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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



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| Meeting Date | 24 June 2021 | Agenda Item | 2.1 |
| Report Title | Approval of the Annual Plan 2021-22 | | |
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| Report Sponsor | Siân Harrop-Griffiths, Director of Strategy Kathryn Jones, Interim Director of Workforce and OD Darren Griffiths, Interim Director of Finance | | |
| Presented by | Karen Stapleton, Assistant Director of Strategy Kathryn Jones, Interim Director of Workforce and OD Darren Griffiths, Interim Director of Finance | | |
| Freedom of Information | Open | | |
| Purpose of the Report | To present the Annual Plan 21/22 to Board for review ahead of submission to Welsh Government on 25 th June 2021. | | |
| Key Issues | <p>The Draft Annual Plan was received at the Special Board In-Committee meeting on 30th March 2021 and subsequently submitted to Welsh Government on 31st March 2021.</p> <p>The paper summarises the work completed to date in order develop the plan to its current state, this includes:</p> <ul style="list-style-type: none"> • Refinement of Goals Methods and Outcomes (GMOs) and enablers to enumerate the outcomes to identify the opportunities and benefits that can be released as part of internal efficiencies that can be reinvested within the Health Board to support our investment priorities • Strengthening sections of the plan in response to informal and formal feedback on draft plans received from Welsh Government as part of high level rapid review and the detailed analysis undertaken with the Finance Delivery Unit. • Work has also been undertaken since 2nd June to quantify the operational impact of the latest iteration of RWC modelling, inclusive of a future COVID wave, and this was submitted to Welsh Government on 11th June, as part of the latest draft plan | | |

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|--|---|--------------------------|--------------------------|-------------------------------------|
| | <ul style="list-style-type: none"> The Health Board was also asked to share, additional proposals for recovery with Welsh Government in order to inform national discussions with Ministers. | | | |
| Specific Action Required <i>(please choose one only)</i> | Information | Discussion | Assurance | Approval |
| | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| Recommendations | <p>The Board is recommended to:</p> <ul style="list-style-type: none"> CONSIDER and APPROVE the Annual Plan for onward submission of the Plan to Welsh Government on 25th June. NOTE the significant work completed to date in quarter 1 in order to develop the plan to its current state. NOTE work in response to new bed capacity modelling received from Welsh Government on 2nd June and APPROVE the closure of Bay Field Hospital from December 2021. NOTE that a draft iteration of the plan was provided to Welsh Government on 11th June, as requested to inform conversations with Ministers on the scale of recovery and potential funding required nationally. NOTE that proposals have been submitted to Welsh Government to further support recovery, which are vital to the successful delivery of the Plan. | | | |

APPROVAL OF THE ANNUAL PLAN 21-22

1. INTRODUCTION

This paper presents the Annual Plan 2021/22, which has been revised following draft submission of the Plan to Welsh Government (WG) on 31st March 2021. The Board is asked to approve the Plan for submission to Welsh Government on 25th June. The Board is asked to note the significant work undertaken in Quarter 1 to finalise the plan following confirmation of financial allocations. This work has also taken into account the detailed feedback received from Welsh Government on the draft plan. The Board is also asked to note the request received from WG on 2nd June for all Health Boards to share their latest iteration of plans with Welsh Government, aligning with the update to be provided on bed capacity modelling due on 11th June. Whilst the Plan has been being finalised, detailed implementation planning and delivery has been underway.

2. BACKGROUND

The draft Annual Plan was received at the Special In-Committee Board meeting on 30th March 2021 and subsequently submitted to Welsh Government on 31st March 2021. The Board was informed that in Quarter 1 work would continue to refine the methods and enumerate the outcomes to identify the opportunities and benefits that can be released as part of internal efficiencies that can be reinvested within the Health Board to support our investment priorities. This paper summarises the work completed to date in order to develop the plan to its current state and presents the updated Annual Plan 21/22 for approval in line with agreed Health Board governance mechanisms. The Plan is attached at Appendix 1.

