



PWYLLGOR ARCHWILIO A SICRWYDD RISG AUDIT AND RISK ASSURANCE COMMITTEE

DYDDIAD Y CYFARFOD: DATE OF MEETING:	20 February 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Report on the Health Board's Escalation Status
CYFARWYDDWR ARWEINIOL:	Professor Philip Kloer, Interim Chief Executive
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Director of Corporate Governance/Board Secretary

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Trafodaeth/For Discussion

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The purpose of this report is to update Audit & Risk Assurance Committee (ARAC) members regarding the Targeted Intervention (TI) meeting held with Welsh Government (WG) on 10 January 2024 and most recent correspondence from WG in relation to a change in escalation status from Enhanced Monitoring for Performance and Targeted Intervention for Planning and Finance to Targeted Intervention for the entire organisation (dated 23 January 2024).

Cefndir / Background

Targeted Intervention Meeting

The TI meeting was the fifth 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.

Joint Escalation and Intervention Arrangements Letter

Under the Joint Escalation and Intervention Arrangements, the WG meets with Audit Wales and Healthcare Inspectorate Wales twice a year to discuss issues, concerns and other related information concerning each health board, trust and special health authority. This information and other insights are considered alongside a detailed analysis of the health body by Welsh Government and decisions are then taken about the escalation status.

Asesiad / Assessment

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

Health Board Opportunities Log

The Health Board presented the four key documents which constitute the Opportunities Log:

- Process and Principles Opportunities Framework
- Process and Principles Opportunities Exploration

- Project Initiation Document
- Savings Reporting Process and Principles

WG noted that four Health Boards are forecasting to deliver their control total and three are not. Of the three that are not, Hywel Dda UHB has proportionately the greatest deficit, and the least clarity about how it intends to address the issue. WG requested greater clarity and offered support prior to the next meeting on 30 April 2024.

- WG highlighted concerns regarding the Health Board's financial position; acknowledged the need for change; emphasised the importance of evidence-based delivery in TI meetings; the need for simplification; and an expectation for the Health Board to develop a clear route map to financial balance, which addresses the deteriorating financial deficit of the Health Board.

Finance

- WG noted that the likely deficit at Month 10 was expected to be in the region of £68m – 69m against a control total of £44.8m. WG requested clarity on actions to address the forecast; and confirmation of the actions being undertaken and delivery expectation alongside timescale. WG also noted risks such as the upcoming industrial action and winter pressures.
- WG emphasised the need for careful management of cash choices, given the lack of funding cover.
- WG sought clarity on the overall expenditure run rate and future projections to establish clarity on the actions being taken to impact the overall run rate on a recurrent basis. WG confirmed that they would clarify the cash position by the end of January 2024.

Planning

- WG reiterated that they require a robust planning process, a credible plan in place, and the translation of the Clinical Services Strategy to the Clinical Services Plan.
- WG emphasised the importance of evidence of progress towards escalation, focussing on the Maturity Matrix, Action Plan, and the need for evidence supporting conclusions. on the Year 1 Assessment. WG colleagues require further validation and assessment.
- WG commended the progress made in the Clinical Services Plan over the past 12 months, requesting clarity regarding planning principles, planning assumptions, regional aspects, and the end point for each clinical service area and site within the Health Board.
- The Health Board confirmed it has not ruled out the possibility of offering opportunities to deliver services on behalf of the region; or collaborating with Swansea Bay UHB for more specialised work.
- The Health Board envisages a flexible approach that allows for both internal considerations and external collaboration.
- In respect of Stroke Services and an integrated planning approach considering service, workforce, and finance, the Health Board acknowledged the complexity of Stroke Services, and referenced ongoing assessments and the need for substantial improvements to meet standards. The Health Board also highlighted the potential cost savings and challenges associated with consolidating Stroke Services to one site, citing the geographical constraints and travel distances.
- The Health Board emphasised the need for service-specific discussions, clarifying that the process is not designed to provide definitive answers at this point.
- WG noted that a better financial position would enhance the Health Board's reputation.
- WG also noted that the Maturity Matrix, being a continuous assessment would never be complete. As a result, it should be formally presented to WG with supporting evidence at an agreed date after the end of the current planning round.

- WG expect to see a unified Opportunities Assessment which would inform the Clinical Services Plan and would address the opportunities available to the organisation across a range of service areas.
- WG agreed to share the final Nuffield review.

