

# Bundle Finance & Performance Committee 29 July 2019

## AGENDA

11.00am Boardroom, Carlton Court, St Asaph LL17 0JG

- 1 11:00 - FP19/148 Welcome and Chair's opening remarks
- 2 11:00 - FP19/149 Apologies for absence
- 3 11:00 - FP19/150 Declaration of Interests
- 4 11:00 - FP19/151 Draft minutes of the previous meeting held on 25.6.19 and summary action plan  
FP19.151a Draft minutes FPC 25.6.19 public session v.05.docx  
FP19.151b Summary Action Log v3.doc
- 5 For assurance
- 7 11:15 - FP19/153 Capital Programme report Month 3  
*Mr Mark Wilkinson*  
*Recommendation:*  
*The Committee is asked to receive this report.*  
FP19.153a Capital Programme Month 3 coversheet .docx  
FP19.153b Capital Programme Month 3 report.docx
- 8 11:25 - FP19/154 Integrated Quality and Performance report  
*Mr Mark Wilkinson*  
*Recommendation:*  
*The Finance & Performance Committee is asked to note the report and to assist in addressing the governance issues raised.*  
FP19.154a IQPR Coversheet June 2019v0.2.docx  
FP19.154b IQPR for FandP - June 2019 Final.pdf
- 9 11:55 - FP19/156 Annual Plan 2019/20 progress monitoring report  
*Mr Mark Wilkinson*  
*Recommendation:*  
*The Committee is asked to note the report.*  
FP19.156a AOPMR Coversheet v2.docx  
FP19.156b AOPMR Annual Plan Progress Monitoring Report - June 2019 FINALv2.pdf  
FP19.156c AOPMR Appendix\_DC quality update june19v0.2.ppt
- 10 12:15 - FP19/157 Developing our Plan for 2020/23 - Draft Planning Principles and Outline Timetable  
*Mr Mark Wilkinson*  
*Recommendation:*  
*It is recommended that F&P Committee approve the draft planning principles and outline timetable for 2020/23*  
FP19.157a Planning timetable Coversheet.docx  
FP19.157b Draft Planning Principles 2020-23 Timetable.docx
- 11 12:30 - Comfort break
- 12 12:50 - FP19/158 Finance Report Month 3  
*Ms Sue Hill*  
*Recommendation:*  
*It is asked that the report is noted, including the forecast position of £35.0m deficit*  
FP19.158 Finance Report Month 3 v3.docx
- 13 13:30 - FP19/159 Financial review action plan  
*Ms Sue Hill*  
*Recommendation:*  
*The report is for information and assurance and it is asked that the progress against the timeline of the financial review is noted.*  
FP19.159a Financial Review action plan.doc  
FP19.159b 2019 Financial Baseline action plan.pdf
- 14 14:20 - FP19/160 Savings Programme Group meeting 29.7.19 - verbal update  
*Mr John Cunliffe*
- 16 14:30 - FP19/161-163 no items
- 18 14:30 - For information
- 20 14:30 - FP19/164 WHC 2019/013 2019/20 Monthly monitoring report

*Ms Sue Hill*

*Recommendation:*

*Note the contents of the report that has been made to the Welsh Government about the Health Board's financial position for the third month of 2019-20*

FP19.164a Monthly Finance monitoring report Month 3 coversheet.docx

FP19.164b Monthly Finance monitoring report Month 3 .pdf

21 14:30 - FP19/165 Shared Services Partnership Committee quarterly assurance report

*Ms Sue Hill*

*Recommendation:*

*The Committee is asked to note the report*

FP19.165 SSPartnership Q4 summary performance report 2018.19.docx

22 14:30 - FP19/166 Financial Policies and Processes

*Ms Sue Hill*

*Recommendation:*

*That the report be noted, including the actions to:*

- *continuously update the Health Board's Financial Policies and related procedures; and*
- *make these accessible to relevant Health Board staff*

FP19.166 Review of Financial Policies and processes.docx

23 14:30 - FP19/167 Presentation: Value Based Healthcare

*Ms Sue Hill*

24 14:30 - FP19/168 Issues of significance to inform the Chair's assurance report

25 14:30 - FP19/169 Summary of InCommittee business to be reported in public

*Ms Sue Hill*

*Recommendation*

*The Committee is asked to note the report*

FP19.169 InCommittee items reported in public.docx

26 14:30 - FP19/170 Date of next meeting 22.8.19 Boardroom, Carlton Court \*Additional date\*

27 14:30 - FP19/171 Exclusion of the Press and Public

*Resolution to Exclude the Press and Public*

*"That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest in accordance with Section 1(2) Public Bodies (Admission to Meetings) Act 1960."*



**Finance & Performance Committee**  
**Draft minutes of the meeting held in public on 25.6.19**  
**in Carlton Court, St Asaph**

**Present:**

Mr Mark Polin	BCUHB Chairman
Mr John Cunliffe	Independent Member / SPG Chair ( <i>*part meeting</i> )
Mrs Lyn Meadows	Independent Member / SPG member ( <i>*part meeting</i> )
Ms Helen Wilkinson	Independent Member

**In Attendance:**

Mr Neil Bradshaw	Assistant Director Strategy- Capital ( <i>part meeting</i> )
Ms Deborah Carter	Acting Executive Director Nursing and Midwifery
Mr Andrew Doughton	Wales Audit Office ( <i>observer</i> )
Mrs Sue Green	Executive Director Workforce and Organisational Development (OD) ( <i>*part meeting</i> )
Ms Sue Hill	Acting Executive Director of Finance Director ( <i>*part meeting</i> )
Mr Geoff Lang	Turnaround Director ( <i>*part meeting</i> )
Dr Evan Moore	Executive Medical Director
Dr Jill Newman	Director of Performance
Mr Tony Uttley	Interim Financial Director – Operational Finance
Mr Mark Wilkinson	Executive Director of Planning & Performance ( <i>*part meeting</i> )
Ms Emma Wilkins	Financial Delivery Unit
Ms Diane Davies	Corporate Governance Manager

