

## Bundle Finance Committee 22 October 2020

1.4 Matters Arising and Table of Actions from Meeting Held on 29th September 2020

*Presenter: Chair*

Finance Committee Table of Actions 29.09.2020 Final.docx

1.4 Appendix 1 Peer Review Report 2020-21 Month 6 SBAR Final.docx

**TABLE OF ACTIONS FROM  
FINANCE COMMITTEE (FC) MEETING  
HELD ON 29<sup>th</sup> SEPTEMBER 2020**

MINUTE REFERENCE	ACTION	LEAD	TIMESCALE	PROGRESS
FC(20)126	<b>Financial Forecast – Month 5</b> – To work with Workforce and Organisational Development colleagues in order to better understand the allocation of staff to different areas of healthcare and achieve a clear overview of financial flow within Acute and Community settings	HT/ LG	November 30 <sup>th</sup> 2020	Update to follow.
FC(20)126	<b>Financial Forecast – Month 5</b> – To review the current position against that of the previous year with regard to the ring-fencing of funds for Mental Health services.	CW	December 22 <sup>nd</sup> 2020	Complete: Forward planned for December meeting.
FC(20)126	<b>Financial Forecast – Month 5</b> – To provide the Day 1 reporting dashboard to the Committee as an item for information at future meetings, together with details of the in-year financial position.	HT/ CW		Complete: Day 1 Dashboard circulated to Members.
FC(20)129	<b>Workforce Plan</b> – To arrange a meeting between Committee Chairs and Lead Executives in order to determine the most appropriate fora for review of individual reports.	JW		Complete: Meeting between Chairs arranged for 18 <sup>th</sup> November 2020.
FC(20)130	<b>Digital Plan</b> – To develop a Digital Delivery Group, in order to plan and support the rapid testing and roll-out of digital technologies within the HB. Expressions of interest for membership to be submitted to the DoF	HT/ All		Complete: Expressions of interest submitted and ToR's under development.

<b>FC(20)131</b>	<b>WG Support for Continuing Healthcare</b> – To invite the Director of Primary Care, Community and Long Term Care to the next Committee meeting in order to provide Members with a strategic overview and details of staffing challenges facing the Domiciliary Care sector within HDdUHB.	HT/ JP	22.10.2020	Complete: Invitation to the meeting to be held 22.10.2020 extended to the Director of Primary Care
<b>FC(20)132</b>	<b>EU Exit Risks</b> – To provide details of further developments, following the confirmation or otherwise of a trade agreement, to Members at the next Committee meeting.	HT	22.10.2020	Complete: EU Exit Risks scheduled for inclusion on the October 2020 agenda.
<b>FC(20)134</b>	<b>Corporate Risks</b> – To amend the wording of risk 956 to articulate the risk that the HB will be unable to deliver all the capital schemes proposed.	HT/ ER		Complete: Wording amended.
<b>FC(20)136</b>	<b>FDU Q2 Planning – Peer review</b> – To provide updates relating to each area for improvement, to include comments from the DoF and details of actions planned in order to address each issue, for presentation to Members as a separate briefing.	HT		Complete: please refer to Appendix 1 for updates and responses relating to areas for improvement identified.

## PWYLLGOR CYLLID FINANCE COMMITTEE

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	22 October 2020
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Quarter 2 Plan: Peer Review Response – Month 6 2020/21
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Rebecca Hayes, Senior Finance Business Partner

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

### ADRODDIAD SCAA SBAR REPORT

**Sefyllfa / Situation**

The Financial Delivery Unit's (FDU) feedback report following a peer review of Hywel Dda University Health Board's (HDdUHB) and Cardiff and Vale University Health Board's (CVUHB) Quarter 2 Operational Plans in response to the COVID-19 pandemic was shared with the Finance Committee in its meeting held on 29<sup>th</sup> September 2020.

**Cefndir / Background**

A summary of the responses to the recommendations made by the FDU has been prepared below to provide assurance and the opportunity for further scrutiny by the Committee.

