

**Swansea Bay University Health Board**

**Unconfirmed**

**Minutes of the Performance and Finance Committee**

**held on 29th March 2022 at 9.30am to 11.00am**

**Microsoft Teams**

**Present:**

|                  |  |
|------------------|--|
| Reena Owen       | Independent Member                     |
| Mark Child       | Independent Member (from minute 50/22) |
| Steve Spill      | Vice-Chair                             |
| Patricia Price   | Independent Member                     |
| Darren Griffiths | Director of Finance and Performance    |

**In Attendance:**

|                       |  |
|-----------------------|--|
| Inese Robotham        | Chief Operating Officer (from minute 51/22)                                    |
| Siân Harrop-Griffiths | Director of Strategy (until minute 49/22 and from minute 51/22)                |
| Hazel Lloyd           | Acting Director of Corporate Governance  |
| Claire Mulcahy        | Corporate Governance Manager   |
| Leah Joseph           | Corporate Governance Manager   |
| Elizabeth Stauber     | Head of Corporate Governance   |
| Paul Mapson           | Special Advisor  |
| Georgia Pennells      | Corporate Governance Administrator (Observing)                                 |
| Meghann Protheroe     | Head of Performance (Observing)  |
| Sue Kotrzuba          | Assistant Divisional Manager, Children's Services (from minute 49/22 to 53/22) |
| Kathryn Ellis         | Clinical Lead, Children's Services (from minute 49/22 to 53/22)                |
| Jonathan Jones        | Internal Audit (Observing)   |
| Sara Utley            | Audit Wales (Observing)  |

| <b>Minute</b> | <b>Item</b> | <b>Action</b> |
|---------------|-------------|---------------|
|---------------|-------------|---------------|

**41/22 WELCOME AND APOLOGIES**

Reena Owen welcomed everyone to the meeting,  
Apologies for absence were received from Deb Lewis, Deputy Chief Operating Officer.

**42/22 DECLARATIONS OF INTEREST**

There were no declarations of interest.

**43/22 MINUTES OF PREVIOUS MEETING**

The minutes of the meeting held on the 22<sup>nd</sup> February 2022 were **received** and **confirmed** as a true and accurate record.

#### 44/22            **MATTERS ARISING**

There were none.

#### 45/22            **ACTION LOG**

The action log was **received** with the following updates.

i.            Action Point 1 – Child and Adolescent Mental Health Services (CAMHS)

In January 2022, Cwm Taf Morgannwg University Health Board advised there had been some slippage in developments within CAMHS due COVID-19 pressures and recruitment issues therefore a sum of £1m was to be returned back to Swansea Bay University Health Board (SBUHB). Darren Griffiths advised that this had incorporated into the current financial position. Members commented that it would have been helpful to have been informed sooner than January 2022 and Darren Griffiths agreed, adding that going forward the plan was to link in with finance colleagues at Cwm Taf Morgannwg University Health Board on a quarterly basis.

ii.           Action Point 2 – Bed Efficiency Savings

It had been agreed to move the deliverability date of the Medical Services Redesign Programme to early Autumn, therefore the bed savings projected from this would not form part of the current year's financial plan and would be factored into the savings programme for 2022/23. A detailed report would be received in April 2022 on all savings projected for 2021/22 as well as those forward savings programmes for next year.

Patricia Price noted the £27m savings plan for 2022/23 and queried whether this would then increase by £9m as in line with savings projected for bed efficiencies. Darren Griffiths informed that next year's beds savings would be utilised to hit the £27m target and the £9m would be covered off in this year's plan via other means. Patricia Price sought assurance on hitting the £27m for next year Darren Griffiths could not give full assurance on this as yet.

#### 46/22            **WORK PROGRAMME**

The work programme for 2021-22 was **received** and **noted**.

## **CHANGE TO AGENDA ORDER**

**Resolved:** Item 5.3 – Demand and Capacity Update to be taken next.

## **47/22 DEMAND AND CAPACITY UPDATE**

A report providing an update on Demand and Capacity was **received**.

