

CONFIRMED MINUTES OF THE MEETING OF THE FINANCE AND PERFORMANCE COMMITTEE (OPEN SESSION) HELD ON 13 NOVEMBER 2023 VIA TEAMS

Meeting started at 09:30

PRESENT:

Joga Singh	Non-Executive Director and Chair of Committee
Professor Kevin Davies	Vice Chair of the Board and Non-Executive Director
Bethan Evans	Non-Executive Director
Martin Turner	Non-Executive Director

IN ATTENDANCE:

Julie Boalch	Head of Risk/Deputy Board Secretary
Lee Brooks	Executive Director of Operations
Fflur Jones	Audit Wales
Angela Lewis	Director of People and Culture
Rachel Marsh	Executive Director of Strategy and Planning
Steve Owen	Corporate Governance Officer
Hugh Parry	Trade Union Partner
Alex Payne	Corporate Governance Manager
Felicity Quance	Internal Audit NWSSP
Jonny Sammut	Director of Digital Services
Alexandra Toufekoula	Temporary Senior Commissioning and Performance Analyst
Jonathan Turnbull-Ross	Assistant Director of Quality Governance
Damon Turner	Trade Union Partner
Chris Turley	Executive Director of Finance and Corporate Resources

APOLOGIES:

Osian Lloyd	Head of Internal Audit NWSSP
Trish Mills	Board Secretary
Liam Williams	Executive Director of Quality and Nursing

69/23 PROCEDURAL MATTERS

The Chair welcomed all to the meeting and reminded attendees that the meeting was being audio recorded. Members noted that any declarations of interest were contained within the Trust's Register of Interests.

Apologies

Apologies were recorded for Osian Lloyd, Trish Mills and Liam Williams.

Minutes

The minutes of the open session held on 18 September 2023 were considered by the Committee and confirmed as a correct record.

Action Log

The Action log was considered, and the following actions were recorded as follows:

Action Number: Action Number 57/23: Financial Position, update on confirmation of the £5.7m funding. An update was provided later on in the Agenda. Action Closed.

Action Number: 58/23: Financial Sustainability Programme, updates to be received on a quarterly basis. Action Closed.

Committee Highlight Report – 18 September 2023

The Committee highlight report from the 18 September 2023 Committee meeting was presented for the Committee's attention.

RESOLVED: The

- (1) Minutes of the meeting held on 18 September 2023 were confirmed as a correct record;**
- (2) Action log was considered and updated as described; and**
- (3) The Committee highlight report dated 18 September 2023 was presented for information.**

70/23 FINANCIAL SUSTAINABILITY PROGRAMME

Angela Lewis presented the Committee with an update on the Financial Sustainability Programme (FSP) adding that it will be a regular quarterly update going forward..

Good progress has been made; as of the end of Q2 2023/24 the Trust was targeted to achieve the targeted £6m savings through ongoing efficiency and income schemes, with an overachievement of £419K vs forecast in month 5 which increased to £521K in month 6. This position was likely to be offset by Winter pressure spending, however. There was a commitment across the organisation to consider further income generation opportunities throughout 2023/24 and there was significant engagement and commitment across the Trust on the delivery of the FSP.

Comments:

The Committee welcomed this positive direction of travel and queried if a risk analysis had been completed to identify any potential pitfalls. Angela Lewis gave assurance that any potential risks were considered adding that the relevant scrutiny and governance channels are applied before committing to any schemes. The Committee also recognised that to sustain this current level of income generation the Trust may have to push the boundaries around risk appetite.

It was queried whether the vacancy management savings scheme of c£2.3m was a permanent measure and sought clarity in terms of this and whether it would feature going forward. Angela Lewis explained that all the front line posts have been filled, however it was more challenging to achieve in the corporate roles. She added it was a relatively light touch approach to vacancy management and was being managed to ensure front line staff were not affected but that it has had a significant impact on vacancy management. Chris Turley added that the vacancy management aspect had been part of the savings plan over the last 10 years and that the Recruitment Control Panel has supported the delivery of the FSP. Trust reserved the right to move the budget allocations where significant vacancies may arise, and it was a permanent feature of the savings requirement.

