



**CYFARFOD BWRDD PRIFYSGOL IECHYD
UNIVERSITY HEALTH BOARD MEETING**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 July 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Annual Plan 2024/25
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies, Executive Director of Strategy and Planning
SWYDDOG ADRODD: REPORTING OFFICER:	Shaun Ayres, Programme Director - Targeted Intervention Daniel Warm, Head of Planning

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

Hywel Dda University Health Board is subject to a revised escalation status of Targeted Intervention (TI) across the whole organisation. Welsh Government stipulate that the aim of this revised status is to support the organisation in addressing its financial challenges and improving its overall performance and quality of care. The TI process covers six key domains: Finance, Planning and Strategy; Performance and Outcomes; Fragile Services; Governance; Leadership, Capability and Culture; and Quality of Care.

At the March 2024 Public Board meeting, a one-year Annual Plan for 2024/25 was endorsed, acknowledging significant risks and recognising that the forecast financial outturn remains unacceptable and further work will be required during 2024/25 to improve the position. The plan was subsequently submitted to Welsh Government on 28 March 2024. The annual plan included a one-year financial plan and key deliverables for the following 12 months.

Following submission, the Health Board received notification on 3 May 2024 from Welsh Government stating that the financial deficit set out in the Annual Plan was unacceptable and not aligned to de-escalation criteria (for Targeted Intervention). The letter requested a further submission setting out the changes that amended the UHB's plan. The Welsh Government expectation was that organisations would reduce the risk in existing plans and improve the financial deficit projected, inclusive of quantified options and choices to make further improvement against the current financial forecast. Furthermore, a second letter was issued on 7 May 2024 by Welsh Government setting out revised performance expectations. The Board subsequently received a report on this at the May 2024 Public Board meeting.

The key elements of the Health Board's 2024/25 plan are aligned to the TI de-escalation criteria and include:

- Delivery of the ministerial priorities (progress set out in the Integrated Performance Assurance Report)
- Delivery of our financial plan and mitigating actions (progress set out in the Financial Report) and

- Delivery of our Planning Objectives (progress set out in this report and through the Board Assurance Framework)

This report provides the Board with an update on the annual plan and the current actions being undertaken in response to Targeted Intervention (TI).

Cefndir / Background

The Health Board ended the 2023/24 financial year with a deficit of £65.8 million, significantly exceeding the target control total of £44.8 million set by the Welsh Government. For the 2024/25 financial year, the Health Board has developed a financial plan that aims to achieve a planned deficit of £64 million, which includes a savings requirement of £32.4 million. Even with delivery of this level of savings, and this remains at risk, the planned deficit is a significant distance from the target control total.

In addition to the financial challenges, the Health Board faces ongoing pressures in key performance areas such as Urgent and Emergency Care (UEC), Referral to Treatment (RTT) waiting times, diagnostics and therapies. While progress has been made in some areas, such as cancer performance, mental health and healthcare-acquired infections (HCAI), there remains a need for continued focus and improvement across the system.

In response to these challenges, the Health Board has taken a pragmatic approach to integrate the TI process within the organisation's business arrangements and the annual planning and delivery cycle. This integration aims to address the identified issues systematically while ensuring the continued delivery of high-quality healthcare services.

To support this integrated approach, the Health Board has implemented new governance structures and established an internal escalation process. A key component of this new structure is a comprehensive escalation and action tracking tool. This tool is designed to provide detailed oversight of improvement actions across all areas of the organisation, including directorates, executive functions, and cross-cutting themes. It forms a crucial part of the Board's strategy to address the TI requirements, align with the annual plan objectives, and create a clear path towards de-escalation.

To address the challenges, the Health Board has been de-risking the financial plan as a key priority for the first quarter of the 2024/25 financial year. This involves thoroughly reviewing and assessing the savings schemes included within the plan, identifying new saving opportunities and managing potential risks to delivery through mitigating actions. The Health Board must also explore additional opportunities to further reduce the deficit and move closer to the target control total, which will require a comprehensive review of all areas of expenditure, identifying efficiencies, and making difficult decisions about service provision and resource allocation.

Asesiad / Assessment

1. Governance and Oversight Structure:

- New Executive Team governance structure implemented. The Executive Team Provides strategic oversight and decision-making for the TI process.
- TI Coordination Group: Coordinates and manages the Health Board's response to the TI framework

Reporting groups:

- Value and Sustainability: Focuses on financial improvement and sustainability initiatives
- Integrated Quality, Finance and Performance Delivery (IQFPD): Oversees performance management and delivery of the Annual Plan/Integrated Medium Term Plan (IMTP)
- A Healthier Mid and West Wales (AHMWW): Ensures delivery of the Health Board's strategy and associated programmes

Each TI domain is mapped to specific reporting groups and Board committees for clear accountability.

An internal Escalation Framework has been implemented to assess directorate performance across six key areas aligned to the Targeted Intervention Domains: Quality, Governance, Workforce, Fragile Services, Finance/Strategy/Planning, and Performance/Outcomes

2. Progress Monitoring and Reporting:

- Traffic light system (Advise, Assure, Alert) used to assess progress against 56 specific criteria across the six TI domains
- Detailed tracking systems being implemented to monitor progress on actions, with clear baselines, targets, and leading indicators
- Regular escalation meetings held with directorates to review performance and agree on improvement actions
- New approach focuses on leading indicators to enable early identification of potential issues

3. Domain-specific Assessments:

A. Finance, Strategy and Planning:

- Annual plan currently does not deliver the required control total and remains unacceptable to Welsh Government
- A significant number of directorates categorised as 'alert' for this domain, primarily due to lack of identified savings plans
- Work has been undertaken to develop a clear roadmap for financial improvement and sustainability

