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Bwrdd Iechyd Prifysgol  
Bae Abertawe  
Swansea Bay University  
Health Board



<b>Meeting Date</b>	<b>25 March 2021</b>	<b>Agenda Item</b>	<b>3.1</b>
<b>Report Title</b>	<b>Update on the Development of the Annual Plan 2021-22</b>		
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<b>Presented by</b>	Siân Harrop-Griffiths, Director of Strategy Kathryn Jones, Interim Director of Workforce and OD Darren Griffiths, Interim Director of Finance		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	This paper provides an update on the development of the SBUHB Annual Plan 2021-22 and the refresh of the Health Board's Wellbeing Objectives.		
<b>Key Issues</b>	<p>For 2021-22, NHS organisations are required to provide annual plans set in the context of future recovery and transition from operational response to integrated strategic planning.</p> <p>A National Planning Framework was received on 14<sup>th</sup> December 2020 which confirmed the 5 ministerial priorities. In addition, a Minimum Data Set will be the core element of evaluation from Welsh Government and this was received in early February 2021.</p> <p>The final resources for 2021/22 are unclear so we are presenting the plan in draft at this point in time. The resources available initially are shown and along with what they secure. The potential opportunity to improve recovery and is demonstrated where we need further discussion with Welsh Government.</p> <p>Work has progressed at pace around the following areas:</p> <ul style="list-style-type: none"> <li>Finalisation of our deliverables, through the further development and refinement of Goals, Methods and Outcomes across all service areas, including enabling plans</li> </ul>		

	<ul style="list-style-type: none"> <li>• Covid Scenario Modelling and consequent Demand and Capacity modelling</li> <li>• Population of the Minimum data set as required by Welsh Government</li> <li>• Alignment with the Cluster IMTP Annual Plans</li> <li>• Development of the Narrative Framework document</li> </ul> <p>There are key risks associated with the capacity and availability of workforce. recognising the continuing significant challenge of Covid-19 in terms of increased absence and fatigue within the workforce.</p> <p>2021-22 will be an incredibly challenging financial year for the Health Board.</p> <ul style="list-style-type: none"> <li>• The increase in forecast cost pressures is above growth funding allocated by Welsh Government (The Health Board will receive an additional allocation of £15m with cost pressures assessed at £30m).</li> </ul> <p>The need to invest in system change to redistribute monies within our health system to release costs and meet deliverables. Overall, the cost release, in net terms will need to be £24m for the Health Board.</p> <p>The Health Board's financial plan will need to include a high level cost reduction of £24m focussed on:</p> <ul style="list-style-type: none"> <li>• Housekeeping, grip and control</li> <li>• Service change and transformation supported by Value Based Health Care</li> <li>• Productivity, efficiency and benchmarking</li> <li>• Maximising income and funding opportunities <ul style="list-style-type: none"> <li>• Allocating resources to earlier intervention and prevention and reducing demand in secondary care</li> </ul> </li> </ul> <p>The Health Board recently refreshed its Wellbeing Objectives in light of feedback from the Future Generations Commissioner and Independent Board members. Wellbeing and Future Generations Act (WBFGA) guidance requires that these be published. It is proposed that they are included in the Annual Plan 2021-22, along with example critical success factors (CSF) and key performance indicators (KPIs), and that these are subject to wider engagement and development in early 2021-22.</p> <p>Due to the 2019-20 Wellbeing Objectives having been refreshed the annual progress report for this period, required by WBFGA guidance, will be replaced by the publication of the refreshed wellbeing objectives. In 2021-22 the Health Board will publish a progress report based on the CSF and KPI's for the refreshed wellbeing objectives.</p>
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Specific Action Required (please choose one only)	Information	Discussion	Assurance	Approval
	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Recommendations	<p>The Board is asked to:</p> <ul style="list-style-type: none"> <li>• <b>NOTE</b> the development of the Annual Plan 2021-22 to date and <b>AGREE</b> and the further work currently underway to finalise the plan.</li> <li>• Note the amended timetable of Board approval of the draft Annual Plan – from 25<sup>th</sup> March to 30<sup>th</sup> March 2021</li> <li>• Approve the refreshed Wellbeing Objectives for publication in the Annual Plan 2021-22</li> <li>• Note that publication of 2019-20 Wellbeing Objectives Progress report is replaced by publication of refreshed objectives</li> </ul>			

## **DEVELOPING THE ANNUAL PLAN 2021-22**

### **1. INTRODUCTION**

This paper provides an update on the development of the SBUHB Annual Plan 2021-22 and includes proposals to refresh and publicise the Health Board's Wellbeing Objectives as part of the Annual Plan 21/22.

