ABM University LHB
Unconfirmed Minutes of the Performance and Finance Committee
held on 22nd January 2019
in the Millennium Room, Health Board HQ

Present:

Emma Woollett	Vice-Chair (in the chair)
Sam Lewis	Assistant Director of Finance
Maggie Berry	Independent Member
Dorothy Edwards	Deputy Director of Recovery and Sustainability
Val Whiting	Assistant Director of Finance
Martin Sollis	Independent Member
Chris White	Chief Operating Officer
Lynne Hamilton	Director of Finance (until minute 252/18)
Siân Harrop-Griffiths	Director of Strategy
Hazel Robinson	Director of Workforce and Organisational Development (OD)
Darren Griffiths	Associate Director – Performance
Jackie Davies	Independent Member

In Attendance:

Gareth Howells	Director of Nursing and Patient Experience
Martyn Waygood	Independent Member
Richard Evans	Medical Director
Hannah Evans	Director of Transformation
Nicola Johnson	
Liz Stauber	Committee Services Manager

Minute	Item	Action
01/19	**WELCOME** Emma Woollett welcomed everyone to the meeting, particularly the members and executive directors of the Quality and Safety Committee who were attending for the agenda item regarding the annual plan.	
02/19	**INTEGRATED MEDIUM TERM PLAN (IMTP) AND FINANCIAL PLAN** A presentation outlining the process and development of the integrated medium term plan (IMTP) and financial plan was **received.** In introducing the presentation, the following points were highlighted: **Overview** - The organisational strategy was approved by the board in November 2018, which was not limited to delivery of the targeted intervention objectives, rather the delivery of all services;	

- The preferred sites for clinical services had been approved by the clinical senate which would enable Morriston Hospital to better support acute medicine;
- The clinical services plan was to be received by the board in January 2019 for consideration;
- The Chief Executive had written an accountable officer letter to the Director General outlining the intention to seek board approval at the end of the month of the annual plan;
- The style of the annual plan would follow that of an IMTP to show the intention that this was the line of progression;
- External funding and transformation monies were being maximised;

Quality Impact Assessment

- A quality impact assessment (QIA) tool had been developed to ensure that none of the schemes within the plan adversely affected the quality and safety of patient care;
- Each scheme was to be evaluated to determine whether it required a full QIA and those which did would be scruntinised by a panel convening in February 2019. Those which did not require a full QIA would also be reviewed by the panel to ensure that this was the correct decision and that the process was robust;
- Discussions were being undertaken as to how best to continue the QIA process throughout the year and this would include quarterly updates to the Quality and Safety Committee;

Performance

- Since the presentation of the performance trajectories to the December 2018 committee meeting, they had been discussed further by the executive board and with Welsh Government, with the feedback incorporated;
- The data did not include Bridgend-based services given the impending boundary change;
- In terms of planned care, a focus was to be given to developing a sustainable position which could be adjusted for urgency and provide capacity to treat long-waiters, with a year-end position of 1,900 cases waiting more than 36 weeks;
- The current plan was to manage outpatient lists for challenging surgical specialties through waiting list initiatives;
- The preferred model for cancer performance was to take a tumour site approach and to focus on stability in performance as well as achieving the targets;

- Given the unpredictability of unscheduled care, a scientific approach had to be taken based on the number of breaches and attendances in the previous year. Work was also being undertaken with Morriston Hospital to better understand the components of its plan;
- The sustainability of the unscheduled care performance beyond December 2019 was predicated on a successful bid for the 'hospital to home' bid;
- More resilience was evident in terms of stroke performance but ambition now needed to build;
- Performance trajectories had been assigned for healthcare acquired infections for which there was confidence as to the achievability;

Finance

- The financial plan was underpinned by the clinical services plan and organisational strategy;
- A focus needed to be given to the longer-term objective of breaking even;
- The £10m financial support for 2018-19 would not be recurrent after 2019-20 if the health board did not achieve an approved IMTP;
- Detailed feedback had been received from Welsh Government to date;
- Bridgend was not included within the plan given the impending boundary change and as such, the assumptions and estimates had been reviewed, but it was dependent on the final decisions made with regard to long-term agreements and service level agreements with Cwm Taf University Health Board;
- The financial plan remained in three categories;
    - Category A focused on delivering the recurrent savings of 2018-19;
    - Category B was to achieve cost control;
    - Category C outlined high-value opportunities;
- The workforce structure of the new organisation was not yet finalised given the work still underway in relation to the Bridgend transfer;
- The Bridgend population accounted for 28% of the health board's budget, which equated to £8.4m of the health board's £30.3m deficit;
- An analysis of expenditure for periods one to nine for 2018-19 indicated that a bigger proportion of the budget was spent on services within the west rather than the east and the health board

should not be financially disadvantaged by the boundary change nor should it affect the provision, quality and safety of services;