In introducing the report, Inese Robotham highlighted the following the points;

- The report provided an update to the paper received in November 2021;
- It details the methodology adopted to develop demand and capacity (D&C) plans for service recovery and also the governance around the process of monitoring delivery and updates;
- An extensive data quality exercise had been undertaken and would continue to be monitored;
- A process of performance monitoring was in place and would be monitored corporately via the following arrangements;
  - o Bi-weekly Planned Care Performance Meeting
  - o Monthly Planned Care Programme Board
  - o Quarterly Service Group Performance Reviews
  - o Updates provided quarterly to:
    - Management Board
    - Performance & Finance Committee

In discussion of the report, the following points were raised;

Reena Owen made reference to the report which details the lack of ownership of the D&C plans within the service groups Inese Robotham clarified that the lack of ownership was the current starting point and by improving data quality and by having a robust model in place, the aim was to increase accountability within the service groups. Reena Owen queried whether the health board was satisfied with the plan to resolve the data quality issues and Inese Robotham replied that she was.

In relation to this point, Darren Griffiths advised that the recovery funding of £21.6m also fits into the planning and how the health board is deploying that to the full affect. This formed part of the work underway by the Deputy Chief Operating Officer and it would be helpful to see the model once the impact of the additional funding had been incorporated.

Patricia Price noted the capacity issues within the team and the requirement of more posts. Inese Robotham advised that that the resource requirements were still being assessed but it was important to highlight that non-recurrent funding had been used for the waiting list data validation.

- Resolved:
- The processes to be implemented to monitor agreed demand and capacity plans for 2022/23 were **approved**.
  - The report was **noted**.

#### **47/22 MONTH ELEVEN FINANCIAL POSITION**

A report setting out the month eleven financial position was **received**.

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

- The month eleven financial position was an overspend of £1.705m in-month and £20.946m cumulatively;
- The cumulative position should be compared with the planned deficit of £22.371m. The cumulative position is £1.425m below the forecast position.
- A number provisions were in place to address the slippage in plan and to reach the target deficit £24.405m;
- Income budgets had reported an under-achievement of £1.426m with key areas of pressure particularly in dental and also catering, rental and patient related charges;
- Recent discussion with Welsh Government had indicated funds to cover off some of the loss;
- Block LTA and SLA payment arrangements had been in place for the last two years but a more live contractual arrangement would re-start for 2022/23 with all outpatients appointments commissioned as a block with both elective and emergency contracts subject to a 10% tolerance based on 2019/20 activity levels. Work was underway with services groups to ensure the

health board hit that level of activity but this would be revised next year as it was out of date;

- Non-pay budgets have overspent in-month and the key drivers continue to be continuing healthcare (CHC) costs within Mental Health and Learning Disabilities, slippage against CIPs and utility cost increases currently at £350k per month;
- The recurrent full year impact of savings is £25.4m, which is £2.3m short of the recurrent savings requirement and further schemes are being identified to bridge this gap as a matter of urgency;
- The draft financial framework for 2022-23 sets a savings requirement of 4% equating to £27m;
- The total identified at present totals £19.27m and service groups and corporate directorates were continuing to identify more;
- The health board COVID-19 expenditure for 2021-22 was £114.495m;
- The funding for the COVID-19 programme costs i.e. Vaccinations, PPE (personal protective equipment), Test and Trace had been issued to the health board with the expectation that this would be fully managed within the allocations issued;
- There were four significant risks relating to finance:
  - Residual cost base (risk rated at 20);
  - Resources level lower than recovery plan ambition (risk rated at 15).
  - Availability of Capital (risk rated at 20) – reopened for 2022/23. It was suggested that remains at a score of 20 although a balanced plan, flexibility within the plan is limited and a number of schemes are on hold;
  - Savings Schemes related to bed release (risk rated at 15)

In discussing the report, the following points were raised:

Reena Owen queried whether there was scope to carry forward any recovery monies if not utilised. Darren Griffiths informed that this was not possible. Due to the pressures faced during Omicron, the health board's recovery plan was hit and plans to utilise the funding were stalled. On a positive note, progress had been evident within ophthalmology via insourcing where 39 cataracts procedures were undertaken over one weekend. The health board had utilised the funding as best as possible with the aim being to develop and

strengthen our own core services to become more sustainable. Next year's recovery allocation of £21.6m would be utilised in the best way possible and the modelling work described in the earlier Demand and Capacity report would provide a flexible plan for this.

In relation to the maturity matrix, Reena Owen queried whether there was a requirement for the Board to review at least once a year. Darren Griffiths stated that year-end process was an important point in time for the health board and it was his ambition to review the matrix following this in May 2022 and then six months later in late Autumn. Steve Spill queried the end-goal and when the Board could consider itself 'financially mature'. Darren Griffiths referenced the exemplar box within the matrix and stated that this was the ambition within the next eighteen months but the infrastructure within the finance team would need to be built upon.

