

Swansea Bay University Health Board

Unconfirmed

Minutes of the Performance and Finance Committee held on 26th January 2021 at 9.30am to 10.30am Microsoft Teams

Present:

Reena Owen	Independent Member (in the chair)
Mark Child	Independent Member
Martin Sollis	Independent Member
Stephen Spill	Vice Chair
Darren Griffiths	Interim Director of Finance

In Attendance:

Pam Wenger	Director of Corporate Governance
Claire Mulcahy	Corporate Governance Manager
Karen Gronert	Head of Nursing, Primary Care and Community (Minute 06/21 to 07/21)

Minute	Item	Action
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01/21 WELCOME AND APOLOGIES

Reena Owen welcomed everyone to the meeting

Apologies were received from Chris White, Director of Primary Care and Mental Health/Chief Operating Officer and Director of Therapies and Health Science Hannah Evans, Director of Transformation and Sian Harrop-Griffiths, Director of Strategy.

02/21 DECLARATIONS OF INTEREST

There were none.

03/21 MINUTES OF PREVIOUS MEETINGS

The minutes of the meeting held on 10th December 2020 were **received** and **confirmed** as a true and accurate record except to note apologies from Hannah Evans, Director of Transformation.

04/21 MATTERS ARISING

There were no matters arising.

05/21 ACTION LOG

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

Action Point 2

In relation to Cancer performance, Martin Sollis requested that further information be received to understand the problems specifically within upper and lower gastrointestinal and the actions underway to address these issues.

CW

Resolved

- Further information on the issues specifically within upper and lower GI to be provided within the Cancer Performance Update at committee in March 21;

CW

06/21 INTEGRATED PERFORMANCE REPORT

A report providing an update on the current performance of the health board was **received**.

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

- December 2020 saw a significant rise in positive COVID-19 cases and admissions to hospital. Bed occupancy rate was very high for new and recovering patients, which put significant pressure on the system;
- As of the 23rd January 2021, the total figure for COVID-19 bed occupancy had decreased from 250 to 158 which was positive;
- The health board were seeing the impact of the national lockdown measures with the number of COVID-19 related staff absences decreasing to 411 as at the 23rd January 2021 from 700 in December 2020;
- The in-month performance figures for Sickness had deteriorated from 6.96% in October 2020 to 8.4% in December 2020.
- Demand for emergency department care reduced in December 2020. However, the percentage of patients seen within 4 hours in A&E and the number of patients waiting over 12 hours both deteriorated in December 2020, as well as the number of ambulance to hospital delays over 1 hour;

- Direct admission to Acute Stroke Unit within 4 hours - performance had deteriorated due to the pressure in the system. However performance remained steady for stroke patients receiving clinical review within 24 hours;
- The infection control position for December 2020 remained fairly steady with the exception of Klebsiella in which cases which had increased slightly;
- There had been an in-month reduction in December 2020 for the number of patients waiting over 36 weeks, however this was a result of the dip in referrals received during the first wave;
- Diagnostic and Therapies continued to show a period of stability;
- The Single Cancer Pathway measure for patients was now fully underway and December 2020 figures were in the process of being validated;
- In December 2020, the overall size of the follow-up waiting list reduced by 911 patients compared with November 2020;

In discussing the report, the following points were raised:

Mark Child made reference to waiting times in the emergency department and queried why there had been a drop in performance as attendances had decreased. Darren Griffiths informed that this related to the volume of COVID-19 patients within the department and the ability to stream these patients through the system due to pressures in other areas of the hospital.

Stephen Spill referred to the performance figures for diagnostic assessment neurodevelopment within Child and Adolescent Mental Health Services (CAMHS) and queried why the performance for the 26-week wait was so low. Darren Griffiths informed there had been challenges within the service due to vacancies within four key posts. He assured that recruitment had taken place into these much-needed positions. The performance target for patients to receive diagnostic assessment within 26 weeks was 80% and health board performance for November 2020 sat at 24%. This was an issue that needed to be addressed and he undertook to request an update on the performance in these areas from the service. **DG**

Martin Sollis raised concern about emergency department performance, in particular that of the 54% performance in red calls. He asked what the escalation process was if harm was caused as a result of the system issues. He referred to never-events relating to ambulances not arriving on time and stressed that for this reason in particular, the Board needs to fully brief and aware of these incidents. Darren Griffiths replied that National Safety Huddles were in place across Wales which were responsible for monitoring performance in these areas. He assured that performance had recovered

and figures for January 2021 had improved to 65.4% which was currently the second best position in Wales. He undertook to request an update on this position for committee members from Chief Operating Officer. **DG/CW**

Reena Owen queried the progress being made in the Ambulatory Care model and whether this would gain traction in the new year. Darren Griffiths undertook to request an update on this from the Chief Operating Officer. **DG/CW**

Reena Owen queried whether there was an interim solution to address the backlog in relation to planned care, particularly for those patients within the Orthopaedics co-hort. Darren Griffiths advised that a Planned Care Group had been set up which aims to focus on the solution for the backlog. Work was also underway with the Chief Executive in relation to the annual plan in the context of three years and focuses heavily on the recovery plan for planned care. He advised members that for the coming year 2021-22, quarters one and two would see a similar position to current but the aim was to move forward in the improvement plan in quarters three and four. There would also be active engagement from Welsh Government to address the backlog and discussion will take place both locally and on a regional basis.

