



Finance & Performance Committee
Minutes of the meeting held in public on 30.9.20
via Webex

Present:

Mark Polin	BCUHB Chairman / Committee Chair
John Cunliffe	Independent Member / Committee Vice Chair
Eifion Jones	Independent Member

In Attendance:

Andrew Doughton	Wales Audit representative – to observe
Arpan Guha	Deputy Medical Director
Sue Green	Executive Director Workforce and Organisational Development (OD)
Gill Harris	Acting Chief Executive
Sue Hill (SH)	Acting Executive Director of Finance
Andrew Kent (AK)	Interim Head of Planned Care Improvement (<i>part meeting</i>)
Gavin Macdonald (GH)	Interim Chief Operating Officer (<i>part meeting</i>)
Llinos Roberts	Executive Business Manager to Chairman
Emma Wilkins	Deputy Director, Financial Delivery Unit (FDU)
Mark Wilkinson (MW)	Executive Director Planning and Performance (<i>part meeting</i>)
Diane Davies	Corporate Governance Manager (Committee Secretariat)

Agenda item	Action by
<p>FP20/113 Apologies for absence</p> <p>Received from David Fearnley (for whom Arpan Guha deputised) and Helen Wilkinson</p>	
<p>FP20/114 Declarations of Interest</p> <p>None received</p>	
<p>FP20/115 Draft minutes of the previous meeting held on 27.8.20 and summary action log</p> <p>It was agreed that the minutes were an accurate record and the summary action log would be addressed at the next meeting.</p> <p>In respect of the briefing notes provided to members, it was noted that:</p> <ul style="list-style-type: none"> the booking process efficiency programme timeline encompassed 1.10.20 to the end of quarter 3. 	

- the Acting Chief Executive would join the Chairman in meeting with the Secondary Care Medical Director to discuss Urology services
- the Acting Executive Director of Finance assured that Welsh Government (WG) were aware of BCU's loss of income relating to non-contracted activity (NCA) due to the Covid19 pandemic.

FP20/116 Planned Care update including Diagnostic and Treatment Centre

The Interim Head of Planned Care Improvement joined the meeting and provided a powerpoint presentation.

FP20/116.1 The challenges were highlighted as: planned care had been significantly disrupted due to the Covid pandemic, long waits over 36 weeks had increased to over 30,000 and activity was at 37% of last year's level for Inpatient/Day cases. It was noted that should the current activity runrate remain, patients with long waiting times could increase to 60,000 by March 2021. Turn around times in theatres had improved although theatre and ward capacity had decreased due to Covid guidance. Essential services were still being maintained but at reduced activity; the recommencement of services within a reduced footfall was taking longer than expected and whilst WG had introduced a risk stratification approach, only guidance on stage 4 had been provided to date.

FP20/116.2 The actions highlighted comprised of: essential service being maintained with weekly/monthly monitoring to ensure compliance and increase to meet demand, risk stratification for stage 4 and planned had been implemented, "Once for North Wales" approach for high risk specialties was being implemented, recommencement of routine services was being planned, with an expected increase in September. Out Patient Department activity for Cancer was almost back to pre-covid levels, routine referrals were slower, virtual clinics were being planned for further roll out, See On Symptoms (SOS) and Patient initiated Follow up (PIFU) toolkits were also complete and being rolled out and it was noted that the Orthopaedic network plan was being implemented, although the strategic business case required significant review.

FP20/116.3 In respect of progress to date it was noted that essential service was being maintained, risk stratification was being implemented for stage 4 and planned, a Task and Finish group to cover IT governance and Patient Administration System to measure risk stratification was in place and there had been clinical engagement in respect of the new approach. In terms of Once for North Wales for P2/3 patients the live dates were reported as : Endoscopy & Ophthalmology (August), General surgery (August/September), Orthopaedics (August/September) and the Outpatient department (OPD) programmes - SOS/PIFU were now business as usual. Virtual clinics required a further push due to roll out issues. Progress was also noted regarding a review of diagnostic extra capacity for endoscopy and CT, applying this to a diagnostic and treatment centre approach as an option, options for non-operative pathways/primary care and field hospital usage and that BCU's Winter plan was key along with a working relationship with unscheduled care

