



## PWYLLGOR ADNODDAU CYNALIADWY SUSTAINABLE RESOURCES COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	24 October 2023
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Planning Objectives Update
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	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

In light of escalating operational pressures, the Health Board's financial forecast has notably deteriorated. The revised Annual Plan, last amended on 31 May 2023, initially projected a planned deficit of £112.9m. Subsequent to this submission, there has been a discernible escalation within the in-year expenditure, necessitating immediate and robust managerial and clinical intervention.

Given the gravity of this financial forecast, an exhaustive review has been initiated to scrutinise the feasibility of meeting our Planning Objectives (POs). Concurrently, the Core Delivery Group (CDG) has been mandated to implement substantial management actions aimed at financial rectification. To facilitate this, a dedicated Recovery Team has been constituted. This team assembles a diverse array of expertise, drawing from multiple directorates across the Health Board, to provide a multidisciplinary approach to the challenges at hand.

Furthermore, the Welsh Government has augmented the financial rectification criteria since the Recovery Team's inception. Specifically, an additional 10% reduction, equivalent to £11.3m, has been imposed on the initially planned deficit of £112.9m. This amplifies the financial objectives for the Health Board, thereby accentuating the urgency for efficacious corrective measures.

In response to deteriorating financial conditions and mounting operational strains, the Executive team has undertaken a meticulous evaluation of the 23 Planning Objectives for 2023/24 set forth by Hywel Dda University Health Board (HDdUHB). These objectives, integral to our Annual Plan, elucidate both our long-term aspirations and specific, quantifiable targets for the ensuing three-year period.

This document offers an updated perspective, subsequent to this financial assessment. Certain Planning Objectives have been identified for continuation, amendment, or deferral in the 2023/24 timeframe, as dictated by the exigencies of our financial standing.

Similar to the approach adopted by the Core Delivery Group (CDG) and the dedicated Recovery Team, the Executive's review is aimed at reconciling our Planning Objectives with the imperative for immediate and rigorous financial corrective action. This aligns with the Welsh Government's revised financial rectification criteria, which have further intensified the need for swift and effective remedial steps.

### **Cefndir / Background**

The Planning Objectives are the bedrock our Annual Plan for 2023/24, and this report is presented as an update to demonstrate where progress has been made in delivering those Planning Objectives aligned to SRC.

The taking forward of the Planning Objectives must also be seen within the context that HDdUHB is currently working within. In light of escalating operational pressures, the Health Board's financial forecast has notably deteriorated. The revised Annual Plan, last amended on 31 May 2023, initially projected a planned deficit of £112.9m. Subsequent to this submission, there has been a discernible escalation within the in-year expenditure, necessitating immediate and robust managerial and clinical intervention.

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The review of the Planning Objectives was taken to the September 2023 Public Board along with the approach being taken to bring our Annual Plan into line (financially) and where we are against the trajectories set out.

### **Asesiad / Assessment**

The Planning Objectives articulated in the Health Board's annual plan for 2023/24 are intrinsically linked to the recovery work necessitated by financial constraints, as they both strive to operationalise recovery and support the Health Board's long-term strategy, "A Healthier Mid and West Wales." For instance, POs focused on recruitment and career progression directly interface with fiscal challenges tied to variable pay. Scenario analyses further contribute to this interconnection, as they offer quantitative frameworks for understanding the resourcing implications of strategic decisions, such as maintaining staff quality whilst being financially sustainable. The outcome of this work has been presented to the Board at its September 2023 Public meeting (paper may be accessed here: [Board paper](#))

In undertaking this evaluation the table below provides an overview of the decisions regarding the Planning Objectives aligned to SRC.

Planning Objective	Executive Lead	How does this PO support the recovery of the 2023/24 Annual Plan	Current Status
5c Digital Agenda	Director of Finance	Slow	On-track
6b Pathways and VBHC	Medical Director	Reduced and reprioritised	On-track
8a Decarbonisation and Sustainability -	Director of Strategy and Planning	Slow	Behind
8b Local Economic and Social Impact	Director of Finance	Pause	Not applicable
8c To develop a Board and Welsh Government-approved financial roadmap to return the Health Board to a £25m deficit position.	Director of Finance	Prioritise	On-track

Work will now be commenced to understand the impact of slowing of the delivery of the Planning Objectives in terms of what we, as a Health Board expect to deliver and when.

Highlight reports for those Planning Objectives not subject to a deep-dive (deep-dives for October Committee meeting is 5c digital agenda), and as such have separate papers in this Committee meeting are included as an annex document.

#### **Argymhelliad / Recommendation**

The Committee is asked to receive an assurance on the current position in regard to the progress of the Planning Objectives aligned to the Sustainable Resources Committee, in order to onwardly assure the Board where Planning Objectives are progressing and are on target, and to raise any concerns where Planning Objectives are identified as behind in their status and/or not achieving against their key deliverables.

