



CYFARFOD BWRDD PRIFYSGOL IECHYD UNIVERSITY HEALTH BOARD MEETING

DYDDIAD Y CYFARFOD: DATE OF MEETING:	30 May 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Annual Plan 2024/25 - Supplementary Paper
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Lee Davies, Executive Director of Strategy and Planning
SWYDDOG ADRODD: REPORTING OFFICER:	Shaun Ayres, Deputy Director of Operational Planning and Commissioning / Targeted Intervention Programme Director Huw Thomas, Director of Finance

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

As set out in the Annual Plan Update report the Health Board's Annual Plan for 2024/25 was submitted to Welsh Government following Board endorsement at the March 2024 Public Board. In endorsing the plan the Board acknowledged the significant risks and recognised that the forecast financial outturn remains unacceptable and further work will be required during 2024/25 to improve the position. In response, the Health Board has received a letter on 3 May 2024 from Welsh Government stating that the financial deficit set out in the annual plan is unacceptable and is not aligned to de-escalation criteria (for Targeted Intervention). The letter is attached as appendix 1.

In addition, the Director General / Chief Executive NHS Wales wrote to all Chief Executives on 7 May 2024, appendix 2, setting out the 5 areas Welsh Government are targeting for improved performance and the minimum access standards all organisations are required to achieve.

Cefndir / Background

Financial Challenges

Hywel Dda University Health Board (HDUHB) has submitted an annual plan to Welsh Government for the 2024/25 financial year. In that plan the Health Board has declared a £64m deficit, which is in breach of our statutory duty to breakeven and furthermore does not deliver against the Target Control Total of £44.8m.

In the letter dated 3 May 2024, the Deputy Chief Executive of NHS Wales emphasises that the current plan is not aligned with de-escalation criteria and requires urgent reflection on underlying risks and choices. The Health Board is required to prepare a paper by 31 May 2024, outlining changes to our annual plan and considering local choices to materially improve the significant financial deficit position.

Performance Challenges

In the letter dated 7 May 2024, the Director General of Health, Social Care & Early Years and NHS Wales Chief Executive, set out the approach to achieving performance improvement across NHS

Wales for the coming year. The letter highlights the requirement for substantial improvement in the quality of patient care and experience in Wales, which is a key priority for the Cabinet Secretary for Health & Social Care. The letter sets out 5 key areas for performance improvement, with minimum access standards for the 2024/25 financial year.

These areas include Urgent & Emergency Care, Cancer, Diagnostics, Elective Care, and Mental Health. HDUHB is expected to set out a clear improvement trajectory against each of the Key Performance Indicators (KPIs) to achieve the milestones outlined in the annex of the letter. The Health Board is required to submit our plans to the Director General's office by 28 May 2024, followed by weekly progress reports and monthly meetings to ensure rapid progress in improving access to NHS care in the first half of the year.

Asesiad / Assessment

Response to the Welsh Government Letter dated 3rd May 2024 – Financial Control Total

To address the financial challenges outlined in the integrated annual plan for 2024/25, the Health Board has identified five key thematic saving domains. These domains serve as the foundation for the Health Board's strategic approach to improving its financial position while maintaining high-quality patient care.

The five themes are: hospital bed provision and alternative care models; workforce optimisation; non-pay savings; efficiency, productivity, and clinical variation; and clinical services. By focusing on these areas, the Health Board aims to drive cost savings, optimise resource allocation, and enhance overall operational efficiency. The following paragraphs provide further detail:

Hospital bed provision and alternative care models

The Health Board recognises the need to optimise resource allocation and improve patient outcomes by reviewing hospital bed capacity and investing in community care models. HDUHB will explore strategies to reduce bed requirements, such as effective bed management, developing community and rehabilitation services, and addressing staffing challenges. By reinvesting savings from reduced hospital bed capacity into alternative care models, the Health Board aims to provide more efficient and patient-centred care.

Workforce optimisation

To achieve financial sustainability, the Health Board will focus on workforce optimisation initiatives targeting savings across variable pay areas, such as nursing, medical, and corporate/administrative staff. This will involve reducing agency usage, proactive recruitment, process improvement, and minimising variable pay expenditure for medical agency and locum workers. By enhancing workforce planning, optimising internal resources, and continuing to implement effective recruitment and retention strategies, the Health Board aims to create a more stable and cost-effective workforce.

Non-pay savings

The Health Board has identified various non-pay savings opportunities and is exploring further to improve its financial position. This includes implementing medicines management initiatives such as biosimilar switches, data analytics, contract coverage, and outcome-based agreements. Additionally, the Health Board will seek procurement savings through detailed planning, rigorous processes, and maximising opportunities. Digital initiatives will also be progressed to enhance patient communication, streamline processes, improve decision-making, and reduce costs.

