

**PWYLLGOR ARCHWILIO A SICRWYDD RISG
AUDIT AND RISK ASSURANCE COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	15 August 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Report on the Health Board's Escalation Status and Update from the TI Meeting held 21 June 2023
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Steve Moore, Chief Executive
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Director of Corporate Governance Sonja Wright, COVID-19 Response and Business Support

Pwrpas yr Adroddiad (dewiswch fel yn addas) Purpose of the Report (select as appropriate)
Er Sicrwydd/For Assurance

**ADRODDIAD SCAA
SBAR REPORT**

Sefyllfa / Situation

The purpose of this report is to update Audit & Risk Assurance Committee (ARAC) members in regard to the Targeted Intervention (TI) Meeting held with Welsh Government (WG) on 21 June 2023.

Cefndir / Background

The TI meeting was the third of a series of quarterly progress meetings with WG which had been scheduled following the TI Inception meeting held on 27 October 2022.

Information from this meeting is routinely shared with Board Members, ARAC and the Board in public session.

Asesiad / Assessment

Targeted Intervention Meeting: 21 June 2023

Updates were provided by the Health Board and by WG in respect of the following areas of TI and Enhanced Monitoring:

Independent Peer Review of Integrated Planning

An Independent Peer Review of Integrated Planning within Hywel Dda University Health Board (HDdUHB) had been undertaken in March 2023, having been commissioned as one of the actions included in the TI Framework. The review specifically addressed integrated planning capacity and capability within the HB, both in terms of Integrated Medium-Term Plan (IMTP) planning and capital planning, and the organisation's approach to developing its plans and associated decision-making mechanisms.

While it highlighted the widespread commitment within the organisation to deliver its strategy and noted the ambition of senior leadership to strengthen planning, the review reiterated points which had previously been raised by WG, Audit Wales and KPMG:

- A need for clarity regarding how the HB's strategy would be delivered.

- A disconnect between the HB's planning and delivery of plans.
- The need to address Integrated planning capacity within the HB.
- The need to triangulate finance, workforce and delivery elements.

The review report made the following recommendations:

- The HB should establish an operating model for managing and delivering change (noting that a blueprint for an integrated planning system had been provided in the report, which was recommended for adoption).
- An effective means should be developed for strengthening and supporting planning by operational teams, providing clear pathways for translating strategy to implementation plans. A clear route map for delivering the HB's strategy was required.
- The HB should review and strengthen internal processes for evaluating and acting upon feedback from WG and other independent sources.

WG noted that a response to the review's finding was being developed by the HB, to include actions to meet the recommendations and it was noted that some measures had already been put in place. WG suggested that the HB investigate how capacity and planning expertise available within other areas of the organisation could be utilised more effectively in an integrated planning context.

Planning

WG was informed that good progress was being achieved in relation to many TI deliverables, allowing the organisation to focus upon more challenging actions and noted that an Internal Audit review of the HB's processes relating to closure of outstanding TI and Enhanced Monitoring actions had been undertaken, which had provided overall assurance regarding the organisation's decision-making processes. WG was advised that key issues outstanding had been consolidated within a series of 'master' actions in order to provide a clear summary for both the HB and WG, these issues mainly relating to the HB's ability to produce a IMTP and to develop a route map to financial sustainability.

Progress made by the HB against TI deliverables was described in terms of:

- Monthly progress meetings set up with the WG Planning Team, which were proving helpful in identifying further work required.
- Self-assessment against the Maturity Matrix, providing a baseline upon which the HB could identify the steps required to develop its planning processes.
- Substantial work undertaken in developing the HB's engagement processes to inform the transformation and reshaping of service.
- Completion of the peer review of integrated planning.

The following outstanding deliverables which the HB would address were highlighted:

- Evidencing improved integrated planning across the organisation to develop an approvable IMTP for 2023-26, providing a route map towards the HB's longer-term ambition (as set out in its Programme Business Case).
- Strengthening the planning process by commencing the process earlier in the year and implementing robust budget setting principles.
- Implementing the recommendations of the peer review exercises.