Enhanced Monitoring

- WG highlighted the trajectory for the year, acknowledging a deteriorating performance and referencing efforts to contain and mitigate it.
- The Health Board acknowledged the deteriorating Cancer Pathway performance, and expressed confidence in improvements, particularly in the Single Cancer Pathway, expecting a significant step change in performance by the end of December 2023.
- In terms of Planned Care, performance stood at 97.3% against the 97% target at the end of December 2023.
- Regarding Urgent and Emergency Care, WG noted a 50% improvement compared to the same period last year and emphasised the effectiveness of actions taken.
- WG noted improvements against Part 1A and Part 1B targets in Mental Health Services.
- The Health Board highlighted challenges in new developmental services and an anticipated deterioration in performance for the current month.
- On Critical Care, the Health Board is hopeful that the standard operating procedure (SOP) will be finalised shortly to support the temporary change to the service whilst the more detailed service plan is designed.
- In terms of C-Difficile (C-Diff) performance, WG noted that the Health Board had reported progress against the improvement plan, achieving a 13-infection reduction from predictions. The Health Board highlighted the introduction of a sporicidal, non-alcohol hand hygiene product and a new parasitic acid-based disinfectant contributing to reductions.

Letter from WG – Joint Escalation and Intervention Arrangements (Appendix 1)

At the end of January 2024, following a recent meeting between WG, Audit Wales and Healthcare Inspectorate Wales and the widespread nature of concerns, the escalation status of the Health Board has been increased from enhanced monitoring for performance and targeted intervention for planning and finance to targeted intervention across the entire organisation (including finance, planning, leadership, governance, regional planning, quality improvements and operational delivery).

This decision reflects their concerns about the lack of sustained progress, over a period of time, on integrated planning, finance and delivery.

Welsh Government will continue to provide the necessary support and advice to address issues raised, including regular Joint Executive Team (JET) and Integrated Quality and Planning and Delivery Group (IQPD) meetings with subject specific discussions as and when considered necessary.

To date no further information has been provided to the Health Board regarding the detail under the headings.

The Health Board has taken up the offer of a Board briefing and this is scheduled for 22 February 2024.

Argymhelliad / Recommendation

The Audit and Risk Assurance Committee is invited to:

- Receive, for information, the update from the TI meeting held on 10 January 2024.
- Receive, for information, the update from WG in relation to the change of escalation status for the entire HDdUHB organisation.
- Seek assurance in relation to how the Health Board will respond to the increased escalation status.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	3.23 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 and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	2. Timely
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	Not Applicable
Amcanion Strategol y BIP: UHB Strategic Objectives:	6. Sustainable use of resources
Amcanion Cynllunio Planning Objectives	All Planning Objectives Apply
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	Notes of the meeting
Rhestr Termiau: Glossary of Terms:	Included within the body of the report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Archwilio a Sicrwydd Risg	Minutes of the TI meeting held on 10 January 2024 were provided to the CE and the Executive Team on 25 January 2024. Minutes have also been shared with the Chair.

Parties / Committees consulted prior to Audit and Risk Assurance Committee:	
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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 EqlA screening been undertaken? Not on the Report Has a full EqlA 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
Welsh Government

Steve Moore
Chief Executive
Hywel Dda University Health Board
Corporate Offices - Ystwyth Building
Hafan Derwen
St Davids Park
Jobswell Road
Carmarthen
SA31 3BB

Our Ref: JP/CL/SB

23 January 2024

Dear Steve

Joint Escalation and Intervention Arrangements

Under the Joint Escalation and Intervention Arrangements, the Welsh Government meets with Audit Wales and Healthcare Inspectorate Wales twice a year to discuss issues, concerns and other related information concerning each health board, trust and special health authority.

This information and other insights are considered alongside a detailed analysis of the health body by Welsh Government and decisions are then taken about the escalation status.

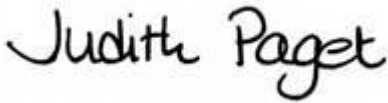
I am writing to you to confirm that following a recent meeting and the widespread nature of the concerns, the escalation status of your organisation has been increased from enhanced monitoring for performance and targeted intervention for planning and finance to targeted intervention for the entire organisation. This decision reflects my concerns about the lack of sustained progress over a period of time on integrated planning, finance and delivery.

The Welsh Government Performance, Escalation and Intervention team will contact you shortly to discuss and agree how we will support targeted intervention across the entire organisation, including finance, planning, leadership, governance, regional planning, quality improvements and operational delivery.

Welsh Government colleagues will continue to provide the necessary support and advice to address issues raised, including regular JET and IQPD meetings with subject specific discussions as and when considered necessary.

The revised oversight and escalation framework will be published tomorrow as part of the Minister's announcement about the escalation levels for NHS organisations, you can access the document via <https://www.gov.wales/nhs-oversight-and-escalation-framework>. If you would find it helpful, I can organise for the Performance, Escalation and Intervention team to present the new framework and how it will be implemented to your Board and/or executive team.

Yours sincerely

A handwritten signature in black ink that reads "Judith Paget". The script is cursive and fluid, with the first name and last name clearly distinguishable.

Judith Paget CBE