

**COFNODION Y CYFARFOD BWRDD IECHYD PRIFYSGOL  
HEB EU CYMERADWYO UNAPPROVED  
MINUTES OF THE UNIVERSITY HEALTH BOARD MEETING**

Date of Meeting:	<b>9.30AM, WEDNESDAY 31 MAY 2023</b>
Venue:	<b>GLIEN HOUSE, GLIEN ROAD, CARMARTHEN SA31 3RB AND VIA ZOOM</b>

Present:	<p>Miss Maria Battle, Chair, Hywel Dda University Health Board (VC)  Mrs Judith Hardisty, Vice-Chair, Hywel Dda University Health Board (VC)  Mr Maynard Davies, Independent Member (Information Technology) (VC)  Cllr. Rhodri Evans, Independent Member (Local Authority) (VC)  Ms Anna Lewis, Independent Member (Community) (VC)  Ms Ann Murphy, Independent Member (Trade Union) (VC)  Mr Winston Weir, Independent Member (Finance) (VC)  Mrs Chantal Patel, Independent Member (University) (VC)  Ms Delyth Raynsford, Independent Member (Community) (VC)  Mr Steve Moore, Chief Executive  Mr Andrew Carruthers, Executive Director of Operations  Mr Lee Davies, Executive Director of Strategy and Planning  Mrs Lisa Gostling, Executive Director of Workforce &amp; Organisational Development  Mrs Mandy Rayani, Executive Director of Nursing, Quality &amp; Patient Experience  Ms Alison Shakeshaft, Executive Director of Therapies &amp; Health Science (VC)  Mr Huw Thomas, Executive Director of Finance</p>
In Attendance:	<p>Ms Jill Paterson, Director of Primary Care, Community &amp; Long-Term Care  Mrs Joanne Wilson, Director of Corporate Governance/Board Secretary (VC)  Ms Alwena Hughes-Moakes, Communications and Engagement Director  Mr Shaun Ayres, Deputy Director of Operational Planning &amp; Commissioning  Mr Mansell Bennett, Llais/Citizen Voice Body (VC)  Ms Clare Moorcroft, Committee Services Officer (Minutes)</p>

Agenda Item	Item	Action
<b>PM(23)114</b>	<b>INTRODUCTIONS &amp; APOLOGIES FOR ABSENCE</b>	
	<p>The Chair, Miss Maria Battle, welcomed everyone to this Extraordinary Public Board meeting, convened to consider the supplementary Annual Plan information due for submission to Welsh Government. Apologies for absence were received from:</p> <ul style="list-style-type: none"> <li>Mr Iwan Thomas, Independent Member (Third Sector)</li> <li>Professor Philip Kloer, Executive Medical Director and Deputy Chief Executive</li> <li>Dr Joanne McCarthy, Deputy Director of Public Health</li> </ul>	
<b>PM(23)115</b>	<b>DECLARATION OF INTERESTS</b>	
	No declarations of interest were made.	

**SUBMISSION OF SUPPLEMENTARY INFORMATION TO WELSH GOVERNMENT ON THE 2023/24 ANNUAL PLAN**

Mr Steve Moore expressed his thanks to Members for joining this meeting at short notice, and to the Corporate Governance team for making the necessary arrangements. As indicated at the Public Board meeting on 25 May 2023, the original intention had been to agree the supplementary submission by means of Chair's Action. However, on reflection, it had been felt that the process should be more transparent, in order to enable the public to comprehend the challenges being faced by the Health Board. The documentation presented today represents the significant work undertaken since the organisation submitted its Annual Plan to Welsh Government in March 2023. This includes work to strengthen the Ministerial templates which underpin the submission, and the presentation of two alternative views of Planned Care recovery; one of which is based on the bid submitted to Welsh Government for additional recovery funding from the £50m put aside nationally. The submission also includes reflections on experiences during Month 1, including in respect of the impact of savings schemes, a number of which recognise the core financial deficit following the COVID-19 Pandemic. The financial assessment takes into account the latest position in this regard. 'De-risking' is an ongoing process being undertaken by the Health Board and, as such, is not yet complete. Consideration will need to be given to the organisation's next steps.