- Delivering a credible annual plan as a stepping-stone towards a full and financially balanced IMTP.
- Developing the organisation's clinical services plan within an agreed timeline.

In respect of the review's findings, WG commented that triangulation of service, workforce and finance plans had not been made explicit within the key planning themes identified by the HB and stated that further discussion would be required to explore how these could be more clearly articulated. WG further recommended that the consolidation of themes and recommendations should not be based solely upon the development of an action plan and a series of tasks but on understanding 'what success looked like' and identification of what the organisation wished to achieve in terms of a planning system.

Finance

A status update was provided in relation to the 4 key deliverables which had originally been summarised within the finance TI Framework:

- Identification of deficit drivers from £25m to £62m: work had been completed and signed off in the last TI meeting held 17 March 2023.
- Opportunities Framework to be continually updated and communicated to influence and inform decision-making: in progress.
- Health Board Delivery Framework: remaining actions had been consolidated within a series of master actions which had been linked to broader delivery and performance assurance arrangements within the HB. Operational structural work was being undertaken by the Operations Team.
- Review financial management arrangements: a review process had been undertaken with Finance Delivery Unit (FDU) colleagues.

WG was advised that the HB's governance arrangements had been refreshed to ensure that the Executive Team was fully focused upon the recovery actions needed to deliver the organisation's Annual Plan, with a communications plan to ensure wider engagement across the HB and with partners and a Core Executive Delivery Group meeting weekly to consider challenges to delivery of the Plan, issues relating to delivery of the HB's savings plans and new opportunities arising which could be translated into deliverable actions.

WG was assured that work had been undertaken to develop and articulate financial management principles and to document existing principles and noted that these principles had been subject to review by the NHS Executive Financial Planning and Delivery Team, including comparison against best practice, and that work was underway to embed them within the organisation.

WG was informed that KPMG work had been finalised and that a large number of actions arising from the KPMG review which had been paused during COVID had been consolidated into master actions, together with actions from the Audit Wales Structured Assessment review 2022. WG noted that 'Reasonable Assurance' had been received from an Internal Audit review of the HB's financial management arrangements, which had been reviewed in the Audit and Risk Assurance Committee meeting held on 20 June 2020.

WG noted the Director of Finance's proposal that the HB was now in a position to close the work relating to financial management principles and to mark this as complete within the TI Deliverables Framework. WG was assured that financial arrangements would thereafter be regularly subject to internal review and audit under the HB's governance arrangements.

WG also noted that the Chair was exploring the possibility of asking the Minister for approval to appoint some additional support to the Independent Members to provide assurance on finance.

WG was assured regarding progress in the key TI deliverable relating to the HB's Opportunities Framework, being informed that this had been implemented as part of the HB's 2023-24 planning, with the main learning point for the organisation arising from this process being the need to hold conversations with operational teams regarding potential opportunities much earlier in the cycle to ensure that these were embedded within the planning framework.

In regard to savings, WG was advised that HB Executives had agreed 4 key actions: no travel and accommodation payments would be made for new bookings for on- and off-framework agency nurses (a saving of around £2.4m), no specialist rates would be paid in non-specialist areas for new bookings, no new Thornbury Nurse bookings would be made more than 24 hours before shift requirement (excluding Paediatrics) and a ban on the use of agency Health Care Support Workers.

While recognising progress made in the development of financial management principles, WG observed that challenges remained relating to the effectiveness of compliance assurance processes and commented that it was difficult to recognise the HB as an organisation with effective financial controls, given the challenges in its cost base. Noting that it would be useful for WG to gain an insight into the translation of opportunities to savings, it was agreed that a summary of identified opportunities and progress made against each of these would be provided at the next TI meeting on 19 September 2023.

Enhanced Monitoring

WG acknowledged the performance improvements within the Planned Care element of Enhanced Monitoring (EM), with progress made throughout the year in relation to 52-week and 104-week outpatient and total pathway wait reductions and considered that the HB could make planned improvements and achieve ministerial priorities in this area.