3. PLAN DEVELOPMENT FOLLOWING SUBMISSION TO WELSH GOVERNMENT 31ST MARCH

3.1 Plan updates: Goals Methods Outcomes and Enablers

Changes have been made to the Goals Methods and Outcomes (GMOs) included in the Plan since the March submission. Management Board signed off these changes on 21st April:

- **Urgent and Emergency Care Acute Medicine Redesign**; update focused strongly on refining the outcomes based on current data available to form assumptions.
- **Urgent and Emergency Care Frailty**; to quantify outcomes for virtual ward element based on data available and working with Lightfoot, also refined the methods relating to the other elements of the Integrated Frailty Pathway, which again were informed by revised outcomes supported by Lightfoot data.
- **Urgent and Emergency Care Heart Failure, Diabetes and Respiratory Pathways**; Specific and quantifiable GMOs for each of the chronic conditions pathways were developed. In addition, it was agreed that these would move from the planned care to the urgent and emergency care section of the Annual Plan.
- **Cancer**: Outcomes and methods honed which more accurately reflect the suite of business cases/ briefing documents shared by the Singleton/Neath Port Talbot Group Service Director with the CEO.

- **Maternity/ Children and Young People;** Goals and outcomes clarified, with improved quantification of benefits articulated.
- **Cluster Plans;** work undertaken to update the cluster plans particularly focussing on alignment with the Health Board's Annual Plan. Plan narrative has been strengthened to stress that clusters are a significant 'partner' in delivering the Annual Plan, as well as reflecting the Q1 refresh of Cluster Plans, which has taken place ahead of their re-submission to Welsh Government in July 2021.

Additionally, GMOs and enablers have been updated in order to reflect updated position of schemes based on new and/ or agreed funding arrangements, which have emerged since the March plan submission. This includes:

- **Mental Health & Learning Disabilities** proposals for Welsh Government transformation funding agreed by Management Board and submitted on 28th May;
- **Planned care** schemes agreed by Management Board as part of first tranche of Recovery monies (SBUHB allocation £16.24M non recurrent funding);
- **Virtual Wards** GMOs (included in UEC section of the Plan) updated to reflect content of the business case approved by Management Board on 2nd June.

The Minimum Data Set (MDS)

The updated MDS received from Welsh Government on June 2nd requests greater specificity on forecasted activity 21/22 for Planned Care, drilled down by speciality metrics. Demand and capacity plans are currently being refreshed and information required in the MDS is being directly generated from this. The finalised version of the MDS will be submitted together with the Plan on 25th June and will be made available to the Board.

3.2 Plan Updates: Responding to Welsh Government Feedback

General feedback to all Health Boards was received on 20th April. Informal feedback on the Swansea Bay Plan was positive, examples highlighted are:

- Strong emphasis and ambition with regards to strategic intent
- Plans have built on learning from the quarterly planning during 2020-21
- There is more consistency between plans than seen in previous submissions
- Plans on a page are clear and helpful, where provided
- Workforce wellbeing features strongly in all plans
- Plans look to build on innovations, digital solutions and the new ways of working achieved last year

Direct feedback from Welsh Government was received in a letter on 20th May, which was followed by a formal meeting between key Health Board and Welsh Government executive colleagues on 25th May and 15th June to discuss feedback. In summary, the feedback recognised:

- an overall improvement in the structure, approach and clarity of the plan, building on recent years, with a clear financial plan
- clear evidence that integrated planning approaches are embedding across the organisation.