With regards to income generation, the Trust was not used to operating in a more commercial environment, and the Committee queried if there was any mileage in liaising with organisations with a more commercial view. Angela Lewis advised that she had met with some commercial organisations and asked for Members to share particularly in a value-based environment organisation if they had any connections or ideas.

RESOLVED: That the Committee noted the report.

71/23 FINANCIAL POSITION MONTH 7, 2023/24

The Committee received an update in the form of a presentation from Chris Turley on the financial position for Month seven, 2023/24. The key points were:

- 1) The cumulative year to date (at Month 7 end of October 23) revenue financial position reported was an underspend against budget of £0.108m.
- 2) The Income and Expenditure forecast for 2023/24 is one of breakeven.
- 3) The Capital plan was being progressed and current planned expenditure of £20.6m was forecast to be fully spent by the end of the financial year.
- 4) In line with the financial savings plans that supported the Integrated Medium Term Plan (IMTP), gross savings of £4.3m have been achieved against a year-to-date target of £3.7m.

- 5) Public Sector Payment Policy was on track with cumulative performance to quarter 2, against a target of 95%, of 96.4% for the number, and 98.6% of the value of non-NHS invoices paid within 30 days.

In terms of key assumptions underpinning the year-to-date financial performance the Committee's attention was drawn to the following points:

- 1) At Month 7 these, remained broadly in line with that within the March approved IMTP/Trust Board financial plan and budget set.
- 2) Full delivery of c£6m identified savings now assumed and forecast to deliver this as a minimum in 2023/24.
- 3) A level of contingency & reserves not profiled into the month 7 year to date (YTD) position due to the income risks currently outstanding / only just confirmed.
- 4) Full impact of the residual pay awards for 2022/23 and 2023/24 and any recurrent impact for 2023/24 of the 2022/23 elements were assumed to be fully funded by Welsh Government (WG).
- 5) Following confirmation from WG in early November the Trust was not required to contribute anything more to the overall NHS Wales deficit.
- 6) With regards to the £5.7m funding for the 100 WTE, the funding confirmed in year was £3.5m. The associated risk around the receipt of the balance of the £5.7m has therefore been removed, as it was accepted that the balance of this sum will not be received. The Trust was still able to deliver a year to date and forecast balanced financial position however, due to the following:
 - a. A number of short term vacancies materialising within the 100 / overall front line funded establishment;
 - b. The greater volatility experienced in seeking to cover some of these through variable pay, with some of the uptake of this not being as great as may have been expected;
 - c. The holding of a contingency reserve and a small number of other budgets later into the financial year than is usual due to the previous potential of having some element of funding reduction in year to contribute to the wider NHS Wales deficit reduction. Now it has been confirmed that this is not required, this is available to offset elements of spend previously assumed out of the £2m outstanding funding, and
 - d. An increasingly likelihood of over delivery against the Trust's savings target in year

Members were therefore assured that the Trust was still able to forecast delivery of in year balance due to prudent and cautious financial management. The recurring impact of this will be demonstrated in the 2024/25 financial planning discussions but the current assumption was that the full £5.7m will be required on an ongoing basis.

The Committee noted that Capital spend was mostly on track, following the fixing of the 23/24 Capital Expenditure Limit;

- 1) Orders and tenders being processed for new schemes; and
- 2) There were noticeable cost pressures being felt across all schemes, this was being reviewed monthly, with cost reports being analysed by scheme owners / project managers then "Value Engineer" when possible, however some of these costs were unavoidable and were therefore adding to cost pressures for some projects.;

Comments:

Following a query into any savings requirements for the next financial year, Chris Turley advised that the focus on all NHS organisations was currently on this year's savings. He added that the amount would be similar to 2023/24 and would be in the region of £6m. Chris Turley explained the challenges, the service pressures and ongoing risks which would affect the savings plan. He added that a report presenting the approach and assumptions for budget setting for 2024/25 would be brought to the next Committee meeting.

It was queried whether there was a true sense of what the irreducible minimum funding was to run a safe service against the risk of the Trust's ambitions going forward. Rachel Marsh explained that work was ongoing to articulate this through the demand and capacity review, but with no extra money the Trust will struggle to transform at pace. She added this would form part of the discussion with Commissioners.