In terms of Urgent and Emergency Care, WG noted that while progress had been made against the zero longer than 4-hour ambulance handover delay targets in Witherby Hospital, Bronglais Hospital and Prince Philip Hospital, challenges remained in Glangwili Hospital, which represented a concern for WG and a challenge to de-escalation.

WG confirmed that although it had been hoped that Cancer targets would be met, the HB was still missing its target trajectory for reductions in waiting lists, and de-escalation could not therefore be considered at this point.

Some progress was noted in all Mental Health measures, with the HB being in a significantly better position than it had been at the same point in 2022-23, recognising however that it would take some time for improvement measures to impact upon performance.

WG confirmed that there were at this point no areas which could be considered for de-escalation from EM status.

C-Difficile

WG noted sustained reductions in incidence of C-Difficile within the HB achieved since January 2023 (performance having returned to pre 2022/23 levels) and was assured that work to further reduce rates during 2023/24 was being progressed.

WG advised that continuous improvement needed to be reflected in the HB's C-Difficile trajectory, in which case discussions could be held around September 2023 in regard to possible de-escalation, recognising the substantial amount of work which had been undertaken in what had traditionally been a very challenging area for the organisation.

Targeted Support

WG was informed that the HB had identified 3 broad areas in which additional central support might be required (recognising capacity and resourcing challenges which WG currently faced):

- Planning capacity and capability (incorporating work upon the Clinical Services Plan)
- Operational Delivery Unit
- Digital transformation

It was confirmed that the CEO would write to WG providing further detail relating to the requests, including proposed timescales.

Progress against TI De-escalation Criteria

WG explained that the HB should not expect a significant level of de-escalation to be recommended in the next Tripartite meeting (30 June 2023) and confirmed that no areas were being put forward for consideration for de-escalation at this meeting, given that those areas in which improvements had been demonstrated did not link to TI de-escalation criteria. The HB was further advised that given the HB's current position relating to finance and planning TIs, it was unlikely that de-escalation would be considered in the following Tripartite meeting on 19 September 2023, and recommended that the HB therefore managed its expectations regarding de-escalation timescales.

WG confirmed that following discussion and feedback in the Tripartite meeting on 30 June 2023, de-escalation criteria would be further clarified, particularly those relating to EM, and highlighted the need for the HB to demonstrate sustained target achievement in order to meet these criteria.

Argymhelliad / Recommendation

The Audit & Risk Assurance Committee is asked to **NOTE** the update from the TI meeting held on 21 June 2022 and the summary response provided by the Chief Executive NHS Wales (**Appendix 1**)

Amcanion: (rhaid cwblhau)	
Objectives: (must be completed)	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.24 The Committee shall request and review reports and positive assurances from directors and managers on the overall arrangements for governance, risk management and internal control.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference & Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives:	9. All HDdUHB Well-being Objectives apply

Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	Not Applicable
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Notes of the meeting. WG Summary Notes following Meeting at Appendix 1
Rhestr Termiau: Glossary of Terms:	Included within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg Parties / Committees consulted prior to Audit and Risk Assurance Committee:	HDdUHB Executive Team

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Any issues are identified in the report.
Ansawdd / Gofal Claf: Quality / Patient Care:	Any issues are identified in the report.
Gweithlu: Workforce:	Any issues are identified in the report.
Risg: Risk:	Ensuring that ARAC is sighted on key areas of its business, and on national strategic priorities and issues, is essential to assurance processes and related risks.
Cyfreithiol: Legal:	Any issues are identified in the report.
Enw Da: Reputational:	Any issues are identified in the report.
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	<ul style="list-style-type: none"> • Has EqIA screening been undertaken? Not on the Report • Has a full EqIA been undertaken? Not on the Report

Cyfarwyddwr Cyffredinol Iechyd a Gwasanaethau Cymdeithasol/
Prif Weithredwr GIG Cymru
Grŵp Iechyd a Gwasanaethau Cymdeithasol

Director General Health and Social Services/
NHS Wales Chief Executive
Health and Social Services Group



Llywodraeth Cymru
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Our Ref: JP/MR/SB

5 July 2023

Dear Steve

Targeted Intervention meeting

I am writing following the TI meeting that was held on 21 June 2023. As you were unable to attend, Phil Kloer led the meeting on your behalf. Thank you for the slide pack that forms an important part of the record.

