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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board



Meeting Date	17 th December 2018	Agenda Item	3a
Report Title	Progress Report - Three Year Integrated Plan 2019-22 including Medium Term Financial Plan		
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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 provides an update on progress and remaining steps to develop the formal draft Integrated Three Year Plan 2019-22.		
Key Issues	<p>The paper outlines the current progress position and identifies the remaining planning, drafting and assurance processes for submitting the IMTP to Board at the end of January. Whilst the planning is on-track, the drafting is 1-2 weeks behind schedule due to unforeseen staffing issues. This will be recovered before the deadline for submission to Board on 25th January and Welsh Government on 31st January.</p> <p>The paper also notes that the draft Finance chapter and mandatory finance templates are on track to be submitted to Welsh Government on 4 January 2019. These will be based on the existing Health Board organisational and financial structure.</p>		
Specific Action Required <i>(please ✓ one only)</i>	Information	Discussion	Assurance
			Approval ✓
Recommendations	<p>Committee members are asked to:</p> <ul style="list-style-type: none"> • Note the progress to date on the development of the IMTP, including the 2019-20 Financial Plan; • Note the emerging shape of a Transformation Portfolio which will be further tested in December • Note the IMTP Service Change Plans are 1-2 weeks behind schedule; and, • To endorse the next steps. 		

PROGRESS REPORT – THREE YEAR INTEGRATED PLAN 2019-22 INCLUDING THE MEDIUM TERM FINANCIAL PLAN

1.0 Situation

The Health Board has now approved the Organisational Strategy and is now undertaking the continuing complex planning work to concurrently develop the Clinical Services Plan and Integrated Medium term Plan for 2019-22.

The IMTP will lay out how we will deliver our Strategic Objectives and the Health Board's five year clinical services ambition through our three year Integrated Medium Term Plan (IMTP). This will include the financial context of a robust Medium Term Financial Plan.

This paper outlines our progress, and the remaining steps to develop our IMTP and Medium Term Financial Plan.

2.0 Background

The achievement of an approved Integrated Medium Term Plan is a key factor in achieving an improvement in the Health Board's Targeted Intervention monitoring status with Welsh Government. As has been set out by Welsh Government, the foundations of an approvable plan begin with a clear long term Organisational Strategy and a robust Clinical Services Plan. Work has therefore been underway to develop these and produce these for final Board approval and submission to Welsh Government in January 2019.

The Organisational Strategy has now been agreed by the Board and the Clinical Services Plan and IMTP will show how the organisation plans to deliver its Strategic Objectives over their respective timespans.

3.0 Risks

3.1 Complexity

There is additional complexity in the developing our Plans this year as the Clinical Services Plan (CSP) is being developed concurrently with the IMTP. Whilst both Plans are based on the same political, population health and strategic context and have iteratively informed their mutual development, we will need to continue to work on our detailed service change plans past the IMTP submission deadline date, over the next 6-12 months to deliver the major change required by the CSP. For example, the preferred option for our site reconfiguration will not be formally appraised until the Clinical Senate on 14th December and will not be signed off by the Board until the same day as the IMTP on 31st January. Therefore the implications are not able to be fully described in the IMTP.

Likewise we will need to continue our detailed planning around areas which have presented as CSP opportunities during the latter part of the IMTP cycle:

- Surgical remodelling;
- Hospital2Home service (full scale expansion in reablement at home, discharge to assess, acute clinical teams and whether this will be our Single Point of Access);
- Detailed implementation of the Primary Care Cluster Model (Transformation Bid) and,
- The critical path for centralising the Acute Medical Take at Morriston.

All of these areas have been discussed by the Executive Team as requiring additional planning and analytical support to undertake detailed planning.

Welsh Government understand that our IMTP will be a report on our planning at a point in time and that we will be continuing the detailed planning for our major service change in the first 6 months of 2019/20. We will also be implementing our Transformation Portfolio through which operational plans for pathway change will emerge. At the JET meeting on 13th December it was therefore flagged that we will be looking to submit a refreshed IMTP in mid-2019/20.

3.2 Assurance for Submission

The advice from Welsh Government is to plan on a three year basis, and, at an appropriate time, the Board should determine whether an approvable IMTP can be submitted. This will largely depend on our confidence in terms of our financial and performance plans and delivery. This assessment and assurance will be provided by the Performance and Finance Committee on 22nd January.

