

Structured Assessment 2021: Phase 1 Operational Planning Arrangements – Hywel Dda University Health Board

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Summary report

About this report

- 1 This report sets out the findings from phase one of the Auditor General's 2021 Structured Assessment on the operational planning arrangements at Hywel Dda University Health Board (the Health Board). Our Structured Assessment is designed to help discharge the Auditor General's statutory requirement to be satisfied that NHS bodies have made proper arrangements to secure economy, efficiency, and effectiveness in their use of resources under section 61 of the Public Audit (Wales) Act 2014.
- 2 Health bodies are required to submit a three-year Integrated Medium Term Plan (IMTP) to the Welsh Government on an annual basis. In January 2020, health bodies submitted plans, covering the period 2020-2023, for approval. However, the Welsh Government suspended the process for approving plans to allow health bodies to focus on responding to the unprecedented and ongoing challenges presented by the COVID-19 pandemic.
- 3 The Minister for Health and Social Services set out shorter planning cycles for health bodies covering 2020-21. Guidance set out key considerations for planning, with the requirement for health bodies to produce a Quarter one plan by 18 May 2020, a Quarter two plan by 3 July 2020, and a combined plan covering Quarters three and four by 19 October 2020.
- 4 The planning framework for Quarters three and four 2020-21 covered the maintenance of effective and efficient operational planning arrangements in health bodies to guide their continuing response to the pandemic, as well as responding to winter pressures and the implications of EU transition. Health bodies also needed to continue to lay the foundations for effective recovery beyond 2020-21.
- 5 In our [2020 Structured Assessment report](#) we considered the Health Board's planning arrangements for developing the Quarters one and two plans. This report considers the planning arrangements underpinning the development of the operational plan for Quarters three and four of 2020-21 (Quarters 3-4 Plan).

Key messages

- 6 Overall, we found **the Health Board's arrangements for developing operational plans are generally effective, although it does not have the processes necessary to monitor and review progress in delivering its priorities.**
- 7 The Health Board's Quarters 3-4 Plan was submitted to the Welsh Government within the required timeframe, covers the necessary areas within the planning framework guidance and received the required Board scrutiny, through the use of Board Seminars and the People, Planning and Performance Assurance Committee.
- 8 The Health Board's approach has increasingly enabled operational teams to drive the planning process, but further improvements are needed. The Quarters 3-4 Plan lacks clear information about progress over the previous quarters, linkage with the development of supporting plans is not always evident, and planning capacity to support the process is stretched.
- 9 There is reporting to Board on key areas within the Quarters 3-4 Plan, but the Health Board does not yet have the necessary processes to monitor and review progress with its operational plans.

Recommendations

- 10 Recommendations arising from this audit are detailed in **Exhibit 1**. The Health Board's management response to these recommendations is summarised in **Appendix 1**. Appendix 1 will be completed once the report and management response have been considered by the relevant committee.

Exhibit 1: 2021 recommendations

Recommendations

Alignment of plans

- R1 Planners are not involved in all planning processes and must rely on others to make sure that plans align. The Health Board should determine individual responsibilities for ensuring that key planning processes are effectively linked.

Recommendations

Planning capacity

- R2 The planning team have adopted a 'business partnering' approach to support the development of the quarterly operational plans which has worked well but there has been over-reliance on one individual within the planning team due to capacity constraints. The Health Board should review its planning capacity to ensure that resilience is built into the team, and the expertise and knowledge needed to support the planning process is developed across all team members.
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Performance tracking

- R3 The Quarters 3-4 Plan does not provide details of progress on actions arising in the preceding quarters, despite commitments to doing so. The Health Board should ensure that its future plans contain the necessary information to provide assurance of progress over time.
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Monitoring and reporting

- R4 The Health Board does not have processes in place to track the delivery of its actions set out in its operational plans. The Health Board should develop a mechanism for tracking progress against actions. In doing so, the Health Board should clarify responsibility for oversight at Board and Committee level for monitoring delivery of plans, including the 2021-22 Annual Plan.