He further advised that the position had marginally improved but would require significant demand management and this needed to be worked through. He reminded members of the historic issues with RTT that had been present prior to COVID-19.

- Resolved;**
- Darren Griffiths to request an update on the performance within neurodevelopment assessment from the CAMHS team; **DG**
 - Darren Griffiths to request an update from the Chief Operating Officer on the performance of ambulance red calls; **DG/CW**
 - Darren Griffiths to request an update from the Chief Operating Officer on the progress of the ambulatory care model; **DG/CW**
 - The Health Board performance against key measures and targets was **noted.**

07/21 CONTINUING HEALTHCARE REPORT

Karen Gronert was welcomed to the meeting.

A report providing an update on Continuing Healthcare (CHC) was **received.**

In introducing the report, Karen Gronert highlighted the following points;

- An external commissioning group had been established to support care homes during the COVID-19 period;

- The retrospective claims process for the organisation was managed through the Primary, Community and therapies Delivery Group. All 54 Powys cases have now been completed and there were no health board breaches;
- With regards to the Judicial Review, the process regarding backdating deceased self –funders was being managed in-house and was almost complete;
- The implementation of the non-risk sharing pooled fund arrangements with local authorities was on hold during COVID-19;
- During Quarter 1, one care home in Swansea was being managed under the Escalating Concerns Policy, due to continued issues relating to the poor quality and leadership by nursing staff and management;
- There were significant pressures on the whole sector, particularly within areas of staffing, lack of registrant nurses and financial vulnerability
- From a financial perspective additional funding had provided to local authorities and the health board by Welsh Government for distribution to the care homes according to their claims and occupancy levels and it is anticipated a further tranche of funding will be available post March 2021;
- It was important to highlight, that the financial vulnerability of the care homes is affecting their ability to function and the sector will take time to recover;
- The health board has commissioned an external review of the children’s packages and review of the transition between child and adult to ensure consistency;
- The transforming complex care group had been set up following the KPMG review and this was progressing;
- Risks to highlight to committee include the financial impact as costs were increasing due complexity despite the reduction in cases;
- The continued support from the health board to the care home sector to ensure sustainability and the quality and safety aspect of the position the care homes find themselves in;

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

Martin Sollis queried whether the increase in expenditure in this area was a result of COVID-19 and the need to move patients out of the hospital setting. He asked whether a funding package had been provided to cover this.

Darren Griffiths replied that £2.9m of non-recurrent funding had been made available for those cases related to COVID-19.

Martin Sollis referred to the table on CHC expenditure within the report, and queried whether the health board was comfortable with a potential £60m expenditure forecast for this year. Darren Griffiths replied that the projection sat within the £24.4m forecast and he was comfortable with the figure. He advised there was £4m extra funding expected for next year and actions were being looked at to mitigate the risks of any expenditure increases.

Karen Gronert advised that the types of cases coming through were now more complex and at a higher costs. There had been a reduction in the volume of cases overall but there had been an increase in complex cases and we were seeing around a £2k to £3k increase a week per case. The options were now more limited and there had been an increase in patients asking to be supported in the community setting.

Mark Child raised his concern for the lack of nurse registrants available in the system and he queried what could be done to address this. Karen Gronert replied that the lack of registrants in the system was a key issue and there was work underway looking for sustainable solutions. Employment law had restricted staff from the health board's own bank pool therefore, nurses from outside areas have had to be brought in and that itself posed a risk as some had come from high COVID areas. There was the option for district nurses to provide nursing care but this was causing pressures in other areas. The solutions cannot be short term and there needs to be a plan in place as it is the health board's responsibility to ensure patients are kept safe.

Stephen Spill queried how the independent sector had reacted to the pandemic and whether it had contracted or expanded. Karen Gronert replied that it was also challenged and there was pressure in all areas of the system. The private sector was now accepted as a fundamental part of the health board system. She further advised that the health board was losing care homes and nursing beds due to the issues of recruitment and retention in the sector.

Reena Owen raised her concern for the sustainability of the sector and queried whether this had been placed on the corporate risk register; the impacts on care were particularly concerning. Pam Wenger informed that this was not within the top risks on the corporate risk register but sat within the registers of the services groups. She undertook to escalate this further with the Risk Team and the Service Group.

Karen Gronert left the meeting.