Key areas of feedback have been addressed in the latest iteration of the Plan, as follows:

| Welsh Government feedback | SBUHB response in Plan |
|--|---|
| Triangulation of activity, workforce and finance to assure plan delivery | Strengthened within GMOs and Enablers, and will be fed through to the Minimum Data Set (MDS), of which an updated version was received from Welsh Government on 2 nd June. |
| Identifying regional solutions to deliver equity of access | Strengthened partnership working section, more detail included on emerging schemes with Hywel Dda UHB and Cardiff and Vale UHB. |
| Quantifying the impacts and benefits of digital changes and new ways of working | Work undertaken with Digital team to strengthen impact of digital solutions; these have been woven into all plan driver enabler sections, in addition to a new Digital GMO. |
| Planned care volumes with clear detail on how planned care and other backlogs will be addressed | Refreshed planned care context slide and included new section on Recovery to cover broader recovery opportunities in cancer, diagnostics and unscheduled care. |
| Clarity on capability to recruit sufficiently to deliver the plan in the context of recovery | Recruitment opportunities and challenges explicitly noted within plan and workforce enablers strengthened/ triangulated with service plans and finance as above. |
| Clearer alignment between capital, service plans and revenue plans with prioritisation of capital requirements to support the deliverables that are set out in organisations plans | Capital prioritisation exercise developed and discussed at IMTP Executive Group on 9 th June. Priority capital schemes were agreed, these are described in the exercise as Group 1 – schemes have direct impact on achieving a GMO this year or/ & will have a direct impact on the discretionary capital programme if income not received: <ul style="list-style-type: none"> ○ Linear Accelerator C Replacement ○ ITU Morriston Refurbishment ○ Morriston Ward G Refurbishment ○ Environmental Modernisation Morriston ○ Older Persons Mental Health Ward Upgrades Tonna ○ Orthopaedics Bridging Solution, NPT ○ Ward conversion for Ambulatory Care, ○ Digital Implementation - Welsh Community Care Information System (WCCIS) ○ Digital Implementation - In-Patient e-prescribing, national pathfinder project (HEPMA) |
| Further clarity on what is achievable and quantifiable | More detail on Execution included in narrative section to provide assurance on approach and commitment to delivery of plan. Also developed 'what will be different' infographics for UEC, Planned Care/ Cancer, Primary Care and Mental Health – to support visualisation of service change by the end of 21/22. |

Feedback relating to financial aspects of the plan and the work undertaken to address these in the plan are included in section 4 of this paper.

3.3 Bed Capacity Planning and request to share draft plan on 11th June.

A letter from WG was received on 2nd June, which set out the detail of modelled bed occupancy analysis that has been undertaken nationally. Health Boards were asked to consider this as part of development of final annual plan submission. Two models were prepared for consideration. The first used the latest data provided by WG and the second version used the same principles, but applied them to our local data, which we feel will be a better source to base predictions on. It has been determined that we should use the locally sourced data in the annual plan, as it provides greater data accuracy and a view that bed demand just about reaches our bed capacity thresholds (without surge) most months. There are two months – January and March 2022 where potentially demand could be greater than available beds. If required, this will be managed by utilising additional surge capacity, and restricting elective activity if required. This means that the Health Board would propose to close the Bay Field Hospital in December 2021. Alternative arrangements for other services utilising the Bay Field Hospital – vaccination centre and phlebotomy would need alternative accommodation, and plans are in progress to arrange this.

Additionally, the letter requested that Health Boards provide an indication of additional recovery schemes to inform ongoing discussions within Welsh Government and with Welsh Ministers about potential resource needs and allocations for 2021-22 and beyond. The Health Board has identified a range of other service recovery schemes, supporting planned care, urgent and emergency care, diagnostics, mental health and internal capacity to address and minimise risks of patient harm. The summary included below provides an overview of the schemes and indicative costs, and the detailed activity and associated resources are being worked through. Further information has also been submitted to Welsh Government on recovery in primary care, particularly in relation to supporting improvements in the backlog in chronic conditions management.

