

ABM University LHB
Unconfirmed Minutes of the Performance and Finance Committee
held on 24th January 2018 in the Board Meeting Room, Health Board HQ

Present:

Andrew Davies	Chair (in the chair)
Alex Howells	Interim Chief Executive
Martin Sollis	Independent Member
Lynne Hamilton	Director of Finance
Jackie Davies	Independent Member
Emma Woollett	Vice-Chair
Chris White	Interim Chief Operating Officer
Siân Harrop-Griffiths	Director of Strategy

In Attendance:

Pam Wenger	Director of Corporate Governance
Samantha Lewis	Assistant Director of Finance
Rob Royce	Director of Recovery and Sustainability
Dorothy Edwards	Deputy Director of Recovery and Sustainability
Liz Stauber	Committee Services Manager
Jan Thomas	Assistant Chief Operating Officer (for 07/18)
Hilary Dover	Service Director, Primary and Community Services (for 07/18)
Rebecca Carlton	Service Director, Morriston Hospital (for 07/18)
Claire Birchall	Service Director, Neath Port Talbot Hospital (for 12/18)

Minute

Item

Action

01/18

APOLOGIES

Apologies were received from Kate Lorenti, Acting Director of Human Resources (HR).

02/18

WELCOME/INTRODUCTORY REMARKS

Andrew Davies welcomed everyone to the meeting, in particular Pam Wenger who was attending her first meeting as the new Director of Corporate Governance.

In his opening remarks, Andrew Davies noted it was Alex Howell's last meeting before taking up the chief executive role at Health Education and Improvement Wales (HEIW). He thanked her on behalf of the board and wished her luck in the new role.

Andrew Davies informed the committee that he had asked Pam Wenger to undertake a governance review of the board and its committees to ensure consistency in a number of areas such as quality of papers. He added that reports needed to deliver what was expected of them to enable board

members to seek assurance and for those seeking decision to be received at the correct fora. In addition, late papers would no longer be accepted unless they were urgent, however the urgency needed to be explicit.

03/18 DECLARATIONS OF INTEREST

There were no declarations of interest.

04/18 MINUTES OF PREVIOUS MEETINGS

The minutes of the meeting held on 21st December 2017 were **received** and **confirmed** as a true and accurate record except to note Emma Woollett, Vice-Chair, was in attendance (via Skype) and the following amendment:

94/17 Planned Care Deep Dive – bullet point three

- Engagement was being undertaken with clinicians.

05/18 MATTERS ARISING

There were no matters arising.

06/18 ACTION LOG

The action log was **received** and **noted** with the following update:

(i) Action Point One – Continuing Healthcare

Siân Harrop-Griffiths stated that there was still an expectation by Welsh Government that pooled budgets would be resolved by April 2019 and the Western Bay programme office would be reviewing what action was required if the proposed changes to the Bridgend boundary were agreed. She added that a report was to be received at the next meeting of the Western Bay Regional Partnership Board.

07/18 UNSCHEDULED CARE DEEP DIVE

Hilary Dover, Jan Thomas and Rebecca Carlton were welcomed to the meeting.

A report outlining a 'deep dive' into unscheduled care performance was **received**.

In introducing the report, the team highlighted the following points:

- Further detail as to how unscheduled performance would progress needed to be finalised and shared;
- The lessons learned and current good practice identified as part of 'Breaking the Cycle' needed to be implemented to enable units to manage the four, eight and 12-hour ambulance targets;
- At Morriston Hospital, the biggest delays within the emergency department was during the time allocated for referral to specialty;
- A 'clinical cabinet' had been established at Morriston Hospital to determine if there was engagement by clinical leaders and that the escalation process was understood;
- A further report would be brought back to a future meeting outlining actions unit by unit;
- Winter plans were revised each year to address the current pressures but did not improve performance;
- Morriston Hospital was pleased with the success of 'Breaking the Cycle' which saw 38 volunteers acting as ward liaison officers and clinical staff providing ideas for change;
- Unscheduled care performance had deteriorated at Princess of Wales Hospital and as such, NHS Elect had been commissioned to review the process and improvement work was due to start;
- More work was required to understand and improve patient flow and sustainable models of care, particularly for the frail elderly, to ensure people were cared for in the right place by the right teams;
- An integrated approach was being taken between primary and secondary care and guidelines were to be developed as to the most appropriate places in which to treat patients;
- Non-recurrent funding had been received which would be used to pilot and assess alternate models of care;
- It was key that primary care was supported to manage the unscheduled care pressures and as such, the sustainability of practices was being addressed;
- The acute clinical team within primary and community care was being strengthened with an aim to having a seven-day model across the health board by summer 2018. The Neath Port Talbot team was already up and running and a review was to be undertaken as to how this could be replicated across the other localities;
- A focus was also being given to reablement teams and the support they were able to provide to patients ready for discharge;