Resolved;

- Pam Wenger to escalate the Care home risk with risk team and service group to establish whether it needs to be higher on the risk register;
- The all Wales agreement on the FNC rate and revised local CHC rate for 2020-21 was **noted**;
- The Health Board's Retrospective Claims team are able to manage the reimbursement of deceased self-funders in house was **noted**;
- The establishment of the Transforming Complex care work programme was **noted**;

PW

07/21

FINANCIAL POSITION

A report providing a detailed analysis of the financial position for month nine was **received**.

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

- The cumulative overspend for month nine was £18.680m with movement of £1.944m in month;
- The health board were on track to deliver the planned £24.4m forecast deficit at year end;
- Pay budgets have reported a £7.705m overspend after nine months. This position was net of the application of £6.831m Welsh Government funding, which supported additional staff costs incurred during Quarter 1;
- There was an underlying £10.010m underspend in Pay which predominantly relates to vacancies which were not fully covered;
- Work would take place to ensure pay budgets are realigned to this level of expenditure in order to maintain and manage the position and to manage service expectations;
- Non-pay budgets have reported an overspend of £28.1m. The overspend includes the planned deficit of £18.3m plus savings non-delivery of £12.6m, less planned investment slippage and cost reductions due to COVID;
- The savings delivery to Month 9 was £4.512m against a planned delivery of £17.117m but the health board was pushing to deliver the £6m savings delivery at year-end;

- The Health Board recorded additional COVID-19 response costs of £8.835m during December 2020, with a cumulative gross expenditure of £85.224m;
- These costs were partially offset by reduced expenditure related to the restriction of planned care activity £10.091m;
- There were currently three Board level financial risks, of which one *Funding for COVID-19* had now been closed;
- The *COVID-19 impact on Capital Resource Limit and Capital Plan for 2020-21* was rated at 15 and remained open;
- The *Residual Cost Base* remained at a rating of 20 as there was a potential for a residual cost base to increase post COVID-19 as a result of changes to service delivery models and ways of working;
- The Welsh Government draft budget for NHS Wales was issued in December 2020 and included £430m additional growth funding;
- There would be £245m held centrally to cover items such as wage awards, education and training and digital. The health board's allocation of this should be confirmed by Summer 2021;

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

Reena Owen commented that she was pleased to see progress made in the re-basing of budgets for staff vacancies. Darren Griffiths advised that the re-basing of staff costs would be part of the re-basing of budgets and would form part of the annual plan.

Reena Owen made reference to the allocation of budgets across the NHS in Wales, proportionately shared out in terms of deprivation within each health board area. She queried whether this was still the way in which budgets would be allocated. Darren Griffiths advised this was still the direction of travel and that some of the allocation would be based on that. Work was currently underway to establish clarity on the health boards cost base and this would follow from there.

In terms of the handling the deficits of health boards in Wales, Darren Griffiths advised that Welsh Government would be working alongside health boards, to ensure that key service decisions are not based solely on the financial element and are based on service need primarily.

Martin Sollis referred to the 2021/22 forward look and the allocation letter received from Welsh Government. He queried whether there had been any clarity in terms of the health board's allocation of the £50m allocated to digital. Darren Griffiths informed that discussions were ongoing with all Wales Directors of Finance in terms of the strategic plan for digital.

Martin Sollis commented that there appeared to be a number of elements of planning process for 2021/22 that needed clarification but the work underway based on assumptions was working well.

Mark Child queried whether COVID-19 had altered the health board's cost base. Darren Griffiths replied that it had and the assumption that this was 1% was a challenging figure. It was important to note that the health board was looking to draw out the benefit of the service changes and good practice during the pandemic, particularly in areas such as outpatients. In areas such as theatres, service efficiencies would be challenging to continue and draw out.

Pam Wenger advised that an in-committee session for the Performance and Finance Committee would be arranged for February to discuss the draft financial plan for 2021-22.

Resolved:

- Members **noted** the agreed 2020/21 financial plan.
- Members **considered** and **commented** upon the Board's financial performance for Period 9 (December) 2020/21, in particular:
 - the revenue outturn position of £18.680m deficit;
 - the COVID-19 revenue impact for Period 9; and
 - the revised £24.405m forecast based on the revised Quarter 3 and 4 planning assumptions.
- The Welsh Government Revenue Allocation letter impact for the Health Board and the financial planning assumptions was **noted**.
- An in-committee session for the Performance and Finance Committee would be arranged for February to discuss the draft financial plan for **PW** 2021-22.

09/21

PERFORMANCE AND FINANCE COMMITTEE WORK PROGRAMME

The work programme for the Performance and Finance Committee was **received** and **noted**.

Pam Wenger advised that work programmes would be re-set within the next two months and they would take account of those outstanding pending actions on the action log.

10/21 FINANCIAL MONITORING RETURN

The Financial Monitoring Return was **received** and **noted**.

11/21 ITEMS FOR REFERRAL TO OTHER COMMITTEES

Items to refer to other committees were discussed earlier in the meeting.

12/21 ANY OTHER BUSINESS

There was no further business and the meeting was closed.

13/21 DATE OF NEXT MEETING

The next scheduled meeting is Tuesday, 23rd February 2021.