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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	26 th July 2018	Agenda Item	3iii
Report Title	Development of the Integrated Three Year Plan 2019/22		
Report Author	Nicola Johnson, Head of IMTP Development and Implementation Darren Griffiths, Assistant Director of Strategy		
Report Sponsor	Siân Harrop-Griffiths, Director of Strategy Lynne Hamilton, Director of Finance		
Presented by	Siân Harrop-Griffiths, Director of Strategy Lynne Hamilton, Director of Finance		
Freedom of Information	Open		
Purpose of the Report	This paper sets out the aims, planning activities and timeline for developing the Health Board's Integrated Three Year Plan 2019-22.		
Key Issues	<p>The Health Board is engaged in developing its Organisational Strategy which will set out the transformational change required to become sustainable over the next ten years. At the same time a Clinical Services Plan is being developed which will set out the changes required in clinical services over the next five years. These are important supporting planning activities in the context of the integrated Three Year Plan.</p> <p>Under the NHS Wales (Finance) Act the Health Board has a statutory duty to produce an Integrated Three Year Plan which balances financially, on a rolling annual basis. For the last two years the Health Board has not been able to produce a balanced plan and has developed Annual Plans.</p> <p>This paper outlines the aim of the planning process to develop the Integrated Three Year Plan 2019-22 as the roadmap for implementing the first three years of the Organisational Strategy and Clinical Services Plan.</p>		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
		✓	
Recommendations	Board members are asked to: <ul style="list-style-type: none"> • CONSIDER the aim, process and timeline for developing the integrated three year plan 2019-22. 		

DEVELOPMENT OF THE INTEGRATED THREE YEAR PLAN 2019-22

1.0 Situation

This paper sets out the aim, planning process and timeline for developing the Health Board's Integrated Three Year Plan (The Plan) 2019-22. The paper also describes how The Plan will be the roadmap for delivery of the first three years of the Health Board's Organisational Strategy and the Clinical Services Plan.

When considering the strategic context of ***"A Healthier Wales"***; Wellbeing of Future Generations Act; and Social Services and Wellbeing Act, amongst others, it is evident that our planning approach must be very different. The Health Board must undertake transformation in both commissioning of care to meet the needs of our population and the care and treatment it delivers in the context of a wider health and social care economy.