Agenda Item Discussed	Action By
<p><b>FP19/125 Welcome, apologies for absence and declarations of interest</b></p> <p><b>FP19/125.1</b> Apologies for absence were received from Mr Michael Hearty although the Chairman indicated that he had received the benefit of the Independent Finance Advisor's comments in respect of the papers provided as well as other IMs attending the Savings Programme Group (SPG) which would be taken account of during the meeting. He explained that there had been a need for the Savings Programme Group to be held concurrently with this meeting this month and that IMs and officers would join the Committee on the rise of the SPG. (as noted above ~ (<i>*part meeting</i>))</p> <p><b>FP19/125.2</b> The Chairman welcomed everyone to the meeting and introduced Ms Emma Wilkins from the Financial Delivery Unit as well as Mr Andrew Doughton observing on behalf of the Wales Audit Office. He reminded of the need to meet the Board's agreed standards of business in publishing papers 7 days before the meeting.</p>	

<p><b>FP19/126 Integrated Quality and Performance report (IQPR)</b></p> <p><b>FP19/126.1</b> The Executive Director of Planning and Performance presented this item, he drew attention to the most improved measures and those of most concern highlighted in the Executive Summary. He agreed to arrange to strengthen arrangements for quality assuring the IQPR report prior to publication. The Executive Director of Planning and Performance advised that further detail on Unscheduled Care (USC) performance was available within item FP19/130. It was reported that Planned Care performance had deteriorated in part as a consequence of end of year activity and that whilst there had been significant expenditure this was not as much as the previous year. He commented that performance was not as he would wish and drew attention to the inclusion of expenditure against RTT activity data that was being introduced into the report to facilitate value for money considerations.</p> <p><b>FP19/126.2</b> During a discussion on USC the Acting Director of Nursing and Midwifery highlighted ambulance handover challenges which had also been critical during the previous weekend. She reported that Delayed Transfers of Care were improving as a result of the introduction of robust reviews. Whilst acknowledging a shift in Primary Care performance, the Chairman was advised of national discussions taking place to identify the source of key performance indicators (KPIs) and that BCU's Improvement Group was in the process of identifying local KPIs by the end of July.</p> <p><b>FP19/126.3</b> It was confirmed that the additional efficiencies being identified within the PwC review would be incorporated in due course. The Executive Director of Planning and Performance confirmed that work was on track to deliver against the timelines indicated in the RTT outcomes and would be reported by exception if not. The Chairman sought clarification on whether the specialty level recovery plan would report at the July Board meeting instead of being prepared by the end of September. He also questioned whether the £2.2m expenditure and figures provided in the report correlated with WG expectation. The Deputy Director FDU confirmed that a reconciliation of up activity against cost was required. It was agreed that the Acting Executive Director of Nursing &amp; Midwifery would liaise with Andrew Sallows, to provide assurance that WG and BCU had an agreed understanding of the figures provided. It was agreed that the Performance Director would provide improvement by specialty level within the next report</p> <p><b>FP19/126.4</b> In respect of Cancer performance the Chairman questioned whether performance was on track. The Chairman requested that the Executive Director of Therapies and Health Sciences attend the next meeting to respond on this and diagnostic waiting time performance. In the meantime, the Executive Director of Performance and Planning would liaise with him to arrange a briefing on all remedial actions undertaken following the meeting. The Chairman requested that a system be arranged to advise the Chairman on areas of off target performance where the responsible Executive was not in regular attendance at F&amp;P Committee in order that he might consider whether to request attendance. The Chairman advised that, in light of the</p>	<p>MW</p> <p>MW</p> <p>DC</p> <p>AT</p> <p>MW</p> <p>MW/SH</p>

emerging PwC report, discussion was in hand to potentially include the Chief Executive in attendance at Finance and Performance Committee meetings.

**FP19/126.5** It was agreed that the Performance Director would that future reports were consistent in reporting format of each section. In respect of Diagnostic Waiting times, the Executive Director Planning and Performance advised that the Executive Team had taken a decision to commission non-recurrent outsourcing and progress a mobile unit at Ysbyty Glan Clwyd whilst a longer term Endoscopy business case was being progressed as outlined within the 3 year plan. He also advised that there was a national solution being considered. Workforce issues within Radiology were noted and it was clarified that 'harm' was being overseen by the Quality, Safety and Experience Committee.

**FP19/126.6** In respect of the follow up waiting list the Acting Executive Director of Nursing and Midwifery advised of a range of actions being undertaken that would result in a reduction of patients requiring appointments in keeping with WG Delivery Unit recommendations.

**FP19/126.7** The Performance Director provided an update in regard to the Eye Care Measure which included advice that there was a national expectation that performance would deteriorate due to backlog clearance based on clinical risk. In response to the Chairman she advised that there was confidence that the deterioration would only continue until the end of quarter 2. The Performance Director advised that other data would also be included in developing reports within this area and drew attention to the operational changes which were taking place, including the use of Optometrists for some work. In response to the Chairman, the Performance Director confirmed that BCU was represented at national meetings. The Executive Medical Director was requested to confirm to the Chairman BCU's representation at a national Research and Development Group so that he could be assured of BCU's involvement.

**FP19/126.8** In respect of referrals, it was confirmed that the details provided were a critical component part in the development of business plans and that Rheumatology issues were in the process of being explored.

**FP19/126.9** With regard to Unscheduled Care attention was drawn to reporting anomalies. The Chairman questioned whether GP Out of Hours, SICAT and 111 could be reported separately going forward. A discussion ensued on the low numbers of urgent patients reported.

**FP19/126.10** In respect of Stroke performance, it was noted that new data sets had been introduced and there was an expectation of improvement for the next report. The Executive Director of Planning and Performance referred to the long term investment required in this service, advising that a business case had been presented to the Executive Management Group and Strategy, Partnerships and Population Health Committee with an expectation that it would be submitted to the July Health Board meeting.

