

## CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	28 November 2024
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Update on Annual Plan 2024/25 and Annual Plan 2025/26
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Lee Davies, Executive Director of Strategy and Planning
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	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 is under Targeted Intervention (TI) across all six domains of the Welsh Government oversight and escalation framework, reflecting significant challenges across key performance areas, service and workforce fragilities and a substantial financial deficit. The Health Board has an annual plan for 2024/25, setting out year 1 of the response to addressing these issues; however, this plan remains unacceptable and the Health Board is in breach of its statutory duty to produce a financially balanced three year integrated medium term plan (IMTP).

Progress has been made this year across the six domains. Nonetheless, the Health Board has set out that the scale of the challenges means meeting the de-escalation requirements will likely take two years, up to March 2026. Work has commenced on an annual plan for 2025/26 which will represent year 2 of that two-year plan.

This report presents an update on:

- The overall delivery of the 2024/25 plan
- The process for development of the 2025/26 plan

It should be read in conjunction with the separate Board report updating on progress with the strategy, as this provides important context to development of the annual plan.

#### Cefndir / Background

##### **Annual Plan 2024-25 / Targeted Intervention Update**

Since the last Board meeting, the Health Board has received a letter, dated 5 November 2024, from the Director General advising on the outcome of a review of the NHS oversight and escalation arrangements. The letter confirms the Health Board's escalation status will remain unchanged at level 4 (targeted intervention). Whilst no change to the escalation status the letter provides useful context, highlighting the following:

- The current financial position and forecast deficit for 2024/25, which is significantly above the expected level and not in line with TI de-escalation requirements
- Cancer performance remains considerably below expected levels
- Urgent and emergency care, particularly related to ambulance handovers, 4 and 12 hour waits is below anticipated levels
- Concern around infection prevention and control including increasing rates in relation to Clostridium-difficile, E. coli, and MRSA infections
- The importance of meaningful engagement with neighbouring organisations around the forthcoming service changes

These points underline the challenges and ongoing fragilities the Health Board is contending with and illustrate the need for a continued, quality-focused approach to our planning for next year.

## Asesiad / Assessment

### Annual Plan 2024/25 - Performance and Progress Updates

Despite the challenges described above, there are areas where the Health Board is seeing progress in delivery of the 2024/25 annual plan. For example:

- **Planned Care:** The Health Board is broadly achieving the set expectations for planned care services, including eradication of over 156-waits by August 2024.
- **Nurse Agency Reduction:** As previously reported, the Health Board has made substantial progress in reducing vacancies and the reliance on nurse agency. Throughout 2024-25, there have been month-on-month reductions in the use of nurse agency.
- **Infection Rates:** While the letter references concerns around C. difficile, E. coli, and MRSA, recent performance indicates positive movement:
  - **C. difficile** - The de-escalation criteria is a 25% reduction against baseline for three consecutive months. This has now been achieved between August – October
  - **Staph Aureus (Hospital Onset)** - The TI criteria is a 33% reduction, reducing from a baseline of 3 cases per month to a target of 2. This remains a challenging area, with 5 cases reported in August and 3 in September, but zero cases in October
  - **E. coli** - The baseline was 7 cases per month, with a requirement for this to reduce to 5 or below. Again this has been achieved for 3 months between August – October
- **Mental Health Performance:** Positive outcomes have been sustained in mental health services:
  - **Child and Adolescent Mental Health Services (CAMHS) Assessments (0-17 years)** - Consistent achievement above the 80% target for assessments undertaken within 28 days
  - **Therapeutic Interventions (0-17 years)** - Against an expectation of 65%, the Health Board has consistently delivered the target with an average of 86.8% since January
  - **Valid Care Treatment for Secondary Mental Health Services (0-17 years)** - Consistently achieving the goal of 80% from January to September, with an average of 91.4%

- **Savings delivery:** Whilst the Health Board's financial position remains unacceptable, the end of year forecast has now reduced to £64.0m in line with the annual plan, with in-year savings now approaching £30m, significantly higher than previous years.