In addition, Welsh Government has required that the Finance chapter and mandatory templates are submitted for scrutiny by 4 January 2019, which will allow feedback to be considered (and Financial Plan amended if necessary) before the Health Board's internal assurance via the Performance and Finance Committee.

Welsh Government has set out that the Health Board is expected to come back to financial balance next year. Therefore as part of the Health Board's assurance processes around the IMTP, the Board will need to sign off the 19-20 Financial Plan in January to allow submission by 31 January 2019.

4.0 Assessment

4.1 Integrated Medium Term Plan Progress Update

4.1.1 Welsh Government Engagement

The Directors of Strategy, Finance, Workforce and Interim Chief Information Officer and members of the Planning, Performance and Finance Teams met with Welsh Government on 2nd November 2018 to discuss progress made to date and specifically the approach being taken around Digital and Workforce plans. Engagement with Welsh Government continues to be positive following an informal engagement meeting on 4th December. The next formal Welsh Government engagement meetings include the JET meeting on 12th December and a potential IMTP engagement meeting on 19th December.

4.1.2 Health Board IMTP Planning

Unit and Directorate first draft plans were reviewed and feedback has been provided. Second draft plans were submitted on 16th November and have been assessed using the following methodologies to test and narrow the range of priorities:

- All schemes assessed against the MoSCoW methodology (Must Do, Should Do, Could Do, Would Like to Do) to assess the Must Dos (plans already committed to or serious safety issues) and Should Dos (plans to improve quality in line with our strategic direction, efficiency/performance gains or Welsh Government priorities).
- Comparison with our existing capital programme to ensure no schemes that are already committed to have been missed.
- Following the MoSCoW work the plans were analysed to draw together the themes for the Service Change Plans under the Welsh Government IMTP headings (Prevention, Population Health including primary Care, Children, Maternity, Unscheduled Care including stroke, Planned Care, Cancer, HCAs, Mental Health and Learning Disabilities).
- Unit plans have been scrutinised through a series of Unit IMTP Scrutiny and Assurance Panels led by the Executive Directors of Strategy and Finance and the COO, this included discussion of the service plans, interdependencies and risks as well as the Unit's efficiency, performance, workforce and finance profiles.
- The Integrated Planning Group has undertaken a feasibility assessment of the Service Change Plans against the Health Board's finance, workforce and capital constraints.
- The Integrated Planning Group has also identified the emerging Transformation Portfolio to deliver the Programme Approach to delivering the Organisational Strategy and Clinical Services Plan through the IMTP and this will be tested with the Board in December.

The results of this assessment and planning were tested with the Delivery Unit IMTP Leads and a number of issues and potential choices have been agreed for discussion at the Board Development Session on 13th December. The emerging Programme Approach for delivery and high-level Service Change Plans will also be outlined at this meeting.

Demand and capacity planning has also been undertaken and the results have informed the modelling that has been undertaken to build up the Health Board's performance trajectories. However further work is required to ensure that efficiency assumptions are fully aligned with the outputs from the Capita report which underpins the Clinical Services Plan. Bridgend activity has been disaggregated from all priority areas and a range of scenarios were tested along with the emerging choices around performance and finance by the Integrated Planning Group and Unit Leads. These are being developed at pace for presentation to the Performance and Finance Committee on 17th December.

The advice that is given at the Board Development Session and the assurance provided by the Performance and Finance Committee will be represented in the formal draft IMTP and Medium Term Financial Plan.

4.1.3 Multi-organisational Planning

The approach to Regional Planning has been agreed with Hywel Dda and detailed mapping of opportunities (clinical and non-clinical) for partnership working are being refined and a narrative section for the IMTP will be agreed at a meeting on 18th December. Coordinated planning also continues with Cwm Taf UHB and Welsh Government in relation to the Bridgend Transfer. Our engagement plan is underway time with both external and internal stakeholders and staff, including the Health Board's Partnership Forum, Regional Partnership Board and Community Health Council.

An engagement meeting has been held with WAST, and the Health Board is on-track with the deadlines to include the EASC / National Unscheduled Care Programme templates in the final document and to submit them to EASC in early January. We are also fully engaged with WHSSC in the development of the Integrated Commissioning Plan and the final recommendations will be included in our document and in our financial plan.