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<p><b>FP19/126.11</b> A discussion ensued on whether Programme Business Cases prepared for WG required scrutiny by the F&amp;P Committee as they were not investment decisions but an agreement of direction of travel. The Chairman was assured that those which had been considered at the recent SPPH Committee for the July Board did not require investment decisions.</p> <p><b>FP19/126.12</b> In respect of Emergency Department (ED) &amp; Minor Injury Unit (MIU) performance and Ambulance Handovers, issues at Wrexham Maelor Hospital were highlighted. The Chairman sought clarity on the definition of 'very urgent' out of hours patients.</p> <p><b>FP19/126.13</b> Finance and Workforce performance was noted.</p> <p><b>It was resolved that the Committee</b> noted the report and expressed concern with quality issues within the report.</p> <p><i>The Executive Director of Planning and Performance advised on what action would be taken to address the issues ahead of the next iteration.</i></p>	<p>DC/CS</p>
<p><b>FP19/128 Capital Programme report month 2</b></p> <p><b>FP19/128.1</b> The Assistant Director Strategy - Capital joined the meeting to present this item. It was noted that Welsh Government had issued the initial allocation for the 2019/20 financial year in March 2019 and the Capital Resource Limit for month 2 remained unchanged from month 1 at £21.725m.</p> <p><b>FP19/128.2</b> In respect of the discretionary capital programme, following confirmation, and satisfactory audit, of the accruals from 2018/19 the brokerage requirement had increased by £0.591m to £2.146m. The Health Board had also managed year-end slippage within the Integrated Capital Fund. As a consequence the resource available for 2019/20 had been confirmed as £10.439m.</p> <p><b>FP19/128.3</b> It was noted that following confirmation from Welsh Government of additional capital support to take forward the Health Board's orthopaedic plan, the provision previously made within the discretionary programme (Transformation planned care) was able to be released to support the revised programme. In response to the Chairman, the Assistant Director Strategy – Capital confirmed that resources were in place. The Executive Director of Planning and Performance responded that the resilience of the electrical and infrastructure work needed to be addressed within the Wrexham Maelor redevelopment programme.</p> <p><b>It was resolved that the Committee</b> noted the report</p> <p><i>The Assistant Director Strategy - Capital left the meeting</i></p>	

**FP19/127 Presentation : Excellent Hospital Care ~ Planned Care**

**FP19/127.1** The Executive Director of Planning and Performance highlighted the need to agree the plan with WG and made specific reference to the delivery challenges around additional activity and the impact of pension legislation; winter pressures; demand and case mix. He also noted the opportunities from improving treatment in turn, productivity gains and waiting list validation. It was noted that introducing the prospective RTT expenditure proforma and approval process would be key in meeting the planning challenges outlined.

**FP19/127.2** The Chairman questioned whether sign off was expected before or after the July Board meeting. The Executive Director of Planning and Performance advised of the iterative process being worked through, drawing attention to the Orthopaedic issues around RTT performance. He explained that the Planned Care Improvement Group would help inform the Committee. The Chairman re-iterated the importance of establishing an agreed shared understanding of numbers with WG.

**FP19/127.3** The Executive Director of Planning and Performance reported that moving to treating 70% from backlog, 20% containment and 10% urgent at 'zero cost' increase was welcomed in improving RTT performance. In response to the Committee's question regarding the level of confidence in achievement of delivery, he stated that if the actions were carried out then significant improvement could be achieved, highlighting the potential large scale changes that implementing the business cases would achieve. On the ground challenges were highlighted by the Acting Executive Director of Nursing and Midwifery which included ensuring that the introduction of more efficient processes were monitored and continued to be implemented.

**FP19/127.4** The Chairman emphasised the need for improvement and sought guidance on the timeline envisaged. Following discussion, he requested that an Executive brief be submitted to the July Board clarifying a trigger point date on which outline remedial actions would be undertaken should turnaround not be achieved. It was also noted that modelling the trajectory would require work before presentation.

**FP19/127.5** The Chairman sought assurance that the following were demonstrated: confirmation that actions were on track, having confidence in delivery and detail of how risk was being mitigated.

**It was resolved that the Committee**  
noted the presentation

*The Executive Director of Workforce & OD, Turnaround Director, IM John Cunliffe, IM Lyn Meadows and Acting Executive Director of Finance joined the meeting.*

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<p><b>FP19/127.1</b> The Executive Director of Planning and Performance presented the report stating it would drive action within the organisation. The Committee was provided with clarification on how long an action would remain at amber before it was considered of concern. A discussion ensued in which questions on self assessments, evidence gathering and visibility of earlier milestones were raised.</p> <p><b>FP19/127.2</b> It was agreed that the Executive Director of Planning and Performance would reflect on the discussion and consider how evidence on delivery would be checked through random sampling. He also undertook to ensure robust processes were in place in respect of recording RAG ratings.</p> <p><b>It was resolved that the Committee</b> noted the report agreed the addition of the following in future reports:</p> <ul style="list-style-type: none"> <li>• milestones to actions</li> <li>• 10% random spot checks</li> <li>• provide to July Health Board meeting followed by quarterly reports</li> <li>• ensure the Chairman approved the report prior to submission to the Board</li> </ul>	<p>MW</p> <p>MW</p> <p>MW</p>
<p><b>FP19/131 Draft minutes of the previous meeting held on 23.5.19 and summary action plan</b></p> <p><b>FP19/131.1</b> The minutes were approved as an accurate record.</p> <p><b>FP19/131.2</b> Updates were provided to the summary action log, noting that an additional action highlighted in the previous minutes FP19/104.4 would be added.</p>	<p>DD</p>
<p><b>FP19/131b Savings Programme Group (SPG) Update from meeting held 23.5.19</b></p> <p><b>FP19/131b.1</b> The SPG Chair provided a verbal update on the meeting that had been held that morning. He summarised that there had been an improved position, though Red RAG status remained on some schemes. The Group were concerned with the lack of savings schemes confirmed for the Mental Health &amp; Learning Disabilities Division in respect of their £1.75m target. He also advised that a Financial Recovery Group had been setup which would report minutes via the SPG. The Acting Executive Director of Finance agreed to amend the SPG ToR to reflect this and consider renaming the Group to Strategic Savings Group following the suggestion of the Executive Director of Workforce &amp;OD.</p> <p><b>FP19/131b.2</b> The SPG Chair confirmed that PwC's Grip and Control report had been considered and it was understood that the Acting Executive Director of Finance would be considering further work undertaken at Cardiff and Vale UHB. He reported that the pipeline prospects had shown signs of improvement however there was a gap of £3.4m savings to be addressed.</p>	<p>SH</p>