- For reasons relating to service delivery (clinical, operational and corporate), and quality and safety there were a number of staff which would be difficult to release as part of the Bridgend boundary change. This would have an impact on the financial position. On the corporate directorates, there was a good understanding of the scale of the risk. However more detailed work was needs on 'head of' clinical and operational services.
- Savings plans in categories A, B and C have been received, assessed and RAG (red, amber green rated);

In discussing the presentation, the following points were raised:

Emma Woollett advised those present that the purpose of the presentation to this meeting was for the committee to provide an assessment to the board as to the performance and financial developed, as well as assurance that a robust QIA process was in place. She added that the detail of the QIAs would be considered as part of the February 2019 Quality and Safety Committee, to which members of the Performance and Finance Committee would be invited. However it should be noted that the outcome of the QIA scrutiny panel had the potential to impact on the trajectories depending on the findings, therefore the approval of the plan would be undertaken at risk.

Maggie Berry stated that the Quality and Safety Committee would require assurance on the tolerance afforded to those schemes deemed not requiring a full QIA. Gareth Howells concurred, adding that there needed to be cultural change in order for ownership to be taken locally of the schemes, as the units had the expertise to get into the detail.

Martyn Waygood sought further details as to whom the QIA panels would comprise. Gareth Howells responded that it was to be a mixture of clinical and non-clinical staff, and would include members of the executive team.

Emma Woollett summarised that the committee had taken assurance from the robustness of the QIA process and looked forward to hearing the outcome of the QIA assessments following the February meeting of the Quality and Safety Committee.

In relation to planned care performance trajectories, Emma Woollett noted that 4,000 operations were cancelled each year due to inefficiencies therefore it was surprising that the improvement trajectory was only 1,000 for efficiency. Darren Griffiths commented that not all cases were cancelled as some were rescheduled. He added that it was the procedures cancelled on the day which needed to be addressed as they accounted for around 50% of the 4,000 cases.

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Emma Woollett highlighted that only the planned care trajectories which achieved sustainability had been allocated funding within the plan, anything in addition was yet to have recurrent monies. Chris White responded that it was integral that the health board achieved a better planned care performance on its own merits as this would avail itself to Welsh Government should additional funding become available.

Emma Woollett felt that the efficiency target was disappointing and did not provide a sense as to how hard the organisation was driving toward it. Darren Griffiths undertook to discuss this further outside of the meeting in readiness for the presentation to the board the following week. Chris White stated that there were a number of variables to consider and it would not be possible to completely eradicate cancelled operations. He added that an analysis was needed as to the areas most affected by cancellations in order to improve productivity. Martin Sollis commented that in order to achieve planned care performance in the longer term, the organisation needed to know its obstacles and to understand why a cautious approach was being taken. He added that in future years, he would like to see deep dives into relevant specialities. **DG**

Martyn Waygood noted the need for cultural changes and queried the immediate work being undertaken to ensure the longer term was not affected. Chris White advised that he was working with Richard Evans regarding medical job planning as it was essential to have the right workforce. He added that a significant amount of thematic work was being undertaken to provide clinicians with the intelligence needed and to enable open and transparent conversations to be undertaken.

Martin Sollis noted that a transformation bid would be submitted in relation to unscheduled care, stating that it would be beneficial to know the expected return for the investment and what was entailed as part of the actions. He added that it was important to understand why it was so important and the effect a successful bid could have on unscheduled care.

Emma Woollett stated that a significant amount of work had been undertaken in relation to the performance trajectories, providing a good overall summary, but more was needed as to granularity of the actions and how they were to be monitored.

In relation to the financial plan, Emma Woollett commented that it would not be unreasonable to expect Welsh Government to address the gaps within the budget as a result of the disaggregation of the Bridgend locality from the health board.

Martin Sollis advised that there needed to be an assumption that the cost pressures were being considered, as the health board's confidence of delivery would be challenged. He added that while the transitional nature of the Bridgend boundary should attract support, efficiencies needed to be driven out.

Emma Woollett commented that the health board's ability to achieve savings would be reduced by 28% as a result of the Bridgend boundary change. Hannah Evans responded that informal discussions had taken place with Welsh Government as to the financial constraints and reassurance was being provided that the health board should not be financially disadvantaged as a result of the change. Emma Woollett stated that the role of the independent members was to scrutinise the plans but it would be challenging to provide assurance that the health board could break even without support in relation to Bridgend.