**Asesiad / Assessment**

The key areas for improvement and recommendations within the report were as follows:

Item	Health Board Response
<b>Internal Challenge:</b> There is a need to build in sufficient time for internal challenges and quality assurance on the delivery of the plan. This did not happen prior to the Quarter 2 submission and resulted in the submission of a plan that was not considered deliverable.	Internal timetables for the Quarter 3/4 Plan included a number of review cycles, including scrutiny at Board Seminar, prior to submission. The need for operational and financial alignment was a key deliverable; however Welsh Government (WG) required the financial forecast for the Q3/4 Plan to align to the Month 6 Monthly Monitoring Return submission, the deadline for which was one week prior to the deadline for the Q3/4 Plan. This caused a level of constraint and risk which needed to be managed.
<b>Workforce Plan:</b> The Health Board acknowledged that the plan submitted had a gap of 300 nurses and was not deliverable. This resulted in the overstatement of the forecast by c.£8m. In	The Health Board (HB) was already carrying a significant workforce deficit prior to assessing surge facilities, which has exacerbated its workforce position; this underlying issue means the HB's strategy cannot be aligned to that adopted in CVUHB with the additional

<p>contrast, the peer (CVUHB) had adopted an approach which assessed the workforce as fixed and developed a plan on how to appropriately flex the workforce across capacity as required</p>	<p>limiting factors of the 2-metre rule on social distancing, the need to maintain staffing levels within the Nurse Staffing Act and also the availability of additional Registered Nurses to be able to safely staff surge areas.</p> <p>The Q3/4 Plan identifies a workforce demand deficit across most staff groups, the most significant within Registered Nursing and Healthcare Support roles. After implementing all possible mitigating factors (i.e. use of agency staff, additional hours, overtime, recruitment to bank) a phased approach to deployment of the workforce will be needed to mitigate the demand deficit:</p> <ul style="list-style-type: none"> <li>• Within service deployment to key roles or to manage risks (individual or organisational);</li> <li>• Re-assignment of staff trained for deployment during the initial surge to critical areas;</li> <li>• Deployment of senior corporate team practitioners/ registrants to operational areas alongside supernumerary leadership registrants redirected to hands-on patient care; and</li> <li>• Closure of services at times of crisis, and deployment of teams to services at risk of failure.</li> </ul>
<p><b>Overstated Forecast:</b> The Health Board acknowledged that the 'bottom up' approach to developing the financial plan built up a level of prudence at each tier, resulting in a risk averse and overstated forecast. A 'top down' challenge process would mitigate this risk</p>	<p>The HB's financial forecast in the Q2 Plan was based upon operational assumptions; at that time, due to operational pressures, the availability of operational colleagues to engage with Finance Business Partners to inform financial forecasting was limited. The Q3/4 Plan is informed by more robust discussions and integrated plans; the accuracy of financial forecasting is also improved, given the experience of several months of quantifying the impact of the pandemic. The review processes outlined above have also provided the 'top down' challenge.</p>
<p><b>Regional Planning:</b> There has been little or no exploration of regional solutions to some of the capacity and workforce challenges identified</p>	<p>Further work will be needed to consider the opportunities for a collaborative approach, depending on need, with local, bordering HBs (i.e. Powys University Teaching HB and Swansea Bay UHB) in relation to flexible and contingent models of workforce. Due to geographical locations and the prevalence of COVID-19, Workforce Directorate currently considers these opportunities to be limited.</p>
<p><b>Material Omissions:</b> The plan excluded the impact of Test, Trace and Protect Strategy and vaccinations</p>	<p>At the time of the Q2 planning cycle, TTP and vaccination plans were in early, conceptual iterations, and the operational implications were unknown. The Q3/4 Plan includes the current assessment of the TTP financial implications, in partnership with Local Authorities, and workforce plans for flexible deployment models are in progress. The impact of the additional</p>