<p><b>FP19/131b.3</b> It was reported that an engagement plan was in place to drive forward more suggestions and that pipeline opportunities had increased to £36-49m potentially into year 2 &amp; 3 which would be reported in one report to simplify monitoring. The SPG Chair reported that a Recovery Director had been appointed and would commence duty on 1.7.19. An SPG member also drew attention to discussion on training and managing staff in this area.</p> <p><b>FP19/131b.4</b> The Chairman stated that as expenditure was currently running hot it was necessary to turn off the tap where possible to reduce spending. He referred to previous discussions in which areas such as travel and procurement had been identified for exploration. The Acting Executive Director of Finance advised that a suite of documentation and guidance would be available for all employees to access as a resource on financial improvement, governance and service improvement via dedicated intranet pages by 28.6.19. The intention was to incorporate financial awareness within the culture so that more resources could be allocated to front line care. In addition she highlighted work on variation being moved forward with clinicians.</p> <p><b>FP19/131b.5</b> The Chairman requested that documentation provided to the SPG should be in the same format as Committee submissions and be supported by completed coversheets. The Acting Executive Director of Finance explained that the FRG included divisional representatives from across the Health Board. In response to the Chairman, the Executive Director of Workforce &amp; OD outlined the division of responsibility between the Recovery Director and the Acting Executive Director of Finance roles. The Independent Members present asked to have access to the savings tracker alluded to.</p> <p><b>The Committee resolved to</b> note the verbal update</p>	<p>SH</p> <p>SH</p>
<p><b>FP19/132 Finance Report Month 2</b></p> <p><b>FP19/132.1</b> The Acting Executive Director of Finance presented the report which highlighted that at the end of Month 2, the Health Board was overspent by £7.5m being £1.7m adverse variance to plan and had achieved £2.6m savings, being £2.1m behind plan. She reported that the main issues had been around Secondary Care (referring members to financial performance at the 3 District General Hospital sites), Pay (Health Board additional £2.5m due to pay award and an additional £2.8m in Primary Care) and also Agency &amp; Locum expenditure (as referenced on page 11).</p> <p><b>FP19/132.2</b> In respect of Non-Pay it was reported that there had been an additional increase of £2m on month 1. The Chairman questioned attention to Primary Care Drug expenditure and was advised of actions being reported to the SPG. It was noted that a larger scheme was currently under development within the Area Teams which would surpass the current small scale scheme. Control in the area of Secondary Care drugs expenditure was also of concern. The Committee questioned the repercussion to Secondary Care on the resulting £0.5m underspend forecast on the year regarding uptake of</p>	

enhanced primary care services.

**FP19/132.3** The Acting Executive Finance Director outlined the RTT spend to Month 2 of £2.29m, having spent £1.3m in month. She reported that whilst the current forecast was circa £13.7m for work planned to date, it was not all the work that would be undertaken, advising that this would be reported in the following month.

**FP19/132.4** In respect of allocations there was £28.7m non-recurrent of which £13.7m had been received for RTT. The Acting Executive Director of Finance provided clarification to the Chairman on why the anticipated RTT funding had not been reflected in the ledger.

**FP19/132.5** In respect of savings delivery she advised that the £31.1m savings reported had now increased to £31.5m and that whilst there had been £2.7m conversion to green, it was of concern that the performance was plateauing. The underlying deficit position was reported as £55.1m, being a £1.3m improvement from the draft plan based on review work with FDU colleagues.

**FP19/132.6** In regard to the balance sheet the revenue cash balance was reported as £2.9m and was within the internal target set by the Health Board. It was noted that £35m of strategic cash support and £10m of working capital balances support would be required by the Health Board in 2019/20. This would be finalised later in the year with a formal request to be submitted to WG following agreement of the Board.

**FP19/132.7** With regards to the Capital programme, the Acting Executive Director Finance advised that the Ysbyty Gwynedd Emergency Department was not due to overspend, but that the project had been delayed from last year and the capital allocation into the current financial year.

**FP19/132.8** Discussion followed on how the new savings target of £35m was being managed via a tracker tool, clarity was provided on the financial performance and forecast illustrated in peaks and troughs and an explanation provided on the joint ownership being managed appropriately between Executive Directors and Divisions in respect of their savings requirements.

**FP19/132.9** The Chairman raised concern in respect of Wrexham Maelor financial performance which the Acting Executive Director of Finance clarified would be addressed with the further introduction of regional accountability.

**FP19/132.10** The Acting Executive Director of Finance highlighted that it was important that the organisation aligned its focus on both cost control and savings moving forward. The Executive Director of Workforce drew attention to the reduction in pay costs being achieved which was recognised by the Committee.

**FP19/132.11** The Deputy Director FDU observed that there was a correlation in respect of the highest acute overspend having the highest savings target.

<p><b>It was resolved that the Committee</b></p> <ul style="list-style-type: none"> <li>noted the Finance report and forecast position of £35m deficit</li> <li>requested a briefing note to provide assurance that CHC monitoring was being managed more effectively</li> <li>consider whether CHC risk should be considered at RED at the next iteration</li> <li>provide greater detail on what action was being undertaken in respect of savings that were out of kilter within the policies and procedures paper being prepared</li> <li>reverse red typeface utilised within the Financial Performance by Division data table going forward</li> </ul>	<p>SH/TU</p> <p>SH</p> <p>SH/TU</p> <p>SH/TU</p>
<p><b>FP19/133 Review of Corporate Risk Assurance Framework – risks assigned to the Finance and Performance Committee</b></p> <p>A discussion ensued on BCU’s risk management approach which was understood to be discussed at the next Board Development session. In addition the Executive Director of Workforce &amp;OD stated that a newly appointed Risk Manager would be commencing shortly.</p> <p>Following review of the risks assigned, <b>it was resolved that the Committee</b></p> <p><b>CRR06 – Financial Stability</b></p> <ul style="list-style-type: none"> <li>agreed the risk remain the same</li> </ul> <p><b>CRR07 – Capital Systems</b></p> <p>Supported the proposed closure of the risk on the basis that following receipt of the Specialist Audit Systems report that confirmed “reasonable assurance” for capital systems with “substantial assurance” and best practice for monitoring and reporting, there was an adequate level of assurance received and achievement of the target risk score.</p> <ul style="list-style-type: none"> <li>agreed closure of the risk</li> </ul> <p><b>CRR11a – Unscheduled Care Access</b></p> <ul style="list-style-type: none"> <li>agreed the risk remain the same</li> </ul> <p><b>CRR11b – Planned Care Access</b></p> <ul style="list-style-type: none"> <li>agreed that recalibration was required</li> </ul> <p><b>CRR12 – Estates and Environment</b></p>	<p>MW</p> <p>MW</p>

