



Performance and Finance Committee Annual Report 2018-19



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Bwrdd Iechyd Prifysgol
Abertawe Bro Morgannwg
University Health Board

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Chair's Foreword

The committee has been pleased to see improvement across the targeted intervention performance metrics over the year. Healthcare acquired infections and planned care performance both met trajectory by year-end, and, while performance against stroke, cancer and unscheduled care targets were not on trajectory, performance has shown steady improvement and, importantly, more resilience. Performance against the Mental Health (Wales) Measure 2010 has been strong for adults, but more variable for child and adolescent mental health services (CAMHS), which will continue to be an area of focus for next year.

Members have also been pleased to note that key quality metrics do not appear to have been adversely affected by the strong focus on performance. There is still scope for significant improvement, however, and in addition to the targeted intervention priorities, the committee's focus for 2019-20 will be theatre efficiency and delayed transfers of care, both of which are essential to performance improvement and better patient experience.

Financial performance has been broadly on track throughout the year, and the year end financial outturn was in line with budget and the control total set by Welsh Government, which was very encouraging indeed. For 2019-20, the committee is keen to see a greater proportion of delivery through recurrent rather than non-recurrent means, and will be scrutinising savings plans and ongoing financial performance to ensure that our financial recovery continues in a sustainable way.

Emma Woollett

Vice Chair / Chair of the Performance and Finance Committee

1. Introduction

The Performance and Finance Committee was established in June 2017. Prior to this, the health board had a Performance Committee, which commenced in October 2014, but in March 2016, the board agreed to temporarily suspend it while its role was reviewed. The arrangement was kept under consideration by the Chairman's Advisory Group and at the May 2017 board meeting, it was agreed to re-establish the forum as the Performance and Finance Committee.

The Performance and Finance Committee's principle remit is to scrutinise and review to a level of detail not possible in board meetings performance relating to:

- financial planning and monitoring, including delivery of savings programmes;
- activity and productivity including operational efficiency and effectiveness; and
- workforce metrics. – this subsequently changed during the year to include in the refreshed work programme of the Workforce and Organisational Development (OD) Committee;
- operational delivery against national performance measures

It also ensures that, via its approach to examining escalation areas, evidence-based and timely interventions are implemented to drive forward improved performance thereby allowing the health board to achieve the requirements and standards determined for NHS Wales and as outlined within the health board's annual plan.

During 2018-19, the committee met its responsibility by fulfilling its role as outlined in its terms of reference, and through the delivery of its work programme. The annual report summarises this.

2. Committee Structure

The membership of the Performance and Finance Committee during 2018-19 comprised:

Independent Members

- Emma Woollett, vice-chair (committee chair);
- Martin Sollis, independent member;
- Jackie Davies, independent member;
- Maggie Berry, independent member.

Executive Directors

- Siân Harrop-Griffiths, Director of Strategy;
- Lynne Hamilton, Director of Finance;
- Chris White, Interim Chief Operating Officer;
- Hazel Robinson, Director of Workforce and Organisational Development (OD) (until February 2019, after which workforce issues were referred to the Workforce and OD Committee).

Meetings were also attended by Pam Wenger, Director of Corporate Governance, as well as assistant director, of finances, Sam Lewis, and Val Whiting, deputy director of

recovery and sustainability, Dorothy Edwards and Darren Griffiths, associate director - performance.

Committee support in terms of the circulation of the meeting papers and minute taking was undertaken by the corporate governance function to ensure continuity with other board committees. The secretary to the committee was Liz Stauber, committee services manager.

The terms of reference required the committee to meet monthly however during 2018-19, it met 13 times as an additional meeting was held in July 2018 to discuss the financial position.

3. Reports Received

In March 2018, the committee agreed its work programme for the coming year, which was divided into a number of sections in addition to the standing preliminary matters:

- Performance;
- Finance;
- Escalation; and
- Noting.

There have also been specific meetings which have had a section dedication to strategic finance issues and governance as and when the need arose.

Performance

- Performance Report

One of the main areas of focus for the committee was its monthly integrated performance report. At the start of the year, it was receiving the bi-monthly board performance report, which meant for non-board months, an updated version was not available and the committee was unable to fully discharge its duty to the board by providing assurance in this regard. Work commenced in May 2018 to develop a monthly performance report and the first iteration was considered at the June 2018 meeting. It provided a focus not only on the main targeted intervention areas (cancer, planned care, stroke, unscheduled care and healthcare acquired infections) but also the key performance measures outlined in the 2018-19 NHS Wales Delivery Framework.