I noted apologies from Mandy Rayani and Andrew Carruthers from the health board, and Sue Tranka, Chris Jones and Helen Arthur from Welsh Government. The note of the meeting held on 17 March was agreed. In response to the actions from the previous meeting, it was noted that these had been included in the slide deck, but for clarity the following was noted:

Action 1 – consultation on the centralisation of urgent and emergency paediatrics; the consultation period opened at the end of May and will run until 24 August. It was reported there are a number of engagement events and meetings taking place and a final report will be taken to the Board later in the year.

Action 2 – learning from the peer review and clinical services plan. This was on the agenda, though it was noted that Nuffield were going to do a review of the clinical services plan and the first engagement meeting with them was scheduled for the end of the week. The final report is expected to be received at the end of August.

Action 3 – health board to provide an update on feedback from Arcus – this was contained within the paperwork for the meeting.

Action 4 - Welsh Government to work with health board to consider how we undertake an expert review of neurodevelopmental services – Terms of reference have been agreed with the health board and DU for a review of psychological therapies.

We then moved on to the main agenda items, starting with the independent peer review of planning that was carried out by Sally Attwood. The report contained a great deal of information, and it was noted Sally welcomed the engagement from the organisation. The key issue confirmed in the review was how to embed and integrate integrated planning across the organisation and to triangulate performance, and quality with workforce and finance. The report also identified an issue with planning capacity across the organisation. There is only a small team in the health board dealing with planning, but there is capacity in other areas of the health board that could be utilised more effectively. In summary, there were no new issues identified, but we now have a better understanding of the issues. There were also two positives identified firstly that there is a clear commitment to strategy and secondly the senior team's commitment to planning.

The report makes three recommendations. The action from this meeting is to accept the review and for the health board to consider its response through an agreed action plan.

I noted that you have already started to put some of the measures in place and wanted to thank Sally for the review and for being responsive to some of the health board recommendations and to thank Welsh Government colleagues for their support.

On planning more generally, you continue to meet regularly with the Welsh Government team. You have developed a planning maturity matrix and this has given you a baseline to work from. You recognise there is further work to be completed against several of the areas in the maturity matrix and you are focussing on six key themes that will help describe the improvement journey and this was set out in the slides. You are engaging with colleagues across the health board, as well as with the public. In relation to the peer review, an action plan is being developed and you are aiming to consolidate a number of recent action plans into one master plan, as they all have similar recommendations. It will be important to get the triangulation and integrated planning right going forward and this will help to understand what success looks like.

In terms of the peer review, we will need to be clear of the actions identified under the six pillars and to receive reassurance that some of the actions are already underway by the time of the next meeting in September.

Action: Health board to write to Welsh Government accepting the recommendations outlined in the Peer review and include an action plan and timelines on the implementation of the six pillars.

Huw provided an update on the work being undertaken on finance under TI. The health board has consolidated the delivery framework into a master document linked to broader delivery and performance assurance. There has been further work undertaken with the FDU. It was reported the Chair of the health board is exploring the possibility of asking the Minister for approval to appoint some additional support to the Independent Members to provide assurance on finance.

Action: Health board to copy WG into the letter that goes to the Minister to seek approval for appointment of support for Independent Members.

It was reported the health board has refreshed the governance arrangements to ensure you are focussed on the recovery actions to deliver the annual plan. You have a communications plan to ensure there is the wider engagement across the health board and with partners and you continue to have regular touchpoint meetings with colleagues from the former FDU and wanted to thank them for the support offered.