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	2.2 To receive an assurance on delivery against all relevant Planning Objectives falling in the main under Strategic Objective 6 Sustainable Use of Resources (See Appendix 1), in accordance with the Board approved timescales, as set out in HDdUHB's Annual Plan.
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:	5. Safe sustainable, accessible and kind care 6. Sustainable use of resources
Amcanion Cynllunio Planning Objectives	8a Decarbonisation & Sustainability 6b Pathways and Value Based Healthcare 8c Financial Roadmap 5c Digital Strategy
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:	3 Year Plan and Annual Plan Decisions made by the Board since 2017-18 Recent <i>Discover</i> report, published in July 2020 Gold Command requirements for COVID-19 Input from the Executive Team Report presented to Public Board in September 2020
Rhestr Termiau: Glossary of Terms:	Explanation of terms is included within the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy:	Public Board Executive Team

Parties / Committees consulted prior to Sustainable Resources Committee:	
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<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Any financial impacts and considerations are identified in the report
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Any issues are identified in the report
<b>Gweithlu: Workforce:</b>	Any issues are identified in the report
<b>Risg: Risk:</b>	Consideration and focus on risk is inherent within the report. A sound system of internal control helps to ensure any risks are identified, assessed and managed.
<b>Cyfreithiol: Legal:</b>	Any issues are identified in the report
<b>Enw Da: Reputational:</b>	Any issues are identified in the report
<b>Gyfrinachedd: Privacy:</b>	Not applicable
<b>Cydraddoldeb: Equality:</b>	Not applicable



**Planning Objective:** 6b Value Based Healthcare (VBHC)

**Executive Lead:** Professor Philip Kloer

**Reporting Period:** July – September 2023

**Overall status:** On-track

A Strategy for delivering VBHC was launched in 2022 and contains three interrelated goals. An annual plan is set against the strategy, describing in year actions to deliver the overall goals. The annual plan is on track.

**Progress against planned outcomes / trajectories / milestones (please provide Statistical Process Control (SPC)/data charts and an explanation of any variances):**

In summary, the plan this year is to:

- a) Develop VBHC improvement plans and support implementation action in trauma and orthopaedics (T&O) and cardiology
- b) Capture Patient Reported Outcome Measures (PROMS) in an additional 12 service delivery areas
- c) Procure a new PROMS capture solution
- d) Develop 5 new PROMS visualisation dashboards associated resource analysis and service utilisation to support 6 service reviews, including lung cancer, IBD, asthma and COPD
- e) Implement the 'Rapid Value' programme, with associated quality and cashable efficiency gains
- f) Deliver practical actions following action learning set, notably in FLS, which is supported through the VBHC delivery fund

**Activities completed in previous reporting period**

- a) 2 x planning discussions with Clinical Director for T&O.
- b) PROMS capture commencement in six new areas and on target for the end of the financial year
- c) Specification of new PROMS capture solution.
- d) First Musculoskeletal (MSK) Service review completed – in line with programme plan – preparatory work underway for respiratory conditions reviews later in the year.
- e) Rapid Value work (90-day cycles) completed in 9 areas, with gains identified in several (e.g. biosimilars).
- f) Supported Acute Kidney Injury (AKI) and Fracture Liaison Service (FLS) business cases. FLS supported.

**Activities planned for next milestone and reporting period**

- a) Plan produced for application of VBHC in T&O and hold planning discussion in cardiology.
- b) Start PROMS capturing in a further six areas.
- c) New PROMS solution commissioning process concludes.
- d) Lung cancer service review undertaken and clear plans in place for COPD and asthma
- e) Seven further 90-day cycles concluded.
- f) None.

**Any other Comments**

**Matters for information:** None

**Risks to delivery:** Captured within DATIX, nothing to escalated corporately.

**Any other comments:** None

Planning Objective: 8a Decarbonisation and Sustainability & 5a (agile working element of Estates Strategy)

Executive Lead: Lee Davies, Director of Strategy and Planning

Reporting Period: Summer 2023

Overall status: **Behind**

Rationale for overall status: A lack of capital funding is inhibiting achievement of the initiatives set out in the Hywel Dda Decarbonisation Delivery Plan. There is also further work to do within the Health Board structures/systems to enable decarbonisation to be made the priority it truly is.

Progress against planned outcomes / trajectories / milestones (please provide SPC/data charts and an explanation of any variances):

See SRC agenda item from the Decarbonisation Task and Finish Group on the decarbonisation review of all 46 initiatives’ progress against the agreed targets (Excel document) submitted to Welsh Government (WG). We continue to deliver against the initiatives in the plan and identifying funding and/or collaboration because internal/Welsh Government funds are not available.