The report continues to evolve as the committee's focus and priorities become more apparent. At the start of the year, it was receiving workforce metrics as a separate report on a bi-monthly basis however this data has now been integrated along with quality and safety performance information enabling the same report to be considered by the Quality and Safety Committee. In addition mental health/primary care data is also being included, as well as primary care metrics.

Each quarter, the report also includes the quarterly review of the performance trajectories, which provide a more in depth narrative on the key performance indicators on which the health board is required to report to Welsh Government.

- Medical Agency Cap

Since the medical agency cap was implemented in 2017-18, the committee has had as a standing item the organisation's compliance with the requirements. As part of the discussions towards the latter half of the year, it became apparent that compliance with the cap would not improve until the number of medical vacancies was addressed. As such, the committee asked that a trajectory be included in the report from November 2018 outlining the aim and progress against it to recruit to the longest vacancies.

Following a review of the remit of the Workforce and Organisational Development (OD) Committee, it was agreed that the medical agency cap reports would be reviewed as part of this work programme as opposed to the Performance and Finance Committee from January 2019.

- Continuing Healthcare

Health boards across Wales have a statutory duty to report continuing healthcare performance to its boards on a quarterly basis. Previously this was discharged through the Audit Committee, but once the Performance and Finance Committee was established, the responsibility transferred. No significant issues were raised during the receipt of each report.

- IMTP Quarterly Tracker

A tool to track the progress of the annual plan was received on a quarterly basis. While no significant issues were raised as to the content, discussions took place outside of meetings between executive directors and independent members as to ways in which to develop the tool to provide more assurance to the committee and the board.

Finance

- Monthly Financial Position

A standing item within the finance section is the monthly position in relation to delivery against financial planning, which provided members with an update as to progress against the control targets. It also included the plans in place to reach the forecast deficit position.

Over the year, the committee has been pleased to see the significant work by the delivery units to improve underlying operational financial performance. However, towards the latter half of the year, 'deep dives' into the financial positions and cost drivers in each unit were undertaken with Princess of Wales and Singleton hospital attending the committee to provide assurance on actions.

Concern remains that the delivery of our financial position continues to rely significantly on non-recurrent measures. The balance of recurrent to non-recurrent financial performance savings is a key area of focus for the committee.

- Recovery and Sustainability

As part of the recovery and sustainability programme board arrangements, a regular update was provided to the committee as to the progress being made. Through these updates three workstreams were identified as being at risk of not delivering the target savings for 2018-19:

- Reducing waste, harm and variation;
- Workforce redesign; and
- Mental health services spending.

The committee invited the executive leads for these workstreams to present the work to date and answer the concerns raised that the targets were not going to be met. While some assurance was taken from the report in relation to the mental health services spending, the committee required further updates in relation to the other two. It was noted later in the year that the reducing waste, harm and variation work had been rejuvenated following new leadership and was expected to start to achieve savings in 2019-20. As for the workforce redesign work, members were given assurance that this was to be integrated into the overall workforce workstream to provide a more holistic approach, but this was to be managed through the Workforce and OD Committee. Both of these workstreams are fundamental to addressing the issue of non-recurrent savings noted above.

Strategic Finance Issues

- Interim Resource Plan

In April 2018, members considered the financial approach for the coming year and the detailed way in which budgets have been delegated and allocated to units and corporate functions. Baselines for 2018-19 had been adjusted, including some recovery and sustainability workstreams which had not met the targets set for 2017-18 and cost inflation had been absorbed into the plan. A delivery of £21.3m savings was required to reach the £25m forecast deficit, with recurrent savings from the recovery and sustainability workstreams of £24.9m. As the year progressed and the forecast position changed, plans to achieve it were provided regularly to the committee.

- Analytical Review of Management Accounting 2017/18

The committee received a report which outlined areas which worked well as part of the previous year's financial management process and others which could be improved upon in order to gain lessons learned.

- Value for Money in Capital Programme

Members heard that the health board had delivered some of the programmes it had set out to, including developments at Morriston Hospital and in relation to older person's mental health services, but consideration was needed as to how to deliver more on a comprehensive basis through the Investment and Benefits Group. A benefits realisation tool was in development to capture the impact of developments and services changes.

- Planning Approach, Principles and Timelines for 2019-20

During the summer months, an update was provided against the planning approach for 2019-20, for which the finance team were working collaboratively with strategy team colleagues to integrate financial planning into the integrated medium term plan (IMTP) process. It was noted that a more transformative approach needed to be achieved and an income strategy would need to be developed.

- Income Deep Dive

The analysis was a brief take on a 'deep dive' and was aligned to the work to develop the medium term financial plan. There were no recommendations as yet nor had an income plan been developed, but this would be the next step.

Escalation Areas

The escalation areas were identified as the year progressed by members as and when particular issues arose in order for to provide sufficient assurance to the board.