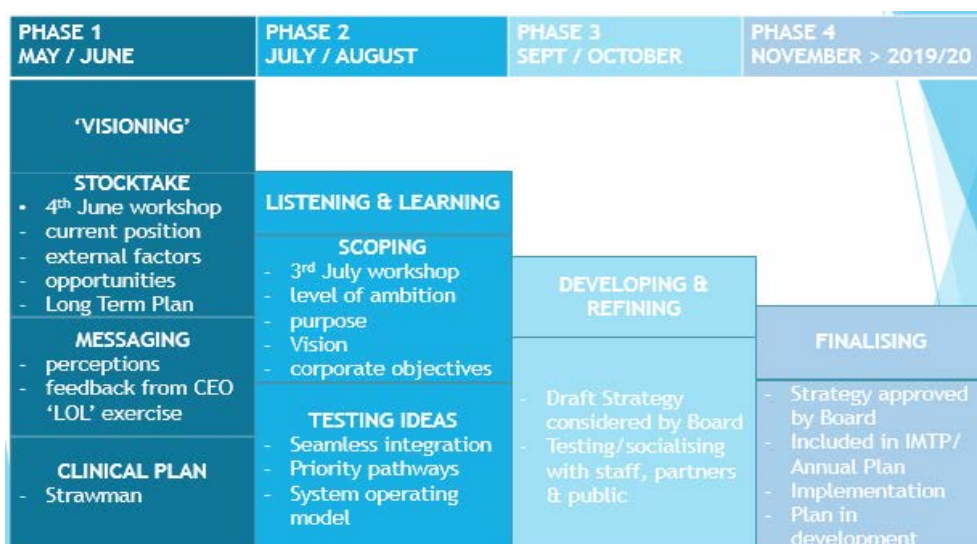
2.0 Background

The NHS Finances (Wales) Act 2014 requires the Health Board to develop an Integrated Three Year Plan each year which balances financially on a rolling annual basis. However, the Health Board agreed to develop an Annual Plan in 2017/18 and for 2018/19 as our care system was unsustainable due to demographic changes and health inequalities in the population we serve; a model of care which is overly weighted towards inpatient services and an imbalance in demand and capacity, leading to significant performance, workforce and financial challenges. Welsh Government was also clear that to provide the foundations of an approvable plan, we needed to update 'Changing for the Better', our extant Clinical Strategy and develop an Organisational Strategy to provide a clear strategic direction for the Health Board. We know that we need to be planning on a three year basis and then testing whether the outcome of this planning process would satisfy Integrated Medium Term Plan (IMTP) requirements across quality, safety, service and financial measures.

3.0 Assessment

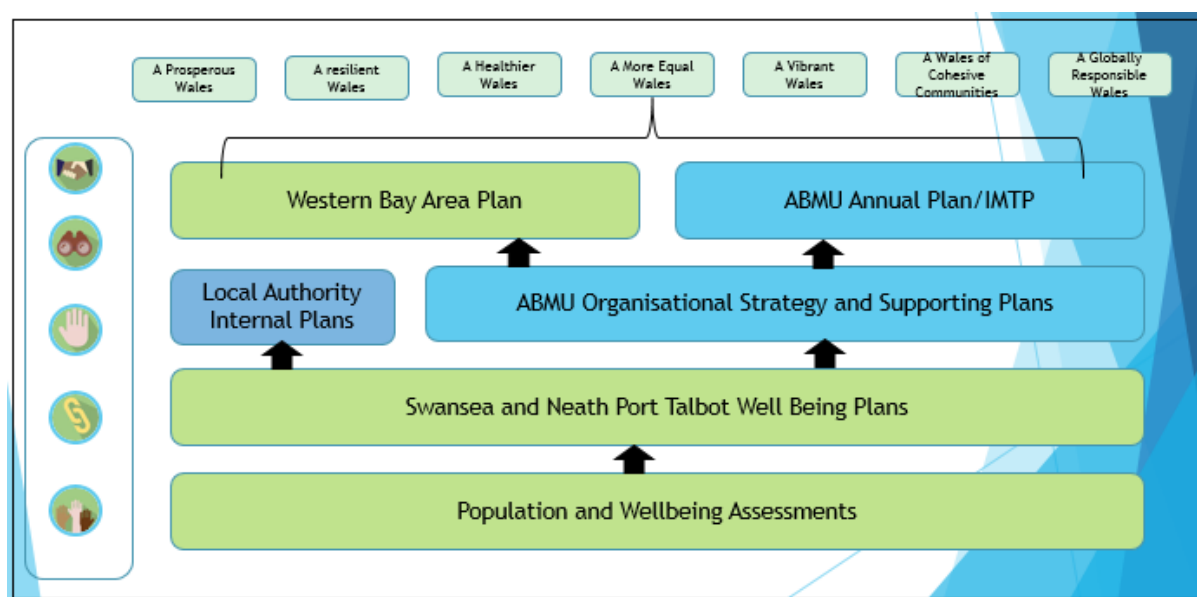
3.1 Aim of the Three Year Plan

The health needs of our catchment population and the key national strategic drivers of the Wellbeing of Future Generations Act, Social Services and Wellbeing Act, Parliamentary Review of Health and Social Care and ***A Healthier Wales*** will shape our Organisational Strategy and our three year Clinical Services Plan. These are planned to be considered in draft by September and approved by the Board in November as shown below.



The Organisational Strategy and Clinical Services Plan will set the strategic direction for developing our Plan. We are using the Population and Well Being Assessment and Well Being and Area Plans approved in March 2018 to underpin our approach for 2019/20 and beyond.

We plan to engage with our partners on the Regional Partnership Board early in the development process and The Plan will align with the Western Bay Area Plan as shown in the diagram below.



The aim of the planning process is to confirm the Health Board's priorities and needs for the next three years to implement the Organisational Strategy and to move towards sustainability. At the end of the process it is intended that our Plan will be the roadmap showing the key outcomes, actions, milestones and measures for delivery of the first three years of the Strategy and Clinical Services Plan. It will also describe the required workforce, capital, finance and digital enablers for success.