Detailed report

Scope and coverage of the 2020-21 Quarters Three-Four Plan

- 11 Our work considered the scope and coverage of the Health Board's 2020-21 Quarters three-four plan (the Quarters 3-4 Plan) in line with Welsh Government planning guidance.
- 12 We found **the Health Board's Quarters 3-4 Plan was submitted to the Welsh Government within the required timeframe, covers the necessary areas within the planning framework guidance and received the required Board scrutiny, through the use of Board Seminars and the People, Planning and Performance Assurance Committee (PPPAC).**
- 13 The PPPAC resumed its meetings in June 2020 and has focussed on a number of key areas, including the development of the Quarters 3-4 Plan. The Silver Tactical Group maintained oversight of the development stage, and the Gold Command was consulted as part of the process¹. The Quarters 3-4 Plan was subject to further scrutiny through a dedicated Board Seminar on 15 October, prior to its formal submission to the Welsh Government as a final draft on 19 October. The Board retrospectively approved the Quarters 3-4 Plan on 26 November.
- 14 The main body of the Quarters 3-4 Plan is set out in high-level terms. It covers the requirements established by the Welsh Government in the NHS Wales Operating Framework for Quarters 3 and 4 (2020-21). For example, organisational capacity plans, workforce plans and finance plans. It is aligned with the Health Board's winter plan. Underpinning details, such as actions, outcome indicators and relevance to the four harms are included in appendices for each of the relevant areas. These appendices are comprehensive, although the format and clarity vary, for example, relevance to the four harms is not always clear.
- 15 The Quarters 3-4 Plan describes some areas where there is exploration and implementation of regional solutions to capacity and workforce challenges. However, the Health Board has indicated that these opportunities are limited by geography and by the COVID-19 pandemic. The Financial Delivery Unit's Peer Review of the Quarter 2 Plan highlighted workforce shortfalls, which were not accounted for in the Quarter 2 Plan. The Quarters 3-4 Plan sets out a number of workforce risks and the actions being taken by the Health Board to mitigate them.
- 16 As part of the Quarters 3-4 Plan submission, the Health Board completed the Minimum Dataset. There were some key gaps in the information included in the Minimum Dataset, which will need to be addressed as additional data, such as the number of returner staff, is gathered.

¹ In March 2020, the Health Board activated its major incident plan and established a robust Command and Control structure, which includes a Gold Command supported by a Silver (tactical) group and Bronze (operational) groups and a number of advice cells.

Arrangements for developing operational plans

- 17 Our work considered the Health Board's arrangements for developing an operational plan to support its ongoing response to COVID-19 during Quarters three and four of 2020-21.
- 18 We found that **the Health Board's approach has increasingly enabled operational teams to drive the planning process, but further improvements are needed. The Quarters 3-4 Plan lacks clear information about progress over the previous quarters, linkage with the development of supporting plans is not always evident, and planning capacity to support the process is stretched.**
- 19 The Quarters 3-4 Plan builds on the operational plans, and the process used, for Quarters one and two. The process used to develop the Quarters 3-4 Plan also addresses feedback the Health Board received from the Financial Delivery Unit's Peer Review, which identified the need to ensure that there was more time during the development process for internal challenge and quality control. The Quarters 3-4 Plan, however, does not provide an overview of the Health Board's performance in delivering its Quarter 1 and 2 Plans.
- 20 The Health Board has continued to use its Command Structure established in response to the pandemic to develop its operational plans, with development increasingly being led by the operational teams. Although the Director of Finance has had interim responsibility for the planning portfolio since May 2020, the Chief Executive and Director of Operations have been leading the development of the quarterly plans, with the Director of Finance overseeing the planning team. As the Health Board looks to stand down its Command Structure, it will be important that the level of engagement from operational teams in the planning process is not lost. A new Director of Strategic Direction and Operational Planning took up post in April 2021.
- 21 The planning approach has had clear support from service directors and has been driven by the weekly meetings of the Bronze Command chair's group. This has helped to ensure that the necessary governance was readily available. The planning team worked through the planning requirements with the Bronze Command chairs, who set out what the response would be. The central planning team has provided support in a 'business partner' role, alongside other enabler functions such as finance and workforce. These have then come together through a Planning Steering Group to put together the Quarters 3-4 Plan. The central planning team has, however, been constrained by capacity. Some of the team have been focused on taking forward capital planning required to deliver the Health Board's longer-term strategic vision, leaving the remainder of the team to focus on the development of the operational plans with additional support from the Transformation Programme Office. This has meant a heavy reliance on the Strategic Planning Manager for his expertise in working with the chairs of the Bronze groups to bring together the various planning strands, and for his understanding of the Welsh Government requirements.

