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Bwrdd Iechyd Prifysgol
Bae Abertawe
Swansea Bay University
Health Board



Meeting Date	31st March 2022	Agenda Item	3.1
Report Title	Approval of the Draft Recovery & Sustainability Plan 2022/2025		
Report Author	Ruth Tovey, Head of Strategic Planning Ffion Ansari, Head of IMTP Development Karen Stapleton, Assistant Director of Strategy Sam Moss, Deputy Director of Finance Sharon Vickery, Assistant Director of Workforce & OD Deirdre Roberts, Assistant Director of Digital Transformation		
Report Sponsor	Siân Harrop-Griffiths, Director of Strategy Debbie Eytayo, Director of Workforce and OD Darren Griffiths, Director of Finance and Performance Matt John, Director of Digital		
Presented by	Siân Harrop-Griffiths, Director of Strategy Debbie Eytayo, Director of Workforce and OD Darren Griffiths, Director of Finance and Performance		
Freedom of Information	Open		
Purpose of the Report	<p>The purpose of this report is to seek Board approval of the final draft Health Board Recovery & Sustainability (R&S) Plan for formal submission to Welsh Government for further assessment and discussion.</p> <p>This plan sets out a sustainable financial position over 3 years which recurrently reduces the current underlying deficit of £42m to £24m from year one of the plan.</p> <p>Whilst the draft plan sets out the delivery of a sustainable financial position, the plan does not remove the deficit itself. Should the plan be approved by the Board an accountable officer letter will be required and this letter should set out the Health Board’s ambition to work with Welsh Government to agree a way to address the underlying deficit.</p>		
Key Issues	<ul style="list-style-type: none"> • Work has progressed at pace to finalise the finalise R&S Plan since the last report to Board (November 2021). The Board has been kept updated on, and engaged in, the development of the Plan through ongoing briefing and development sessions in December (16th) 2021, January (13th) and February (24th) 2022. • Of note, a robust prioritisation approach was undertaken to focus and refine priorities for service 		

	<p>change through the lens of quality & safety and aligned to the Health Board Risk Register.</p> <ul style="list-style-type: none"> • Service change proposals for Year 1 (Goals and Methods) have been continually tested and triangulated with finance and workforce impacts, and this is shown through the clear articulation of system priorities in the Plan, set out as a tiered /phased approach to delivery. • An Accountable Officer letter was submitted to Welsh Government on 28th February, as requested by WG, which stated that based on the draft financial plan the Health Board is not able to satisfy the requirements of an IMTP via the means available to the Health Board alone. The Health Board has held its base financial position over recent years and has taken responsibility for its finances seriously and transparently. It has delivered the 2021/22 financial plan in its entirety and to time. In 2022/23 the Health Board plans to utilise part of the 2.8% allocation to reduce the deficit from £42m to £24m. • The plan also sets out a three-year long term financial model which demonstrates how the Health Board will hold this £24m deficit position over time. This is therefore a sustainable financial plan but not a balanced financial plan. • Further discussion will be required with Welsh Government on the ongoing handling of the deficit and to explore whether the three year plan can be a balanced to allow consideration for it to become an Integrated Medium Term Plan (IMTP). • The decision on IMTP approval is a matter for the Minister for Health and Social Care. 			
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 asked to:</p> <ul style="list-style-type: none"> • NOTE the progress made to finalising the draft R&S Plan. • APPROVE the final draft Health Board Recovery & Sustainability (R&S) Plan ahead formal submission to Welsh Government. • NOTE the risks to delivery and mitigating actions in place. • SUPPORT the submission of an Accountability Letter which requests ongoing discussions regarding the deficit 			

APPROVING THE FINAL DRAFT RECOVERY AND SUSTAINABILITY PLAN 2022-25

1. INTRODUCTION

This report provides an update on the finalisation of the Health Board's final draft Recovery & Sustainability (R&S) Plan and seeks approval of the draft Plan ahead of formal submission to Welsh Government for further assessment and discussion.

2. BACKGROUND

The purpose of the Recovery and Sustainability Plan (R&S Plan) is to set out the route map to deliver service and financial excellence over the next 3-5 years. The Health Board has a statutory duty to have an Integrated Medium Term Plan (IMTP), however, this can only be determined by the Minister, based on the submitted final draft. The Plan sets our vision, the detail of changes and outcomes for year one and the planned changes in years two-three.