	<p>uptake in flu vaccinations resulting from the pandemic is included in the Q3/4 Plan, and the potential impact of a COVID-19 vaccination is included as a Risk, given the uncertainty regarding timing and funding arrangements.</p>
<p><b>Budget Accountability:</b> The Health Board recognised that the organisation has typically viewed finance as entirely a Director of Finance responsibility. There is a need to improve local ownership of budgets and forecasts</p>	<p>System Engagement meetings are held on a monthly basis with higher risk Directorates.</p> <p>The HB's Accountability statements in relation to the Budget for 2020/21 were replaced with a Delegations and Finance Delivery letter, issued in May 2020. These clarify the continuation of existing financial control principles and the importance of existing governance processes and frameworks, and state the significance of decision-making in response to, and the accurate recording of the financial impact of, COVID-19.</p> <p>The Director of Finance also formally writes to those budget holders failing to deliver the level of financial management expected following the Day 1 month-end review meetings.</p>
<p><b>Benchmarking:</b> Benchmarking and discussions arising through the peer review process identified variation in the following areas that warrant further exploration:</p> <ul style="list-style-type: none"> <li>• High cost (as a proportion of turnover) for Nursing, Estates, CHC and Non-Pay;</li> <li>• A significant difference in the assessed impact and approach to social distancing for capacity purposes;</li> <li>• The assessed impact of winter on capacity.</li> </ul>	<p>The areas of significant variation were explored during the Peer Review meeting and the underlying assumptions understood.</p> <p>An update regarding Workforce deployment is provided above. Continuing Healthcare (CHC) represented a difference in principle compared to CVUHB in the timeframe during which expedited discharge would be considered the direct result of COVID-19; Non-Pay largely related to Field Hospital costs due to HDUHB having nine sites at the time of the Q2 Plan (this has since been refined for the Q3/4 Plan). The impact of social distancing has also been extensively reviewed and refined since the Q2 Plan, with the impact now assessed as far less due to ward reconfigurations and additional protective measures such as screens.</p>
<p><b>Delayed Investments:</b> The Health Board agreed to review the phasing of remaining centrally held reserves, including assessing the impact of delayed investments</p>	<p>A monthly review process has been conducted with Finance Business Partners, in conjunction with accountable operational colleagues. A significant opportunity has been identified and included within the financial forecast for the Q3/4 Plan. Further reviews will continue, particularly in the context of the increased expenditure trend forecast for the second part of the financial year.</p>
<p><b>Continued Review:</b> The Health Board will continue to meet with CVUHB to maximise learning</p>	<p>The HB agreed that it would be beneficial to continue to review plans in conjunction with CVUHB and this will also continue to form part of the Directors of Finance agenda on an All-Wales level.</p>

## Argymhelliad / Recommendation

The Finance Committee is asked to note the responses to the feedback from the FDU.

<b>Amcanion: (rhaid cwblhau) Objectives: (must be completed)</b>	
Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	4.5 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, giving early warning on potential performance issues and making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	856 (score 20) Ability to deliver the Financial Plan for 2020/21 646 (score 12) Ability to achieve financial sustainability over medium term
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	5. Timely Care  7. Staff and Resources
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Statement</a>	Improve Population Health through prevention and early intervention

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Monitoring returns to Welsh Government based on HDdUHB's financial reporting system.
Rhestr Termiau: Glossary of Terms:	Explanation of terms is included in the main body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y pwyllgor cyllid:	Finance Team Executive Team

Parties / Committees consulted prior to Finance Committee:	
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<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Financial implications are inherent within the report.
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	The impact on patient care is assessed within the savings schemes.
<b>Gweithlu: Workforce:</b>	The report considers the financial implications of our workforce.
<b>Risg: Risk:</b>	Financial risks are detailed in the report.
<b>Cyfreithiol: Legal:</b>	HDdUHB has a legal duty to deliver a breakeven financial position over a rolling three-year basis and an administrative requirement to operate within its budget within any given financial year.
<b>Enw Da: Reputational:</b>	Adverse variance against HDdUHB's financial plan will affect its reputation with Welsh Government, the Wales Audit Office, and with external stakeholders
<b>Gyfrinachedd: Privacy:</b>	Not applicable
<b>Cydraddoldeb: Equality:</b>	Not applicable