As part of the development of the Organisational Strategy we will refresh our Purpose, Vision and Strategic Outcomes/Corporate Objectives, ensuring our Wellbeing Objectives are at the heart of our approach. The Corporate Objectives will be SMART and will provide the framework for measuring the success of the integrated three-year Plan.

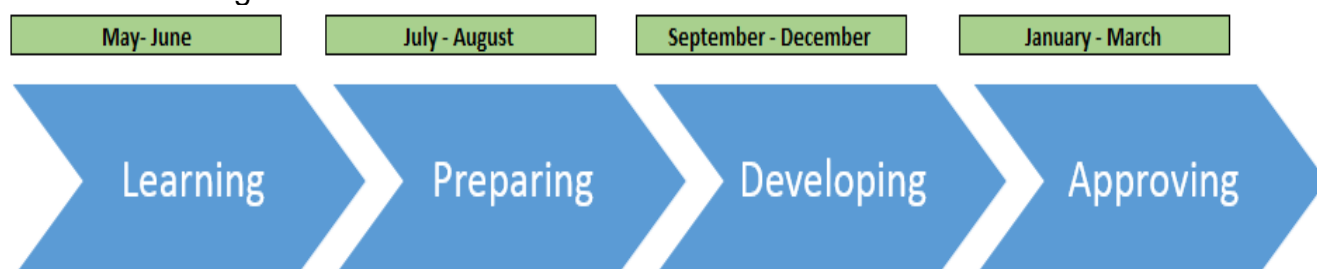
A Health Board wide Core Team is developing the planning process and overseeing development of the Plan. The early emerging thinking from the core team is to propose that the Health Board could align its current corporate objectives with the quadruple aim set out in **A Healthier Wales**. These are: -

- improve population health and wellbeing through a focus on prevention;
- improve the experience and quality of care for individuals and families;
- enrich the wellbeing, capability and engagement of the health and social care workforce; and
- increase the value achieved from funding of health and care through improvement, innovation, use of best practice, and eliminating waste

If adopted, this would provide powerful and close alignment between the strategic direction of Health and Social Care in Wales and the Health Board's direction of travel. Discussions are underway which will inform and shape this approach.

3.2 The Planning Process

The planning process is an iterative process on an annual basis in 4 phases, as shown in the diagram below.



As described in section 3.1 between May 2018 and September 2018 we will be actively engaged in developing our Organisational Strategy and Clinical Services Plan. During this time we will be reviewing our Purpose, Vision and Corporate Objectives and setting our strategic direction and priorities based on our population's health needs. We have started to develop our programme management approach linked to our Service Improvement Boards and will be agreeing this as well as our priority service areas for pathway change and our system operating model (purpose of our sites and Units). During this period, we will also be undertaking specific strategic development work as follows:

- analysis and understanding of our population health needs and demand pressures;
- agreeing our Frailty Model, building on standardising all the work that we are already doing, and to align our Older People's Strategy work with Western Bay structures;

- agreeing the Western Bay 'Offer' to improve integrated community services and support opportunities for Transformation Funding ; and,
- continuing to implement service changes for older people in our general and mental health services.

