent monitoring
<b>Cyfreithiol:</b> <b>Legal:</b>	As above
<b>Enw Da:</b> <b>Reputational:</b>	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
<b>Gyfrinachedd:</b> <b>Privacy:</b>	Not applicable
<b>Cydraddoldeb:</b> <b>Equality:</b>	Consideration of Equality legislation and impact is a fundamental part of the planning of service delivery changes and improvements.