The areas to *alert* the Board are:

- **Cancer performance** – Cancer remains a significant challenge. Performance is below trajectory and it now appears unlikely the TI de-escalation criteria of 60% for three consecutive months will be achieved within this financial year. Furthermore, there is risk the 75% aspiration set within the plan will not be achieved, without a step change in performance
- **Urgent and emergency care** – Significant pressure continues on the urgent and emergency care system, with lengthy ambulance delays and long stays in Emergency Departments. Heading into winter, this is a concerning position and at present there is no assurance that the de-escalation criteria will be achieved over the coming months
- **Financial roadmap and approvable annual plan** – Progress has been made with delivering savings and reducing the financial deficit of the organisation. Nonetheless, the Health Board remains a significant distance away from financial balance and more work is required to provide assurance that the Welsh Government Control Total can be achieved during 2025/26

### **Development of Annual Plan for 2025/26**

Given the distance from financial balance (subject to receiving details of the allocation for 2025/26) the current assumption is the Health Board will not be in a position to produce a financially balanced plan over three years and therefore will be required to produce an annual plan, rather than the required Integrated Medium-Term Plan (IMTP). This is a serious and unacceptable position and puts the Health Board in breach of its statutory duty.

The annual plan for 2025/26 is intended to be year 2 of a two-year improvement plan to respond to the TI de-escalation criteria. It will be set within the context of a broader strategic transformation programme, which is outlined in a separate Board report updating on the *A Healthier Mid and West Wales* strategy.

### **Board Oversight and Assurance**

To ensure robust oversight and governance, the Board will be involved at key stages throughout the planning process, allowing members to shape, support, and guide the development of the annual plan. This structured approach will ensure that the Board remains fully informed and engaged, with opportunities for meaningful input and strategic direction as the plan evolves.

Key dates in the planning process are as follows:

- 29 November 2024 - Public Board meeting to discuss the position with delivering the 2024/25 plan and the foundational assumptions and principles underpinning the development of the 2025/26 Annual Plan
- 12 December 2024 - Board seminar discussion on next steps with the strategy and the implications for next year's plan

- December 2024 - Regular committee updates to keep members informed on planning progress and provide oversight of the development of specific plans
- 9 January 2025 - Stakeholder Reference Group meeting to ensure broader engagement and gather insights from stakeholders, which will inform subsequent plan adjustments
- 30 January 2025 - Public Board meeting to review the latest position with the annual plan development. This review will focus on the key deliverables for the plan and prepare the plan for the next phase of development and scrutiny
- 20 February 2025 (Board Seminar) - Comprehensive review of the plan following the January Public Board, allowing for discussion of any recent updates, modifications, or issues identified in prior meetings. This ensures readiness for the final stages of committee review
- February 2025 - In-depth review of plans at relevant committee meetings ahead of formal submission
- 27 March 2025 - Formal consideration and approval at the Public Board meeting and, subject to Board approval, the plan will be submitted to Welsh Government ahead of the deadline of 31 March 2025

### **Key Deliverables for 2025/26**

As stated above, the overarching objective is for the annual plan to be year 2 of a two-year plan to deliver against the six domains within the NHS Wales oversight and escalation framework. The aim is to deliver sustainable and balanced improvement across all areas (rather than take actions which deliver short-term benefits in one area at the expense of another). The TI de-escalation criteria, therefore, set many of the key objectives for 2025/26. These will include:

- Substantial financial improvement trajectory to deliver, as a minimum, the target Control Total
- Refresh of the strategy and clear roadmap and implementation of the Health Board's Clinical Services Plan
- Continued performance improvement in planned care, cancer, diagnostics and therapies
- Improved performance in urgent and emergency care
- Stabilisation of the medical workforce
- Development of the primary and community strategic plan
- Delivery of population health plans
- Sustained reduction in health care acquired infections and improved timeliness of responses to complaints
- Completion of substantive recruitment to executive team and operational restructure

In order to reach the target Control Total of £44.8m by March 2026, while simultaneously improving quality and performance, our assessment at this stage is that it will require savings of 6.5% across the two financial years. Directorates have already been set a 5% savings requirement for 2024/25 and therefore a further 1.5% is required in 2025/26. Any shortfall in delivering the 5% target recurrently in 2024/25 will need to be recovered in 2025/26, in addition to the planned 1.5%. This underlines the importance of Directorates converting non-recurrent savings to recurrent, ahead of the new financial year.

It is anticipated that the Ministerial Priorities for 2025/26 will remain broadly the same and, at present, our performance expectations are based on maximising productivity and meeting the Targeted Intervention de-escalation criteria. When the planning framework is issued and the

financial allocation received it will be necessary to review how far delivery plans can address the WG performance expectations within the available resource.