Members were reminded by Mr Lee Davies of discussions at last week's Board meeting and of the background to this matter. Today's meeting represents the first opportunity for Members to see detail of the proposed submission, the development of which has been subject to a challenging timescale. Whilst the Annual Plan itself is not being resubmitted and therefore still stands; within the submission, the Health Board has significantly revised and enhanced the Ministerial template Information. This is outlined on pages 15-56 of the Supplementary Information document. The organisation has also – having met with Welsh Government – sought to address each of their specific stated concerns. Mr Lee Davies emphasised that the Health Board is not significantly altering its 'direction of travel' within its Annual Plan, or the service expectations and trajectories within that; these are as submitted in March 2023. The one exception to this is detox, where the Plan has been revised to more realistically reflect the trajectories achievable and to align better with the Transforming Urgent & Emergency Care plans. As mentioned, the Health Board has submitted a bid for funding to Welsh Government and this is reflected within the Planned Care template, in the form of two scenarios; one assuming the additional funding and one without. Work has also been undertaken around potential 'choices', including local and national choices. Whilst the organisation has already made a number of local choices and decisions, this work goes beyond that. The fact that these were not included in the March 2023 submission is an indication of the fact that these are choices which were not particularly favoured. They were in the 'list' of potential options, however. It should be emphasised that their inclusion at this stage is not an indication that the Health Board wishes to or has plans to adopt them. In terms of national choices, any which would involve breaches of law or policy or which would be impractical for

Welsh Government have been avoided. As a result, the only potential national choice is around the Estates Rationalisation Plan.

Mr Huw Thomas reiterated statements and discussions at the Public Board meeting on 25 May 2023. In terms of the financial position, only one full month has passed since submission of the Annual Plan, which makes an accurate year-end projection challenging. Financial risks are outlined on page 9 of the Supplementary Information document, with a figure of £20-25m currently projected. This figure factors in energy price volatility; with this excluded, the figure would be £22m. The forecast position is driven by three areas of concern at this time:

- Savings – with the challenges in this respect well-rehearsed
- Staffing issues – whilst there has been a recent increase in fill rates, this has meant that the organisation's reliance on agency staff has not reduced
- Oncology medication/drug costs – a significant increase in clinical activity has driven an increase in the drugs budget

Members were informed that the original March 2023 submission to Welsh Government had included a £1m utility costs savings scheme. Following discussion, this had been excluded from the updated submission; however, had been replaced by a £1.2m prescribing savings scheme, resulting in a net improvement to the savings plan of £0.2m. The submission also captures a degree of the potential productivity savings; whilst not 'cashable', these will help to mitigate some of the pressures being experienced across the organisation, and amount to £7.8m. The productivity savings have not been included within the savings plan itself; however, are referenced. As mentioned earlier, 'de-risking' is a process as opposed to an outcome in and of itself. This process has already begun, in terms of recognising the Month 1 financial position and mitigating actions, which will be reviewed by the Executive Team next week and on an ongoing basis throughout the year. The Health Board remains on a continuing route to understand the challenges it faces and is not in the position it would wish to be. Mr Huw Thomas recognised that this presents the Board with a significant issue; however, it was hoped that the ongoing process of Executive Team review and scrutiny at the Sustainable Resources Committee (SRC) will provide a level of assurance regarding delivery of savings plans.

Mrs Judith Hardisty thanked Mr Lee Davies and all of those who have contributed to providing the Supplementary Information presented to the Board. The importance of maintaining the integrity of the Health Board's Strategy was emphasised, with Mrs Hardisty reminding Members that this represents a clinically-led trajectory. Whilst acknowledging that there is not universal agreement with all aspects of the Strategy, its focus is on delivering safe services. Referencing page 11 of the document, around choices, Mrs Hardisty indicated that she would support a review of 24/7 GP Out-of-hours, and would add to this the 111 Service. With regard to Option 5 (Pre-appointed A&E attendance), and reference to Prince Philip Hospital (PPH) it was highlighted that PPH does not have an A&E. Noting that the majority of the options sit with Mr Andrew Carruthers as Executive Lead, Mrs Hardisty queried who would be

undertaking the delivery of this work, and whether current staff have both the capacity and capability to do so. If so, whether other work will have to be deferred. Finally – whilst not suggesting that this should necessarily be pursued as an option – Mrs Hardisty enquired regarding the implications in terms of the Nurse Staffing Levels (Wales) Act if the Health Board takes the decision to reduce agency staffing usage or discontinue specific agency usage.