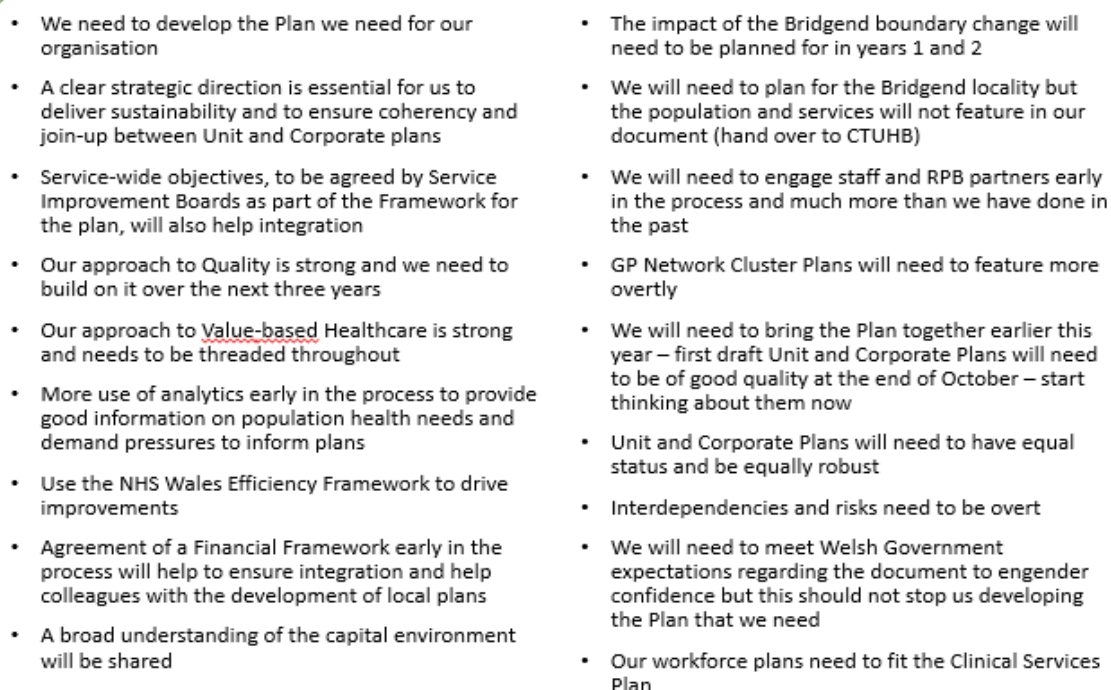
Our Regional Planning priorities have also been reviewed and the delivery priorities will be orthopaedics and cardiology for the first six months of 2018/19.

3.2.1 Phase 1 - Learning (May-June 2018).

We have received an Internal Audit report on *Annual Planning: Engagement and Integration* which gave a reasonable assurance rating for the effectiveness of promoting integration within the annual planning process for 2018/19. The main area of learning from the report is that earlier agreement of our Quality Priorities would have enabled Units to plan this element in a more integrated way.

We are also reviewing other plans to identify areas of good practice (such as the alignment of corporate and wellbeing objectives in the Public Health Wales IMTP) and we are awaiting a Compendium of Best Practice on IMTPs from Welsh Government which we will learn from to inform our approach.

We have undertaken three Learning Sessions with members of the Board, the Executive Team and the IMTP Core Team to improve our planning for the next three years and the summary feedback is shown in the next diagram. Our planning is based on all of our learning during this early development phase.

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- We need to develop the Plan we need for our organisation
 - A clear strategic direction is essential for us to deliver sustainability and to ensure coherency and join-up between Unit and Corporate plans
 - Service-wide objectives, to be agreed by Service Improvement Boards as part of the Framework for the plan, will also help integration
 - Our approach to Quality is strong and we need to build on it over the next three years
 - Our approach to Value-based Healthcare is strong and needs to be threaded throughout
 - More use of analytics early in the process to provide good information on population health needs and demand pressures to inform plans
 - Use the NHS Wales Efficiency Framework to drive improvements
 - Agreement of a Financial Framework early in the process will help to ensure integration and help colleagues with the development of local plans
 - A broad understanding of the capital environment will be shared
 - The impact of the Bridgend boundary change will need to be planned for in years 1 and 2
 - We will need to plan for the Bridgend locality but the population and services will not feature in our document (hand over to CTUHB)
 - We will need to engage staff and RPB partners early in the process and much more than we have done in the past
 - GP Network Cluster Plans will need to feature more overtly
 - We will need to bring the Plan together earlier this year – first draft Unit and Corporate Plans will need to be of good quality at the end of October – start thinking about them now
 - Unit and Corporate Plans will need to have equal status and be equally robust
 - Interdependencies and risks need to be overt
 - We will need to meet Welsh Government expectations regarding the document to engender confidence but this should not stop us developing the Plan that we need
 - Our workforce plans need to fit the Clinical Services Plan