B. Performance and Outcomes:

- Mixed progress across different areas
- Some targets are already being met (e.g. mental health measures, 80% of open pathways waiting less than 52 weeks)
- The improvement trajectories set out within the annual plan would deliver the TI criteria for many areas, the most significant exceptions being 104-week waits for Orthopaedics and Urgent and Emergency Care measures
- 6 out of 7 assessed directorates categorised as 'alert' for this domain

C. Fragile Services:

- Framework developed and presented to the Quality, Safety and Experience Committee (QSEC) in April 2024
- Further work required to establish the position against recommendations from all external reviews
- Clinical Services Plan and Primary and Community strategic plan programmes supporting key fragile services

D. Governance:

- Improvements made in Board oversight and risk management
- New approach to Committee self-assessment feeding into Board Development Programme
- Work ongoing to strengthen operational governance arrangements linked to new operational directorate structure

E. Leadership, Capability and Culture:

- Leadership programmes in place (e.g. LEAP leadership programme, new consultant programme)
- Board succession being addressed through development sessions
- Robust performance management framework introduced for Executive Directors with objectives and development plans
- Positive engagement with NHS Wales staff surveys, with local implementation plans being developed

F. Quality of Care:

- Efforts ongoing to reduce hospital-acquired infections, with specific targets set
- Development of a quality surveillance group led by Clinical Executives to enhance data triangulation
- Work required to improve complaint response times and demonstrate use of patient/staff feedback in service improvements

4. Key Challenges and Risks:

- Financial sustainability remains a significant concern, with savings plans and opportunities not yet fully identified
- Performance in some areas, particularly urgent and emergency care, cancer and diagnostics, requires further improvement
- Medical workforce sustainability and job planning need continued focus
- Embedding the fragile services framework and responding to service fragility will require significant Board focus
- Ensuring consistency in approach across all directorates and maintaining momentum in improvement efforts

5. Positive Developments and Opportunities:

- In-year savings continue to increase, albeit significant further savings are required to deliver the financial plan
- Implementation of comprehensive leadership development programmes
- Improvements in some performance areas, such as mental health targets
- Enhanced Board oversight and risk management processes
- Development of a more comprehensive approach to quality improvement and infection control
- New governance structure provides clearer lines of accountability and oversight
- Focus on leading indicators offers potential for more proactive management and early intervention

The directorate escalation tracker is a comprehensive tool designed to monitor and manage improvement actions across all areas of the Health Board. It categorises actions by directorate, domain (such as Quality, Governance, Workforce, and Finance), and escalation level, providing detailed information on each action including its source, de-escalation criteria, specific tasks, deadlines, and responsible leads. This structure allows for clear accountability, specific timelines, and progress monitoring across multiple initiatives.

For the Board, this tracker will serve as a valuable resource to provide an overarching view of the organisation's improvement efforts at Directorate level. It enables the summarisation of key points such as the number of actions by domain and escalation level, progress on high-priority items, any overdue actions or areas of concern, and successes achieved. This comprehensive overview allows the Board to quickly assess the Health Board's systematic approach to addressing challenges, identify trends or recurring issues across directorates, and gauge progress towards de-escalation in various areas.

6. Next Steps:

- Full implementation of the detailed tracking system for monitoring progress
- Continued refinement of the Internal Escalation Framework
- Development of targeted improvement plans for areas currently assessed as 'Alert'
- Ongoing engagement with Welsh Government to address concerns about the Annual Plan, including the proactive steps the Health Board is undertaking to de-risk the plan
- Further development of long-term strategic plans to ensure alignment with TI requirements and meeting the future healthcare needs of our population

Planning Objectives

HDdUHB has set 10 Planning Objectives for 2024/25 and, at this early stage in the financial year, all are currently on-track, with the exception of Planning Objective 8 (Estate Plan) which is currently reported as behind due to the Strategic Outline Case (SOC) delays and the anticipated delay with Cross Hands (as described in the A Healthier Mid and West Wales report). Details on all Planning Objectives are reported through the Board Assurance Framework, and as per the assurance papers submitted to each of the Committees to which the Planning Objectives are aligned – most recently in June 2024.

Argymhelliad / Recommendation

The Board is asked to:

- **TAKE ASSURANCE** from the establishment of new governance arrangements, the mapping of Planning Objectives and TI domains to groups and committees, the introduction of an internal escalation framework and the new monitoring arrangements
- **DISCUSS** the performance challenges, under the IPAR Board item, in key areas such as Urgent and Emergency Care, Cancer, and Diagnostics and to support the targeted improvement plans to address these critical performance gaps
- **DISCUSS**, as part of the Financial Report, the ongoing challenge of unidentified savings and the risk this poses to achieving the planned financial deficit, necessitating immediate and decisive actions to identify further savings opportunities and mitigate financial risks
- **TAKE ASSURANCE** that all Planning Objectives, with the exception of Planning Objective 8, are on track

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Cyfeirnod Cofrestr Risg Datix a Sgôr
Cyfredol:
Datix Risk Register Reference and
Score:

Not applicable

Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. 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: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	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 report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Board (March 2024 for approval of submission of 2024/25 Annual Plan to Welsh Government)

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	This is a key component in the delivery of the Integrated plan for the period 2024/25
Ansawdd / Gofal Claf: Quality / Patient Care:	This is a key component in the delivery of the Integrated plan for the period 2024/25
Gweithlu: Workforce:	This is a key component in the delivery of the Integrated plan for the period 2024/25
Risg: Risk:	Risks will be assessed as part of the ongoing process of both the development of the 2024/25 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