Members were content with the proposal to review the matrix on a six monthly basis, with the first review following the year-end accounts process.

**Resolved:**

- The agreed 2021/22 financial plan was **noted**.
- Board's financial performance for Period 11 (February) 2021/22, in particular was **considered**;
  - o the revenue outturn position of £20.946m deficit; and
  - o the adjusted year-end forecast deficit of £24.405m.
- The actions to ensure delivery of the financial forecast were **noted**;
- The emerging savings position for 2022/23 were **noted**
- The risk handling for the 4 risks were **agreed**;
- The actions to further refine the 2022/23 financial plan were **noted**.

**48/22**

**FINANCIAL PLAN 2022/23**

A presentation providing an update on the financial plan 2022/23 was **received**.

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

- The Health Board approach to the financial plan is to consider it in three parts; core plan (including savings), extraordinary pressures and COVID costs;
- A letter received from Welsh Government on the 14<sup>th</sup> March 2022 provided clarity to two points of the plan – COVID costs

and extraordinary pressures;

- It was advised that the health board could anticipate funding support of £19.9m for extraordinary pressures which includes increases in national insurance, utilities and the national living wage;
- It could also be assumed that the COVID response/transition funding of £25m would also be received to cover elements such as primary care prescribing, demand/surge, patient streaming;
- Therefore, this funding support reduced the forecast within the financial plan from £42m to £24.4m in year 1;
- Conditions surrounding the use of the funding were in place and could only be used as above and for the following; capacity and facility costs, COVID prescribing, workforce resilience and availability; services support within test, trace and protect (TTP), PPE and vaccinations and the loss of dental income;
- COVID response figures would now be reconfigured to align with this;
- The COVID recovery plan was broadly balance in 2022/23;
- The long term financial model assumes funding over three years for extraordinary pressures and COVID but presents the decrease year on year.

In discussion of the report, the following points were raised;

In relation to the potential for an approved IMTP, Steve Spill queried the position of other health boards surrounding the flexibility on spend around TTP. Darren Griffiths advised that the vaccination programmes, personal protective equipment and TTP would be funded to meet demand, however more clarity would be required around TTP as the Health Board would gradually move away from testing over time. He noted that the vaccination programme would become a part of the Health Board's usual business, and the financial risk to the Health Board would be minimal.

**Resolved:** - The financial plan was **noted**.

#### **49/22 BUDGETARY MANAGEMENT 2022/23**

A report providing an update on the Budgetary Management Revenue Resource Limit and Plan 2022/23 was **received**.

In introducing the report, Darren Griffiths highlighted the following

points;

- The report focused on budgeting and the allocation of resources across the Health Board within the financial year 2022/23;
- Budget Holders would be allocated budgets and accountable for delivering and against which performance will be measured;
- The plan set aside funding to support non-pay inflation. There will be a number of cost centres which would not attract this basic non-pay inflation. For those cost centres for which an uplift for non-pay inflation is appropriate the funding available will need to be equitably shared based on that cost centres % of the overall non-pay budget of the Health Board;
- Savings are only transacted on a budget basis materializing in the ledger and CIP and expenditure budgets will be reduced;
- National programme costs will be incurred and cashed out;
- Where national uplifts are agreed for GMS, GDS and Pharmacy contracts these uplifts are allocated directly to the primary community and therapies service group.

In discussion of the report, the following points were made;

Steve Spill queried whether the health and social care levy was recurrent. Darren Griffiths advised that funding had not been identified for extraordinary COVID-19 response costs, however Welsh Government have informed Health Boards to plan for it. He noted that he was under the impression that the social care levy was allocated as a non-recurrent cost, but he would obtain clarification outside of the committee.

**DG**

Reena Owen queried whether committee members were satisfied of assurance that budget holders were aware of their delegated responsibilities and level of accountability. Darren Griffiths advised that there was a challenge around this area due to the size of the Health Board. He noted that meaningful conversations with divisional areas to hold budget holders to account were required, however challenges remained at the workforce base level.

Patricia Price highlighted that it would be helpful to receive information on a budget setting going forward as SBUHB was working on 19/20 baseline. Darren Griffiths supported a discussion with Independent Members as it would be good to move away from the 19/20 baseline. He highlighted that a more sophisticated budget setting was required.