3.2.2 Phase 2 - Preparing (July-August 2018)

Following the completion of the learning phase we have started to develop the Planning Framework for the development of our Plan (including Service

Improvement Plans for Unscheduled Care, Planned Care, Stroke, Cancer, Healthcare Acquired Infections, Children and Young People, Maternity and Mental Health and Learning Disabilities Services). In order to provide a fresh approach to the planning process we will set clear commissioning intentions to provide greater clarity of the commissioning expectations of the Board. The Framework and commissioning intentions will be issued at the end of August 2018 for Delivery Units and corporate teams to use to develop their local plans.

Our plan will give proper recognition to the need for a much stronger primary care driven system, which will build on the excellent work already underway in the Health Board. It will also have a much stronger focus on partnership and system plans and changes to further develop integrated services, whether this is integration within our own health systems, with local authorities or regionally.

The Framework and commissioning intentions will be based on analysis of our population's health needs, demand pressures and performance at the half-year stage and will also include our:

- Quality Priorities
- Activity and performance improvement assumptions
- Demand / capacity planning guidance
- Service Improvement Plans Objectives
- Efficiency Objectives
- Financial Objectives and deliverables (may be best case / worst case scenarios)
- Workforce Objectives and deliverables
- Capital assumptions.
- Expectations regarding local staff and partnership engagement.

Discussions have started with Cwm Taf Health Board to ensure that between us we are appropriately planning for the Bridgend population. The Framework will outline the principles for handling the Bridgend boundary change issues and the handover of plans for the Bridgend population to Cwm Taf University Health Board (UHB). Our published Plan will not feature the Bridgend population but it will feature the impact of the boundary change on our remaining clinical services and corporate departments as there will be ongoing work to fully implement the change over the three years of the Plan.

The Board will continue to receive updates on this important element of the planning process as these commissioning intentions will effectively frame the parameters of the Three Year Plan and set the tone and direction of the Plan.

The Strategy, Workforce and Finance directorates work very closely during the planning process and a number parallel activities are currently underway to inform the approach.

It is clear that the planning process will need to iterate the plan through a number of cycles as clarity emerges on our quality, safety, service change, finance and performance delivery expectations there will be system impacts on other areas of the plan. The Board will be closely involved in the evolution of the planning as a result of this process. There is a further section on the emerging medium term financial picture later in this report (section 4.0) and the potential scale of challenge to frame a balanced plan within the three year timeframe is clearly emerging.

This will inform our further planning as well as the first high level draft Plan which will be shared with the Board at the end of October 2018. The covering paper for this draft Plan will include a recommendation as to the governance status of the Plan (i.e. whether we will be able to meet the statutory duty to break-even over the period of the Plan). If the risk is assessed as too high at this point we will engage with the Board to consider the development of a separate Annual Plan to sit alongside the Three Year Plan.

3.2.3 Phase 3 - Developing (September-December 2018)

Units and Corporate departments have already been asked, through the Core Team to start developing their plans. However our internal Planning Framework with the commissioning intentions therein, will be published in August, which is before the NHS Wales Planning Framework is published in October. This year the national Framework could be quite different, due to the publication of **A Healthier Wales** and the process may need to be reviewed when the Framework is available. A timetable for the Workshops and process is included in **Appendix 1**.

The development phase of the Plan will align with the publication of the draft Clinical Services Plan and the Plan will be the first three years of the implementation plan. This will include developing the critical path to change. It is critical that our planning process engages staff across the organisation and with partners, and the developing local plans are shaped by our clinical teams. The core team is reflecting on how this can be done but will ensure that, on a far greater basis than previously undertaken, the process will engage those closest to service delivery and be shaped by a broader base of thinking.

The Annual Plan 2018/19 was built around Cross-Cutting Plans for our Targeted Intervention Priority areas and this enabled us to develop integrated plans for Unscheduled Care, Planned Care, Stroke, Cancer, and Healthcare Acquired Infections within a delivery structure which is Unit-based. This was seen as a positive step and helped to give assurance to the Board and Welsh Government on the integration of our plans. We will take this planning a step further and will develop cross-cutting Service Improvement Plans for these areas as well as Children and Young People's Services, Maternity and Mental Health and Learning Disabilities.