- A group of geriatricians, care of the elderly consultants and respiratory consultants were working together to address some of the issues in relation to the frail elderly;
- Welsh Government had provided the health board with £1.7m winter planning monies which was in the process of being allocated to the units;
- Conversations were being undertaken between the Director of Nursing and Patient Experience and the directors of social services across the localities as to the various roles the organisations had in supporting the timely discharge of patients.

In discussing the report, the following points were raised:

Alex Howells stated that it was important that Welsh Government's expectations were noted as unscheduled care was one of the health board's targeted intervention areas and there was a particular focus on Morriston Hospital. She added that continuous improvement was required. This had not been evident between January 2017 and January 2018 but this was not a situation unique to the health board. However it also needed to be noted that the health board was experiencing its worst flu outbreak since 2010, with more than 40 cases, which was providing challenging when admitting patients as they required isolation. Alex Howells stated that units were constantly reviewing their actions and regular updates were provided to Welsh Government's senior management team, with the Director General attending one of the hospitals during 'Breaking the Cycle'. She added that Healthcare Inspectorate Wales had recently visited the emergency department at Morriston Hospital and while some improvements were required, overall the feedback had been positive. It was noted that 'Breaking the Cycle' was having a positive effect on staff morale and a full report from each unit would be received at the executive team meeting the following week.

Andrew Davies advised that the BBC had visited Morriston Hospital during 'Breaking the Cycle' which had resulted in significantly positive coverage both locally and nationally.

Emma Woollett expressed disappointment at the report, adding that she had a number of concerns, particularly that the tone of the report did not give the impression that everyone was sufficiently aware that the level of performance was not where it should be. She added that the urgency needed to address the issues was also not evident in the report and it was not enough for the committee to just see graphs of historical data. What was required from such a report was a quality analysis as well as pace and areas on which to focus. Emma Woollett stated that it would also be useful for the committee to see a small number of initiatives along with details as to how and when they would be completed and by whom. She added that if unscheduled care performance was improved, it would 'unlock' other

performance areas.

Martin Sollis commented that the committee needed to understand how the trajectories correlated with actions. He added that the plans to address the targeted intervention status would require board sign-off shortly which it could not do if it did not understand the actions being taken.

Alex Howells stated that feedback from the independent members was important and unscheduled care performance was not acceptable. She added that discussions had been undertaken with the service directors with regard to focussing on a few things to make a difference and it was important that the organisation targeted the areas which it could control, rather than attempt to address anything.

CW

Emma Woollett suggested that rather than the committee receive another 'deep dive' report, it had a regular update which could be a short brief as to the work in progress. This was agreed. Chris White gave caution that it was not as simple within unscheduled care to pick one area in which to improve, a number had to be given focus as a bundle. Emma Woollett responded that even if performance had not changed, it would be an opportunity to hear from the units of things they were changing and working on to gain assurance. Martin Sollis concurred, adding that if the health board was doing all it could to improve unscheduled care at least it could demonstrate that it was working to change its position.

Andrew Davies commented that the work was part of delivering the health board's values, both 'always improving' and 'working together'. He added that reports needed to reflect this as well as the organisation's ambition.

Emma Woollett stated that it was pleasing to see primary and community services as part of the work and commented that it was useful to have the service directors in attendance for the discussion.

Martin Sollis noted that Morriston Hospital provided a number of regional services and queried as to whether discussions were required with colleagues as to planning and financial capacity for such services. Siân Harrop-Griffiths responded that discussions were about to commence with Hywel Dda University Hospital in relation to its 'Transforming Clinical Services' consultation as currently there was significant shared capacity across the region, particularly for planned care. Martin Sollis commented that it was important that commitments and changes were tracked in order for growth in activity to be recognised. Alex Howells concurred, adding that the patients from other health board areas were not identified separately within the performance figures but there needed to be a way of measuring this going forward.