4.1.4 Mandatory IMTP Templates

Welsh Government have been clear that to assess the Plan as credible, the finance, workforce and performance templates need to align and show an integrated planning approach. However both Cwm Taf and our Health Board are not able to submit final workforce templates to reflect the full impact of staff changes due to the on-going HR processes for the Bridgend transfer. Draft templates will be submitted by the end of January but the final versions will be submitted following the completion of the staff transfer processes in late February. However the Education Commissioning templates will be submitted with the Plan in January.

We have agreed with Welsh Government that the finance templates will be completed to reflect the existing Health Board structure in time for submission by 4 January, and these will be accompanied by an initial assessment of the financial impact of the Bridgend transfer on both income and expenditure. Cwm Taf University Health Board's draft finance submission will mirror this approach. The submission of the final templates in January will be based on the new organisation (post transfer) and will include updated assumptions on the financial impact.

The performance templates contain fewer mandatory targets than previous years, with no targets mandated for stroke services. Our remaining Targeted Intervention profiles are being modelled as described in section 3.1.2.

4.1.5 Impact Assessment

With advice and support from our Equality Impact Assessment specialists we will be undertaking an EIA Panel on 2nd January to develop a first phase EIA on the service changes described in the CSP and the IMTP together. The EIAs for individual service change programmes and plans will need to be developed as the planning progresses over the first half of 2019, and the Executive Team is in the process of agreeing our sustainable approach to Impact Assessment which will require supporting resource.

Quality Impact Assessments (QIA) will be used as a process to systematically review all service change and cost improvement schemes. The Health Board has

developed templates to support this process which includes a screening tool and a full QIA tool, if required. It is important that our plans balance our wider objectives as a Health Board which includes a requirement to live within our means. The QIA process should help us to balance these issues by focussing on identifying risks and putting in place mitigating actions that manage them in a timely and transparent way. One of the key parts of the process is identifying the measures that will be used to provide to check that our actions are not harming patients or impacting on their experience.

The Service Delivery Units are currently undertaking an assessment to screen IMTP schemes for impact patient care, safety or experience. Schemes that are identified as needing a full QIA will be completed by end of January 2019. Quality Impact Assessments will be considered and signed off through the Units local governance mechanisms and signed off by the Unit Nurse Director and Unit Medical Director.

Schemes that are identified as having a significant risk or impact on the delivery of patient care, safety or experience will be submitted to and monitored by the Recovery and Sustainability Programme Management Office. A QIA panel which members includes the Executive Nurse and Medical Directors, will regularly meet to review and provide assurance that mitigating actions are sufficiently robust to manage risk.

4.1.6 Service Change Plans / drafting the IMTP

Due to short term staffing difficulties in the Strategy department the drafting of the IMTP Service Change Plans including the narrative, deliverables, timelines, measures and responsibilities is 1-2 weeks behind schedule, as the departmental resource has been targeted at completing the planning work described in section 3.1.2 to shape the Plan.

It is also noted that, as the Clinical Services Plan has been developed in parallel with the IMTP, some of the newer, or highly complex, areas for change highlighted in the CSP will require ongoing planning past the IMTP deadline in January to develop robust, detailed plans. Welsh Government are aware of this and see this commitment to continuous planning in 2019/20 as a positive for the organisation. Some of these plans (surgical remodelling, Hospital2Home service including Single Point of Access, centralising the Acute Take at Morriston) will require targeted, dedicated support and this will be discussed with the Executive Team on 12th December.

It is anticipated that the draft document including the IMTP Service Change Plans will be available for discussion on 7th January for discussion at formal Senior Leadership Team on 10th January. It is proposed that the document is also shared with the Vice-Chair and Non-Executive Lead of Finance at the same time, with a discussion to be held early in the week of 7th.

4.1.7 Final Steps to Submission

The final steps following the SLT meeting on 10th January are:

- W/c 10th January - revise plan following engagement with SLT, Vice-Chair and non-Executive Lead for Finance;
- 16th January - resubmit for formal Executive Team meeting;

- 22nd January - Performance and Finance Committee assurance;
- 25th January - papers to be submitted for Board meeting on 31st January; and,
- 31st January - submit to Welsh Government.