Our strategic priority pathways (which are being developed through a Value Based Healthcare approach) will be a core component of the Plan to support service change and transformation. Further work is being done on mapping this programme management approach during July 2018 across the planning approach.

In 2017/18 we established an Executive Steering Group which included the Director of Strategy, Director of Finance and Director of Human Resources to oversee the

development of the Annual Plan and to ensure there is integration. The Internal Audit report recognised that this provided assurance of delivery and integration and recommended that the Executive Lead for Quality and Safety should also be invited, which will be actioned this year. The Director of Public Health will also be invited to join this Group given the change in emphasis of the planning process for 2019-22. The Steering Group will meet fortnightly from August 2018 to March 2019 to lead the development of the Plan.

There was positive feedback about the workshop approach that was taken last year, and the Internal Audit report noted that this assured engagement with Units, corporate team and Service Leads for the Cross-Cutting Plans. Based on the feedback it is intended to replicate this approach this year. During the Workshop in September there will be opportunities to integrate the objectives of the Wellbeing and Area Plans, Cluster Plans and Regional Plans to ensure that the Plan is aligned with these. We will also be supporting Units and Corporate Departments to develop robust first draft plans by the end of October so that the important work to make choices and ensure integration can be brought forward in the timeline.

We will engage with partners including the Community Health Council (CHC), Local Authorities, politicians and third sector and use a range of approaches at local and corporate level to engage with staff including Trade Unions. We will engage with other stakeholders through. For example, the Stakeholder Reference Group, Disability Reference Group and Local Medical Committee.

The Workshop in December 2018 will be used to continue to develop the Health-Board wide plan from the local plans and to make choices about affordability and performance deliverables for consideration by the Board in December.

With regard to the written document, our intention is to comply with the NHS Wales Planning Framework.. However this will not prevent us from developing the Plan that we need as an organisation and we will also develop a visual short-form document to engage staff and stakeholders.

3.2.4 Phase 4 - Approving (January- March 2019)

A first draft plan will be approved by the Executive Team at the beginning of January 2019 and will be submitted for assurance to the Performance and Finance Committee prior to being considered at the Board meeting on 31st January 2019. The final draft will also need to be submitted to Welsh Government on that day.

Further development and assurance will take place during February 2019 based on the feedback from Welsh Government and this will include further work at the Board Development Session in February 2019.

The final plan will be approved by the Executive Team at the beginning of March 2019 and will be submitted for assurance to the Performance and Finance Committee prior to being considered at the Board meeting on 28th March 2019. The final plan will be submitted to Welsh Government on the 29th March 2019.

4.0 Medium Term Financial Plan

As stated earlier, strategy teams, finance and workforce have been working together to understand the medium term financial outlook. Both the Director of Strategy and the Director of Finance have considered the context within which the considerations are made. We are an organisation in Targeted Intervention, we must put our organisational values into practice and we must be cognisant of local plans and strategies alongside national policy and strategy.

The core principles of the plan which shape the financial considerations made below are as follows: -

- **Focus on outcomes** that matter to patients and our population whilst maximising the quality of care and value from finite resources.
- Clear focus on our **commissioner role**, as well as our **provider role**.
- **Evidence based** analysis and decision making.
- Creating **sustainability** in service and financial delivery.
- Focus on **continuous improvement** as part of business as usual – increased efficiency, productivity and effectiveness.
- Supporting **population health improvements** by moving resources to address local population needs
- Supporting **transformation**, by moving resources to support care closer to home and away from acute settings where appropriate
- Supporting **targeted reinvestment** to incentivise and deliver improvements in service delivery and change

All of the above will be driven through an integrated planning process based on strong collaboration across health systems and within broader health and care systems.