Efficiency, productivity, and clinical variation

Improving outpatient efficiency is a key focus area for the Health Board, including the further adoption of evidence-based strategies such as patient-initiated follow-up, continuing to achieve good did not attend (DNAs) rates, virtual consultations, and standardising clinical pathways. Furthermore, the Health Board will explore theatre efficiency improvements by progressing initiatives to enhance

surgical productivity, the separation of elective and emergency surgical pathways, extending operating hours, applying lean methodologies, and optimising workforce roles. These initiatives aim to drive savings while reducing waiting lists and maintaining high-quality patient care.

Clinical Services

The Health Board is committed to achieving equivalent efficiency and value from commissioned services as required from internally provided services. In addition, through the Clinical Services Plan, the UHB is seeking to address service fragility which is expected to contribute to workforce and financial sustainability and enhance standards of service provision.

Response to the Welsh Government Letter dated 7th May 2024 – Key Performance Indicators

Planned Care - Improvement on the Annual Plan

New Outpatients over 52 weeks:

- For Stage 1 (52 weeks), the Health Board is expected to achieve a 40% improvement by September 2024 and zero breaches by March 2025.
- The reintroduction of a one-stop cataract pathway in Ophthalmology contributes to the forecast achievement of Stage 1 targets.

Total Pathway (104 weeks by December 2024):

- To meet the target of zero 104-week breaches in Ophthalmology by December 2024, the Health Board will outsource approximately 800 cataract treatments.
- The Health Board anticipates resolving the expected 810 Ophthalmology breaches through the outsourcing, waiting list analysis and treat-in-turn.
- In Orthopaedics, the forecast for 104-week breaches is 607 by December 2024 and 527 by March 2025.
- An outsourcing solution for Orthopaedics is likely to cost £4.8m, assuming no regional capacity is available.
- To effectively tackle the forecasted 527, 104-week orthopaedic waiting list, the Health Board would require support through the regional recovery funding or targeted financial assistance from the Welsh Government to achieve 0 breaches by March 25.

Urgent and Emergency Care – No change from Annual Plan

- Meeting revised Welsh Government targets for ambulance handovers and emergency care breaches is highly challenging due to significant system-wide issues.
- There is a substantial gap between predicted performance and annual plan targets for ambulance handovers and emergency care breaches.
- The revised Welsh Government targets require even greater reductions in ambulance handovers and emergency care breaches.
- The Health Board will streamline processes to improve patient flow and reduce delays.
- Predictive analytics will be enhanced for better forecasting and planning (awaiting confirmation of support from NHS Exec).
- The Health Board will focus on 4 key workstreams: Streaming & Crisis Response, Front Door & Planned Response, Safe Hospital Care, and Hospital at Home & Domiciliary Response.
- Operational plans will be aligned with the overall 6 goals programme ensuring continuous improvement.
- The Health Board aims to exceed targets where possible, however, at this stage, HDUHB is unable to stretch beyond the annual plan.

Diagnostics – No Change from Annual Plan

- The Health Board is committed to achieving zero breaches in diagnostic waiting times by March 2025.
- £785k of the recovery funding has been allocated for key diagnostic pathways.
- The Health Board is facing capacity vs. demand challenges in Radiology from UEC, urgent, and cancer pathways.
- Implications and opportunities for 95% improvement in diagnostic waiting times by December 2024 are being reviewed but cannot be revised at this stage.
- The Health Board will extend its elective care focus on waiting list management, productivity, and efficiency to diagnostic pathways.

Cancer – No change from Annual Plan

- The Health Board aims for 70% of cancer patients to start treatment within 62 days by December 2024, increasing to 75% by March 2025.
- These targets exceed the Welsh Government's expectations of 60% by December 2024 and 70% by March 2025.

MH&LD - No change from Annual Plan

- The Health Board is targeting 80% of therapeutic interventions to start within 28 days following assessment for both under 18s and adults by December 2024.
- This trajectory aligns with the Welsh Government's expectation of 80% for both age groups by December 2024.

Argymhelliad / Recommendation

The Board is asked to:

- **NOTE** the letters received from Welsh Government and the expectations for improvements against the financial deficit and the key performance indicators
- **NOTE** the areas the Health Board is pursuing savings as part of a financial recovery plan and the intention to develop a more comprehensive plan for consideration by Public Board at the July 2024 meeting
- **NOTE** the improved performance projections in planned care and note and discuss the response to Welsh Government regarding the key performance indicators

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 Choose an item. Choose an item. Choose an item.
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply Choose an item. Choose an item. Choose an item.

Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable Choose an item. Choose an item. Choose an item.
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply Choose an item. Choose an item. Choose an item.
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	9. All HDdUHB Well-being Objectives apply Choose an item. Choose an item. Choose an item.