Emma Woollett sought further clarity as to the phased implementation of the Nurse Staffing Levels (Wales) Act 2016. Sam Lewis responded that the first phase had been implemented in September 2018 and the additional monies for the continued roll-out were expected costs. Emma Woollett stated that the act was something with which the health board need to be compliant and queried as to why this was not part of the budget. Sam Lewis advised that the availability of staff made compliance challenging, as while the health board could provide the monies, there were too few available staff to fill the vacancies.

Val Whiting advised that of the category A schemes, just under half had been assessed as deliverable so discussions were being undertaken with the units as to what other schemes could be put in place in lieu of those which could not be delivered. She added that there was currently a £9.1m gap for the category B schemes and an improvement was needed of £5m for category C in order for breakeven to be achieved.

Martin Sollis commented that 70% of the health board's costs were associated with workforce but this was not identified within the units' plans, particularly in terms of variable pay. Hazel Robinson advised that the workforce strategy had been discussed at the Workforce and Organisational Development (OD) Committee and while the information was not included within the presentation, a significant amount of work was being undertaken in each of the domains. Emma Woollett stated that it was important that the workforce element was triangulated for the presentation to the board. Siân Harrop-Griffiths responded that it had been included in the discussions with Welsh Government, for which feedback had been positive and provided fair challenge.

Jackie Davies stated that a number of the saving schemes were not delivering at all and queried as to whether these were being scrutinised to determine why they remained in the plan. Lynne Hamilton responded that there were a range of reasons why schemes do not come to fruition, some

relating to performance, 'front-door', quality and safety pressures. Unfortunately following testing and, for example consultation with staff and/or the community health council, it could take several months before it became apparent as to whether a scheme would deliver wholly, in part or not at all.

Martin Sollis stated that there were no contingencies nor headroom built into the plan and confidence levels in terms of opportunities were significant. He added that it was still unclear as to what costs would be taken out if the savings were not being achieved. Lynne Hamilton responded that it was critical that the health board started to deliver its savings schemes as it did not have the most comprehensive history of doing so. She added that it was a difficult question to answer during the winter months but the health board needed to change its approach to efficiency, delivering value for money and improved quality and safety. Siân Harrop-Griffiths commented that as 70% of the organisation's costs were attributable to workforce, the most effective way to reduce expenditure was to shift capacity, but this opportunity had been maximised, with additional beds being put in temporarily to support winter pressures. She added in the discussions for the plan for the forthcoming years, consideration was being given as to how to change services but through clinical engagement.

Emma Woollett summarised that members' feedback was that both the finance and performance plans provided a more positive picture than the previous year and congratulations were offered to all involved. However there was still a significant amount of work to be done and consideration was needed as to the level of project management resource required. Workforce was also identified as a missing component to the work presented so far and this needed to be triangulated for the board presentation the following week.

Resolved:

- The presentation be **noted.**
- Discussions be undertaken outside of the room as to the efficiency trajectories. **DG**

03/19 DECLARATIONS OF INTEREST

There were no declarations of interest.

04/19 MINUTES OF PREVIOUS MEETINGS

The minutes of the meeting held on 17th December 2018 were **received** and **confirmed** as a true and accurate record.

05/19 MATTERS ARISING

(i) 274/18 Action Log

Chris White advised that work was continuing in relation to the workforce model to support emergency medicine, particularly out-of-hours, but until the work of the external company commissioned to undertake a review of middle-grade rotas had been completed, no decisions could be made. Emma Woollett suggested that she and Chris White discuss the matter further outside of the meeting. This was agreed. **CW**

06/19 ACTION LOG

The action log was **received** and **noted**.

07/19 FINANCIAL POSITION

A report setting out the monthly financial position was **received.**

In introducing the report, Lynne Hamilton highlighted the following points:

- The health board remained on track to achieve its forecast position of a £10m deficit;
- Morriston Hospital and Princess of Wales Hospital positions remained a challenge;
- The impact of the recent pay award was not apparent in the numbers;
- Variable pay remained a challenge and was running at £800k higher than in the same period last year. Winter capacity and planned in part accounted for the variable pay bill, however those costs were also in the system last year; There was frustration at the lack of progress against the savings plans;
- The challenges in relation to planned care were testing the organisation both operationally and financially, and consideration was needed as to balancing the achievement of both the performance and finance targets.