- Resolved:**
- Clarification be sought surrounding whether the health and social care levy costs were recurrent or non-recurrent. **DG**
  - CIP principles and recurrent/non recurrent actions, which will need to be presented by service units to see expenditure plans consistent with 4% CIP reduction each month from April 2022 were **agreed**.
  - The proposal to look at alternative approaches to future budget allocation to support the Health Boards planning / commissioning of services for the population it serves was **noted**.
  - The potential risks regarding the anticipated income assumptions on Covid and Extraordinary Pressures and the scrutiny by Chief Executive Officer/Director of Finance of spend profiles with the relevant budget holders during March 2022 were **noted**.
  - The recommended approaches for the allocating of budgets across the 3 components of the financial plan were **noted**.

50/22

## PERFORMANCE REPORT FOR MONTH ELEVEN

A report setting out the performance position for month eleven was **received**.

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

- COVID-19 Dashboard
- To date the COVID-19 positive figure stood at 103 in the bed system, with 197 patients recovering from COVID-19. 3 patients were receiving treatment in the intensive therapy unit (ITU);
- From a workforce position, there were around 100 members of staff self-isolating which has a material impact on the system;
- Integrated Performance Report
- Performance against the four hour target has previously been in-line with the recovery trajectories, however both January 2022 (72.59%) and February 2022 (72.32%) have remained slightly below the trajectory, with the performance target for January 2022 being 76%. Performance against the 4hr target declined slightly in February 2022;

- The suspected cancer performance in January 2022 was reported as 54% which is tracking below the outlined trajectory of 68%. February 2022 performance is still in draft format, however current projections suggest performance will be below the recovery trajectory;
- Red ambulance calls responded to within 8 minutes increased 3% to 54.3%, and ambulance handovers taking over one hour decreased by 8%, to 678;
- In February 2022, there were on average 292 patients who were deemed clinically optimised but were still occupying a bed in one of the Health Board's Hospitals. To date there were 271 patients;
- In February 2022, there were two new Never Event's reported, both of which were reported by Morrison Hospital;
- The number of falls reported via Datix web for SBUHB was 199 in February 2022. This is 12% more than February 2021 where 177 falls were recorded;
- Speech and language performance has increased;
- Pressure remains in podiatry, and challenges remain in therapies due to increased demand;
- The endoscopy waiting list continues to grow.

In discussing the report, the following points were raised:

Steve Spill observed that the COVID-19 infection rates seem high, and noted that the three patients in ITU were being treated for other reasons, and tested positive on admission.

Reena Owen queried whether mitigation actions had impacted flow across sites. Darren Griffiths advised that virtual wards were being put into all clusters, however due to the workforce constraints linked to COVID-19 isolation, it would be too early to confirm the impact.

Mark Child highlighted that Welsh Government has instructed all Health Boards to focus on surge areas to reduce the waiting list numbers, however he was unaware of the effect on the lists. Darren Griffiths advised that a two-week exercise titled 'rest and recovery' had taken place, and the hospital levels over the weekend had been at level 3.

**Resolved:**

- Health Board performance against key measures and targets was **noted**.
- The updated performance trajectories produced for recovery in

Planned Care, Cancer Services and Unscheduled Emergency care was **noted**.

- The inclusion of the submitted recovery trajectories as part of the Welsh Government MDS in the April 2022 Integrated Performance report for information purposes was **noted**.
- The actions being taken to improve performance were **noted**.

51/22

### ANNUAL PLAN 2021/22 DELIVERY Q3

A report providing an update on the Annual Plan 2021/22 Delivery for quarter three was **received**.

In introducing the report, Siân Harrop-Griffiths highlighted where priorities are reported as off-track, mitigating actions have been highlighted, and the amber actions are being monitored.

In discussion of the report, the following points were made;

Reena Owen voiced concerns relating to the prevention and reducing equalities, and noted that comments were needed to explain the rationale. Siân Harrop-Griffiths undertook to circulate the additional comments outside of the committee. She assured committee members that the updated comments would be reflected in the final end of year report. Reena Owen was content to receive an explanation outside of the committee meeting.

SHG

Steve Spill queried the organisational chart reporting mechanism for structure. Siân Harrop-Griffiths advised that all Programme Boards report to Management Board, and she was taking a report on governance arrangements to April's Management Board. She advised that a paper was agreed last year that could be circulated to Independent Members outside of the committee meeting for information.

SHG

Reena Owen detailed that she was impressed by the outcome measures for assurance purposes. Siân Harrop-Griffiths comments that it was a good piece of work and it was making a difference to the Health Board.

#### RESOLVED:

- The final year-end annual plan be updated to reflect a specific section relating to prevention and reducing health inequalities.
- An historical paper on the governance structures and report mechanism for the annual plan be shared with Independent Members outside of the committee meeting.