- 22 Plans supporting the Quarters 3-4 Plan have also been developed through relevant Command structure cells eg the Vaccination Cell, and through the Regional Partnership Board (RPB). However, planners are not engaged with all of the cells or with the RPB and are therefore reliant on others to make sure that the plans align. While this has worked well in some instances, not all planning processes have been as linked as they could be. For example, the West Wales Composite Regional Winter Protection Plan, with its focus on funding allocation, was developed through the RPB with no direct links to the development of the Quarter 3-4 plan.
- 23 During quarters 1 and 2, the Health Board undertook a substantial amount of work to produce its [Strategic Discover Report](#), which captured the innovation and learning during the COVID-19 pandemic. The Transformation Steering Group (TSG) led the work and through the Strategic Enabling Group is taking forward strategic themes to drive through action. However, we did not always see a clear link between the findings contained in the 'Discover Report' and the Quarters 3-4 Plan. The findings are more apparent, however, in the Draft 2021-22 Annual Plan, which the Board recently considered. There are plans to undertake a further 'discover' piece of work to focus on the learning from staff about recovery. The findings from this work will need to be reflected in the underpinning workforce plans to support the delivery of the Health Board's annual and longer-term plans for 2022 and beyond.
- 24 The Strategic Enabling Group was established as part of the Health Board's Transformation Programme in 2019. Although the wider transformation programme infrastructure has changed during the pandemic, the Strategic Enabling Group has continued. It brings together the enabler functions and has focused on areas such as digital development, which play into the longer transformation agenda. As part of a review of the Health Board's committee structure, changes to the roles of both the Transformation Steering Group and Strategic Enabling Group have been made which come into effect from June 2021.
- 25 The Quarters 3-4 Plan is underpinned by ongoing forecasting of potential demand for services. The Health Board has invested in data modelling during the pandemic and a modelling cell has used forecasting with fairly accurate results. The Modelling Cell has also been looking at how it can help to complete the Minimum Dataset for future years, with discussions expanded to include the Bronze groups to see what further data will be needed in 2021-22.
- 26 The Health Board has generally engaged well with its partners as part of the planning process. There have been joint planning activities with Swansea Bay University Health Board (SBUHB), in relation to the ARCH project, and the planning and delivery forums. These have enabled discussions around operational planning for aspects of acute care supported by weekly meetings on service transformation and the development of wider clinical pathways. Community teams have also been looking at what they can do together across the region with intentions to take this work forward during 2021-22. Discussions and activities with

regional partners in relation to Mid Wales have also continued during the pandemic.

- 27 All three local authorities have been involved through the Integrated Executive Group and the Command structure that has been used to develop the Quarters 3-4 Plan. This has enabled a regional perspective from the outset of the pandemic with regard to care homes, social partnerships, and field hospitals. The Community Health Council (CHC) has also been able to participate in discussions around the development of the quarterly plans, with open invites for CHC members to attend the Board seminar discussions.
- 28 The Quarters 3-4 Plan has been used primarily to deliver short-term priorities in line with the requirements of the Welsh Government framework. The Health Board has, however, continued to maintain a focus on its longer-term strategy A healthier Mid and West Wales, with considerable work undertaken to develop the Outline Business Case for the new hospital, work has also been completed to refresh the Health Board's strategic objectives, considering all the commitments previously made by the Board. These have been used to set out the planning intentions for 2021-22 and beyond, and as such are not reflected in the Quarters 3-4 Plan.

Arrangements for monitoring delivery of operational plans

- 29 Our work considered the Health Board's arrangements for monitoring and reporting on the delivery of the Quarters 3-4 Plan.
- 30 We found that **there is reporting to Board on key areas within the Quarters 3-4 Plan, but the Health Board does not yet have the necessary processes to monitor and review progress with its operational plans.**
- 31 There is frequent reporting to the Board on key areas within the Quarters 3-4 Plan via the COVID-19 report to the Board. However, this report provides a general description of activity rather than progress against delivery of the Quarters 3-4 Plan. Specific reports on the Health Board's financial position and performance against key indicators through the Integrated Performance Assurance Report (IPAR) have continued to be presented to the Board and its relevant committees on a frequent basis.
- 32 Whilst these reporting arrangements are generally effective, the PPPAC received assurance that the Quarters 3-4 Plan would include a section to establish progress in relation to the actions planned for Quarter 2. While the Quarters 3-4 Plan refers back to previous iterations and to progress in relation to IPAR targets, it does not set out the achievements of Quarter 2 in detail.
- 33 The Health Board lacks a consolidated means of tracking each of the actions from the three quarterly plans. Other health bodies have established action trackers, including details of delivery timescales and responsible leads. The trackers are

used to provide regular updates against each action for review by relevant committees and Boards.

- 34 The Health Board recognises that the IPAR and the Board Assurance Framework (BAF) do not currently provide an appropriate framework to monitor the delivery of its plans. However, plans to reconstruct the IPAR provide an opportunity to make it better suited to informing the Board in this respect, alongside a reinvigorated BAF, which will reflect the refreshed strategic objectives for 2021-22 and beyond.