Rob Royce highlighted that there were a number of patients medically fit for repatriation to their own health board area but were delayed. He asked whether there was a robust transfer protocol. Alex Howells responded that while there was a protocol in place, it was difficult to 'police' and the system

was managed through daily telephone calls.

Andrew Davies stated that it would be useful to have an analysis on the pressures within the system as a result of regional services. Siân Harrop-Griffiths undertook to raise this at the next meeting of the Joint Regional Partnership and Delivery Group.

SHG

Resolved:

- The report be **noted**.
- Regular briefs be received by the committee as to the action taken to address unscheduled care performance.
- Discussion to take place at the next meeting of the Joint Regional Partnership and Delivery Group in relation to the pressures as a result of regional services.

CW

SHG

08/18

FINANCIAL POSITION UPDATE

A report regarding the financial position was **received**.

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

- The financial position continued to improve with the cumulative spend below the £3m in-month required run rate. This was a significant achievement and a tribute to the hard work and controls in place across the units;
- Items from the reserves and balance sheet were continuing to be added to position as and when appropriate;
- At the end of 2017 an increase in pay spend had been evident as a result of winter pressures and planned care work;
- The underlying financial position felt more 'in control' and this needed to be sustained through to quarter one of 2018-19;
- The capital position was balanced and the savings total remained static;
- The downward trends within administration and clerical pay demonstrated the positive impact of the vacancy panel and consideration was being given to extending this to other areas;
- The non-pay position was moving in the right direction;
- The working balance cover had been received from Welsh Government in relation to the cash position;
- The referral to treatment time (RTT) position remained a concern and discussions were required as to the possible 'clawback' should the required performance not be achieved.

In discussing the report, the following points were raised:

Andrew Davies stated that there appeared to be better financial control and grip but sustainability needed to be delivered to carry the work through to the next financial year as balance was expected in 2018-19 by Welsh Government.

Martin Sollis queried if it would be possible to see the list of initiatives that would be undertaken using the £1.7m received from Welsh Government for winter pressures. It was agreed that this be circulated. Emma Woollett queried whether the programme of works to be undertaken with the £1.7m winter pressure monies would be reviewed by the units to inform the following year. Chris White advised that this was a requirement of the allocation.

**CW/
PW**

Martin Sollis asked if there was any certainty as to the likely amount of 'clawback' should the RTT position not be achieved. Lynne Hamilton advised that analysis was being undertaken in this area but confirmation was required from Welsh Government as to the health board's opening position at the start of the year before a definitive figure could be clarified.

Emma Woollett stated that the financial position was seemingly very positive. Andrew Davies concurred, recognising the transparency with which the information was provided, enabling robust scrutiny.

Rob Royce commented that some budget holders did not understand that cost improvement programmes were part of their budgets and so were content if they were in balance rather than working to make savings and that the mindset needed to change. Lynne Hamilton concurred, adding that this was to be addressed through the Recovery and Sustainability Programme Board.

Pam Wenger complimented the presentation of the report, adding that it was easy to find the required detail.

Andrew Davies queried whether a change in culture was evident within staffing groups. Jackie Davies responded that there was in some pockets, but not in all, however the message regarding sustainability was spreading more widely and staff were thinking of the long-term plan. She added that the financial plan had more realism and ownership for staff now.

Resolved:

- The report be **noted**.
- The list of initiatives to be undertaken using the £1.7m received from Welsh Government for winter pressures be circulated.

**CW/
PW**

09/18

ACTION PLAN TO £36M

The action plan to achieve the £36m control target was **received**.

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

- The health board's formal declared position was £36m but there was potential for this to improve;
- While some financial risks had been resolved, some still required mitigating. As part of this, £1.5m additional monies had been allocated to winter planning but risks against this were diminishing, particularly as £1.7m had been received from Welsh Government;
- If the health board's position was to significantly improve this year, this could present a challenge for the following year to sustain as most of the actions were non-recurrent;
- Budget holder training for operational staff was under review;
- Informal conversations had taken place with Welsh Government as to the potential for the final position to change.