FP20/116.4 Risks were highlighted as: screening programmes re-start increased the risk for endoscopy/breast/diagnostics, increased routine referrals, Winter plan requires close integration with primary care/unscheduled care, IT infrastructure to

monitor risk stratification (IT update forecast in September), no national guidance on stratification for OPD/diagnostics, Independent sector (Spire contract), RJAH contract, patients declining dates due to covid threat requires an improved communication strategy, reduced capacity will entail patients waiting much longer within P4 risk stratification, non-operative pathways may require investment and upscaling. A full review of the risk register would be required in August/September to incorporate new risks.

FP20/116.5 The Interim Head of Planned Care Improvement drew attention to the increased forecasts highlighted in the presentation, advising that post Covid19 plans could only aspire to 60% of previous planning. Theatre utilisation was highlighted including the drop in activity which had been due to staff annual leave and non-availability of Spire hospital capacity. The Committee recognised the importance of staff taking leave at this time, which for many had been delayed during previous months in the response to Covid19. It was confirmed that whilst there had been an improvement in September it would not bounce back to pre Covid19 levels. It was understood that the West area was being affected by bed availability and there was work being done in the worse affected East area to improve flow and protect ring fencing.

FP20/116.7 The Interim Head of Planned Care Improvement emphasised the scale of the unprecedented issues ahead and that potential recovery would be on a timescale of years, not months - which was a widely shared opinion in other areas across Wales. It was for this reason that he was putting forward an alternative concept of developing a Diagnostic and Treatment Centre (DTC) model amidst 5 different options outlined for consideration. He advised that work was ongoing to address financial costing, clinical engagement and high level clinical specification. It was his opinion that there would likely be a need for 2 DTCs due to the size of North Wales (1 x East and 1 x West). These could provide a one stop centre that included a diagnostic centre, oscopy unit and daycase surgery/ polyclinic which would also address the interface between primary and secondary care. This would also have a significant effect within BCU's primary care services. The presentation outlined the potential services provided and also the patient pathway from GP referral to receiving a procedure. He advised it would be important for the DTC to be daycase focussed and not include beds which required more complex procedures and aftercare by appropriate staffing. The workforce mix required to support DTCs would require significant exploration dependent on the services needed.

The Interim Chief Operating Officer joined the meeting

FP20/116.8 Further details of the services were outlined in the paper including a potential Elective Orthopaedic Centre. It was noted that an update on the Orthopaedics Business Case being developed would be brought to the next meeting given the potential approach being outlined.

FP20/116.9 The 5 options outlined in the paper were:

Option 1 – Business as Usual

Option 2 – 3 x session days and 7 day working, all sites

Option 3 - Diagnostic and Treatment Centres including theatres

Option 4 – Diagnostic Centre – Outpatient department and Diagnostics only

Option 5 – Diagnostic and Treatment Centre that has limited theatre capacity to clear backlogs and service transformation is undertaken to instigate covid light daycase centres.

It was also noted that a high level financial analysis and a SWOT analysis had been provided for each option within the report

FP20/116.11 A discussion ensued. The Interim Chief Operating Officer stated the importance of critical thinking. He supported development of DTCs as a credible option which could also take into consideration patient's concerns regarding C19 risks that were affecting attendances. The Acting Chief Executive alluded to national discussions which were ongoing and reported that WG was keen to explore different options to resolve the shortfall. She stated she was following this up to see what other approaches were being put forward across Wales.

FP20/116.12 Workforce considerations were discussed. In respect of the Deputy Medical Director's observations regarding diagnostic capacity, the Interim Head of Planned Care Improvement advised that there was further high level outline work to do before safe staffing levels could be ascertained in conjunction with the clinical specification. The Acting Chief Executive was very supportive of the potential opportunities to attract and retain staff. The Executive Director of Workforce & OD stated that BCU needed to address delivering care in a modern way which would be important within a clinical model that could address skills and training over a 3/5 year timeline and workforce would be an integral part of the development team. She highlighted the need to maintain 'Super Green' status and form a package that also supported improvements within Emergency Departments and patient flow; integrating different parts of BCU's services and ensuring alignment with investment decisions.