Appendix 1

Management response to the audit recommendations

Exhibit 2: management response

Recommendation	Management response	Completion date	Responsible officer
<p>Alignment of plans</p> <p>R1 Planners are not involved in all planning processes and must rely on others to make sure that plans align. The Health Board should determine individual responsibilities for ensuring that key planning processes are effectively linked.</p>	<p>The Health Board has recently appointed a new Executive Director for Strategic Development and Operational Planning. This is intended to support the integration of plans across the Health Board, particularly between the strategic and operational planning portfolios.</p> <p>The UHB is establishing a new Delivery Programme Group and Operational Delivery Groups, which has representation from both Planning and the wider delivery arms of the organisation. These will support the development and delivery of the operational planning objectives and ensure that plans are more clearly aligned. (See R4)</p> <p>The Planning Steering Group, introduced for the development of 2021/22 Annual Plan, will be strengthened to include Operational colleagues, and will be used as a forum to advise, review and amend plans through the development of the next planning cycle.</p> <p>The Health Board is reviewing the processes by which our Annual Plans / Integrated Medium-Term Plans are</p>	<p>Complete</p> <p>September 2021</p> <p>September 2021</p>	<p>Director of Operations / Director of Primary Care, Community and Long-term Care</p> <p>Director of Strategic Development and Operational Planning</p>

Recommendation	Management response	Completion date	Responsible officer
	<p>developed – this included a review session with the Planning Steering Group in July 2021, which sought to address the question: ‘Reflecting on the Planning Steering Group over the last year, what are the lessons and improvements you would suggest for the year ahead in how PSG can support the delivery of an IMTP for 2022/25 by the end of 2021?’</p> <p>As a result, we are developing our Planning Cycle for 2021/22 to ensure there is a better integration of plans across the Health Board, particularly as the 2022/25 Plan will be able to use the 2021/22 Plan and its core components of our Strategic and Planning Objectives as a clear baseline for the development of plans. A paper will shortly be presented to the Executive team.</p> <p>Further, as noted in the response to recommendation 2, we are reviewing the capacity of the Planning Team, which will allow planners to be more directly involved in the development of plans and ensuring alignment across plans.</p> <p>The establishment of a new Planning Directorate function - which includes Capital Planning, the Transformation Programme Office and Programme Management Office, and the Engagement team - will support further integration</p>	September 2021	Director of Strategic Development and Operational Planning

Recommendation	Management response	Completion date	Responsible officer
	across those disciplines under the recently appointed Executive Director.		

Recommendation	Management response	Completion date	Responsible officer
<p>Performance tracking</p> <p>R3 The Quarters 3-4 Plan does not provide details of progress on actions arising in the preceding quarters, despite commitments to doing so. The Health Board should ensure that its future plans contain the necessary information to provide assurance of progress over time.</p>	<p>The systems and processes outlined in R4 will enable the Health Board to reflect and provide assurance of delivery against its Annual Plan and progress to achieving its Strategic Objectives.</p> <p>The Health Board will review progress against each of its Strategic and Planning Objectives through the revised Governance structures. Assurance reporting is mapped on the Committee Workplans with deep dives into areas of concern as directed by the Board or Committee. (See Recommendation 4)</p> <p>A review of the key actions highlighted in the 2021/22 Annual Plan will be presented quarterly to the Strategic Development and Operational Delivery Committee. This will also provide an opportunity to learn on what has / has not succeeded in order to strengthen our Planning processes.</p>	<p>Complete</p> <p>August 2021 (and ongoing)</p>	<p>Board Secretary</p> <p>Director of Strategic Development and Operational Planning</p>

Recommendation	Management response	Completion date	Responsible officer
<p>Monitoring and reporting</p> <p>R4 The Health Board does not have processes in place to track the delivery of its actions set out in its operational plans. The Health Board should develop a mechanism for tracking progress against actions. In doing so, the Health Board should clarify responsibility for oversight at Board and Committee level for monitoring delivery of plans, including the 2021-22 Annual Plan.</p>	<p>The Health Board is developing a Board Assurance Dashboard that will be reported to every Board meeting from September 2021. This will provide a high-level breakdown of the delivery of Planning Objectives, performance measures, risks and assurance which will help to provide an indication of confidence in respect of the Health Board achieving its strategic objectives.</p> <p>The Board approved the new committee structure in May 21 for implementation in Quarter 2. Each Strategic Objective (SO) is aligned to a Board level Committee who will be responsible for seeking assurance of the delivery of its Planning Objectives (PO) within each SO. Assurance reporting is mapped on the Committee Workplans with deep dives into areas of concern as directed by the Board or Committee.</p> <p>There will be a new Operations Delivery Meeting structure introduced in Quarter 2 to oversee delivery of operational plans, including those objectives within the Annual Plan.</p>	<p>September 2021</p> <p>Complete</p> <p>September 2021</p>	<p>Chief Executive Officer</p> <p>Board Secretary</p> <p>Director of Operations/ Director of Primary Care, Community and Long-term Care</p>



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