In discussing the report, the following points were raised:

Andrew Davies queried the confidence in the health board's ability to forecast. Lynne Hamilton responded that it was a difficult process to undertake and some of what required forecasting was out of the health board's control. Alex Howells added that some of the work was related to good management and the financial position of each unit needed to be driven by the accountable officer with the support of the business and finance partner. She stated that the whole team needed to manage risk differently.

Martin Sollis commented that there was a great improvement in the financial position but there was still some way to go. He added that the board had been made aware of the risks and issues and as long as the final position was in the region of what been declared then that was fine, but if it was significantly different there was a risk to its credibility.

Rob Royce queried the potential 'clawback' if the RTT position was not achieved. Lynne Hamilton advised that it was between £2 and £4m however the full £10m allocated to RTT within the financial plan had not yet been invested.

Emma Woollett stated that it would be prudent for the health board to delay changing its forecast position until the potential RTT 'clawback' figure had been clarified. Martin Sollis responded that it was important that the health board worked with Welsh Government in this regard.

Resolved: The report be **noted**.

10/18 RESERVES POLICY 2018-19

A report outlining a proposed amendment to the current definition and use of reserves within the health board was **received**.

In introducing the report, Lynne Hamilton stated that it was important to remember the importance of a reserve to financial management and once the annual plan had been agreed, a reserves plan for 2018-19 would be brought to the committee for consideration.

In discussing the report, the following points were raised:

Emma Woollett complimented the finance team on the paper. Andrew Davies concurred, adding this was a model which would be suitable for future reports.

Martin Sollis queried if allocations would be kept in reserve to take into account inflation and price growth. Sam Lewis responded while this approach would be undertaken initially, it was important to factor as much of this as possible into budgets. Lynne Hamilton added that this process would mean that the board would be unable to operate in the same way that it has done before.

Emma Woollett stated that the approach would test the capability of the business and finance partners and the board needed to understand that if they did not have the capabilities, allocating the reserves in this way increases the financial risks.

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| Resolved: | - The report be noted . | |
| | - The proposed definitions and re-designation of the existing health board reserves be agreed . | LH |
| | - The management and governance arrangements proposed be agreed . | LH |
| | - The reporting arrangements through Finance and Performance Committee be agreed . | LH |

11/18 **INTERNAL INVESTMENT FUND**

A report outlining a proposal for an internal investment fund was **received**.

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

- The proposal was in response to a discussion by the board at its meeting in December 2018;
- It was proposed to develop a scheme which allocated £1m to invest in and support improvement with a two-year 'pay back';
- The scheme would establish an internal process to compliment the national 'Invest to Save' programme.

In discussing the report, the following points were raised:

Andrew Davies stated the principle was a good one as it incentivised staff to consider service improvement.

Martin Sollis commented that it was a good idea but the message needed to be made clear that bids could also be submitted to other funding schemes such as the national 'Invest to Save' programme, charitable funds or external partners so as to not discourage ideas once the £1m had been allocated.

Chris White advised that it needed to be clear whether the scheme was to support innovation and improvement or stop the reliance on agencies. He added that it was important that the Investment and Benefits Group closely monitored the debate as to what constituted a successful bid.

Andrew Davies commended Lynne Hamilton for her grip and transparent approach to the financial programme.

Resolved:

- The report be **noted**.
- The proposed approach to the implementation and delivery of the health board's investment fund be **supported** and the following be **endorsed**:
 - The investment criteria;
 - Revenue and capital funding for an initial two year period, subject to board approval of the final financial plans for those years;
 - The repayment terms, noting that schemes will be prioritised if they demonstrate a 50% payback in year one;
 - Project appraisal process;
 - Biannual reporting of progress to the committee.

LH

12/18

SINGLE CANCER PATHWAY BRIEFING

Claire Birchall was welcomed to the meeting.

A report outlining a single cancer pathway was **received**.