SHG

SHG

- The report be **noted**.
- The actions planned for Q3 and priorities for Q4 be **noted**.
- The areas of programme level achievements be **noted**.
- The mitigations against actions which are off-track be **noted**.

52/22

## CHILD AND ADOLESCENT MENTAL HEALTH SERVICE

A verbal update on CAMHS was **received**.

Siân Harrop-Griffiths highlighted the following points;

- Many of the single point of access cases had been returned to General Practitioners due to individuals not meeting the threshold;
- Additional sessions have been implemented to assist with CAMHS performance;
- The waiting list is being triaged and currently 50% of the waiting list are waiting for an appointment;
- Assessment intervention clinic is beginning in April 2022;
- Recommendations will be taken through Board for future management arrangements following external assistance.

In discussion, the following points were raised;

Reena Owen queried if the performance issues were being seen across Wales. Siân Harrop-Griffiths stated the issue was not Health Board specific, and the position was concerning. The demand and vacancy levels remained issues for SBUHB. She undertook to circulate the CAMHS briefing outside of the committee meeting.

SHG

Mark Child noted that the Health Board was trying to address the immediate problems, but queried the long-term plans to encourage people into the profession. A longer-term All-Wales solution would be needed for longevity. Siân Harrop-Griffiths agreed with Mark Child's comments and stated that the local three-year plan was focussed on early intervention. She noted that there had been an demand increase over the last few years around eating disorders, and she and the Director of Nursing and Patient Experience have met with Welsh Health Specialised Service Committee to discuss CAMHS. She noted that a report would be taken to Management Board in a quarterly basis and then to Quality and Safety Committee to maintain the reporting mechanism. Reena Owen highlighted the need for regular updates.

- Resolved:**
- The CAMHS briefing to be circulated outside of the committee meeting. **SHG**
  - The verbal update be **noted**.

**53/22 NEURODEVELOPMENT SERVICE PERFORMANCE**

Sue Kotrzuba and Kathryn Ellis were welcomed to the meeting.

A verbal update on Neurodevelopment Service performance and mitigating actions to include the position of the business case was **received**.

The following points were highlighted;

- The next steps would be to explore a redesign of the pathway;
- The waiting list size has been impacted and the waiting list stands at 802 in February 2022 from 929 in March 2021;
- There have been waiting list initiatives. This includes expediting rising 18 year olds to additional waiting lists;
- Cwm Taf Morgannwg University Health Board (CTMUHB) is to serve notice on the service level agreement with SBUHB over the next few weeks. This will minimise the waiting list by 115 which is a positive move in the right direction;
- This has provided the opportunity for Bridgend patients to be seen locally which is the preference for the majority of families;
- A phased handover to CTMUHB would not impact negatively on the children's waiting time;
- The outcome of a service review is awaited;
- A business case has been drafted and is being scrutinised by the business case assurance group;
- An advert has been drafted for locum NHS hours to support referral to treatment times;
- Mitigation actions around bottleneck triage is being reviewed, and a phone line is going live in April;
- The service is not in a unique position and themes are shared nationally.

In discussion , the following points were raised;

Mark Child observed that resources available could be affected when the service level agreement with CTMUHB is terminated. He noted

that there was an effect on waiting lists and a raised expectations surrounding autism. Kathryn Ellis stated that the expectations around autism were greater than ever before, and partnership working would be required.

Steve Spill highlighted that income would be lost with the service level agreement termination, and queried whether the service would be less efficient without the income. Kathryn Ellis advised that there was an expectation to see the wider impact, and accumulative demand of a smaller team. Darren Griffiths noted that he would need to review the service in detail and would pick up separately.

Reena Owen advised that a further update would be required in three months to detail the impact following the service level agreement termination, the financial effects and waiting list position.

**SK/KE**

**Resolved**

- Update report required in June 2022 to detail the impact following the service level agreement termination, the financial effects and waiting list position.
- The report be **noted**.

**SK/KE**

**54/22**

**FINANCIAL MONITORING RETURN**

The financial monitoring return was **received** and **noted**.

**55/22**

**ITEMS FOR REFERRAL TO OTHER COMMITTEES**

There were no items to refer to other committees.

**56/22**

**ANY OTHER BUSINESS**

There was no further business and the meeting was closed.

**57/22**

**DATE OF NEXT MEETING**

The next scheduled meeting is Tuesday, 26<sup>th</sup> April 2022.