4.4 Medium Term Financial Plan

In line with Welsh Government's clear expectation around the delivery of a breakeven position next year, work is being more heavily focussed on the 2019-20 Financial Plan at this stage. This fits with the direction of travel set out in the Clinical Services Plan, where the Health Board needs to deliver efficiencies (and savings) in year 1 as part of the drive for improvement. This will create the operational headroom for change as well as, through the achievement of financial balance, the unlocking of further investment opportunities and financial freedoms to successfully delivery clinical changes and transformation. Welsh Government has recently indicated the potential for £10m additional recurrent financial support if we achieve financial balance in 2019-20.

Our approach in 2019-20 is straightforward - to reduce our underlying deficit, embed stringent cost control measures and manage growth, and to prioritise and deliver strategic "high value" efficiency opportunities.

However the Financial Plan will include the development of the financial modelling to support the Clinical Services Plan option appraisal, setting out the affordability and value for money implications of the preferred way forward. This work will start in early 2019 and will evolve over the planning period to include an assessment of implementation costs and benefits as well as the on-going reporting of these as part of our monitoring and evaluation activities.

Next steps will include:

- We received the Welsh Government Revenue Allocation Letter on 11 December and are now working through the implications, including reviewing our key assumptions, risks and opportunities;
- We have completed a review of the second cut Unit/ Directorate financial plans and now need to test key decisions underpinning savings delivery as well as complete a delivery confidence assessment;
- The first cut of the financial impact of the Bridgend transfer will be completed and shared with Cwm Taf and Welsh Government on 14 December;
- Providing an initial financial assessment and affordability analysis of the performance delivery plans for 2019-20, prior to Performance and Finance Committee on 17 December;
- Further developing the alignment of the financial plan to the Clinical Services Plan with a particular focus on benchmarking and efficiency data to drive early progress on the improvement programmes and financial analysis of the emerging options around system configuration;
- Submission of draft Finance Chapter and mandatory templates to Welsh Government by 4 January.

4.0 Recommendations

Committee members are asked to:

- Note the progress to date on the development IMTP including the Medium term Financial Plan, and in particular the 2019/20 financial plan;
- Note the emerging shape of a Transformation Portfolio which will be further tested in December
- Note the IMTP Service Change Plans are 1-2 weeks behind schedule; and,
- To endorse the next steps.

Governance and Assurance							
Link to corporate objectives (please ✓)	Promoting and enabling healthier communities		Delivering excellent patient outcomes, experience and access		Demonstrating value and sustainability		Securing a fully engaged skilled workforce
	✓		✓		✓		✓
Link to Health and Care Standards (please ✓)	Staying Healthy	Safe Care	Effective Care	Dignified Care	Timely Care	Individual Care	Staff and Resources
	✓	✓	✓	✓	✓	✓	✓
Quality, Safety and Patient Experience							
The IMTP will include our Quality and Safety Priorities.							
Financial Implications							
<p>The IMTP will include our Financial Plan for 2019-22. A key feature of the Plan will be to demonstrate that the Health Board can deliver financial breakeven next year. Welsh Government has indicated that further recurrent funding will become available if this is achieved.</p> <p>The Board has previously been briefed on the financial planning methodology, risks, opportunities and scale of financial challenge. Our initial estimate is that c£39.5m of savings (equivalent to a 6% CIP on the current Health Board structure) could be required in 2019-20 to achieve financial balance.</p> <p>While Units were issued with a 3% CIP as an initial planning target, this has not been demonstrated in their second stage plans. We are therefore reworking our approach to savings delivery, and will be looking for Units to reprovide on a recurrent basis the savings not achieved in the current year to bring our underlying deficit to £20m, we will be setting local budgets to absorb c£14.5m of cost pressures, and will be attributing the balance of savings to the delivery of high value opportunities (aligned to the continuous improvement requirements in the Clinical Services Plan).</p> <p>This approach is not without significant risk, to include consideration of the Health Board's track record in developing and delivering robust saving delivery plans, and maintaining a steady stream of efficiency and savings opportunities to exploit over time. Other key risks include our ability to maintain the underlying position (no bounce back), the funding stream for our 2019-20 pensions increase, and uncertainty around the scale of impact (and our timeliness to identify) of the Bridgend transfer.</p>							
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 IMTP will include our integrated workforce plans in the light of the Bridgend Transfer.							
Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)							

The IMTP 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	
Appendices	