Development of the Plan was initially overseen by the Recovery & Sustainability Working Group (R&SWG), chaired by the Chief Executive with membership of two Board Independent Members in addition to key Executive colleagues. In more recent months as the detail of the Plan has been developed, this has progressed through formal Board meetings, briefings and development sessions.

The Health Board Strategic Objectives, which were revised and agreed by the Board in July 2021, form the foundation of the narrative document that clearly builds on the Annual Plan 21/22 and the resulting Changing for the Future public engagement. Each of the Strategic Objectives 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 and a strong focus on alignment with quality and safety and the highest risks held on the Health Board Risk Register. The Plan articulates the Health Board response to addressing the Ministerial Priorities which were re-confirmed by the new Health and Social Care Minister in Autumn 2021. Alongside the ongoing pandemic response, the Plan sets out ambitious improvements in service areas to improve quality of care and outcomes for our population. The service changes are set out in the Plan as the whole system 3-5 year Vision (shown as an Infographic) and Outcomes, the Year 1 (22/23) Goal and Methods with milestones and key changes planned for Years 2 and 3 (23/24 – 24/25).

The Plan describes our intentions to deliver three specialised centres of excellence on our main acute hospital sites and major expansion of out of hospital, community, mental health and primary services within an integrated system underpinned by exemplar digital infrastructure and services. It is recognised that our most pressing challenge remains urgent care demand and flow, requiring system-wide solutions to address, which is clearly reflected in the Plan. The acute medical take centralisation in Morriston, currently planned for September 2022, will mark a major transformation and advance in how we deliver our Strategic Objectives and move us further forward in addressing the Ministerial Priorities.

In 2022/23 the Health Board will focus on recovering our services following COVID, and continuing our service transformation through changing service models to

increasingly focus on care being commissioned and delivered on an integrated basis through primary care clusters.

We will finalise our Population Health Strategy to further enable the refocussing of resources to deliver value based healthcare. We will increase our efforts to improve quality and safety, and will establish new governance arrangements to improve our approval.

Our workforce's wellbeing is paramount, and we will renew our Just Culture programme, in addition to maximising recruitment, retention and workforce redesign. The financial diligence and delivery which we secured in 2021/22 will be maintained.

3. FINALISING THE RECOVERY & SUSTAINABILITY PLAN

3.1 Finalisation of the Plan

Key actions undertaken are highlighted below:

- The development of the priorities for the Recovery and Sustainability Plan, and specifically for the 2022/23 Annual Plan element were developed based on the following principles, as agreed by Board:
 - Address key risks to patient safety
 - Resolve legacy issues
 - Standardise and embed current commitments from Annual Plan 21/22
 - Shift resource from acute care to primary care
 - Develop clusters and allocate resources for preventative or early intervention measures
 - Develop more sustainable provider services, population health and service commissioning, e.g. planned care, cardiac, UEC.
- Proposals for service improvements were developed through system wide groups and their sub-groups. Each of the proposals was assessed in relation to the principles above, to develop a “shortlist” of priorities. Proposals were then reviewed in relation to funding availability through an ongoing process of refinement and prioritisation. These were considered at a Board Briefing in December (16th) 2021 and again in January (13th) and February (24th) 2022.
- Implications of year one service changes and investments has been undertaken. Triangulation with finance and workforce implications enabled refinement of priorities and the outputs were shared at a Chair’s Briefing in January (13th).
- Further refinement of priorities and their implications and triangulation of service changes, workforce and finance took place throughout January and February. Where proposals had no funding source identified, the Clinical Executive Directors – Medical, Nursing, Therapies & Health Science and Public Health reviewed each proposal to determine which would have the greatest impact on quality and safety of services. Assessment against the organisational risk register was also undertaken to demonstrate clear alignment between risks and priorities. The priorities determined by the Clinical Executive Directors were also shared with Medical and Nursing Directors of each Delivery Group for further reflection in relation to quality and safety.