<p>Reflected that a greater understanding of the estate being addressed within the Estates strategy was needed.</p> <ul style="list-style-type: none"> <li>agreed that the Executive Director of Workforce &amp;OD and the Acting Executive Director of Finance would meet to discuss and agree the risk rating</li> </ul> <p><b>CRR19 - Countess of Chester Hospital - Discontinued RTT for Patients in Wales</b></p> <p>Noted that further developments had taken place and that it was proposed that the risk be de-escalated, reviewed and updated to encompass the wider issue of contracting out services to NHS England Maternity Services and managed by the Finance Directorate.</p> <ul style="list-style-type: none"> <li>agreed that the risk be de-escalated to tier 2</li> </ul>	<p>SG/SH</p> <p>MW</p>
<p><b>FP19/134 Proposal for outsourcing elective Orthopaedic work as part of the Orthopaedic Plan</b></p> <p><b>FP19/134.1</b> The report provided a proposal to move forward with the commissioning of additional orthopaedic activity with NHS providers in England as part of the overall orthopaedic programme. It was noted that the SPPH Committee was scheduled to consider the Orthopaedic Plan on 4.7.19. The Executive Director of Planning and Performance drew attention to WG's expectations and advised the proposal would enable a commitment to be given to English providers and pointed out that the Orthopaedic Plan might not deliver at the time and rate expected.</p> <p><b>FP19/134.2</b> The Committee was concerned to be informed that there was likelihood of reduced BCU clinician availability due to recruitment issues. Discussion ensued in which it was clarified that final expenditure might be less than £18m due to patient case mix, assurance was given that PBR pricing was being adhered to and it was noted that there was a 3 year contract committment.</p> <p><b>FP19/134.3</b> The Chairman requested that BCU's Chief Executive seek clarification with the NHS Wales Director General on whether there might be any impediment to entering into a 3 year agreement and that confirmation was sought on this point.</p> <p><b>It was resolved that the Committee</b></p> <ul style="list-style-type: none"> <li>agreed to request BCU's CEO to seek clarification on 3 year agreement <i>following which;</i></li> <li>agreed to submit to the July Health Board for consideration</li> </ul>	<p>MW&gt;GD</p> <p>MW</p>
<p><b>FP19/135 Strategic recruitment position and plans</b></p> <p><b>FP19/135.1</b> The Executive Director of Workforce &amp;OD presented this item.</p>	

<p>She highlighted three main priorities in relation to BCU staffing was to ensure that the Health Board has:</p> <ul style="list-style-type: none"> <li>• the right information available and the capability to analyse and use it to plan and act;</li> <li>• a recruitment and retention plan around staffing in the right numbers, as efficiently and effectively as possible;</li> <li>• reviewed challenged specialties and roles to identify potential alternatives in the best interests of BCU's patients/communities.</li> </ul> <p><b>FP19/135.2</b> It was noted that the report provided an outline of the current situation across the Health Board, key staff groups and highlighted specific areas of challenge. In addition, plans were outlined for a more strategic approach to recruitment and retention with all recruitment, including Medical and Dental, in one team under the Associate Director Workforce Performance and Improvement and a Head of Resourcing. The resourcing team would bring together Recruitment, Rostering and Temporary Staffing and provide a strategic and holistic approach with joined up recruitment and retention campaigns to increase substantive staffing levels, maximising effectiveness of those staff by efficient rostering and where substantive provision falls short it would seek to provide temporary staffing in the most cost efficient way. In addition, she highlighted potential benefits with strategic data, safety and medical vulnerability which this development could help support.</p> <p><b>FP19/135.3</b> The Committee questioned whether it was envisaged that further stretch could be achieved with the reduction in vacancy rates from over 10% to 9% or less that was outlined in respect of Nursing and Medical posts.</p> <p><b>FP19/135.4</b> The Chairman questioned whether there was any potential to recoup spending with shared services in respect of the current recruitment service to BCU, however it was noted that the transactional element of recruitment would remain and continue to be dealt with in this way.</p> <p><b>It was resolved that the Committee</b>  Noted the report  agreed that the Executive Director of Workforce &amp; OD prepare a briefing note on retention</p>	<p>SG</p>
<p><b>FP19/136 Turnaround Programme Savings Report – Month 2 2019/20</b></p> <p>The Chairman noted that this report had been considered by the SPG earlier that day and on that basis he did not intend to invite discussion at the Committee. He thanked the Turnaround Director for his committed service in difficult circumstances and with few resources.</p> <p><b>It was resolved that the Committee noted</b></p> <ul style="list-style-type: none"> <li>• the increase in savings schemes developed and the improved risk profile over the previous month's report</li> <li>• the residual gap in amber / green risk assessed schemes of £10.09m</li> </ul>	

<p>in cash releasing savings and £15.98m in total savings</p> <ul style="list-style-type: none"> <li>• the impact of the shortfall in savings identification against the budgetary plan of £1.57m.</li> <li>• the achievement of savings of £2.59m, which is £0.38m above profile.</li> <li>• the work ongoing with PwC to finalise schemes in development and to identify further savings to meet the plan requirements by the end of June.</li> <li>• the requirement to increase cash releasing savings and total savings delivered in year by £10m if the control total deficit of £25m is to be achieved.</li> </ul>	
<p><b>FP19/137 Summary of InCommittee business to be reported in public</b></p> <p><b>It was resolved that</b> the Committee note the report</p>	
<p><b>FP19/138 Issues of significance to inform the Chair's assurance report</b></p> <p>To be agreed with Chair</p>	
<p><b>FP19/139 Date of next meeting</b></p> <p>It was noted that the Committee would next meet on 29.7.19 at 11.00am in the Boardroom, Carlton Court</p>	
<p><b>Exclusion of the Press and Public</b></p> <p><b>It was resolved that</b> representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest in accordance with Section 1(2) Public Bodies (Admission to Meetings) Act 1960.</p>	