RESOLVED: The Committee:

- (1) Noted the financial position for month 7, 2023/24;**
- (2) It was agreed that a report presenting the approach and assumptions for budget setting for 2024/25 would be brought to the next Committee meeting; and**
- (3) Noted the update regarding the financial risks and it was accepted that the balance of the £5.7m would not be received, whilst also noting the ways in which the Trust will still be able to forecast a balanced position by financial year end.**

72/23 VALUE BASED HEALTHCARE REPORT

Chris Turley explained that the report set out the current position of the Value Based Healthcare (VBHC) Working Group.

The work programme included the following seven workstreams – Patient Recorded Outcome Measures (PROMS), Patient Data Linkage, Patient Recorded Experience Measures (PREMS), Patient Level Information and Costing System (PLICS), Revenue Business Case

Process, Evaluation Framework & Methodology, and Benchmarking.

All the workstreams were progressing well and the Benchmarking work is due to recommence in November 2023 subject to capacity.

Rachel Marsh added that the Trust was developing a VBHC framework to determine the purpose and direction of VBHC which will demonstrate the difference the Trust was making to patients.

RESOLVED: The Committee noted the position and progress on developing Value Based Healthcare within the Trust.

73/23 TACTICAL FORECASTING & MODELLING (WINTER) – 2023/24

Rachel Marsh presented the Winter Forecasting and Modelling Report for 2023/24 which was based on a range of factors including demand, time at hospital, resource capacity and a variety of operational changes and improvements such as roll out of Cymru High Acuity Response Unit (CHARU), increases in consult and close rates, and reductions in sickness absence.

The Trust asked OMDA (Optima) to forecast performance for four separate winter periods in 2023/24.

- Sunday 1st October – Thursday 30th November 2023 ("Oct/Nov");
- Friday 1st December – Saturday 6th January 2024 ("DecJan1");
- Sunday 7th January – Thursday 29th February 2024 ("Jan234Feb"); and
- Friday 1st March – Sunday 31st March 2024 ("Mar").

In each of the above periods three scenarios had been created for each period. Best case, Most Likely Scenario, and Reasonable Worst Case. The 'Most Likely Scenario' within the modelling estimates a Red 8-minute performance of 50% for October & November, declining to 45% in December and early January, before recovering in the New Year. The modelling estimates that the 65% Red 8-minute target will not be achieved at any point through the Winter, with Amber waits also being too long.

Most of the performance metrics were far worse than the Trust would consider acceptable and the '% RED 8mins' performance target (65%) failed to be met in any scenario. These results would be shared with Commissioners to advise them of the impact over the Winter period.

The Trust has several short and long-term actions in place to mitigate this position, and a fuller report will be taken to the Trust Board in November outlining the full plans to improve responses and mitigate harm. The continually challenging situation influenced by worsening handover delays and system pressures was noted by the Committee.

The direct relationship between worsening performance and patient safety and outcomes was acknowledged; with the forecasting presented giving rise for significant concern for patient safety risk and avoidable harm during the Winter period.

Comments:

Members expressed their ongoing frustration across the whole system as there appeared to be no meaningful traction for any improvements, and as the modelling suggests the same challenges from last Winter will again be inevitable.

Rachel Marsh indicated that it was unlikely there would be any improvement to the overall performance given the mitigating actions were mostly outside of the Trust's control. From the Trust's perspective, it was important to demonstrate the actions it was able to deliver.

It was accepted that the long waits for an ambulance were not always the fault of the Trust given the exceptionally long hospital handover delays. There will be an opportunity at the next Emergency Ambulance Services Committee (EASC) meeting for the Trust to present a case for what it could do differently to improve the situation.

Lee Brooks accepted that the modelling has shown that the Winter was not necessarily about achieving the 65% target, it is about keeping as many patients as possible as safe as possible. He added that there were currently delays at hospitals reaching 15 hours where the backstop has been a maximum of 4 hours. From what the current data was showing, the position was worsening.

The Committee acknowledged that the most important aspect of this discussion was that the safety of patients and staff was the overriding priority for the Trust throughout the Winter period, and that the Trust is taking all action within its control to mitigate the risk of avoidable harm to patients.