- Following review and confirmation of priorities have been classified, with Goals, Methods, Outcomes (GMOs) using a Tiered approach as follows:
 - Funded (F) – Monies identified / agreed from funding source (e.g. investment already approved by BCAG/ Management Board, or WG funded)
 - Cost Neutral (CN) – to be delivered from within existing resource
 - Tier 1 Priorities (T1) Schemes that have been identified for investment in year 1 (from the £21m recovery /£3.5m internal investment)
 - Tier 2 Priorities (T2) Schemes where no funding has been allocated but will be considered for initial investment allocation subject to Business Case approval and additional monies being identified
 - Tier 3 Priorities (T3): Schemes where no funding has been allocated but will be considered for investment subject to Business Case approval if specific /ring fenced additional monies become available.

In line with NHS Wales Statutory Duty, an Accountable Officer (AO) letter was submitted by the Chief Executive to Welsh Government on 28th February, which set out the Board's position in relation to developing an IMTP for 2022/25, at that point in time. There have been ongoing discussions with Welsh Government during the development of the Plan.

A further letter was received from WG on 14th March 2022 outlining the assumptions to be considered in finalising IMTPS and Annual Plans. In summary, these assumptions are:

- While Health Boards must seek to mitigate costs, organisations can anticipate funding from Welsh Government for the three areas of exceptional cost pressures highlighted across the system (energy prices, increased NI contributions, Real Living Wage for social Care on commissioned care packages).
- Anticipate funding from Welsh Government for the ongoing transitional costs of COVID these must relate to:
 - Capacity & facilities costs relating to the ongoing response
 - Prescribing changes directly related to COVID symptoms
 - Increased workforce costs as a direct result of the COVID response and IP&C guidance
 - Services that support the ongoing COVID response
 - Lost dental income as a result of changes to levels of dental provision

3.2. Finance and Capital

Finance

Through 2021/22 the Health Board has met the financial challenge of the ongoing pandemic whilst also maintaining financial stability with the delivery of its forecast deficit of £24.4m. By combining the work already developed on our cost control, targeted investments, and significant savings plans and utilisation of the 2.8% uplift in 2022/23 the Health Board can reduce the £42.1m underlying deficit to £24.4m within the core plan.

In addition to the core plan there are extraordinary cost pressures and aspects of COVID transition in 2022/23 which are beyond the ability of the Health Board to

address. Therefore, the plan has been developed in three phases, which are summarised below.

Summary Financial Plan	£m
Phase 1 = Core Plan	24.4
Phase 2 = Extraordinary national cost pressures	19.9
Phase 3 = Covid transition costs	25.0
Deficit/(surplus) for 2022/23	69.3

The letter from WG received 14th March 2022 has outlined that for planning purposes the Health Board can assume funding for Phase 2 and Phase 3 of the plan subject to ongoing scrutiny and discussion; this is welcome. In assuming £44.9m of funding the Financial Plans remains at £24.4M in year 1.

The plan also sets out a three-year long term financial model which demonstrates how the Health Board will hold this £24m deficit position over time. This is therefore a sustainable financial plan but not a balanced financial plan. Support will be needed to reduce the deficit further and further discussions will be needed with Welsh Government to explore whether support is available to do this based on the Health Board delivering a sustainable financial plan for the three years.

Capital

The Health Board has an ambitious capital programme to maintain its existing asset base and implement major service change to ensure future sustainability of our services. We have prioritised our capital programme against a clear set of principles which reflect the objectives of this plan.

- The programme will require funding support from the All Wales Capital Programme
- Whilst we continue to explore alternative funding streams, the ability to utilise revenue solutions will require capital funding support to support the new IFRS 16 Lease accounting standard.
- The current market conditions and long delivery lead in times are likely to continue to impact on deliverability in relation to price volatility and reduced availability of specialist advisors and building contractors.

3.3 Workforce

- The initial prioritisation exercise indicated a significant uplift in workforce requirements, which led to concerns over the ability to attract the numbers required. Further refinement led to tiered prioritisation and a concentration on Tier 1 priorities
- This has led to the identification of the workforce required to deliver these priorities, and we are confident that we can attract the workforce required and have put a number of steps to mitigate risk, including:-
 - Embedding clinicians in the planning of future services to ensure capacity and sustainability of services are met has resulted in consideration of new roles within their areas, for example PAs, nurse therapist, trainee HCSW and B4 nurse associates.