In discussing the report, the following points were raised:

Martin Sollis queried the timeframes for ensuring that both the both performance and finance targets balanced Darren Griffiths responded that there would be more clarity in early March 2019 as by then, a significant amount of the outsourcing work may have been undertaken.

Emma Woollett sought clarity as to whether the health board would have sufficient planned care funds remaining if it continued to outsource cases. Darren Griffiths advised that the original trajectory had assumed some success in terms of outsourcing but the companies approached had been unable to deliver as requested. Sam Lewis added that there was no expectation that there would be more than an additional £3.5m invested as there were other opportunities elsewhere which could assist with performance. She stated that it would be evident in early March 2019 if the 2,664 position could be delivered and if so, expenditure could be slowed down. Lynne Hamilton advised that potential clawback risk also had to be managed.

Jackie Davies raised concerns in relation to the e-rostering system as it was becoming apparent that not all staff were working their full shift requirement, which was an issue in terms of managers' competency as well as staff honesty. She added that this also had a financial impact. Emma Woollett concurred, adding that substantive pay had increased but had not reduced agency spend and queried the plan to address this. Hazel Robinson responded that the e-rostering system was to be implemented at Morriston Hospital next which would identify the issues which needed to be addressed. She added that an update on this as well as an analysis of bank and agency spend would be received at the next Workforce and OD Committee.

Resolved: The report be **noted.**

08/19 MONTHLY PERFORMANCE REPORT

The monthly performance report was **received**.

In introducing the report, Darren Griffiths highlighted the following points:

- Quarter three had been a challenging period through the winter months;
- The four-hour unscheduled care position remained 'stable', the eight-minute ambulance red response rate was above the target and delayed transfers of care had been identified as requiring improvement;
- The 36 week planned care position had improved to 3,030 waiting 36 weeks and the outpatient position was under control;
- The *e.coli* and *stauph.aureus* healthcare acquired infection performance was below the target, however *clostridium.difficile* was above;

- Cancer performance continued to improve and was in the 80th percentile;
- The in-month sickness absence rate had reduced to 3.5% with statutory and mandatory training compliance gaining closer to 70%.

In discussing the report, the following points were raised:

Hazel Robinson stated that while the long-term sickness position had improved, the short-term performance required addressing.

Jackie Davies queried the confidence as to accuracy of the compliance with statutory and mandatory training, adding that there had been issues with the electronic staff record (ESR) earlier in the month, so the figure could potentially be higher. Hazel Robinson concurred, adding that the figure recorded was the minimum that it could be as not all classroom training was being recorded in a timely way.

Martyn Waygood noted that attendances at the emergency department had reduced and queried if there was any evidence as to where the patients were seeking treatment. Chris White responded that attendance figures for the minor injury unit at Neath Port Talbot Hospital had increased but it was important to note that while emergency department attendances were reducing, the number of medical admissions were not, so the acuity of the patients being seeing at the department was high.

Martyn Waygood highlighted the 700 vacancies, adding that there was little chance of the health board recruiting to all of these. Hazel Robinson advised that she was working with Richard Evans to develop a recruitment strategy for medical vacancies. Sam Lewis added that in terms of nursing vacancies, it would not be possible to fill all of these as there were too few available nurses, therefore models of services needed to be considered.

Emma Woollett commented that it was useful to see the theatres dashboard included in the report and noted the equipment failure at Princess of Wales Hospital which had affected performance in December 2018. She stated that theatre efficiency was a significant challenge and there needed to be assurance that equipment was fit for purpose. Darren Griffiths responded that it was a difficult balance to find between fixing equipment and not disrupting services, but the issue had been escalated to the estates function.

Martyn Waygood referenced the late starts and early finishes within theatres and queried as to whether lists could be oversubscribed in order to provide the surgeon with a full list for the day. Chris White advised that this was possible within outpatients but not theatre as it if sessions then over-ran it would interfere with job plans. He added that more work was needed in this area as some surgeons were able to start late and finish early, but still be productive.

Emma Woollett sought more clarity as to with whom responsibility lay for delayed discharges. Chris White advised that it was split between the health board and social services and meetings were taken place between the Chief Executive and himself with the chief executives and directors of social services from the local authorities to determine a way forward.

Resolved: The report be **noted.**

09/19 PERFORMANCE AND FINANCE COMMITTEE WORK PROGRAMME 2018/19

The 2018/19 work programme was **received** and **noted.**

10/19 ANY OTHER BUSINESS

There was no further business and the meeting was closed.

11/19 DATE OF NEXT MEETING

The next scheduled meeting was noted to be 19th February 2019.