An indicative three-year financial framework is being developed. If reaching a break-even position by 2021-22 were the working assumption initial outputs from this framework suggest that the Health Board would have a potential requirement to deliver between £80m to £125m savings between 2019-2020 and 2021-2022 (based on the current Health Board catchment area) depending on the extent to which the boundary change transition is supported financially by the Welsh Government. The challenge to recover this level of saving is unprecedented for the Health Board, potentially doubling our annual delivery requirement. Over the last 3 years to 2017/18 we have planned to deliver £93m savings and have delivered £53m; in our most successful year we achieved £26m.

As we iterate through our planning process and develop our transformational change agenda around it, we are absolutely committed to strengthening our quality, safety and delivery outputs whilst also working towards a sustainable financial baseline (along with other areas such as workforce and estates as examples).

5.0 Recommendations

Board members are asked to:

- **CONSIDER** the aim, process and timeline for the planning process for the integrated three year plan 2019-22.

Governance and Assurance										
Link to corporate objectives <i>(please ✓)</i>	Promoting and enabling healthier communities		Delivering excellent patient outcomes, experience and access		Demonstrating value and sustainability		Securing a fully engaged skilled workforce		Embedding effective governance and partnerships	
	✓		✓		✓		✓		✓	
Link to Health and Care Standards <i>(please ✓)</i>	Staying Healthy	Safe Care	Effective Care	Dignified Care	Timely Care	Individual Care	Staff and Resources			
	✓	✓	✓	✓	✓	✓	✓			
Quality, Safety and Patient Experience										
The Three Year Plan will include our Quality and Safety Priorities.										
Financial Implications										
The Three Year Plan will include our Financial Plan for 2019-22.										
Legal Implications (including equality and diversity assessment)										
A risk assessment will be undertaken on the Health Boards ability to meet its statutory duty under the NHS (Wales) Finance Act 2014 as part of the development of the Plan.										
Staffing Implications										
The Three Year Plan will include our integrated workforce plans.										
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)										
The Three Year Plan will respond to the WBFGA and our Corporate Objectives will be aligned to our Wellbeing Objectives through the development of the Organisational Strategy.										
Report History		Paper approved by the Executive Team on 4.6.18. Paper discussed at the Board Development Session on 28.6.18.								
Appendices		Appendix 1 – Timeline								

Appendix 1 – High Level Timeline for Plan Development

Milestone	Date
Executive Team / Service Directors feedback session	25.6.18
Board Development Session	28.6.18
Update on development of the Plan – Strategy, Planning and Commissioning Group	9.7.18
Executive Team discussion on emerging planning process	25.7.18
Three Year Plan Development Paper to be considered by Board	26.7.18
Development of Planning Framework by IMTP Core Team	Up to 22.8.18
Planning Framework to be approved by Executive Team	22.8.18
Planning Framework issued to Units, Corporate departments and Service Improvement Plan Leads	24.8.18
Planning Workshop – Launch including engagement with partners, Area Plan priorities, emerging Cluster Plan priorities	September 2018
Update on development of the Plan – Strategy, Planning and Commissioning Group	8.10.18
NHS Planning Framework issued – review internal Framework	October 2018
Executive Team Risk Assessment regarding financial balance following Half Year Performance Reviews	October 2018
First draft local Plans to be submitted	12.10.18
Board Development session – high level first draft plan	25.10.18
Planning Workshop – Presentation of, and ‘live’ Feedback on, local Plans	Early November
Joint Workshop with Western Bay partners on emerging plans	Mid-November
Written Feedback to on local Plans for Second Draft Plans to be developed	Mid- November
Engagement with Western Bay partners, staff and other stakeholders	November - December
First draft HB Plan to be considered by Board	29.11.18
Second draft DU Plans to be submitted	1.12.18
Planning Workshop - Making choices	Early December 2018
Making choices – Executive Team	December 2018
Making choices - Board Development Session	December 2018
Draft Plan to Executive Team	7.1.19
Assurance – Strategy, Planning and Commissioning Group	January 2019
Assurance – Performance and Finance Committee	January 2019
Final Draft Plan to Board	31.1.19
Final Draft Plan submission to Welsh Government	31.1.19
Welsh Government Feedback and Board Assurance – Board Development Session	February 2019
Assurance – Performance and Finance Committee	March 2019
Final Plan to Board	28.3.19
Final Plan submission to Welsh Government	29.3.19