FP20/116.13 The Chairman questioned what would be required strategically and the need to involve WG in terms of investment. He sought assurance that developments would be incorporated in BCU's Estate strategy. The Acting Chief Executive also drew attention to the need to incorporate risk considerations regarding surgical specialties and others who contributed to Orthopaedic services.

The Executive Director Planning and Performance joined the meeting

FP20/116.14 The Committee stated that Option 1 (Business as Usual) was not acceptable, given that the numbers of patients waiting more than 36 weeks was increasing each month, and sought assurance that an interim solution would be moved forward at pace. The Interim Head of Planned Care Improvement advised of a variety of interim measures that were being put in place to address the three thousand patient gap per month and provided assurance that this was being built into the quarterly plan. The Chairman was keen to expedite solutions quickly and invited the Wales Audit representative to comment on his observations.

FP20/116.15 Potential locations were discussed, following which funding was questioned. The Acting Executive Director of Finance emphasised the need to ensure expertise was provided to write the necessary business cases to support developments. In response to the Chairman she advised that potential revenue and capital funding would need to be clearly outlined in order to provide clarity of the

<p>scope of the proposal to WG. The Deputy Director FDU advised caution in respect of potential WG capital availability due to existing commitments.</p> <p>FP20/116.16 It was understood that the next report would provide greater detail on finance, including addressing the Chairman's question as to whether part of the existing £40m Planned Care budget could be repurposed.</p> <p>It was resolved that the Committee agreed</p> <ul style="list-style-type: none"> • the paper be shared at the upcoming Board workshop, supported by the Interim Chief Operating Officer • the Interim Head of Planned Care Improvement provide a briefing note to the members clarifying what steps would be taking place and assets required to provide an interim solution to the widening gap. • an update on progress of the Orthopaedic Business case (including risks) be provided at the next meeing. It was noted that the business case would also need to be reviewed against DTC development. • business cases be developed to support the proposals 	<p>GH</p> <p>AK</p> <p>MW</p> <p>MW/SH</p>
<p>FP20117 Finance Report - Month 5</p> <p>FP20/117.1 The Acting Executive Director of Finance presented this report. It was noted that the £31m in-month deficit / £44.4m year to date deficit, was an adverse variance of £27.7m compared to the Month 5 plan. Whilst the reported position had deteriorated significantly, this was due to the agreed change to the income assumptions, as only income notified by WG was now included in the financial position and this was broadly in line with the income risk reported at the previous Committee meeting.</p> <p>FP20/117.2 The Acting Executive Director of Finance advised that WG had issued guidance on £83.1m sustainability funding to be made available to BCU and what the allocation was to be used for. She referenced the detail and agreed to share this with members following the meeting. She advised that following work to understand the impact on the end of year forecast, there was the potential to deliver a position under the £40m deficit plan, but she reminded the committee of the continued volatility around the impact of Covid19.</p> <p>FP20/117.3 In response to the Committee, she confirmed that the forecast deficit position currently included savings of £14.9m and that the table on page 4 of the report illustrated the revised forecast position and the variable cost elements which were informing that forecast.</p> <p>FP20/117.4 The Chairman requested that Appendix 1 of the report provide separate detail of expenditure around Covid19 and Divisional costs in order that members could ensure they could identify divisions not aligning with their budgets. The Acting Executive Director of Finance agreed to address this within the next report along with</p>	<p>SH</p> <p>SH</p>