Rachel Marsh explained the process involved in how particular scenarios were modelled and advised it was part of a collective discussion across several Directorates within the Trust, whereby numerous assumptions were considered.

Members expressed their concern the impact and the detrimental effect this would have on staff, particularly frontline staff, should this modelling assumption for Winter be correct. The Committee was keen to understand the outcome of the discussions of the modelling report at the upcoming meeting of EASC, given the dependency the Trust has on system partners to influence and improve the position.

The Committee felt that some of the assumptions appeared to be optimistic and queried which scenario the Trust was operating to. Rachel Marsh commented that the Trust was operating between the most likely scenario and the reasonable worst-case scenario, due to handovers being worse than predicted.

Members recognised that the worsening situation would inevitably incur significant avoidable harm to patients and reiterated their concerns. A more detailed report would be presented to the Board at its meeting on 23 November, particularly with more narrative and explanation concerning the assumptions around the modelling.

RESOLVED: The Committee

- (1) NOTED the outputs from the latest modelling and implied patient safety risk; and**
- (2) NOTED the Trust has in place plans to improve response times and mitigate harm where this was possible, with a fuller report to come to Board.**

74/23 RISK MANAGEMENT AND CORPORATE RISK REGISTER

Julie Boalch updated the Committee on the position of the eight principal risks assigned to it for monitoring, and additionally the Trust's 2 highest scoring risks which were assigned to the Quality, Safety & Patient Experience Committee (QuEST) for oversight. All scores remaining static following Executive Leadership Team (ELT) review and were current as at 1 September 2023 due to the risks having been reviewed throughout October.

The principal risks were presented to the Trust Board on 28 September 2023 and whilst each principal risk has been reviewed during October 2023 in line with the agreed schedule, a full refreshed update will be presented to Trust Board on 23 November 2023.

The Committee also noted the Trust's two highest scoring risks 223 (The Trust's inability to reach patients in the community causing patient harm and death) and 224 (Significant handover delays outside A&E departments impacts on access to definitive care being delayed and affects the trust's ability to provide a safe and effective service), whilst continuing to be discussed at length at several Committees and the Trust Board, remained at a score of 25.

RESOLVED: The Committee considered the contents of the Risk Management report.

75/23 AUDIT RECOMMENDATION TRACKER

Alex Payne explained that the Tracker had been revised and updated for Quarter two. Engagement with all Directorates had been excellent with 37% of the management actions closed in Quarter two.

The current Tracker was now open for Directorates to review and update for reporting in January and February. There has been good progress working with the Centre of Excellence in Digital Health and Care Wales (DHCW) in building 'Tracker 3.0' which will be the SharePoint solution for the Tracker. Internal testing was currently underway and it was anticipated this would be ready by the end of the financial year.

As the recommendations state, the Committee is asked to review and monitor actions which have been updated, noting that the revised dates were annotated in blue, and to note the proposal for closer scrutiny of the impact of the actions response to audit recommendations going forward.

RESOLVED: The Committee;

- (1) Monitored management actions to address recommendations in the Tracker, noting any revised dates for actions (in blue); and**
- (2) Noted the proposal for closer scrutiny of the impact of actions in response to audit recommendations.**

76/23 INTEGRATED MEDIUM TERM PLAN (IMTP) 2023 -2026 - CONFIRMED END OF Q1/Q2 DELIVERY AND ASSURANCE POSITION AND Q3 INTERIM UPDATE

Rachel Marsh introduced the report announcing that the Trust Integrated Medium-Term 2023-26 had been approved by Welsh Government (WG) on 12 September 2023. Since the approval, the Director General for Health and Social Services has issued several Accountability Conditions as listed below:

- 1) Demonstrate delivery of a robust savings plan supported by an opportunities pipeline to maximise its improvement trajectory and develop robust mitigating actions to manage financial risks.
- 2) Demonstrate actions are being taken to mitigate expenditure in volume and inflationary growth pressures beyond funded levels, as far as possible, throughout the financial year to ensure you maintain financial balance.
- 3) Demonstrate actions are being taken to mitigate any residual costs in relation to the legacy of COVID.
- 4) Continue to make progress with the organisations' approach to allocative value and the population health resource agenda where possible.

