

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

DYDDIAD Y CYFARFOD: DATE OF MEETING:	17 October 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Report on the Health Board's Escalation Status
CYFARWYDDWR ARWEINIOL:	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 19 September 2023.

Cefndir / Background

The TI meeting was the fourth 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

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

Planning

- The HB had written to WG formally accepting the recommendations of the independent Peer Review of the HB's integrated planning arrangements. WG considered that the 'Six Pillars' (themes) had been correctly identified and represented a sensible way forward. An action plan based upon the review findings would be shared with the WG Performance and Planning Team and would be reviewed in the next TI meeting on 14 December 2023 for formal sign-off.
- Work by the HB to assess its position against the Planning Maturity Matrix had been completed and it was agreed that the Matrix would be brought to the next TI meeting on 14 December 2023 in order to consider what improvements had been made against the criteria included.
- WG confirmed that the diagnostic elements of the Planning TI requirements could be closed off and the HB would progress to delivering improvements.

- WG was advised that planning service reconfiguration could raise serious challenges in terms of the scope and scale of change and the need to balance service sustainability with accessibility and equity of care, which in turn would require discussion in future TI meetings. A formal update in relation to the Clinical Services Plan would be provided at the next TI meeting on 14 December 2023.
- The HB was aware of the urgent need for service change, particularly given the fragility of many services but recognised also that this needed to be balanced with the need to involve all clinicians in service re-design plans, given the organisation's need to retain its clinical staff in order to maintain service sustainability. WG was also advised that while there might be compelling quality grounds for changing the configuration of individual specialties, the integrated nature of all services might result in changes impacting a broader group of patients.
- In regard to the HB's Annual Recovery Plan, WG noted that the Core Delivery Group (CDG) had been considering the effect of reducing and eventually eliminating variable pay upon finances and sustainability of services. However, a detailed review of implications (with reference to the essential services framework) had demonstrated the dependency of services upon an external workforce and variable pay. WG noted that a reduction would have a significant impact upon the sustainability of services which the HB provided and was informed that a more nuanced approach was therefore being taken in considering what might be possible. Details of work being undertaken by the CDG in terms of implementing planning improvements would be shared at a future TI meeting.
- A significant component of benefits realisation lay in the HB's ability to maintain its nurse fill rates at a stable level, recognising that while increased fill rates would enhance quality of care, this would need to be balanced against an increase in costs.
- While the detailed planning undertaken by the HB to date would provide a robust platform for further planning in 2024-25, it required a step-change in the level of time and resource which the HB was able to commit, not least as a number of planning streams were running concurrently. WG requested that reasons behind the increase in resourcing required for Phase 3 of the Recovery Plan be provided at the next TI meeting, together with details of where and how this resourcing would be secured.

Finance

- WG queried the 'completed' status which the HB had assigned to 3 of its 4 financial key deliverables, given that these deliverables related to process and, as such, represented the start of the journey rather than actual delivery. WG advised that de-escalation would be contingent upon the HB delivering the recommendations of the peer review and demonstrating sustained improvements.
- The main drivers of the HB's Year to Date deficit position were reviewed. WG noted that the HB's international nurse recruitment, while increasing nurse fill-rates, had not yet been matched by a commensurate reduction in the use of nurse agencies. Counsel's opinion regarding whether under the Nurse Staffing Act the HB could cap fill rates, while maintaining safe levels of staffing was also noted. WG suggested that Counsel's opinion in this matter might need to be shared across Wales to guide other Health Boards who were considering similar means of reducing expenditure.
- The HB's ability to deliver savings was a significant concern to WG; planned savings at the start of the year stood around £19.5; however, forecast savings currently stood at around £7m, which was the lowest figure of all Welsh Health Boards. WG noted that while it had been agreed with WG that the HB would focus upon its Opportunities

Framework in order to translate opportunities into savings, only £2m savings had been realised to date.