## Our Planning Approach

The Health Board's strategic design principles are services which are safe, sustainable, accessible and kind. Consequently, the approach is to develop plans which are quality-focused, clinically led, value-based and informed by evidence. Given the significant challenges facing the Health Board, it is expected this will lead to difficult decisions for the Board. Where service change is required, the Health Board will seek to engage with staff, service users and the general public to co-produce solutions to these fundamental issues.

## Annual Plan Workshops

Building on the success of workshops over the summer, two workshops have been held to date to support the development of the annual plan, bringing together clinical and operational leaders to develop integrated plans.

The workshops provided a platform for robust discussions and strategic thinking, centred around key operational themes such as service consolidation, workforce challenges and performance pressures. Emerging themes included a clear need to refresh the Health Board strategy, ensuring that it aligns with the evolving landscape of service delivery, financial sustainability and the broader challenges faced by the Health Board. Participants emphasised the importance of clearly defining the role of each hospital site over the medium-term, with a focus on creating centres of expertise.

Workforce challenges was a recurring theme, including the necessity to rethink workforce models to address fragilities and transform services. Suggestions included moving more acute services into the community, optimising staffing levels and ensuring efficient resource allocation.

The financial pressures facing the organisation were an undercurrent throughout the workshops. The 2024/25 5% recurrent savings requirement, coupled with ongoing performance improvement demands, underscored the need for service redesign and improved productivity. Participants recognised the importance of conducting detailed cost-benefit analyses to inform decision-making and balance financial savings with quality and access.

Following the workshop, initial draft plans are due by **29 November 2024**. These plans must demonstrate:

- Specific actions to maintain and improve quality, performance and efficiency
- Clear ownership and accountability
- Detailed milestones and completion dates
- Impact on quality and patient care
- How improvements will be delivered within available resources
- Dependencies between different services
- Measures to track progress including a clear baseline assessment
- Comprehensive risk assessments and mitigations

During the first week of December 2024, all plans will be reviewed collectively to ensure they create a coherent approach to meeting the TI requirements while maintaining quality standards.

This review helps to understand how changes in one area may affect others and ensures improvement plans are realistic, deliverable and sustainable.

A third workshop on **9 December 2024** will bring teams together to review consolidated plans. By this point, directorates must also have identified a significant level of savings.

Teams will have until **24 January 2025** to refine their plans. During this period, detailed delivery plans will be developed for improvement and savings schemes. A significant proportion of savings plans should be rated green or amber for delivery confidence by final submission. Throughout this period, teams will continue to assess how plans improve service quality and patient care.

### **Oversight of Plans**

The Directorate Improving Together (DITs) sessions continue, supplemented by escalation meetings for those Directorates that have been escalated. These provide opportunities for Executive oversight of the development and delivery of plans and are particularly important for those Directorates where savings have been challenged and the 5% requirement was not achieved in 2024/25.

As the Directorate Improving Together sessions encompass all domains linked to targeted intervention, the internal escalation framework prioritises the most challenged areas. The evidence from the 29 November submissions will further enable a targeted and focused approach, particularly for those areas that may need additional support. The intention is to foster a supportive environment, to ensure that all directorates are positioned to succeed.

There will be a check-in during the week of 13 January 2025 to ensure that progress remains on track ahead of submission of final operational plans by 24 January 2025.

Alongside Directorate Improving Together sessions, fortnightly Business Executive Team meetings are focusing on broader programmes or strategic themes, such as the Six Goals for Urgent and Emergency Care, Population Health, Planned Care Recovery etc, elevating discussions to a strategic level to ensure alignment, while maintaining directorate accountability.

### **Argymhelliad / Recommendation**

The Board is asked to:

- **DISCUSS** the progress in-year and the current challenges
- **TAKE ASSURANCE** on the actions undertaken to develop the 2025/26 Annual Plan

### **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: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	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: <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 Termiau: 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) Board for revised trajectories (May 2024) Board Seminar

### Effaith: (rhaid cwblhau) Impact: (must be completed)

<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 2024/25 and 2025/26
<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 2024/25 and 2025/26
<b>Gweithlu:</b> <b>Workforce:</b>	This is a key component in the delivery of the Integrated plan for the period 2024/25 and 2025/26
<b>Risg:</b> <b>Risk:</b>	Risks will be assessed as part of the ongoing process of both the development of the 2024/25 Plan and 2025/26 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