<b>BCUHB FINANCE &amp; PERFORMANCE COMMITTEE</b>				
<b>Summary Action Log – arising from meetings held in public</b>				
<b>Officer</b>	<b>Minute Reference and Action Agreed</b>	<b>Original Timescale</b>	<b>Latest Update Position</b>	<b>Revised Timescale</b>
<b>Actions from 24.4.19 meeting:</b>				
Sue Hill / Mark Wilkinson	<b>FP19/73.4 Savings Programme</b> Agree planning timetable for 20/21 ie agree milestones and outline a timetable to enable more effective monitoring	1.5.19	23.5.19 MW suggested that a planning timetable be shared at the July meeting so that it could reflect the conclusions of the PWC review. Agreed. MP also requested that investment proposals for 2020-21 be considered initially in December 2019. 22.7.19 Superseded by revised financial recovery management arrangements	July  December Action to be closed
Mark Wilkinson	<b>FP19/74.3 Finance report</b> Arrange to review Bed establishment with Executive Team	13.5.19	Bed SOP meeting taken place with Area Directors, Secondary Care and Hospital teams to re-enforce importance of complying fully with Bed establishment, temporary closure and temporary escalation processes. Actions agreed to improve compliance so as to inform the bed establishment review. 23.5.19 Action re-opened and MW to provide further briefing note. 19.6.19 Executive Team have not yet carried out their review which will be scheduled within the next few weeks. 22.7.19 To be discussed at Executive Team on 24.7.19	June  Action to be closed
<b>Actions from 23.5.19 meeting:</b>				
Executives [Sue Hill]	<b>FP19/101.4 Finance M1</b> Provide assurance that budget holders were being challenged appropriately regarding overspends	25.6.19	5.6.19 We will provide a sample of Finance meeting minutes with Committee members in July. [Sue Hill]	July
Sue Hill	<b>FP19/104.1 External Contracts</b> Determine how quality and safety issues from these reports could be shared with the Q&S Committee	July	A summary report will be presented each quarter listing any quality and safety issues with our external contracts, but any urgent issues will be escalated within the Finance report. This will commence from August 2019 and each quarter thereafter.	Action to be closed
Sue Hill > Andy Roach	<b>FP19/104.4</b> Consider with the Director MH whether the Division's investment	17.7.19	The Division implemented a new management structure as part of Special Measures framework in April 2018, which was supported and funded by Welsh Government. The revised structure included	Action to be closed

	in leadership across the Division had worked given the additional costs and continued overspend.		<p>additional Director posts for Operations and Delivery and Partnerships and Transformation and each area received funding for three posts; Head of Operations and Delivery; Heads of Nursing and Clinical Director sessions. The Clinical and managerial leadership structure has seen significant quality improvements across all areas with recent very positive and significantly improved HIW reports, including very positive feedback from the Welsh Government advisor for the Mental Health Special Measures framework. An element of this year's savings programme includes £370k which will be delivered through a reduction in the numbers of first line and middle management posts in the current structure which was built into the Divisional leadership structure.</p> <p>Financial performance improved over the last quarter of 2018/19 with a sustained reduction in run rate and management of variable pay costs and non pay as a result of the grip and control actions put in place by Divisional area leadership teams. There was an overspend in Month 1 of 2019/20, but MHLD budgets have delivered a small underspend in months 2 and 3, but still continue to have significant cost pressure from CHC.</p>	
<b>Actions from 25.6.19 meeting:</b>				
Adrian Thomas	<b>FP19/126.4 IQPR</b> Attend next meeting to provide assurance on Cancer performance and diagnostic waiting times.	29.7.19	In attendance	Action to be closed
Mark Wilkinson	<b>FP19/126.1 IQPR</b> Strengthen arrangements for quality assuring the IQPR report prior to publication  <b>FP19/126.2</b>	9.7.19	Post report production, a review of the report has taken place led by the Director of Performance and the performance team to identify areas for improvement.	Action to be closed

	<p>Advise Chairman if Specialty level recovery plan could be reported to July Health Board meeting</p> <p><b>FP19/126.4</b> Liaise with Adrian Thomas to provide a briefing on remedial actions being undertaken regarding the above</p>		<p>Site and specialty level planning profiles will be presented to the August Finance and Performance Committee.</p> <p>Matter was raised with AT. A draft business case has been considered by the Executive Team and the further work requested is underway which is subject to ongoing scrutiny by the Executive Team.</p>	<p>Action to be closed</p> <p>Action to be closed</p>
Mark Wilkinson / Sue Hill	<p><b>FP19/126.4</b> Arrange system to advise the Chair on areas of off target performance where the responsible Executive is not in regular attendance at F&amp;P in order that he may consider whether to request attendance</p>	9.7.19	To be considered as part of agenda setting discussions. AT's attendance – as above is an example of this approach in operation.	Action to be closed
Deborah Carter	<p><b>FP19/126.3</b> Liaise with Andrew Sallows to provide assurance on agreed figures with WG.</p> <p><b>FP19/126.12 IQPR</b> Discuss with Dr Chris Stockport the definition of Very Urgent in GPOOH and advise the Chairman</p>	26.6.19	<p>WG have been provided with the information.</p> <p>The Executive Director of Primary and Community Services advised that the national standard for 'very urgent face to face' is within one hour.</p>	<p>Action to be closed</p> <p>Action to be closed</p>
Mark Wilkinson (Jill Newman)	<p><b>FP19/126.5</b> Ensure future reports are consistent in reporting format of each section</p>	17.7.19	22.7.19 The importance of consistent formatting is emphasised in the training being delivered to narrative writers and is evident in this month's report	September

Evan Moore	<b>FP19/126.7 IQPR</b> Advise the Chairman how BCU was represented at a national R&D Group to provide assurance on BCU involvement	9.7.19	The Executive Medical Director has advised the Chairman	Action to be closed
Mark Wilkinson	<b>FP19/127.4 Planned Care</b> Provide Planned Care update to July Board to include target profiles and trajectories which can be monitored.	9.7.19	The revised 3 year outlook and 2019/20 Annual Plan includes planned care target profiles and these are underpinned by detailed demand and capacity modelling. Detailed site and specialty trajectories will be shared with August Finance and Performance Committee	Action to be closed
	<b>FP19/127.5</b> Provide assurance within planned care reporting that Actions on track Confidence in delivery Mitigation of risk		The plan has been built on locally agreed demand and capacity models. The plan highlights delivery risks and how they are being addressed. Performance reporting on a weekly basis within the organisation, and monthly to Committees, will identify where progress is off track, and allow timely interventions to be made.	Action to be closed
Mark Wilkinson / Deborah Carter	<b>FP19/130.5</b> Continue to provide USC and Planned Care reports on a bi-monthly basis in addition to reporting within the IQPR	8.7.19	Information now included in IQPR report with additional separate records scheduled the Cycle of Business for the Committee	Action to be closed
Deborah Carter	<b>FP19/130.5 USC</b> Ensure future coversheets are completed in full - especially in respect of governance and risk	17.7.19	Coversheets will be completed in full moving forward	Action to be closed
Mark Wilkinson	<b>FP19/127.2 AOP progress monitoring</b> Consider how to evidence delivery eg random sampling	17.7.19	22.7.19 Discussion at SPPH Committee confirmed a methodology which has been applied and reflected on this agenda	Action to be closed