- At the start of 2023-24, the HB had the largest planned deficit of all Welsh Health Boards and was not delivering the financial plan which had been set out. Given these considerations, WG informed the HB that at the last Tri-Partite meeting further escalation for the HB had been discussed in light of the deterioration in its financial position. However, it was felt that at this point that an escalated directive approach would not deliver additional benefit, and it had been decided to wait and review what outputs the many processes which the HB had put in place would deliver over the next 6 months.
- The CE informed WG that the HB had chosen to err on the side of pessimism in order to gain assurance that the plans which were in place were delivering and clarified that the HB was not seeking de-escalation but required clarity regarding de-escalation criteria and expectations for the next stages.
- In regard to Planned Care Recovery funding of £6.1m, WG explained that a number of the HB's bids were linked to joint service delivery with SBUHB (particularly in relation to more challenging areas such as Diagnostics and Orthopaedic treatments). As a result, the decision to allocate funding was made on a regional basis, recognising the need to expedite procedures for the longest waiting patients. WG confirmed that clarity regarding assumptions linked to funding would be set out by early October 2023 and also confirmed that the regional element of the funding had been communicated to SBUHB.
- From a TI Framework Key Deliverable perspective, WG confirmed that work to understand the drivers of the shift from £25m to £62m deficit could now be closed off. In regard to whether all opportunities arising from the Opportunities Framework had been effectively explored it was agreed that the relevant process work had been completed and could likewise be closed off.

Enhanced Monitoring

- WG noted some good progress having been made over the previous 6 months but emphasised the need to maintain consistency in improvements which had been made. The HB acknowledged that in some areas subject to Enhanced Monitoring improvements were variable, eg. in Cancer and Neurodevelopmental services, but assured WG that over the course of the year, even in those areas which were variable in terms of performance, feedback from Integrated Quality and Performance Delivery meetings and from the Delivery Unit suggested increased WG confidence in the HB's understanding of the issues involved and in the actions which it was taking to address these issues.
- An improvement in ambulance handover delays was noted by WG, particularly on the Glangwili Hospital site, albeit the improvements were somewhat mitigated by a reduction in capacity in Pembrokeshire due to ongoing Reinforced Autoclave Aeriated Concrete (RAAC) work and reduced nursing capacity in Bronglais Hospital resulting from a reduction in funding for agency nurses – this last factor demonstrating that measures to support financial recovery could also negatively impact other areas of performance and highlighting the need to triangulate the impact of all measures taken.
- In regard to Critical Care, good progress had been made internally with clinical teams over the previous 12 months and a position had now been reached where a proposal for a sustainable model could be put forward in terms of making temporary service

arrangements more robust and providing a model which could be put forward for public consultation.

- In terms of *C-Difficile* (*C-Diff*) performance, WG noted that the HB had maintained its 20% reduction target despite challenges arising from RAAC and other issues. MR requested clarity regarding WG's de-escalation criteria and confirmed that the HB continued to work hard to address all issues and was following all elements of the *C-Diff* Strategic Plan.

RAAC

An update regarding work to address RAAC challenges was provided. WG was informed that while the RAAC situation had now stabilised, a long period of ongoing disruptions on the Withybush Hospital site was anticipated due to the need to monitor RAAC planks designated as 'amber', which presented a potential future structural risk as they degraded further.

The following summary was provided to WG:

- An internal Major Incident declared on 15 August 2023 remained in place to support arrangements relating to wider safety concerns.
- All risk areas within the hospital had been cleared, including 6 inpatient wards (around 120 beds – almost 50% of ward capacity) and the main kitchen facility. A replacement kitchen would be on site by late November 2023.
- Visual inspections were progressing well, with ward inspections having been accelerated as areas were cleared. Weekly inspections were held to ensure that there was no movement in supporting props. A clear process was in place, from a Health and Safety perspective, for certifying areas as safe for re-occupation and for clinical use.
- Some areas on the ground floor were still unfit for clinical re-occupation due to the presence of props, affecting in particular the Outpatient Department A Suite, the Minor Injuries Unit and Same Day Emergency Care facilities.
- While patient safety risks were being managed, service risks remained; the HB had lost a net total of 39 beds within the Pembrokeshire system, with 80 beds having been provided in South Pembrokeshire Hospital and through reconfiguration on the Withybush Hospital site. 16 beds on Ward 9 would be available in early October with the completion of repairs to Ward 9, and Ward 12 repairs due to be completed in late November.

WG advised the HB that further requests to the Minister for funding to address RAAC issues and to support services in and around Withybush Hospital would need to be linked to wider medium-term plans, including utilising capacity from other sites, recognising that repeated allocations of funding did not represent good value and did not solve problems on a long-term basis.

WG concluded the meeting by confirming that the actions and progress reported in this meeting would be reflected in the Planning and Financial TI frameworks which would be discussed in the next meeting on 14 December 2023.

Argymhelliad / Recommendation

The Audit & Risk Assurance Committee is invited to receive for information the update from the TI meeting held on 19 September 2023.

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 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 Parties / Committees consulted prior to Audit and Risk Assurance Committee:	Minutes of the TI meeting held on 19 September 2023 were provided to the CE and the Executive Team on 4 October 2023. Minutes have also been shared with the Chair.

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