<p>the inclusion of a table tracking expenditure against the additional WG allocation for monitoring purposes.</p> <p>FP20/117.5 The Committee was concerned that due to the present circumstances potential financial issues were mounting for the future and therefore reminded of the importance of a continued focus on savings. The financial implications on budgets to respond to the Minister's statement on additional beds to be provided during the Winter Season was also questioned. The Acting Executive Director of Finance stated that current budgets included usage of field hospitals, however month 6 would provide greater clarity on this issue. She also stated that WG would be providing additional funding for specific programmes leading to year end. A discussion ensued on potential field hospital utilisation and related workforce shortfall issues which the Acting Chief Executive advised was being monitored closely by the Executive Team. The Deputy Director ~ FDU questioned the impact of consequential losses against the field hospitals and the Acting Executive Director of Finance stated that this was being worked through with the Field Hospital partners and WG.</p> <p>It was resolved that the Committee noted the report</p>	
<p>FP20/118 Savings report</p> <p>FP20/118.1 The Acting Executive Director of Finance presented the report. Following a considerable reduction in the number and value of schemes between March and June, the number of schemes had risen by 7 and the value of the programme had risen by £1.7m to £13.9m. The Improvement Group schemes for medicines, digital and estates had all moved into divisional schemes for delivery. It was noted that all savings schemes were subject to a risk assessment process in line with WG guidance. Whilst £7.41m of the current programme was assessed as amber or green. £6.49m worth of schemes were classified as red RAG status and required further work to ensure progression into delivery. The Acting Executive Director of Finance stated that due to the current circumstances, there was a need for realism as to what could be delivered in year.</p> <p>FP20/118.2 In terms of pipeline schemes, the Executive Team were looking at options which ensured delivering safely and a team was in place to support this. The Acting Executive Director of Finance stated that a report on the Recovery Director's recommendations would be brought to the October meeting. She also advised that digital investment would be required to support some schemes.</p> <p>FP20/118.3 The Committee was keen to understand progress on Programme Management Office resource within the next report, including the separate skill mix capability and capacity to support the two areas of financial recovery & service improvement.</p> <p>FP20/118.4 It was also clarified that the £1m Estates savings scheme had been transferred into the relevant division, following progression of the scheme..</p> <p>FP20/118.5 The Chairman was concerned that the Q3&4 plan being provided to the Strategy, Partnership and Population Health Committee and Board workshop the next day did not have financial alignment and therefore affordability could not be assessed.</p>	<p>SH</p> <p>SH</p>

<p>FP20/118.6 A discussion ensued on Value Based Healthcare (VBHC), in which the Acting Executive Director of Finance advised that the Head of VBHC had returned to post following a period supporting the Covid19 response. She stated that clinical pathways were being developed with this approach. The Executive Director of Workforce and OD concurred and cited the work on DTCs as an excellent example of integrating VBHC into new developments. She commented that greater awareness of VBHC principles being applied needed to be drawn out in papers submitted by executives, which the Chairman endorsed, and that it needed to be more integrated into the organisation rather than the responsibility of a specific team. It was agreed that the next Finance report include a VBHC update.</p> <p>FP20/118.7 The Wales Audit representative remarked that the organisation appeared to have reverted back to type, driving the focus on cost control & avoidance rather than looking to the longer term. The Acting Chief Executive welcomed the comments made. She stated that significant progress was being moved forward, particularly in respect of digital improvements, progressing business cases to support productivity and ensuring the right supportive workforce supported improvements. BCU was ambitious in moving forward in a different way to achieve strategic direction.</p> <p>It was resolved that the Committee noted</p> <ul style="list-style-type: none"> • the increase in the value of the savings programme of £1.7m since the June review, giving a programme value of £13.9m, and the latest forecast delivery of £14.9m • the urgent action required to finalise the development and risk assessment of existing PIDs • the need for further savings schemes to be developed in order to reduce to projected shortfall against the Board's financial plan requirements • the development of a proposal for resourcing and delivery of the PMO and Service Improvement functions which would be presented to the Committee in October <p>agreed</p> <ul style="list-style-type: none"> • further detail be provided at the October meeting on the recommendations made by the Interim Recovery Director as outlined in the report and <ul style="list-style-type: none"> ○ review of 19/20 non-recurring savings to identify repeat opportunities ○ Grip and control measures which delivered significant benefit in 19/20 and could provide rapid impact • inclusion of a VBH report within the next Finance report 	<p>SH</p> <p>SH SH</p>
<p>FP20/119 Issues of significance to inform the Chair's assurance report</p> <p>To be agreed outside the meeting</p>	
<p>FP20/120 Date of next meeting</p> <p>29.10.20</p>	