| | 21-22 Rev | 21-22 Cap | 22-23 Rev | 22-23 Cap | |
|---------------------------------------|--------------|-------------|--------------|-------------|---|
| | £m | £m | £m | £m | |
| Additional Theatre capacity NPT | 9.19 | 1.46 | 22.12 | | 4 theatre modular build to support Orthopaedics, within existing bed capacity infrastructure. Anticipated commencement of activity Q4. Options on staffing models/insourcing being explored. |
| Additional Theatre capacity Singleton | 7.24 | 0.50 | 25.31 | | 4 theatre modular build to support elective activity and facilitate the transfer of planned care to Singleton. Anticipated commencement of activity Q4. Options on staffing models/insourcing being explored. |
| MH/Tonna | | 0.50 | | 4.30 | To support development of Orthopaedic proposal at NPTH and to improve estate at Tonna to meet the required estate standards and needs of this patient group. |
| Internal capacity | 8.19 | | 8.29 | | Additional activity provided through internal capacity via WLI and additional sessions. This includes a further element of outsourcing which is being pursued. |
| Diagnostics - Radiology | 4.15 | 0.30 | 7.58 | | Plans include additional internal capacity through extended working, outsourcing and use of additional insourced capacity. |
| Diagnostics - other | 4.56 | | 4.68 | | Plans include internal capacity, insourced capacity and recruitment to support sustainable service provision. |
| Urgent Emergency Care | 2.70 | 1.00 | 4.84 | | Schemes to support greater out of hospital care capacity, enabling improved use of secondary care beds and facilities. |
| Mental Health | 1.38 | 0.04 | 2.13 | | Increased capacity to support growth in service demand. |
| CAMHS | 0.10 | | 0.10 | | Increased CAMHS capacity for crisis. |
| Total | 37.51 | 3.80 | 75.05 | 4.30 | |

The Health Board submitted these proposals to WG on 11th June, and a response has not yet been received. These schemes are critical to the successful delivery of the Plan.

4. WORKFORCE IMPLICATIONS

During the pandemic, workforce has been the biggest challenge in terms of both Health and Well Being and now resilience. The Annual Plan sets out how we will develop a People Plan to support the health board's ambitions through health and well-being ,improving staff experience, recruitment availability, retention and widening access, supporting 7 day services and improving workforce efficiencies.

The primary challenges and opportunities addressed in the plan include:

- the ongoing C-19 situation which will continue to be the key challenge and focus for our workforce during at least Q1 & Q2;
- the fatigue that people's commitment to managing C-19 has had across the workforce, including increased sickness absence and uncertainty around workforce availability. Health & Wellbeing to support our workforce is therefore more essential now than ever and will be delivered through cost effective and accessible plans.
- our People Plan will ensure we have the right workforce, with the right skills at the right time to support the HB to delivery its improvement plans. This must ensure we recruit, retain and develop our workforce.
- to deliver the range and ambition of our clinical plans we need to ensure our workforce is as efficient as possible. This means having processes in place to improve areas such as rostering and reducing bank & agency usage
- We need to acknowledge that in recovering from C-19 that the backlog of work will be demanding and we must ensure we engage, communicate and manage our workforce transparently through collaboration for the improvement in patient care/services.

The Welsh Government feedback on the draft Plan noted that Workforce wellbeing featured strongly, although further clarity was required in certain areas (described below). This feedback has been reviewed and addressed in the latest iteration of the plan.

- The capability to recruit sufficiently to deliver the plan
- Workforce as the key constraint with emphasis on core workforce planning to assure delivery
- Detail on how the workforce is to be deployed to support ongoing baseline service provision
- Clarity on whether Nurse staffing requirements have been factored in routinely
- Opportunities to link recruitment and retention planning to NHS contributions to the Foundation Economy.

5. FINANCIAL IMPLICATIONS

The Health Board has met the financial challenge of the pandemic in 2020/21, maintained financial stability through 2021/22, and delivered within its forecast deficit of £24.4m.

During 2020/21 the Health Board's ability to deliver a recurrent savings programme, at scale, was dramatically impacted which has resulted in the recurrent savings delivery from 2020/21 of £5m creating a recurrent cost pressure in 2021/22 of £18m in addition to the base deficit of the Board. The Health Board is committed to developing a Recovery Plan and work on this has already commenced.

