

<b>Agenda Item</b>	<b>2.4 (i)</b>
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<b>Freedom of Information Status</b>	Open
<b>Reporting Committee</b>	Performance and Finance Committee
<b>Author</b>	Liz Stauber, Head of Corporate Governance
<b>Chaired by</b>	Reena Owen, Independent Member
<b>Lead Executive Director (s)</b>	Darren Griffiths, Director of Finance and Performance
<b>Date of meeting</b>	26 July 2022

**Summary of key matters considered by the committee and any related decisions made.**

• **Financial Position (Month Three)**

The financial forecast for 2022-23 had been a year-end position of a £24.4m deficit, however Welsh Government had since confirmed an allocation adjustment of £24.4m recurrently, which would enable the financial plan to balance. This provided an opportunity for the board to consider approving an integrated medium term plan (IMTP – three-year plan) for submission to Welsh Government at its meeting on 28<sup>th</sup> July 2022. The rationale for the adjusted allocation was that health board was underfunded by 6% for its population's needs and this had resulted in a maintained £24.4m deficit for a number of years. The year to date position at month three, was an overspend of £7m against a trajectory of £6.1m, therefore £1.1m off plan. The increased run-rate was due to a £1m overspend in mental health and learning disabilities, £3m overspend in Morriston Hospital and £800k corporately. Action is required to address the position included rebalancing the operational position, recasting the reserves and investment plans and further assure savings delivery. The savings plan had improved from £20m identified in April 2022 to £27m in June 2022, of which £22.5m was recurrent. As more red schemes moved to green, the more integrity there was in the plan.

*Key matters raised by members:*

- *Potential for dedicated resources give dedicated focus needed for addressing the challenging financial situation, particularly for Morriston Hospital which had commitment, but no capacity;*
- *The different scenarios in which action could be taken to address the run-rate and potential outcomes and an in-committee report would be received in August 2022;*
- *Level of confidence that the health board would receive the transitional Covid monies.*
- *Importance of maintaining budget within forecast target to ensure continued Welsh Government confidence*

• **Financial Reporting and Monitoring Final Internal Audit Report**

The report had a reasonable assurance rating. It was a welcomed opportunity as it highlighted areas for improvement and made five recommendations:

*Key matters raised by members:*

- *Delivery confidence of the timescales and monitoring of progress against the recommendations – these were to be added to the committee’s action log.*

- **Performance Report**

Welsh Government had published the new performance delivery framework for 2022-23. It included revised guidance for the single cancer pathway which included updated ‘stop the clock’ treatments, which do not stop the clock and new clinical guidance for monitoring delays and reporting harm. June 2022 had been a challenging month for urgent and emergency care and it had been hoped that an improvement would have been seen due to the additional front door schemes. The eight-minute red release performance was improving, there had been a reduction in attendances at the emergency department but the four-hour performance had deteriorated. The number of clinically optimised patients had increased to an average of 314 and work was ongoing to create additional pathways to increase flow. Cancer performance remained below trajectory but an improvement was expected in quarter two/three and revised backlog trajectory figures had been approved by the Chief Executive. The number of Covid cases had continued to rise with 372 in June 2022 and staff sickness had increased to 2.4% from 1.2% in May 2022. Mask wearing had now been reintroduced across all sites. There had been an increase in the numbers of planned care patients waiting more than 26, 36 and 52 weeks for treatment but there had been a reduction in those waiting more than 104 weeks. The performance report was to be developed further to include actions to improve performance not just points to note, in areas where performance was not where it should be

*Key matters raised by members:*

- *Despite a number of initiatives being in place to improve urgent and emergency care, the numbers were not reflecting this due to the number of Covid inpatients;*
- *Impact of the new amber one ambulance release targets and the impact this would have on emergency department capacity.*

## **Key risks and issues/matters of concern of which the board needs to be made aware.**

- **Quarter One Capital Report**

The financial plan for 2022-23 had included a balanced capital plan. £34m had been allocated to a number of areas including diagnostics, ligature points, a linear accelerator, obstetrics and cladding replacement. Due to limited national capital monies, the health board’s allocation for this year had reduced from £11.5m to £8.5m and to offset this, funding had been removed from the national programme as well as estates, digital and medical equipment refreshes; however the latter had benefitted from a significant amount of slippage monies in 2021-22 and would be less impacted. The reduced capital monies meant that there was little to no contingency funds should an urgent need arise and as such, this was an entry on the health board risk register with a score of 20. The plan remained balanced at the end of quarter one but there was still an inability to deploy contingencies, with consideration being given to potential use of charitable funds and opportunities to rent equipment rather than purchase.

*Key matters raised by members:*

- *Potential to lease equipment given the new technical guidance that these costs should also be treated as capital;*
- *Lack of contingency monies should an urgent need arise.*

- **Speech and Language Therapy Performance**

The service had a 14-week referral to treatment time target and was on track to recover its performance by October 2022. The trajectory was currently off-track, but this had been anticipated due to short-term sickness and the six-week summer holiday period. Vacancies were on course to be filled by September 2022.