Mr Andrew Carruthers first wished to explain that the choices/options included as part of the Supplementary Information are based on benchmarking data. The focus on the PPH model, for example, is based on the fact that the cost of this is higher than the rest of Wales, for the service provided and the population it serves. In the context of the Urgent & Emergency Care Programme and transforming this, an important pre-requisite is the establishment of Clinical Streaming Hubs. The key principle of these is to ensure that a far higher proportion of people coming into the Unscheduled Care Pathway are people that the organisation is aware of, before they present. Significant elements include earlier triage, use of clinical expertise to support early assessment, streaming patients and public into the correct service for their needs. Also, work around risk-stratifying the population, which seeks to identify individuals potentially vulnerable to admission. The whole focus of this programme is to minimise the numbers of people of whom the Health Board is not already aware presenting to emergency services. The premise of a central Hub lends itself to the ambition of providing scheduled appointments early and at pace. Whilst a specific potential opportunity had been identified at PPH, the Clinical Streaming Hub model would be replicated across the Health Board. This has the potential for wider opportunities in terms of efficiency, cost and attendance avoidance and improving access to services.

In terms of delivery, Members were reminded that there is a Programme team for Transforming Urgent & Emergency Care. Due to the way in which related actions flow from the future Urgent & Emergency Care model, the work would stem from this core work. Whilst a significant remit to deliver, Mr Carruthers was confident that this could be covered. Other areas, such as Scheduled Care and Diagnostics, generally fall within the Clinical Services Plan work programme and Mr Carruthers has been discussing with Mr Lee Davies how this might be resourced and supported. The Health Board has been through a similar process in regards to Paediatrics, and there is a significant managerial input and time commitment involved; therefore, further consideration around this will be required. Members heard that this matter is 'on the agenda' for discussion with Welsh Government in terms of potential support as part of the Targeted Intervention process.

Referencing the £50m Planned Care recovery funding, and noting that any additional funding has been assumed not to affect the Plan, Mr Winston Weir suggested that accessing funds may have positive results, or may add more risks. Returning to page 9, which focuses on 'de-risking' the Plan, Mr Weir welcomed the presentation of this as a starting point in terms of the deficit, risks and opportunities. Whilst acknowledging that the Health Board has not necessarily been able to

'de-risk' its Plan, it was observed that it has probably been more open around the risks. Mr Weir requested additional detail around the figure of £10.8m 'Opportunities not yet converted into robust deliverable savings schemes' and the £9.6m opportunities or quantifiable actions and whether these were the same. Also, whether these are time-limited/ expected by a certain date and can be tracked. Referencing page 9 and choices, Mr Weir noted the ambition for more community-based work and enquired with regards to confidence in the capacity to achieve this.

In respect of Planned Care, Mr Huw Thomas explained that nothing additional has been assumed in the financial plan, either in terms of costs or benefits. Whilst additional funding would impact positively on trajectories, it would not impact on finances and there would be a risk in delivery. There is a need to state the financial position and risks as clearly as possible and as early as possible. Opportunities which translate into savings are time-limited, and Mr Huw Thomas committed to ensuring that the new-format report to SRC clearly outlines delivery and actions being taken. The issue of community-based services is challenging, from both a financial and workforce perspective. It is not possible to contemplate moving funding without assurance that the necessary personnel are in place to deliver services. This forms part of the ongoing Executive Team dialogue. Miss Battle enquired whether the reporting to SRC around slippage will include the plan to manage the slippage, who owns each risk and when and where it will be escalated during the year, and was assured that this would be the case.