The revenue financial plan for 2021/22 is constructed in three component parts as set out in the bullet points below. This approach helps to maintain visibility of the core base financial position of the Board and provides clarity of accounting and handling of both COVID response and COVID recovery/restart.: -

- Base Plan
- COVID Response
- COVID Recovery/Restart

Base Plan

The Health Board has received the Welsh Government Revenue Allocation letter for 2021-22. The key message from this allocation letter is that there is a 2% core uplift for pay, prices and service demand. This provides an additional allocation of £15m to support pay, prices and service demands. The initial impact on costs has been assessed at around £25m. This means that there is a requirement for savings and efficiencies in the region of £10m-15m to enable these in year costs to be managed within available resources.

It has been recognised that to enable and drive the delivery of service efficiencies and changes to models of service and patient care requires a level of investment. The Health Board has developed initial plans to deliver over £17m of service model changes and efficiency improvements and is considering around £8m of investment to support this scale of service change.

Work is already underway to align Health Board resources and processes to each of the areas where savings are required. The investment commitments have completed a scrutiny process and are being refined to minimise impact on the plan.

The savings plans delivery confidence has developed since the draft plan submission. The Health Board has over 85% of overall savings requirement support by schemes that have been assessed as Green and Amber, with remaining 15% identified but not yet with the required level of delivery confidence.

COVID Response

The Health Board has been notified of an initial allocation of £21.6m to support its COVID response in the first 6 months of 2021/22. It is acknowledged that national programmes such as vaccination, TTP, PPE, cleaning standards, care home support and extended flu will be subject to separate funding based on costs incurred. The financial planning assumptions have been adjusted to reflect a full year of COVID costs and assumed income. This is aligned to the Welsh Government planning principles. Should the COVID impact change, the financial planning assumptions will need to be reviewed.

COVID Recovery/Reset

Detailed demand and capacity work has been undertaken to assess the scale of opportunities the Health Board has to manage demand and increase capacity to improve access to services for patients following the significant disruption in 2020/21. The Health Board has received £16.2m from the initial £100m first tranche of recovery funding for Wales. This has ensured support for actions commenced in Quarter 3 and 4 in 2020/21 and also supports the delivery of additional activity through outsourcing and internal outpatient waiting list initiatives.

The Health Board has identified a range of other service recovery models, supporting planned care, urgent and emergency care, diagnostics, mental health and primary care to minimise risks of patient harm. The income and expenditure assumptions along with the service impacts of these proposals have been included in the annual plan. The financial planning assumption here is that the Health Board will only incur costs within the funding made available whilst focussing clearly on the productivity and efficacy of its services within the base plan of the Board.

Based on the three elements of the plan above a refreshed waterfall has been developed showing how the revenue plan for 2021-22 describes a current forecast outturn in line with the outturn delivered in 2021-22. There remains a recurrent pressure within the overall Health Board financial position and this is being assessed as part of the recovery plan work currently underway.



The development of a deliverable 2021/22 financial plan that does not worsen the Health Boards financial position will be dependent upon: -

- Developing a clear link between budget, cost, activity and capacity based on 2019/20 as a baseline year.
- Management of the underlying position, ensuring baseline costs are not allowed to escalate. This includes maintaining current levels of pay underspend through service, quality and financial review and rebasing of budgets.

- Management of the in-year cost pressures through the delivery of cost containment measures, grip and control and value, efficiency and savings opportunities
- Constraining further investment choices to ensure clear benefit realisation track and alignment to key WG priorities and potential funding sources.
- Clear assessment and recognition of ongoing impacts of the response to the pandemic, including those directly attributable such as TTP, Vaccination plan and additional capacity as well as those that are more indirect impacts such as income impacts, increased use of single use items and workforce costs.
- Effective management of recurrent savings and efficiencies around 4% or £27.7m, which will require a fundamental shift in culture, attitudes, behaviours, systems and processes.