### **2. BACKGROUND**

On 17<sup>th</sup> December 2020 the Board received a report on the proposed approach for developing the Annual Plan for 2021-22, recognising that all NHS organisations are required to provide Annual Plans set in a three-year context of future recovery and transition from operational response to integrated strategic planning. In addition the Board received a report on 28<sup>th</sup> January 2021 and a briefing on 23<sup>rd</sup> February, providing respective progress updates on the development of the Annual Plan.

#### **2.1 ANNUAL PLAN 2021 DEVELOPMENT**

##### **2.1.1 Welsh Government Communication**

Correspondence was received from Welsh Government on 11<sup>th</sup> March 2021 providing further guidance on the expectations of Annual Plan development and submission. The letter from the NHS Wales Chief Executive, recognises the considerable uncertainty hindering firm planning commitments at this time.

Given that some of these matters will become clearer during the first quarter, alongside the potential release of new modelling in that period, Health Boards are now expected to deal with draft plans at in-committee sessions of the Board. Boards are asked to consider the progress of plans to date, risks associated with plans and to be clear on what further work is required, and to give an indication of where plans have a greater degree of certainty and confidence and where there is risk and variability still being worked through.

##### **2.1.2 Progress to Date and Revised Timeline**

Welsh Government advised in a letter on 29<sup>th</sup> January 2021 that plans should be short and focused, and set direction for health board actions. Firm dates and commitments are expected for the first quarter recognising the fluid Covid position. Detail should be provided for the remainder of the year – as far as is possible – but recognising that the plans will need to be flexible and subject to refresh and review throughout the year. The narrative document is therefore developed and structured around key priorities:

- Strategic Context
- Quality and Safety
- Workforce
- Responding to Covid: including Vaccination programme and Test, trace and Protect
- Recovery and Rejuvenation: including all key system areas (Urgent and Emergency Care; Planned Care; Cancer and Palliative Care; Mental Health and Learning Disabilities; Children, Young People and Maternity Services; Prevention and Health Inequalities), Capital and Environment and Finance

Key drivers for the Annual Plan as agreed by Board in February 2021, are:

- Responding to COVID – including maintenance of essential services; Cancer; TTP; Vaccination Programme
- Improving Unscheduled Care delivery across the Health Board
- Recovery, including starting to improve the backlog position
- Improving use of Health Board resources and reducing waste
- Improving patient quality in priority areas
- Implementation of Year 1 Clinical Services Plan – and developing and implementing our vision for hospital and community sites.
- The need to continually improve staff experience
- Building our community, primary care and mental health & learning disability services

Each of the Drivers has deliverables against which we will measure our progress and improvements in services and outcomes. These have been developed through a clear Goals-Methods-Outcomes approach. Work is now nearing completion to triangulate these Goals, methods and outcomes with financial and workforce implications, to refine the demand, capacity and activity modelling based on the most recent Covid scenario models and to develop a timeline overview of the plan.

The areas of further work required are:

- Detailed demand and capacity modelling, particularly to support planned care;
- Confirmation of the Cost Improvement Programmes to support delivery of savings
- Confirmation of the investments to deliver the service change plans and alignment with the financial plan.

These will be completed to enable the Board to consider a draft Plan at the end of March, recognising that detailed implementation planning and business case development will take place during the first quarter as the Plan is finalised, and the final resource position becomes clearer.

During the pandemic workforce has been the biggest challenge both in terms of Health and Well Being and now in ensuring the resilience. To support the workforce and the Health Board's ambitions, a People Plan is being developed and the Annual Plan will contain clear Goals, Methods and Outcomes in the following areas:

- Health and Well Being
- Improving Staff Experience
- Recruitment Availability,
- Retention and Widening Access
- Supporting 7 day services
- Improving Workforce Efficiencies.

Given the continued work to respond to the most up to date information and to strengthen the plan and in light of the Welsh Government communication it is recommended that the Board receive the draft plan at a specially convened in-

committee meeting on March 30<sup>th</sup> prior to submission to Welsh Government on the 31<sup>st</sup>.

### **2.1.3 Governance and Risk Issues**

The IMTP Executive Steering Group continues to oversee the development of the plan, managing the risks and discharging actions and instruction. The Senior Leadership Team have been fully involved in developing the Deliverables and associated Goals/Methods/Outcomes. The key risks are set out in the Plan, with associated mitigating measures.

It is important to recognise the significant challenge that Covid-19 continues to have in terms of levels of absence and the fatigue affecting the workforce.

As with previous plans developed during the pandemic it is important to recognise that this is a plan developed at a point in time, based on the best available information at that time. It will be subject to regular review and refinement as we progress through the year.

## **2.2 WELLBEING OBJECTIVES REFRESH**

In December 2020 Health Board endorsed the refresh, for publication in the Annual Plan 2021-22, of its Wellbeing Objectives in response to the Future Generations Commissioner's (FGC's) feedback in August 2019 on strengthening alignment of the objectives in respect to; environment, culture (including Welsh language) and global impact.