Returning to an earlier query around the Nurse Staffing Levels (Wales) Act (NSLWA), Mrs Mandy Rayani emphasised the need for ambitions in regards to a sustainable and reliable workforce. Any actions which impact upon fill rates require careful deliberation. Should the Board agree to move to a position which takes the organisation away from the NSLWA, various factors would need to be considered, including risks, indicators and triggers, if harm is a potential result. The actions taken to date in terms of nurse workforce stabilisation have resulted in an extremely positive environment and feedback, which will impact positively on recruitment and retention. If agency nursing provision is removed, which is potentially a reasonable approach, there must be consideration of the impact on both patients/patient outcomes and on staff. Whilst Mrs Rayani was not able to indicate the precise implications on NSLWA compliance, Members were assured that the ambition is to drive out high-cost agency use. Cllr. Rhodri Evans added his thanks to those involved in developing the Annual Plan and supplementary information. Focusing on the issue of 'ownership' in terms of delivery of savings and associated timescales and trajectories, Cllr. Evans suggested that this topic should also be discussed at the Audit & Risk Assurance Committee (ARAC). Mrs Joanne Wilson emphasised the need to be cognisant of the specific roles of ARAC and SRC. Whilst it is reasonable to request assurance regarding the wider governance, process, etc, at ARAC, progress should be reported to and monitored via SRC. It was agreed that Mrs Wilson and Mr Huw Thomas would work with the Chairs of ARAC and SRC to agree governance processes.

JW/HT

Referencing an earlier query around community capacity, Ms Jill

Paterson stated that it was important to recognise that this involves sectors other than NHS and healthcare staff. It also encompasses social care, the Third Sector and patients and families themselves. The Health Board will need to give careful consideration to how it works in partnership with all of these groups. On the topic of Primary Care and Dental Services in particular, Mr Maynard Davies noted the statement on page 25 'Not available until Practices confirm Contract option for 2023/24'. He was conscious that certain practices are planning to relinquish their NHS contracts altogether and that Welsh Government is working on new contracts for Primary Care Services, and requested an update on the latter. Ms Paterson stated that this is a complex issue and that the financial aspects are being examined, with last year's position not having been completely resolved yet. There are also challenges in terms of progressing options for this year, although it has been possible to tender for a number of contracts. Members were assured that the Primary Care team will continue to work with practices to ensure the required service provision, and to explore securing additional capacity in urgent Primary Care. Ms Paterson was hopeful that the position for the forthcoming year will be agreed soon.

With regard to Section 3 and the further choices/options being explored, Ms Anna Lewis wished to clarify:

- The process by which this 'long-list' of options had been developed
- The parameters which have altered to produce these options
- The potential cumulative impact of issuing this many changes and whether there is a risk of destabilising the position elsewhere
- Whether the workforce (numbers and capacity) is available to deliver such changes
- How much is within the control of the organisation and how much is dependent on other partners or elements of the system

In terms of the first two queries, Mr Moore reminded Members that all options/choices had been discussed at Board Seminar, at which time it had been agreed that certain could be progressed; others not. The choices were largely informed by work undertaken to consider where the Health Board has costs higher than benchmark. On the topic of destabilisation, with four relatively small hospital sites, consideration does need to be given to – for example – the potential for bed reduction to introduce volatility which becomes difficult to manage. It should be noted, however, that many of the options are already attached to existing wider programmes of work which consider the system 'in the round'. Whilst Mr Moore hoped that this would help to mitigate against destabilisation, the issue would need to be closely monitored. In response to the fourth query, Members were reminded that staff have just exited the most challenging winter period ever, to face the largest acute waiting lists ever and significant challenges in Primary and Community Care. There is a need for staff to be given 'headspace' and a sense of optimism.

