



Meeting Date	25th February 2020	Agenda Item	2.3
Report Title	Status Report – Integrated Medium Term Plan (IMTP) 2020-23		
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Presented by	Lynne Hamilton, Director of Finance Darren Griffiths, Associate Director of Finance and Performance Siân Harrop-Griffiths, Director of Strategy		
Freedom of Information	Open		
Purpose of the Report	This paper provides an update on the position and remaining steps required to produce an Annual Plan in a three-year context for submission to Board and Welsh Government at the end of March 2020.		
Key Issues	<p>The paper outlines the current position in the development of the health board’s Annual Plan with particular reference to the Performance, Capital, Finance and Workforce elements of the plan.</p> <p>The approach taken to prepare the Performance trajectories, Capital Plan and Finance Plan are presented at the meeting for approval for submission to Board and Welsh Government at the end of March 2020.</p> <p>The Workforce Plan is being taken through the Workforce and OD Committee on 20th February 2020 to share for information.</p>		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
Recommendations	<p>Members are asked to:</p> <ul style="list-style-type: none"> • Note the progress to date on the development of the Annual Plan including the performance, capital, finance and workforce plans. • Confirm the recommendation to the Board that an Annual Plan in a three year context is submitted. • Scrutinise the performance trajectories and finance plan and agree the further work identified. 		

	<ul style="list-style-type: none"> Assure the capital plan for presentation to the Board as part of the Annual Plan.
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**STATUS REPORT –
INTEGRATED MEDIUM TERM PLAN 2020-23**

1. INTRODUCTION

This paper provides an update on the progress with developing our IMTP 2020-23, in relation to the:-

- Finance Plan,
- Performance Trajectories,
- Capital Plan, and
- Sets out the remaining steps required to finalise the Annual Plan 2020-21 for submission to Board and Welsh Government at the end of March 2020.

Executive Board, Senior Leadership Team and Board receive regular updates on progress.

2. BACKGROUND

Developing confidence in an approvable IMTP is an enabler to support the organisation out of Targeted Intervention. A formal engagement meeting took place with Welsh Government on 27th January 2020 to present the IMTP and the Clinical Service Plan (CSP). Whilst Welsh Government were pleased with the development of the plan they confirmed their expectation of a detailed one year plan within a three year context, to be submitted at the end of March 2020. The Board received this advice in January and agreed to review the plan and its status at the PFC in February, specifically in relation to the financial plan (including the capital plan) and performance trajectories..

Following the engagement meeting a letter was received on 6th February 2020 from Andrew Goodall. In summary the key messages in relation to the appropriate elements of the Plan were:

- Expectation that we will learn from previous year’s performance for unscheduled care and planned care to support future planning. Explicitly that the narrative for the annual plan should be detailed in how we will alleviate the capacity and demand shortfall to deliver an improved position.
- Further work on the financial plan in the context of the wider integrated plan, particularly in relation to key service and workforce issues that are drivers to the financial position.

We are continuing to engage with Welsh Government and a follow up meeting is scheduled for 24th February 2020. We have formally communicated to Welsh Government that we will ensure the points highlighted are reflected in the final Plan

and have received bespoke guidance for the submission of an Annual Plan. We are awaiting informal comments on the draft Plan which was submitted following the Board meeting at the end of January 2020.

In the meantime work continues to further develop the detail of the plan to meet the deadline for submission to the Board and Welsh Government on 31st March 2020.

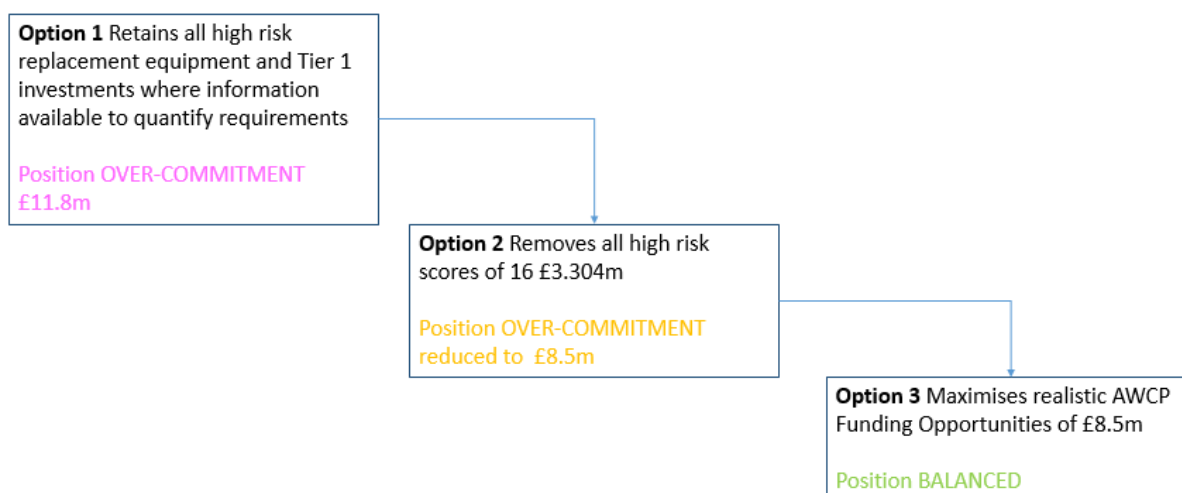
The following sections highlight the work in progress.