- Significant work has been conducted on recruitment strategies, developing a branding and attraction campaign to promote the HB as a great place to work and receive care.
- We have a newly introduced recruitment team with priority on business critical and hard to fill roles.
- We have increased our focus on international recruitment of nurses
- Internal recruitment trackers have been developed to support service areas with large scale change to track their recruitment
- We have recognised that retention is key and have developed health, wellbeing and pastoral support for staff, acknowledging that staff are tired and their resilience is low.
- Particular focus has been placed on providing robust on-boarding and pastoral support for overseas recruits.
- Major change that requires substantial uplift in the workforce will be phased in appropriately, and we will continue to investigate new roles and new ways of working

3.4 Digital and Data

- The Health Board's Plan is underpinned by an ambitious digital transformation programme that aims to support improved health, care and wellbeing of our population through uses of digital technology.
- Furthermore, through the implementation of our Business Intelligence Strategy, our aim is to accelerate towards becoming a data driven organisation, which is crucial to effective decision making and management of capacity and demand.

4. Governance and Risk Issues

All risks have mitigating actions and are continually reviewed through the Health Board Risk Register. The Plan is a dynamic document and risks to delivery are constantly assessed and acted upon. Key risks to delivery include:

- **COVID-19:** The pandemic will continue to place increased demand pressures on all services, we will flex services accordingly to escalate/ de-escalate plans in response to COVID and surges in demands, in line with national guidelines.
- **Covid Backlog:** The treatment backlog from Covid continues to grow, placing increasing pressures on services across the system and negatively impacting the timeliness of care received by patients. Our whole system transformational solutions will deliver long term sustainable improvements to services. In the short to medium term we will also deliver outsourcing and insourcing across a range surgical specialities, deliver an outpatient recovery programme and maximise access to diagnostics to deliver recovery plans.
- **Capacity to Deliver:** System pressures significantly challenge our ability to dedicate capacity and resources to delivering projects, programmes and service changes. Our PMO is in place to provide expert dedicated resource and support to plan, manage and deliver priority programmes and projects and our programme governance arrangement will ensure a clear focus on delivering our priorities.
- **Workforce:** Covid continues to affect the availability of our workforce and staffing of services. Our robust prioritisation approach to planning has identified the workforce required to deliver our priorities and we are confident that we can

attract the workforce required and we have put a number of steps to mitigate any risk such as embedding clinicians in planning; refreshed recruitment strategies, branding and attraction campaign; newly introduced recruitment team; increased focus on international recruitment; Internal recruitment trackers; and we have developed health, wellbeing and pastoral support.

- **Capital:** The Health Board has an ambitious capital programme to maintain its existing asset base and implement major service change to ensure future sustainability of our services. We will continue to take a prioritised approach to our capital schemes based on agreed principles.
- **Financial Constraints:** Above the £24.4m the Health Board will also have to manage a number of risks and opportunities which may impact on the planned deficit of £24.4m. A breakdown of these are provided within the IMTP documentation along with further details on some of the mitigating action required

Once approved, the Plan will form the basis of the work programme for the Board, its Committees and Management Board. Detailed work will be undertaken during April 2022 to further develop and quantify the deliverables of the plan and clearly set out accountability arrangements for delivery.

5. RECOMMENDATION

The Board is asked to:

- **NOTE** the progress made to finalising the draft R&S Plan.
- **APPROVE** the final draft Health Board Recovery & Sustainability (R&S) Plan ahead formal submission to Welsh Government.
- **NOTE** the risks to delivery and mitigating actions in place.
SUPPORT the submission of an Accountability Letter which requests ongoing discussions regarding the deficit

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 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		
No direct implications of this report, however the Plan is predicated on improving quality, safety and patient experience.		
Financial Implications		
No direct financial implications of this report, see financial implication section for detail on the Finance Plan.		
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 service models detailed in the Plan are quality and equality/ diversity impact assessed.		
Staffing Implications		
No direct impact outlined in this report however there will be significant staffing implications as a result of new service models outlined in the Plan – risks and implications to workforce form an integral part to planning arrangements.		
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)		
Development of the Plan involved a refresh of our Strategic Objectives, aligned to the WBFGA and five ways of working.		
Report History	This is the first version of this report to Management Board	
Appendices	Appendix 1: The SBUHB Recovery & Sustainability Plan Appendix 2: Regional Plan SBUHB & HDdUHB (Arch) Appendix 3: WAST Partnership Plan	