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:	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

Grŵp Iechyd, Gofal Cymdeithasol a'r Blynyddoedd Cynnar
Dirprwy Brif Weithredwr, GIG Cymru

Health, Social Care and Early Years Group
Deputy Chief Executive, NHS Wales



Llywodraeth Cymru
Welsh Government

Phil Kloer
Interim Chief Executive
Hywel Dda University Health Board

Our Ref: NW/HG

3rd May 2024

Dear Phil

I am writing in response to your Accountable Officer Letter submitted with your integrated plan on 28 March.

Your letter indicates that the health board has declared a £64m deficit and therefore delivers neither a financially balanced plan, or set a clear roadmap to your financial Control Total of £45m. Therefore, as it stands the plan submitted is unacceptable and is not aligned to de-escalation criteria.

It is crucial that the Board urgently reflects on the underlying risks and choices and delivers an acceptable plan that provides the required level of data and information and materially improves the significant financial deficit position.

You are therefore required to prepare a paper by 31 May. This should outline any major changes that have taken place between 31 March and 31 May that amend your organisation's plan. Further consideration must also be given to the local 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.

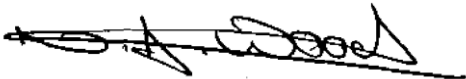
Please provide the revisions by the end of May and where appropriate indicate how these changes impact on the Ministerial Priority templates and outcomes, Minimum Data Set and your overall plan. Where there are material changes, a revised MDS should be submitted.

I appreciate you and your teams will be working on these resubmissions over the coming weeks, with the assistance of colleagues from the NHS Executive and HSSG where appropriate. I look forward to receiving these by the end of next month.

Resubmitted documents should be sent to Judith Paget and copied to HSS-planningteam@gov.wales by no later than 31 May 2024.

In the meantime, we will arrange to meet with you during May to discuss your plan in more detail.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nick Wood', written over a horizontal line.

Nick Wood
Deputy Chief Executive, NHS Wales

**Cyfarwyddwr Cyffredinol Lechyd, Gofal Cymdeithasol a'r
Blynyddoedd Cynnarlechyd / Prif Weithredwr y GIG
Grŵp lechyd, Gofal Cymdeithasol a'r Blynyddoedd Cynnar**

**Director General Health, Social Care & Early Years / NHS Wales
Chief Executive
Health, Social Care & Early Years Group**



**Llywodraeth Cymru
Welsh Government**

To : All NHS Wales Health Board Chief Executives
Chief Executive, WAST
Chief Executive, Velindre NHS Trust
Interim Chief Commissioner

Our Ref: JP/NW/SB

7 May 2024

Dear Colleagues

Key Performance Indicators

Following the recent NHS Wales Leadership Board and our Team Wales event last week, I am writing to set out our approach to achieving performance improvement across NHS Wales for the coming year.

The need to achieve substantial improvement in the quality of patient care and experience in Wales is paramount and a key priority for the Cabinet Secretary for Health & Social Care, and a key requirement for your boards. Our patients are also seeking improved access to care and extended waiting times are central to their care experience and outcomes.

The attached annex sets out the 5 areas which we are highlighting and the minimum access standards for this financial year which we require all organisations to achieve. I expect all organisations to set out a clear improvement trajectory against each of the key performance indicators to achieve the milestones set out in the table.

I will be arranging an initial meeting at the end of May, with all of you, to discuss your submissions which need to be with my office by 28th May 2024.

We will then provide a weekly report on progress against the KPIs and use this to support monthly meetings with your teams and an end of quarter performance meeting with myself, the Director of Finance, and Deputy Chief Executive of NHS Wales for early July.

As we have discussed we need to make rapid progress to improve access to NHS care in the first half of this year.

My office will be in touch to set out the key meeting dates.

Yours sincerely

Judith Paget

Judith Paget CBE

Enc.

Annex

Key Performance Indicators

Urgent & Emergency Care

Number of patients who spend 12 hours or more in all major and minor emergency care facilities from arrival until admission, transfer or discharge.

20% reduction by September 2024
Further 20% reduction by March 2025

Number of ambulance patient handovers over 1 hour

30% reduction by December 2024

Cancer

Percentage of patients starting first definitive cancer treatment within 62 days from point of suspicion (regardless of the referral route)

60% performance by December 2024
70% performance by March 2025

Diagnostics

Number of patients waiting more than 8 weeks for a specified diagnostic

95% to be zero by December 2024

Elective Care

Number of patients waiting more than 104 weeks for referral to treatment

Zero end of December 2024

Number of patients waiting over 52 weeks for a new outpatient appointment

40% reduction by end of September 2024
Zero by March 2025

Mental Health

Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by LPMHSS for people age under 18 years

Percentage of therapeutic interventions started within (up to and including) 28 days following an assessment by LPMHSS for adults age 18 years and over

80% for both by December 2024