<b>Key matters raised by members:</b>	
<ul style="list-style-type: none"> <li>The risks associated with the Additional Learning Needs Act and the currently unknown impact on the service as referrals were only just starting and as there were no additional resources available. Currently a business case could not be developed until the impact was better understood.</li> </ul>	
<b>Delegated action by the committee.</b>	
There was no delegated action taken by the committee.	
<b>Main sources of information received.</b>	
The following items were received for noting: <ul style="list-style-type: none"> <li>Acute medical services redesign business case</li> <li>Month three financial monitoring return.</li> </ul>	
<b>Highlights from sub-groups reporting into this committee.</b>	
No reports received from sub-groups.	
<b>Matters referred to other committees.</b>	
There were no matters referred to other committees.	
<b>Date of next meeting</b>	<b>23<sup>rd</sup> August 2022</b>



		Agenda Item	2.5 (i)
Freedom of Information Status	Open		
Reporting Committee	Performance and Finance Committee		
Author	Georgia Pennells, Corporate Governance Officer		
Chaired by	Reena Owen, Independent Member		
Lead Executive Director (s)	Darren Griffiths, Director of Finance and Performance		
Date of meeting	23 August 2022		
Summary of key matters considered by the committee and any related decisions made.			
<ul style="list-style-type: none"><li>Financial Position (Month Four)</li></ul> <p>The Health Board should now be achieving a breakeven position following confirmation that the previously identified deficit of £24.4m would be funded by Welsh Government. The actual Month 4 variance was an underspend of £5.375m following recovery of £6.102m for the</p>			

previous 3 months of the deficit plan, reduced by an operational overspend of £0.726m. The year to date plan at month 4 should be breakeven, but the actual variance was an overspend of £1.832m. The variance on pay showed underspends on fixed costs such as established salaries, spend was £5m - £7m on variable pay which was offsetting the underspends – it was noted the spend on variable pay is increasing month on month.

*Key matters raised by members:*

- *Risk ratings to be re-considered. To include an overarching risk regarding delivery of the balance at year end.*

- **Performance Report**

July 2022 was a challenging month for unscheduled care with emergency department attendance rising to 10,925 from 10,649 in June 2022 and the health boards' performance deteriorating from 71.65% in June 2022 to 69.43% in July 2022. Emergency admissions also increased from 4,009 to 4,268. However, it was pleasing to see that planned care saw a reduction in the number of patients waiting over 36 weeks which had decreased by 2.2% and there had been a 0.1% in-month reduction in the number of patients waiting over 26 weeks for a new outpatient appointment. It was noted that urgent and emergency care and cancer performance remained under escalation as part of the Health Board's escalation framework. In July 2022 ambulance response rates saw a reduction in performance, however the establishment of the Ambulatory Emergency Care Centre in September 2022 is anticipated to support future performance improvement.

*Key matters raised by members:*

- *The deterioration in the percentage of Specialist Child and Adolescent Mental Health.*

- **Quarter one Recovery and Sustainability Plan**

The Health Board resubmitted the plan in July as an Integrated Medium Term Plan following feedback from Welsh Government and the agreement to fund the historical allocation shortfall. Since writing the report to the August Performance and Finance Committee, a response was received from Welsh Government noting that the advice was going to the ministers but there had not yet been a response in terms of approval, however it was likely that there would be accountable conditions which would cover areas such as urgent and emergency care and the single cancer pathway.

*Key matters raised by members:*

- *Lack of progress on the programme for population health given that the Integrated Medium Term Plan has a prime focus on seeking to improve to population health.*

### **Key risks and issues/matters of concern of which the board needs to be made aware.**

- **Neurodevelopment Service Performance**

Welsh Government published a report in July 2022, which reviewed the demand, capacity and design of ND services for children, young people and adults in Wales. As part of publishing the report, Welsh Government confirmed an additional £12m available to support a new national improvement programme for neurodevelopmental conditions over a three-year period to 2025. The review recommended three clear short term actions to include an increase efficiency and capacity of neurodevelopment teams through increased funding. Further, that the funding should also tackle issues such as lack of administrative support, adequate IT and clinical space and implementation of the guidance and agreed protocols for young people on the neurodevelopment waiting list, whom are approaching their 18th birthday, to transition to the waiting list for adult assessment. The Neurodevelopment team have been compiling a business case in order to operationalise the recommendations of the report from Welsh Government. This business case submission seeks support and approval for the preferred

option to fund £1,940,225 full year staff costs recurrently and approximately £271,000 capital costs non-recurrently, supporting the requirement to increase capacity to meet demand and clear the current backlog.

- **Theatre Efficiency Performance**

The data provided to the committee demonstrated a continually improving picture. The steps over the next 3-months would include, the implementation of a Theatre Quality Improvement group to set a work plan for Quality improvement work across all theatre areas, continuation of the work to maintain and increase the monthly activity numbers through the theatre capacity and to continue to build on the SBUHB utilisation improvements delivered in Neath Port Talbot.

*Key matters raised by members:*

- *The clear connection between delayed access to surgery for fractured neck of femur and mortality.*

- **Cancer Performance**

A detailed update was provided to the committee which focused on recovery plans in place for the top six tumour sites by volume of patients and also two other areas where pathways are under review. Improvements in the delivery of cancer pathways is one of the main priorities for the Health Board and improved performance is one of the commitments in the 21/22 Annual Plan. To ensure a Health Board wide focus on performance, the following escalation processes have been invoked, namely, an implementation of an over-arching Cancer Delivery Board, implementation of a monthly Cancer Performance Group, weekly cancer escalation meetings and weekly tumour site recovery meetings.

*Key matters raised by members:*

- *Endoscopy waiting times remain a concern. The longest waiting patients are those referred late into Endoscopy via General Surgery, rather than being delayed within the endoscopy service.*

**Delegated action by the committee.**

There was no delegated action taken by the committee.

**Main sources of information received.**

The following items were received for noting:

- Month four financial monitoring return.
- NHS Performance Framework Measures Overview 2022-23.

**Highlights from sub-groups reporting into this committee.**

No reports received from sub-groups.

**Matters referred to other committees.**

There were no matters referred to other committees.

**Date of next meeting**

**27<sup>th</sup> September 2022**