The Performance and Finance Committee is asked to scrutinise and assure the emerging performance trajectories and financial plan subject to the further work required and to assure the capital plan for submission with the final plan.

The workforce plans and narrative will be assured by the Workforce and OD Committee.

2.1 Capital

The discretionary capital position for the Health Board is challenging and a significant amount of work has been undertaken to develop a robust capital plan for 2020/21. Attached as **Appendix A** to this report. It has been possible to develop a balanced plan through prioritisation work carried out by capital planning group, but this does not cover the aspiration of the board in terms of its broader capital requirement. The diagram below shows the stages of the prioritisation process.



The balanced position is predicated on the All Wales Capital Programme covering £8.555m of schemes. This planning assumption is key to deliver the balanced plan and the Health Board will work with Welsh Government to secure this funding.

The Performance and Finance Committee should note that pressures which emerge in year will impact the plan as currently set out and dynamic reprioritisation will take place through the year via the Health Board's Investments and Benefits Group.

A specific issue which has arisen very recently is the need to address the infection on Ward G at Morriston which has resulted in the ward being unable to take patients, which, as well as impacting on HCAs, is also impacting on unscheduled care pressures. Despite attempts to clean the ward, this has proved unsuccessful. The advice from Infection Prevention and Control is that the only way in which the ward

can be effectively cleaned is for it to be emptied of patients for a significant period of time to enable a thorough refurbishment. Different options have been considered, with preferred options having capital costs of between ~£800,000 and £1.2m. This is clearly a priority for the Health Board in terms of patient safety and quality of care, however, would have proved very difficult to fund through the existing draft capital plan. Initial discussions with Welsh Government have suggested that they will support these capital costs, subject to further discussions. The draft capital plan is therefore recommended for approval on the basis that these costs will be covered by Welsh Government. If this proves not to be the case, then we will need to review the Plan at the earliest opportunity.

2.2 Finance

A draft finance plan has been developed for 2020-2023. The key financial planning assumptions are set out in the bullets below. A detailed presentation on the plan is attached in the presentation slides at **Appendix 2**.

- Financial analysis is based on the year on year incremental increase or decrease in income and expenditure.
- WG allocation for 2020-21 based on 2% general uplift to support in year pay and prices growth. Allocation also makes £10m additional funding recurrent.
- WG allocation assumes the move to the new Needs Based allocation will be fully implemented over a 5 year period starting in 2021-22 – this has not been confirmed by WG.
- Bed model across the three years is based on our current position.
- There are unavoidable costs but alongside this are number of investment choices. Investment choices are kept within our demographic growth assumption.
- The cost improvement programme is being worked through linked to the KPMG work – the scale of savings is significant.
- Further work is required over the coming weeks to test and refine our assumptions.

The Health Board's Financial Management Group considered the draft plan at its meeting on 19th February 2020. It agreed a number of further refinements to the plan and these will be shared with the Performance and Finance Committee in discussion.

It has not been possible to develop a balanced 3 year financial plan and discussions are ongoing with Welsh Government through regular planning meetings to develop the position further.

2.3 Performance

The planning process requires Health Boards to set out performance trajectories for key areas within the Plan. As the plan has been refined, assessments have been made as to how the detailed component actions drive changes in performance. **Appendix 3** sets out these trajectories at their current stage of development.

The trajectories required are as follows:

Unscheduled Care

- 4 hour ED %
- Number of handovers over 1 hour

- Number of patients delayed over 12 hours
- Red call response times

Scheduled Care

- Number of patients waiting over 36 weeks
- Percentage of patients waiting under 26 weeks each month
- Patients waiting over 8 weeks for a diagnostic test
- Patients waiting over 14 weeks for a therapy intervention

Cancer

- Percentage of patients receiving treatment within 62 days when referred with an urgent suspicion of cancer
- Percentage of patients waiting receiving treatment within 31 days when referred without an urgent suspicion of cancer
- Improvement trajectory for the Single Cancer Pathway

Stroke

- Percentage of patients who are diagnosed with a stroke who have a direct admission to a stroke unit within 4 hours of the patient's clock start time
- Percentage of patients who are assessed by a stroke specialist consultant physician within 24 hours of the patient's clock start time
- Percentage of stroke patients who receive a 6 month follow up assessment

There is no requirement to submit trajectories for healthcare acquired infections in the planning guidance but these have been included in the Appendix as this is a targeted intervention priority.