Mr Carruthers endorsed Mr Moore's comments, highlighting that many of the Urgent & Emergency Care actions described are at the heart of the transformation programme and reflect the expectations of Welsh

Government in respect of the 6 Goals for Urgent & Emergency Care and 'Further, Faster, Together'. They are, therefore, natural actions which would be implemented as part of these programmes. The challenge arises, however, when more significant service changes are being contemplated; which would involve capacity considerations, particularly in regards to the engagement and consultation which would be required. The Planned Care options have been selected on the basis of them either being an issue already or deemed a potential issue, examples include Critical Care and Emergency Surgery, which have both been discussed recently at Public Board. In terms of delivering the Elective Recovery Plan, some of the configuration issues around elective surgery would make it more deliverable and manageable for operational teams than the current model, with a number of sites. The Health Board would be working through these considerations; aligning them with existing programmes potentially helps to 'tie in' processes, resourcing and support. Mr Carruthers did feel that there is a particular challenge in terms of the Clinical Services Plan and staff 'headspace'/capacity to deliver the Elective Recovery Plan in addition to engaging fully with and supporting an engagement for the Planned Care configuration. This links with discussions mentioned earlier with Welsh Government around potential Targeted Intervention support. Mr Carruthers highlighted that Planned and Emergency work are 'split' when considered from a clinical perspective. He is considering how it might be possible to better balance the two/replicate this from an operational response perspective, to potentially free up individuals from day-to-day operational pressures. Mr Carruthers echoed concerns around staff capacity and their need to recover from recent winter pressures. All of the above would need to be closely monitored.

Ms Lewis reiterated her query around parameters, enquiring – for those choices not included in the original submission – what has changed to allow their inclusion now, and whether these had been 'high-risk' or 'unpalatable' options. Whilst accepting that these choices were not evaluated into the original Annual Plan submission, Mr Moore emphasised that they were areas on which the Health Board was already working. Given the current and projected financial position, they require further consideration and the organisation wishes to be transparent around this. Also, there is a need to ensure that areas within them are fully explored in terms of financial delivery. Mr Carruthers added that the Planned Care aspects form part of the Clinical Services Plan, reminding Members that the Board had discussed this in March 2023. The Urgent & Emergency Care issues were being worked on at that time; however, had not reached the level of granularity to enable a full understanding of the implications.

Focusing on the issue of transparency and communications, Ms Delyth Raynsford highlighted the importance of openness with both public and staff and the need to place Hywel Dda people and communities at the heart of the Plan, and enquired around plans to engage with and involve these groups. Agreeing that transparency was crucial, Mr Moore emphasised that the choices outlined on pages 11 and 12 have all been the subject of detailed discussions with staff. If and when the point of requiring formal consultation and engagement is reached, a detailed

plan in this regard will be developed. However, no decision to take forward any of these options has yet been made. The organisation has opted to be transparent around potential choices at the earliest opportunity; there will be additional engagement when this is deemed to provide the most value. The Health Board has undertaken a number of engagement activities recently, and would wish to involve Llais in any future processes. Mr Lee Davies emphasised that the Health Board is not intending to reduce the access to or quality of services, rather to consider the balance between financial and sustainability challenges and improved provision of services. He cautioned against viewing the options as negative; they represent potential opportunities to progress the Strategy.

Mrs Chantal Patel noted that Welsh Government had classified the Plan as 'not supportable or acceptable' and enquired regarding confidence that the updated submission will be. Also, the Health Board's confidence in achieving timelines and deliver on plans, given the current volatility and pressures being experienced. In response to the first query, Mr Moore stated that it is difficult to judge, and that he would wish to amend the report's recommendations to reflect this. There is a need for the Health Board to provide clarity to Welsh Government around how it will report on delivery, with clear timelines. In respect of delivery and timelines, not all of the required mitigations are in place yet. With regard to monitoring, Mr Maynard Davies noted that the organisation's Planning Objectives are set out and assigned to various Committees for monitoring purposes. He assumed that the Strategic Development & Operational Delivery Committee (SDODC) will continue to monitor delivery of the Plan. Noting the already significant pressures on the Executive Team, Mr Maynard Davies also enquired with regard to Welsh Government requirements in terms of delivering Ministerial Priorities and whether this represents an additional reporting requirement and additional workload. Mr Moore replied that the process to report and monitor delivery will be via the existing Integrated Quality, Planning & Delivery (IQPD) meetings, although there is also a degree of overlap with the Targeted Intervention process. This has been managed to date and does not add to the reporting requirements. Mr Moore emphasised that there is also pressure on Welsh Government colleagues and that Health Boards and Welsh Government need to work together. Mr Huw Thomas confirmed that a process already exists to report on delivery, via the Integrated Performance Assurance Report (IPAR).