### **2.2.1 Progress**

On 14<sup>th</sup> January 2021 there was an engagement exercise with a small group of Directors and independent board members, to inform a refresh of the wellbeing objectives, taking into consideration the FGC's feedback:

- Feedback provided by individual Board members on ways to strengthen the objectives
- Developments in associated policy and guidance
- Partner organisation wellbeing objectives, including those of Public Sector Boards, Local Authorities and Health Boards

The proposed refreshed Wellbeing Objectives are;

*"In our role as an anchor institution in the region we are a major employer, commissioner, provider of health and care services and key contributor to the reduction of health inequalities. In support of this we will collaborate with communities and partners to:*

- *Give every child the best start in life*
- *Nurture and use the environment to improve health and wellbeing*
- *Apply ethical recruitment practices and support health and care workers to be healthy, skilled, diverse and resilient*
- *Plan, commission, deliver and promote equitable, inclusive and accessible health and wellbeing services*

- *Provide opportunities to support every adult to be healthier and to age well*
- *Seek to allocate our resources to meeting the needs of, and improving, the population's health"*

At Senior Leadership Team in January 2021 it was agreed that example critical success factors (CSF) and key performance measures (KPI) for the each of the refreshed objectives be drafted (Appendix 1), these have been informed by key Directors.

Further engagement and development of the CSF and KPIs will take place in early 2021 to inform publication of an annual Wellbeing Objectives Progress Report as required by WBFGA guidance (2015).

## **2.2.2 Governance Risks and Issues**

### **National Guidance Requirements**

WBFGA guidance (2015) requires the Health Board to annually publish the progress made in meeting its wellbeing objectives for the preceding financial year, to include a review of the on-going appropriateness of the objectives. Should the annual review find that one or more objectives no longer maximise contribution to the achievement of the well-being goals, then these must be changed and the Health Board publish new well-being objective(s) as soon as possible.

As the health board has reviewed and refreshed its Wellbeing Objectives during 20/21, it is proposed to publish the refreshed wellbeing objectives in the Annual Plan 2021-22 and a progress report against these in April 2022. There will also be reference to progress against the goals during 2020/21 in the Health Board's main Annual Report.

## **3.0 FINANCIAL IMPLICATIONS**

2021-22 will be an incredibly challenging financial year for NHS Wales. Health Boards will have seen the pandemic adversely impact their ability to deliver planned recurrent savings, which will increase the sustainability gap in Health Boards' underlying financial position. For the Health Board, this will need to be tested and assessed as part of the financial 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% 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 £30m. This means that there is a requirement for savings and efficiencies in the region of £15m-£20m to enable these in year costs to be managed within available resources.

The pandemic has also resulted in changes in service, workforce and financial models which will also need to be considered as part of the financial plan. Some service changes will be time-limited such as Test, Trace & Protect (TTP) and vaccination (although the time limit for these is as yet unclear). However, in other instances the

implication may be longer term especially where services have been modernised and have provided real benefits, will be retained for the longer term. The impact and funding of these changes is yet to be fully quantified but will need to be clarified to support the financial planning assumptions for the Health Board.

The Health Board financial plan will need to include mechanisms for supporting and dealing with the revenue requirements. These will be focussed on the following:

- Housekeeping, grip and control
- Service change and transformation supported by Value Based Healthcare
- Productivity, efficiency and benchmarking
- Maximising income and funding opportunities

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 of 4% or £24m, which will require a fundamental shift in culture, attitudes, behaviours, systems and processes.

Next financial year will be a year of significant financial uncertainty in terms of potential funding for the NHS, vaccination plans, presence and impact of COVID, availability of capital, workforce resilience and service productivity and efficiency.

## RECOMMENDATION

The Board is asked to:

- **NOTE** the development of the Annual Plan 2021-22 to date and **AGREE** and the further work currently underway to finalise the plan
- Note the amended timetable of Board approval for the Annual Plan – from 25<sup>th</sup> March to 30<sup>th</sup> March 2021
- Approve the refreshed Wellbeing Objectives for publication in the Annual Plan 2021-22
- Note the deferred publication of an annual Wellbeing Objectives Progress report for 2019-20



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		
A Quality Impact Assessment is in place for services being brought back online. An Equality Impact Assessment process will be an integral part of the recovery planning arrangements to support any services changes.		
Financial Implications		
The financial plan will be developed aligned to the service and workforce models and affordability and sustainability.		
Legal Implications (including equality and diversity assessment)		
A Quality Impact Assessment and Equality Impact Assessment process will be part of the broader planning arrangements to ensure that the quarterly plans are Quality and Equality impact assessed.		
Staffing Implications		
The risks and implications for our workforce forms an integral part of the recovery planning arrangements.		
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 third paper to the Board on the development of the SBUHB Annual Plan 21-22	
Appendices	Appendix 1 - Swansea Bay University Health Board Wellbeing objectives refresh March 2021	