There is a specific challenge as to how the planned care position will recover over the next three years and how any recovery will be made to be affordable. A specific discussion on this matter would be beneficial at the Performance and Finance Committee.

3 GOVERNANCE AND RISK ISSUES

Risks to developing an Annual Plan in a three year context include:

- **Delivery in 2019/20** – The final planned care baseline position for 2019/20 will affect the financial plan and delivery profiles for 2020/21. *Mitigation: The performance management arrangements for delivery of the Annual Plan in 2019/20, have been strengthened into a weekly “battle rhythm” and with enhanced reporting to Performance and Finance Committee. Ongoing assessment of the planned care projections is taking place continuously and has been factored in to the trajectories that developed for 2020/21. Additional mitigations include the development of an internal multi-disciplinary Delivery Support Team. It also includes the external financial support from KPMG.*
- **Refining the Financial Plan** – As reported in December 2019, the Health Board developed a clear methodology to support the Financial Plan, building on recommendations from the Deloitte’s Financial Governance Review and Welsh

Audit Office (WAO) Structured Assessments. Further recommendations have also been made by KPMG as part of their support work which has now ended. Our financial planning needs further refinement, particularly on our approach to savings identification (and sustainable delivery of the savings) and delivery and on a financial appraisal of the Clinical Services Plan. *Mitigation: As a Health Board we are taking a more structured approach to identifying benchmarking and efficiency opportunities, which together with the KPMG pipeline, has been developed into an expanded HVO programme. This programme will inform the ongoing development of the IMTP and financial plan. This financial model is being developed to move beyond the traditional focus on core income and operating expenditure. This will include a more targeted approach to generating allocative value and the shifting of resources, with an initial focus on the ensuring the sustainability of proposals funded via the Transformation Fund. It will also include, a more comprehensive assessment of opportunities for income generation, as well as the affordability (and required investment) of key projects within the Clinical Services Plan.*

4 FINANCIAL IMPLICATIONS

The core financial objective is to develop an IMTP which delivers a sustainable breakeven position as soon as possible. However, this will continue to prove challenging in the context of persistent difficult and pressurised operations in the current year, where the Health Board is reporting a year-end forecast overspend and which is having a particular impact on the organisation's underlying position. Further refinement will continue to finalise the Annual Plan for approval by the Board in March.

5 RECOMMENDATIONS

Members are asked to:

- Note the progress to date on the development of the Annual Plan in relation to the performance, capital, finance and workforce plans.
- Confirm the recommendation to the Board that an Annual Plan in a three-year context is submitted.
- Scrutinise the performance trajectories and finance plan and agree the further work identified.
- Assure the capital plan for presentation to the Board as part of the Annual Plan.

Governance and Assurance		
Link to Enabling Objectives <i>(please choose)</i>	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		
<i>(please choose)</i>	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 and Equality impact Assessment process will be part of the broader planning arrangements in 2020/21 to ensure that the IMTP is Quality and Equality impact assessed.		
Financial Implications		
Financial Planning will be fully integrated into the planning process for 2020, and aligned to key developments and enabling plans.		
Legal Implications (including equality and diversity assessment)		
A Quality Impact Assessment and Equality impact Assessment process will be part of the broader planning arrangements in 2020 to ensure that the IMTP is Quality and Equality impact assessed. An approved medium term three year plan is a statutory duty for the Health Board.		
Staffing Implications		
The planning process for 2020/21 will include strengthened workforce planning including the involvement of the newly established Workforce and OD Forum.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
The Clinical Services Plan and Annual Plan deliver our Strategic Objectives which were aligned to our Wellbeing Objectives through the development of the Organisational Strategy.		
<ul style="list-style-type: none"> ○ Long Term – The proposed approach to the IMTP ensures alignment with the long term vision of the Health Board as set out in the Organizational Strategy. ○ Prevention – The development of the IMTP and the Planning Framework ensure risks and challenges and health needs (current and future) are considered enabling actions and plans to be preventative wherever possible. ○ Integration – Key to integrated planning is the link and alignment of actions across wellbeing objectives. 		

<ul style="list-style-type: none"> ○ Collaboration – Central to the approach to developing an IMTP is the integrated approach across services, units and partner organizations. ○ Involvement – The IMTP development approach includes active involvement of partners. 	
Report History	
Appendices	