In introducing the report, Claire Birchall highlighted the following points:

- Currently the cancer pathway was divided into two sections; urgent suspected cancer (USC) and non-urgent suspected cancer (nUSC);
- All health boards would be required to report performance against a single cancer pathway by April 2019 which would require all suspected cancer patients to be seen and treated within 62 days

from date of suspicion;

- A pilot had been undertaken by Cwm Taf University Health Board in 2015-16;
- ABMU had used retrospective figures to determine its potential performance and capacity to manage a single cancer pathway;
- As currently the cancer clock only started for nUSC cases once a decision had been made to treat, this could have a significant impact on the health board's ability to diagnose and treat such patients within the 62 day timeframe;
- Engagement had been undertaken with the Welsh Cancer Network to discuss concerns and seek support;
- 'Shadow reporting' was to be undertaken from January 2018 but there were as yet no agreed rules or guidelines in place;
- A scoping and implementation board had been established with five sub-groups;
 - Reporting;
 - Demand/capacity/diagnostic;
 - Clinical engagement;
 - Commissioning;
 - Patient experience.

In discussing the report, the following points were raised:

Andrew Davies noted that the health board was the only NHS Wales organisation that managed the full cancer pathway and queried if this had the potential to impact on performance. Claire Birchall responded that this was a concern that had been shared with the Welsh Cancer Network. She added that consideration would need to be given to establishing timescales for diagnostics and tracking.

Siân Harrop-Griffiths advised that the expectation had been given that this process would be managed regionally and as such, Hywel Dda University Health Board were part of ABMU's cancer board. The two boards also needed to determine whether the single cancer pathway would be considered through the Joint Regional Planning and Delivery Committee.

Emma Woollett stated that it would be useful for the committee to have regular updates.

Rob Royce asked for further clarity as to why the single pathway would increase the demand by nUSC. Claire Birchall advised that previously the clock would not start until a decision had been made to treat. Chris White added that in these cases, the diagnostics were not necessarily timely as there was no 'clock' ticking until it was confirmed that they required

treatment. He added that while these cases would significantly increase the demand on diagnostics under the new pathway, the numbers requiring treatment would not necessarily be as high as not all would have cancer.

Andrew Davies queried whether the pilot at Cwm Taf University Health Board had led to better outcomes. Chris White advised that this had not been measured.

Rob Royce stated that the increased demand on diagnostics could have an adverse affect on radiology services as this was an area in which it was difficult to recruit. Claire Birchall concurred, adding that this was also the case for pathology and endoscopy.

Alex Howells advised that the single pathway had been discussed at the all-Wales chief executives' meetings at which it was felt the proposal was significantly challenging. She added that it had arisen from a group of cancer clinicians who had shared concerns with the Cabinet Secretary as to their concerns for nUSC patients.

Resolved: The report be **noted**.

13/18 RECOVERY AND SUSTAINABILITY PROGRAMME BOARD UPDATE

A report providing an update from the Recovery and Sustainability Programme Board was **received**.

In introducing the report, Rob Royce highlighted the following points:

- The programme board had met in December 2017 in which it had noted that progress had been made in some areas but not all;
- An executive team workshop had taken place earlier in the week at which priorities for 2018-19 had been discussed.

In discussing the report, the following points were raised:

Alex Howells advised that the recent unscheduled care pressures had impacted on the GP out-of-hours service and as such, higher rates had been agreed for the staff undertaking some of the shifts. In addition, there had been an eight-hour period in which there had been no cover. She added that the out-of-hours service needed robust workforce and service redesign plans and work was being undertaken with other health boards to look at alternative models using peripatetic teams with a multi-disciplinary workforce. Lynne Hamilton commented that she and Chris White had held discussions with GP out-of-hours colleagues and an options analysis was to be undertaken with regard to sustainability. She added a report was to be shared with the executive team in five weeks' time.

Dorothy Edwards informed the committee that as part of the recovery and sustainability workshop, discussions had been undertaken as to how a

focus could be given to improving the other targeted intervention areas, not only the financial aspect. Andrew Davies added that this aligned with the recent parliamentary review and allowed the programme to take a transformational approach.

Andrew Davies noted that it was Rob Royce's last meeting as he was leaving the organisation the following week. He placed on record his thanks not only for his hard work but also his rigour and questioning spirit, which he hoped would continue in his absence.

Resolved: The report be **noted**.

14/18 ANY OTHER BUSINESS

There was no further business and the meeting was closed.

15/18 DATE OF NEXT MEETING

The next scheduled meeting was noted to be 21st February 2018.