Activities completed in previous reporting period	Activities planned for next milestone and reporting period
1. Annual net zero quantitative reporting return 2. Quarterly Decarbonisation qualitative reporting return (attached) 3. Letter sent to Lisa Wise in WG setting out the risks/constraints to delivering the Hywel Dda Decarbonisation Delivery Plan 4. Board Sign off for Property Strategy July 23 5. Final draft of the Heads of Terms for the acquisition of the WG building in Picton Terrace and a paper/PowerPoint completed to present at Exec meeting and Board to gain approval to proceed 6. Agile Toolkit launched and available on SharePoint for all staff 7. Nappy recycling (diverting from landfill) implementation complete 8. Private Leasing Electric Vehicle Roadshows delivered on all 4 acute sites. Removal of all diesel pool cars. Hywel Dda Electric Vehicle (EV) Fleet replacement – we now have 200+ EV fleet vehicles. 9. Green Teams Competition and Awards	1. Decarbonisation Programme Audit 2. Progress the modernisation/rationalisation of the Hywel Dda Estate as set out in the asset strategy and gain approval from Executive Team and Board for 3. Plan, engage and prepare the business case for Picton Terrace acquisition 4. Re: Fit 4 delivery to procure new Energy Performance Contract with new Service Provider 5. Engagement with staff from Building 8 and Canolfan Derwen 6. Solar Farm performance review - ongoing 7. Formal Comms/Launch of the Agile Working Toolkit 8. Replacement of final 3 petrol pool car vehicles with hybrid vehicles. 9. National Welsh NHS Sustainability Conference & Awards planning/preparation – awards are currently live, closing date for application January 2024 – awards ceremony 29 <sup>th</sup> February.

Any other Comments

**Matters for information:** Reinforced with A Healthier Mid and West Wales (AHMWW) business case writers that the net zero target is not achievable without approval of the new hospital. Retrofitting aging estates with modernised Decarbonisation technologies attracts higher costs and does not support prudent spending.  
**Risks to delivery:** No funding/over-subscribed funding to deliver the initiatives in the plan. No funds for dedicated resource and no investment strategy that identifies where the money will come from - all initiatives are being delivered over and above current job roles/duties and there is significant competition for any funding that does come available. High costs to retrofit aged estates with modern Decarbonisation products/technologies.  
**Any other comments:** NHS Wales Decarbonisation Delivery review and full consultation expected in Q4 2023, maybe subject to delays.



**Planning Objective:** 8c Developing roadmap to financial sustainability

**Executive Lead:** Huw Thomas, Director of Finance

**Reporting Period:** Q2 2023/24

**Overall status: On-track**

Rationale for overall status Key actions to model the impact of demography and associated key strategic issues leading to increased demand have been completed. Work is currently underway to assess the likely level of staffing availability and is on track to be completed by the end of October.

**Progress against planned outcomes / trajectories / milestones:**

- Completion of first phase in accordance with timetable – demographic and other demand factors
- Linkages made to HMWW modelling, in respect of acute bed, community bed and out of hospital care
- Work currently underway to model retirement. Resignation, retention and recruitment of staff to model likely staff availability over next decade
- Initial capture of potential responses to demand/capacity gap and savings proposals recorded

**Activities completed in previous reporting period**

- Presentation made to Executive Team with appropriate feedback incorporated into demand model
- Development of supply model (staffing, estates etc) commenced and progress made
- Revised forecast for activity used to help shape AHMWW financial forecast model
- Developed linkages to key personnel across Health Board to build a quality assurance / sense check of emerging conclusions
- Updated demand / bed projections etc incorporated within AHMWW Finance and Workforce workstream

**Activities planned for next milestone and reporting period**

- Develop supply model, incorporating projections for staffing, assets etc for coming decade
- Model impact of staffing constraint on various aspects of care provision – e.g. general practice, bed capacity, operating theatre capacity, community models, etc.
- Model impact of wider supply side issues, such as transport, ICT, estates provision, funding etc
- Present and receive feedback on supply model
- Develop phase 3 (response to capacity and demand gap)
- Present initial findings to clinical and managerial colleagues to commence process of identifying potential solutions to bridging demand/capacity gap

**Any other Comments**

**Matters for information:** Supply-side modelling dependent on staff availability in Strategic Workforce Planning team, who are already stretched by the existing workload supporting recovery modelling, and medium-term planning.

**Risks to delivery:** Small team led by single individual with other demands placed on senior finance leader roles; ability to quality assure plan outputs is therefore constrained

**Any other comments:** Completion and review of supply model expected November 2023, in readiness for clinical/ managerial engagement event week commencing 27 November 2023, when phase 3 can commence