6. GOVERNANCE AND RISK ISSUES

The formal governance process for plan approval is set out below:

| Meeting | Date |
|--|-----------------------|
| Management Board | 16 th June |
| Performance and Finance Committee, Quality and Safety Committee | 22 nd June |
| Special Board | 23 rd June |
| Final Submission to Welsh Government 25th June | |

Key risks associated with the Plan are:

- Capacity and availability of the workforce to respond, recognising the continuing significant challenge of Covid-19 in terms of increased absence and fatigue within the workforce.
- Balancing the requirements to respond to the Covid-19 pandemic and those to reduce the backlog of patients waiting for care and implement our major service change programmes through implementing required efficiencies.
- Delivering our savings requirements to enable investment and confirmation of Welsh Government funding allocations
- Securing the additional resource from WG to enable successful delivery of the Plan.
- Outcomes of public engagement to enable implementation of the proposals in the Plan.
- Ability to make any changes to the estate to support implementation of new service models within required timeframes.

6. RECOMMENDATION

The Board is recommended to:

- **CONSIDER** and **APPROVE** the Annual Plan for onward submission of the Plan to Welsh Government on 25th June.
- **NOTE** the significant work completed to date in quarter 1 in order to develop the plan to its current state.

- **NOTE** work in response to new bed capacity modelling received from Welsh Government on 2nd June and **APPROVE** the closure of Bay Field Hospital from December 2021
- **NOTE** that a draft iteration of the plan was provided to Welsh Government on 11th June, as requested to inform conversations with Ministers on the scale of recovery and potential funding required nationally.
- **NOTE** that proposals have been submitted to Welsh Government to further support recovery, which are vital to the successful delivery of the Plan.

| Governance and Assurance | | |
|---|---|-------------------------------------|
| Link to Enabling Objectives (please choose) | Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities | |
| | Partnerships for Improving Health and Wellbeing | <input checked="" type="checkbox"/> |
| | Co-Production and Health Literacy | <input checked="" type="checkbox"/> |
| | Digitally Enabled Health and Wellbeing | <input checked="" type="checkbox"/> |
| | Deliver better care through excellent health and care services achieving the outcomes that matter most to people | |
| | Best Value Outcomes and High Quality Care | <input checked="" type="checkbox"/> |
| | Partnerships for Care | <input checked="" type="checkbox"/> |
| | Excellent Staff | <input checked="" type="checkbox"/> |
| | Digitally Enabled Care | <input checked="" type="checkbox"/> |
| | Outstanding Research, Innovation, Education and Learning | <input checked="" type="checkbox"/> |
| Health and Care Standards | | |
| (please choose) | Staying Healthy | <input checked="" type="checkbox"/> |
| | Safe Care | <input checked="" type="checkbox"/> |
| | Effective Care | <input checked="" type="checkbox"/> |
| | Dignified Care | <input checked="" type="checkbox"/> |
| | Timely Care | <input checked="" type="checkbox"/> |
| | Individual Care | <input checked="" type="checkbox"/> |
| | Staff and Resources | <input checked="" type="checkbox"/> |
| Quality, Safety and Patient Experience | | |
| All projects and programmes associated with the Annual Plan delivery will undergo Quality Impact Assessment processes in order to assess their quality, safety and patient experience benefits and risks. | | |
| Financial Implications | | |
| Investment is required to deliver the Annual Plan. Financial ask for the schemes will be outlined in individual business cases commissioned by the Programme Boards. | | |
| Legal Implications (including equality and diversity assessment) | | |
| Equality Impact Assessment processes will be undertaken for all projects/programmes established to deliver the Annual Plan. | | |
| Staffing Implications | | |
| Workforce implications of schemes will be detailed in individual business cases. | | |
| Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015) | | |
| The Annual Plan will aim to deliver our Strategic Objectives, which are aligned, to our Wellbeing Objectives through the development of the Organisational Strategy. | | |
| Report History | This is the sixth paper to the Board on the development of the SBUHB Annual Plan 21-22 | |
| Appendices | Appendix 1 – Draft Annual Plan 2021-22 Appendix 2 – Capital Prioritisation | |