- Unscheduled Care, Planned Care, Stroke and Cancer

Throughout the year, the committee took the opportunity to seek individual escalation reports regarding the three targeted intervention areas within its remit; unscheduled care, planned care and cancer (healthcare acquired infections are a focus for the Quality and Safety Committee). It also sought an update in relation to stroke, which had been a targeted intervention but had been de-escalated due to improved performance. Each of the reports provided a current position performance as well as the action plans in place to improve. Progress was monitored through the monthly performance report.

- Delayed Follow-Ups

Following a Wales Audit Office national review of delayed follow-up outpatient appointments, the committee sought an update as to the organisation's position in 2017-18. As an action plan was included within that update, it requested updates throughout the rest of the year to monitor progress culminating in a report in February 2019 outlining the plan to obtain sustainability within the service. However members remained concern at the scale of the challenge and emphasised the need to have an improvement trajectory. Performance was subsequently added to the integrated performance report.

- Child and Adolescent Mental Health Services (CAMHS) Performance

CAMHS performance in relation to both access to primary services and routine access to specialist CAMHS has deteriorated after an improvement over the summer. The committee received an escalation report in October which provided assurance that action was being taken. As part of this, it was noted that work was to be undertaken to develop a centralised service with a single point of action once the Bridgend transition had occurred.

- Winter Plan

During its September 2018 meeting, members received a report outlining the process to develop the winter plan, with the plan itself received in October 2018. While the committee felt it was a comprehensive plan, it felt it would be useful to have an analysis of what the expected impact would be as well as an understanding of what was to change the following year. It also agreed for winter plan measures to be included in the monthly performance report to demonstrate progress.

- Theatre Efficiency

Members received an update in September 2018 as to the work being taken to improve theatre efficiency but felt that it did not convey the urgency nor the ownership of the challenge. It was agreed that a further report would be received in December 2018 which clearly set out the action plan and the progress against it. It

was also agreed that the measures set out in update would be included in the monthly performance report for the committee to monitor progress.

- Orthopaedics Action Plan

As orthopaedics accounted for 70% of the year-end planned care position, the committee requested sight of the action plan to improve performance. It was noted that unit teams were undertaking a significant amount of work to maintain the position. In order to improve, Morriston Hospital needed to be able to continue elective work during unscheduled care pressures and Princess of Wales Hospital to undertake out-of-hours work. Discussions were also being undertaken as to the support that Neath Port Talbot Hospital could provide to Morriston Hospital. A number of other initiatives were being considered, including outsourcing and a review of the service model at Morriston Hospital by the NHS Wales Delivery Unit.

- Vacancy Profile and Mapping Solutions for Medical Recruitment

During a number of discussions, members sought clarity as to the impact the vacancy control panel was having on administration and clerical vacancies. As such, it was agreed to add a standing item to the agenda outlining the decisions made at each panel meeting. However, as part of revised remit of the Workforce and OD Committee, this was referred to that particular work programme from January 2019.

- Single Cancer Pathway

Members heard that the new pathway, which aimed to identify patients with cancer at the earliest opportunity, was to come into being in June 2019, and would have an impact on the demand and capacity of diagnostic services. Modelling work had been undertaken and a suite of actions put in place, including the investment of £500k for diagnostics within the planned care plan for 2019-20.

- Delayed Transfers of Care

Following concerns raised at the January 2019 board meeting, an update was received in relation to delayed transfer of care. An improvement had been evident in the number of cases awaiting transfer of care and while actions had been highlighted within the report to reduce it further, it was unclear as to the timescales and trajectory, therefore an update was to be received at the next meeting.

Delivery Assurance of IMTP and Financial Plan

At the December 2018 and January 2019 meetings, members received detailed presentations as to the process and development of the performance, finance and quality aspects of the annual plan 2019-20. Members' feedback was that both the finance and performance plans provided a more positive picture than the previous year 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.

While the performance aspects were agreed by the board at its meeting in January 2019 with the support of the committee, the financial plan continued to be developed with regular updates provided to the committee, which included the impact of the Bridgend boundary transition, which was to have an effect on budget planning and allocations in the new year.

Governance

As part of its governance arrangements, the committee reviewed and updated its terms of reference at the start of the year.

For Noting

The committee received its work programme at each meeting and in October 2018, agreed to add a summary of the vacancy recruitment panel decisions to its standing items after concerns were raised as to its role. It also received two Wales Audit Office reports (discharge planning and outpatient services) referred by the Audit Committee and an update from the re-established unscheduled care delivery board.

4. Conclusion

This report demonstrates that the committee fulfilled its responsibilities through the reports it had received during the year from various services and sources.