	<p><b>FP19/127.2 AOP progress monitoring</b> Arrange to ensure robust process in place re RAG ratings</p> <p><b>FP19/127.2 AOP progress monitoring</b> Ensure following included within future reporting:</p> <ul style="list-style-type: none"> <li>• Action milestones</li> <li>• 10% random spot checks</li> <li>• Provide to July Board followed by quarterly reports</li> <li>• Arrange for Chairman to see report before submission to Board</li> </ul>		<p>Executive Team scrutiny of RAG ratings</p> <p>Subsequent discussions indicated the need for further discussion at Executive Team and SPPH Committee. The eventual method chosen was more extensive in terms of sampled items and is reflected in the papers provided.</p>	<p>Action to be closed</p> <p>Action to be closed</p>
Diane Davies	<p><b>FP19/131.2</b> Summary action log Add FP19/104.4</p>	8.7.19	Completed as above	Action to be closed
Sue Hill	<p><b>FP19/131b SPG</b> Amend the SPG ToR to reflect reporting arrangements of FRG and consider renaming to Strategic Savings Group following the suggestion of the Executive Director of Workforce &amp;OD.</p> <p><b>FP19/131b SPG</b> Ensure reports submitted to SPG are formatted as provided to Committee with supporting coversheets.</p>	17.7.19	<p>ToR - the Tor has been updated. The SPG may be subject to change based on the recovery actions being agreed with the interim Recovery director but will be brought to F&amp;P</p> <p>Cover sheets will be used for all SPG papers</p>	<p>Action to be closed</p> <p>Action to be closed</p>

	<b>FP19/131b SPG</b> Arrange for IMs to have access to savings tracker		Master tracker - this will be shared with IMs	Action to be closed
Sue Hill	<b>FP19/132.11 Finance report M2</b> Provide a briefing note to provide assurance that CHC monitoring was being managed more effectively		Briefing distributed to members	Action to be closed
	<b>FP19/132.11 Finance report M2</b> Consider if CHC risk should be considered at RED at next iteration		CHC - risk rating At the moment we feel the risk level is appropriate but we review the risk each month	Action to be closed
	<b>FP19/132.11 Finance report M2</b> Provide greater detail on what action was being undertaken in respect of savings that were out of kilter within the policies and procedures paper being prepared		Savings in relation to policies and procedures paper, this is also being scrutinised by both the FRG and SPG, but would be considered in the divisional F & P meetings.	Action to be closed
/ Tony Uttley	<b>FP19/132.11 Finance report M2</b> Reverse red typeface utilised within the Financial Performance by Division data table going forward	17.7.19 14.8.19	To be carried forward to Month 4. We have been unable to address the reports in Month 3 due to systems issues and system downtime.	
Mark Wilkinson	<b>FP19/133 Corporate Risks</b> CRR07 – Capital Risks Close risk	9.7.19	Closed	Action to be closed

Deborah Carter	CRR07 – Planned Care Access Recalibrate risk			
Sue Hill	CRR19 – COCH De-escalate to tier 2		CoCh risk has been de-escalated - closed	Action to be closed
Sue Hill / Sue Green	<b>FP19/133 Corporate Risks CRR12 – Estates and Environment</b> Meet to discuss and agree risk rating	9.7.19		
Mark Wilkinson	<b>FP19/134 Orthopaedic outsourcing proposal</b> MW to contact Chief Executive to request that he seek clarification with the NHS Wales Director General on whether there might be any impediment to entering into a 3 year agreement and that confirmation was sought on this point. Following clarification on action above, submit to July Board	9.7.19	Discussions with NHS Wales have taken place. Confirmation has been secured that the formal contractual position is at 12 month only contract. In addition, payment is made on 'payment by results' basis with no future years pre agreed activity levels and where the Board manages referrals. The future year commitment from the Health Board is underpinned by a non-binding letter of intent. Paper is scheduled on July agenda	Action to be closed
Sue Green	<b>FP19/135 Strategic recruitment position and plans</b> Prepare briefing note on retention	14.8.19		

23.7.19

<b>Finance and Performance Committee</b>  <b>29.7.19</b>	 Bwrdd Iechyd Prifysgol Betsi Cadwaladr University Health Board  <b>To improve health and provide excellent care</b>
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<b>Report Title:</b>	<b>Capital programme report month 3</b>
<b>Report Author:</b>	Neil Bradshaw – Assistant Director of Planning – Capital Denise Roberts – Financial Accountant Tax & Capital
<b>Responsible Director:</b>	Mark Wilkinson, Director of Planning and Performance
<b>Public or In Committee</b>	Public
<b>Purpose of Report:</b>	The purpose of this report is to brief the Finance and Performance Committee on the delivery of the approved capital programme and progress on expenditure against the Capital Resource Limit.
<b>Approval / Scrutiny Route Prior to Presentation:</b>	Progress and expenditure on capital schemes is scrutinised by the Capital Programme Management Team.
<b>Governance issues / risks:</b>	This is a standing report to the committee as required by the Health Board's capital governance procedures.
<b>Financial Implications:</b>	Following a review by the Capital Programme Management Team this report confirms proposed changes to the planned discretionary capital programme due to amendments to the expenditure profile and additional cost pressures.
<b>Recommendation:</b>	The Committee is asked to receive this report.