Returning to the comment around the Plan being classified by Welsh Government as 'not supportable or acceptable', Mr Huw Thomas recognised that a Plan with a forecast deficit of in excess of £100m is not a comfortable position for any Board Member. It is, however, necessary to acknowledge the reality of the challenges being faced. Members were reminded that there have been open and honest discussions during the past year around demand challenges, including issues around Delayed Transfers of Care, and increased demand for Oncology and Mental Health services. There are also challenges in terms of supply, such as issues in recruiting staff. Finally, there are configuration challenges, which are at the centre of the Health Board's 'A Healthier Mid and West Wales' Strategy. All of these challenges

impact upon the organisation's financial position. Whilst not an acceptable position, it reflects the reality being faced. The critical issue is the Health Board's response to this situation. Assurance can be built regarding delivery; and de-risking the Plan is an ongoing process. Based on this assessment, Miss Battle suggested that other NHS organisations must be in a similar position across the UK and enquired how Hywel Dda UHB compares. Mr Huw Thomas confirmed that every Health Board in Wales is managing similar issues and challenges; the picture across the UK is more difficult to assess.

Mr Moore summarised/reflected upon discussions as follows:

- The Health Board is facing an enormously challenging situation, both in terms of the scale of the financial position and the pressures which have been experienced by the NHS
- It is positive that the Board is undertaking detailed discussions around its position early in the year
- The system is still 'surged' to winter levels of demand
- There needs to be clarity of process and scrutiny around the actions being taken to ensure that everything possible is being done

Mr Moore would wish to build in four more elements to the Executive Team weekly process going forward:

- Choices work and the extent to which this can be developed into deliverable plans
- Current savings schemes – to review and apply an ongoing focus on the governance, including capacity to deliver on these
- Emerging pressures – to consider other issues which might arise and agree rapid mitigations
- Additional recovery actions which could be taken – to achieve a 2.5% minimum recovery target

Noting that there will be issues for consideration by various of the Board level Committees, Mr Moore suggested that he work with Mrs Wilson around the assurance aspects involved. A programme would be developed to provide Board with assurance regarding oversight/scrutiny.

Whilst Mr Moore would request approval from the Board to submit the Supplementary Information presented, he would also suggest that the work described above continues throughout the next month and that he then submit a further Accountable Officer Letter to the Director General of NHS Wales at the end of June 2023 to provide an update on progress. Also, that consideration be given at the July 2023 Public Board to ongoing Board oversight of progress. It was, therefore, suggested that the following amendment be made to the recommendation:

Further work in June 2023 will culminate in an Accountable Officer letter in June to update Welsh Government on improvements in the financial forecast which the Health Board has been able to achieve.

Board Members confirmed their agreement to this amendment and to

**SM/JW**

	<p>the submission.</p> <p>Miss Battle concluded discussions by thanking all of those involved in preparing the Supplementary Information presented, and the Corporate Governance team for convening a Public Board meeting at short notice. As has been indicated, the organisation faces significant challenges, which closely follow the worst winter period experienced and the COVID-19 Pandemic. Miss Battle emphasised that Board Members are available to provide support. Discussions will continue at Board Seminar and Public Board meetings.</p>	
	<p>The Board <b>APPROVED</b> the submission to Welsh Government of the supplementary information regarding the Annual Plan for 2023/24, in line with their letter of 3 May 2023 but noting that Welsh Government indicated that the original submission was 'not supportable or acceptable' and that acknowledging the risks highlighted above and recognising the forecast financial outturn remains unacceptable and further work will be required during 2023/24 to improve the position.</p> <p>The Board furthermore <b>APPROVED</b> further work to continue in June 2023 which will culminate in an Accountable Officer letter in June to update Welsh Government on improvements in the financial forecast which the Health Board has been able to achieve.</p>	

<b>PM(23)117</b>	<b>DATE AND TIME OF NEXT MEETING</b>	
	9.30am, Thursday 27 July 2023	