You continue to work on embedding the financial management principles across the organisation and they have been through an assessment by the FDU. On the KPMG work, there were a number of actions that have that have been implemented and overtaken by other reports and all have been consolidated into one master action report. You feel that you are at a point where the financial management principles piece of work can be closed and marked complete in terms of the TI. These will then be incorporated into regular review and audit updates. There is a challenge around effectiveness and compliance and assurance.

On the Opportunities Framework, you reported you are building on the learning and will be looking to start planning earlier in the year and this has been built into the 2023-24 cycle. The governance arrangements have been enhanced. There is a challenge on savings delivery and where you are in-year against that delivery and against the plan.

ACTION: We agreed that at our next meeting there would be a focus on the identified opportunities and the progress being made

It was noted the Board are very challenging in terms of delivery and the assurances it requires. There are four key actions that are being put in place, with some already in place. There will be no travel and subsistence paid for new bookings for on and off- agency staff, saving up to £2.4 million; no specialist rates are being paid in non-specialist roles, though current arrangements will be honoured; there will be no Thornberry bookings made more than 24 hours before shift requirements; and there will be a ban on HCA agency workers. It was reported the Board receive weekly reports and there had been positive feedback from Audit Wales.

In terms of reporting where the health board is in-year against plan, it was reported that immediate actions had been taken to remedy the position and these had been taken through the core delivery group and the challenge was to return to the plan. The health board will continue to work alongside the FDU. Moving forward, I will need to have more assurance around the actions being taken and what they are delivering.

We then moved on to enhanced monitoring. Keith provided an update on the latest position, stating that progress was being monitored. On planned care, progress has been made in terms of the 52-week and 104-week targets. You recognise there is still further progress to be made, but that some progress is dependent on additional resources. There remain workforce challenges and the health board is looking at transformation of pathways. On urgent and emergency care, performance has been more measured, but you feel that progress is being made. There is still variation being seen but you feel performance is currently equivalent to that seen in early 2022. The four-hour ambulance handover is still an issue at Glangwili. On cancer, the position is more variable, and it is important to start to see improvement and for that to be sustained and for you to get back on trajectory. It is

important to drive the backlog down and I note you are working with the colleagues in the NHS Executive and Wales Cancer Network. On CAMHS, you feel there is some improvement being seen, as with neurodevelopmental. On c-diff, there has been a sustained reduction since January, and you are on target to deliver a 20% reduction. It is important that we receive trajectories and for the improvements to be sustained.

Action: Health board to submit trajectories for planned care, urgent and emergency care, cancer and HCAs.

Internal Audit had carried out a review and the scope included oversight and governance arrangements; and assurance over the evidence base used to close down actions. The review highlighted areas of good practice which included the robustness of the approach of distilling Welsh Government TI documentation into actions, the tracking of those actions and the scrutiny undertaken at the Escalation Steering Group. This will be going to the Audit Committee in August and you agreed to share a copy of the report after it has been to the Audit Committee.

Action: Health board to share Internal Audit report after it has been to Audit Committee.

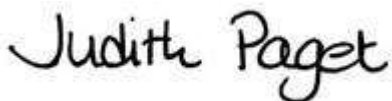
On targeted support, it was highlighted that the health board had not come to Welsh Government for support. You have identified three areas where some additional support may be helpful. It was agreed that you would write to me with further details and requirements.

You reported that a number of the actions had now been closed down and have been incorporated into the master action plan for TI and there is a similar plan for enhanced monitoring.

In summary, this had been a good constructive meeting and progress has been noted across some areas with more work to be done and we will need evidence that the improvements being sustained. There are a number of actions highlighted throughout the letter.

Thank you once again for the discussion. I look forward to seeing positive progress at our next meeting on 19 September 2023 at 15:00 via teams.

Yours sincerely

A handwritten signature in black ink that reads "Judith Paget". The signature is written in a cursive, slightly slanted style.

Judith Paget CBE