The Trust was expected by WG to deliver its commitments in the IMTP against Ministerial priorities that were relevant to the Trust. These were set out in the related reported appendices.

Comments:

Members welcomed the good progress being made and were pleased that the new mental health pathway was due to be piloted in the Aneurin Bevan University Health Board area. Rachel Marsh advised there was no start date yet and once commenced, it should provide the impetus to be more widely rolled out across Wales.

RESOLVED: The Committee noted the update against the Trust's IMTP 2023-26 delivery governance and assurance mechanisms and that the IMTP was approved by WG on the 12 September 2023.

77/23 INTEGRATED MEDIUM TERM PLAN 2024 -2027 PROGRESS IN DEVELOPING THE PLAN

Rachel Marsh reminded the Committee it was a legal requirement that NHS Health Boards and Trusts in Wales must submit to Welsh Government an IMTP covering three years, refreshed annually. However, importantly for the Trust it was also the way in which it set

out the priorities over the next three years for achieving its long-term strategic objectives and deliver the transformation that needs to happen to improve its services, but closely aligned to the commissioning intentions for EMS, NEPTS and 111.

Rachel Marsh assured the Committee that the planning was under way in developing next the IMTP for 2024-27 and the workstreams for development include engagement, gathering intelligence, developing and agreeing priorities, integrated technical planning, writing the plan, and the governance, assurance and approval process. A recent Board Development session also discussed the contents of the plan, with further days scheduled for more discussion.

The planning cycle runs from June 2023 to March 2024, and it was expected the IMTP would be submitted to WG on 28 March 2024 after approval by the Trust Board on the same date.

RESOLVED: The Committee:

- (1) Noted the overall progress in developing the IMTP;**
- (2) Noted the approach and timelines set out in the report; and**

78/23 MONTHLY INTEGRATED QUALITY PERFORMANCE REPORT

The Monthly Integrated Quality and Performance Report (MIQPR) for September/October 2023 was presented by Rachel Marsh who drew the Committee's attention to the following points:

There has been sustained improvement of the 111 service throughout 2023 with abandonment rates and call answer times achieving the best performance since February 2022. 67.6% of calls were being answered within 60 seconds (although this remained significantly below the target of 95%.

The Red 8-minute response performance for October 2023 was 47.2%, a slight drop when compared to September 2023, below the 65% target and the fourth consecutive month to record a decrease. However, there was another monthly increase in the number of Red incidents that were actually attended within 8-minutes, rising to 2,277 in October 2023.

Initiatives to improve these response times included the Connected Support Cymru service in partnership with St John Cymru, and also the introduction of Community Welfare Responders who are volunteers in the Community providing additional clinical data to clinicians, enabling them to make better decisions in terms of suitable pathways and avoiding the need to transport some patients to hospital.

One of the key factors in relation to response times is the capacity lost to handover outside Emergency Departments. 23,232 hours were lost during October 2023, a significant increase compared to the already extreme 19,610 hours lost in September 2023 and the fourth monthly increase in a row.

Overall demand for Non-Emergency Patient Transfer Service (NEPTS) continued to increase but remained below pre-pandemic levels. Oncology performance remained below the 70% target in October 2023 (65.4%). Renal performance also decreased to 72.7%, as did discharge journey performance declining slightly to 76% (target 90%).

The Trust produced 122, 050 Ambulance Response unit hours in October 2023, which was an increase from 113, 421 in September. Emergency ambulance unit hours produced (UHP) was 93% in October which was an improvement, but this failed to achieve the 95% target. A factor in the ability to put out more hours was the improvement in sickness absence.

The Performance and Development Review (PADR) compliance rates of 70% for September did not achieve the target of 85%. The Operations Directorate Management Team have been asked to focus on completion of PADR's before the end of December.

Comments:

Lee Brooks commented on the following points:

The percentage of 111 calls answered in Welsh was higher than 1% advising it was probably an issue with scaling and was hopeful there would be an upward trend.

He also commented on the PADR rates adding that a deep dive was due to be undertaken in the People and Culture committee. He added that in readiness for that his staff have been encouraged to make a concerted effort for PADR completion before December.

In terms of the overruns, it had been disappointing to see to see how that's now trending worse now after a period of improvement. The management team in Operations will be focusing on the end of shift experience for staff.

The extraordinary incident declared on the 22 October 2023 was noted. The Committee noted the position with Immediate Release Directives (IRD) and that for October 2023, 173 Red IRDs were accepted and 11 declined, and 1,199 Amber IRDS were accepted and 311 declined. The position was extremely challenging with a 28-hour handover delay at Morriston Hospital being the worst case. Since then, Morriston Hospital have initiated a 10-hour backstop as opposed to the previously agreed 4-hour backstop.

There had also been a Business Continuity Incident recently declared at Cardiff and the Vale University Health Board for which there had been negligible impact on the Trust.

Comments:

Members expressed their disappointment with Immediate Release Directives, in that over 60% of Amber 1 requests were declined, and this clearly had a direct impact on the Trust's 2 highest scoring risks. The Committee also recognised the improvement in the reduction of sickness absences rates, noting the continued improvement in October.

RESOLVED: The Committee considered the September/October 2023 Integrated Quality and Performance Report and actions being taken and determined that it report provided sufficient assurance.

79/23 DIGITAL REPORTING

Jonny Sammut explained that the report was the second publication of the Digital Key Performance Indicators (KPIs) relating to Data and Analytics, ICT systems, Service provision and IMTP contributions covering the period 1 April 2023 to 30 September 2023. There were still some metrics that were currently being developed.

In terms of Data Analytics, the Trust was considering if there was any self-serve capability that could be brought into the new reporting platform as part of the migration plan. With regards to ICT systems the Trust has achieved a green availability status for the last couple of months which was positive.

The use of Robotic Process Automation (RPA) has benefited the Trust, 28 Service desk hours were saved during September. More opportunities were being considered to improve this.

The number of requests for being received by the ICT Service Desk continue to be extremely high and these ranged from password resets to laptop issues. The total received in September was 1,670. A review into the number of requests was being conducted with the intention to share these results at a future meeting.

In terms of key projects, work on the installation of Mobile Data Terminals into vehicles was progressing well. And also, the data linkage work which brings data sets together was in the process of being rescoped.

This month's spotlight was on Directory of Services. There were some existing challenges around a single data feed for pharmacy information which had resulted on poor feedback from users regarding the quality of information. Following liaison with Health Boards, the Trust's application team have integrated another data set to improve the pharmacy information. This will provide better and more accurate patient information which should reduce call backs in to the 111 service. Going forward the Trust was looking to create an all-Wales Directory of Services as part of the wider strategy refresh.

RESOLVED: The Finance & Performance Committee noted the contents of the accompanying report and the trends in metrics presented.

80/23 BUSINESS CONTINUITY ANNUAL REPORT

The Committee were assured that the necessary plans and business continuity arrangements were in place for the most significant risks. The Trust also holds plans for terror attacks, disruption of telecommunications, extremes of weather, flooding, pandemics, and cyber impact amongst others, which have been reviewed and updated.

Incidents such as the cyber-attack on Advanced (the provider of Adastra), telecoms outages affecting EMS-C, and Industrial Action have tested the Trust's preparedness to respond to disruption.

From an exercise perspective the Trust was involved with Exercise Mighty Oak, which simulated a 3-day national power outage session up to and including UK Government level.

There have been several actions identified throughout the report and this includes the need to improve the reporting arrangements of the Business Continuity Steering Group.

The report will be attached to the AAA report from this meeting for the Board's information at its meeting in November. The Committee noted that the recommendations in the report had already been approved by the Executive Leadership Team.

RESOLVED: The Committee RECEIVED the report on business continuity and progress over the last year, noting that the Executive Leadership Team have been asked to approve the recommendations in the paper and the Board will receive a copy for awareness at its next meeting.

81/23 CYCLE OF BUSINESS MONITORING REPORT AND REVIEW OF COMMITTEE PRIORITIES

The report was noted for information.

RESOLVED: The Committee noted the report.

82/23 REFLECTION: SUMMARY OF DECISIONS AND ACTIONS

The Chair thanked all authors and presenters for their reports noting there had been some several positives throughout.

83/23 ANY OTHER BUSINESS

None.

Meeting concluded at 12:05

Date of Next Meeting: 15 January 2024.