<b>Health Board's Well-being Objectives</b> <i>(indicate how this paper proposes alignment with the Health Board's Well Being objectives. Tick all that apply and expand within main report)</i>	√	<b>WFGA Sustainable Development Principle</b> <i>(Indicate how the paper/proposal has embedded and prioritised the sustainable development principle in its development. Describe how within the main body of the report or if not indicate the reasons for this.)</i>	√
1.To improve physical, emotional and mental health and well-being for all		1.Balancing short term need with long term planning for the future	
2.To target our resources to those with the greatest needs and reduce inequalities	√	2.Working together with other partners to deliver objectives	
3.To support children to have the best start in life		3. those with an interest and seeking their views	
4.To work in partnership to support people – individuals, families, carers, communities - to		4.Putting resources into preventing problems occurring or getting worse	√

achieve their own well-being			
5.To improve the safety and quality of all services	√	5.Considering impact on all well-being goals together and on other bodies	
6.To respect people and their dignity			
7.To listen to people and learn from their experiences	√		
<b>Special Measures Improvement Framework Theme/Expectation addressed by this paper</b>			
<a href="http://www.wales.nhs.uk/sitesplus/861/page/81806">http://www.wales.nhs.uk/sitesplus/861/page/81806</a>			
<b>Equality Impact Assessment</b>			
This is a standing report to the committee. There is no proposed change of policy or direction nor are budgets being reduced.			

*Disclosure:*

*Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board*



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WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

# Capital Programme Report Month 03 June 2019

Neil Bradshaw – Assistant Director - Capital  
Denise Roberts – Financial Accountant Tax & Capital

Betsi Cadwaladr University Health Board

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## 1.1 Purpose of Report

The purpose of this report is to brief the Health Board on the delivery of the approved capital programme to enable appropriate monitoring and scrutiny. The report provides an update, by exception, on the status and progress of the major capital projects and the agreed capital programmes.

The report also provides a summary on the progress of expenditure against the capital resources allocated to the Health Board by the Welsh Government through the Capital Resource Limit (CRL).

## 1.2 Capital Funding 2019/20

The agreed capital funding from all sources may be summarised as follows:

<b>Capital Programme</b>	<b>£ '000</b>
All Wales Capital Programme	8,804
Discretionary Capital	12,921
<b>Total Welsh Government CRL</b>	<b>21,725</b>
Capital Receipts	356
Donated Funding	1,578
Grant Funding	0
<b>TOTAL</b>	<b>23,659</b>

The CRL for month 3 is unchanged from month 2 at £21.725m.

It is anticipated that we will secure other sources of funding including capital receipts, donated funding and Welsh Government grants (Integrated Capital Fund) in this financial year. Separate monitoring reports will be developed and incorporated within this report as appropriate.

It should be noted that both the capital receipts and donated funding is a forecast and the figure may change as the year progresses.

## 2.1 INTRODUCTION

Following implementation of the Health Board's Procedure Manual for Managing Capital Projects, an assessment has been made of the RAG rating for the key domains for each scheme.

This assessment is based upon the Project Managers monthly reports and provides an overview of the status of each scheme. A commentary is provided, as necessary, to highlight key variances.

## 2.2 ALL WALES PROGRAMME

The Health Board has been successful in securing capital investment for the following approved schemes. The table has been updated to reflect the latest changes to the CRL.

Scheme	RAG rating				
	Q	T	C	R	B
SuRNICC	G	G↑	G	G	G
PAS system	G	A→	G	A→	G
Substance misuse - The Elms	G	A	G	G	G
Substance misuse - Holyhead, Anglesey	G	G	G	G	G
Substance misuse – Shotton, Flintshire	G	G	G	G	G
ED information system - EDCIMS	R→	R→	A→	R→	R→
Ysbyty Gwynedd Emergency Department	G	A→	A→	G	G

### Substance misuse - The Elms

The project was handover at the end of May and services commenced from the new facilities from 14<sup>th</sup> June.

### Ysbyty Gwynedd Emergency Department

There has been no change from the position reported as at Month 2.

### 2.21 All Wales Programme – Business cases

The CRL includes Welsh Government funding to progress the following business cases:

Scheme	Case	Status
North Denbighshire Community hospital	Full Business Case	A
Redevelopment of Ablett unit	Outline Business Case	G

### North Denbighshire Community Hospital

Following a request from the supply chain partner to change the terms of the contract the Board has sought legal advice. The proposed changes introduce additional cost and potential risk to the Health Board and are not considered acceptable. The on-going resolution of this issue will delay the project however work will continue to progress the Full Business Case to minimise any such delay. A separate report has been provided. Due to the fact that this matter is “commercial in-confidence” it will be discussed “in-committee”.

## 2.3 DISCRETIONARY CAPITAL PROGRAMME

Following a review by the Capital Programme Management Team (CPMT) the programme has been amended to reflect changes in the expenditure profile of schemes and additional cost pressures as follows:

Scheme	£	£
<b>Commitments brought forward</b>		
Side wards Wrexham Maelor hospital	50,000	
Upgrade Hafan ward Bryn Beryl hospital	200,000	250,000
<b>Wrexham Maelor business continuity</b>		
Infection isolation facility	347,000	
Engineering infrastructure resilience	500,000	
<b>Sub-total</b>	847,000	847,000
<b>Mental Health – response to external reviews</b>		
Priorities as confirmed by Mental Health division	633,500	
<b>Sub-total</b>	633,500	633,500
<b>Estates</b>		
High risk backlog maintenance - East	250,000	
WMH Fire alarms	150,000	
High risk backlog maintenance – Centre	800,000	
High risk backlog maintenance - West	862,000	
Removal of high risk ACMs	150,000	
Fire precaution works	100,000	
YGC – replacement mortuary vehicle	60,000	
YG catering upgrade	188,000	
Contingency for additional urgent Facilities works	150,000	
<b>Sub-total</b>	2,710,000	2,710,000
<b>Safe Clean Care</b>		1,000,000
<b>Medical Devices</b>		
Enabling works equipment purchased in 2018/19	560,000	
YG Pharmacy robot replacement	700,000	
YG Monitors	334,000	
Contingency for in-year urgent replacements	250,000	
<b>Sub-total</b>	1,844,000	1,844,000
<b>Informatics</b>		3,000,000
<b>Service continuity/transformation</b>		
YG – theatre refurbishment	150,000	
Llanfair PG Primary Care Centre	400,000	
Ysbyty Penrhos Stanley – support to hospice	127,000	
Eyecare measure	180,000	
WMH - Ambulatory Emergency Care Unit	195,000	
WMH - Neurophysiology accommodation	37,000	
Transformation/cash releasing programme	1,250,000	
<b>Sub-total</b>	2,339,000	2,339,000
<b>TOTAL</b>		<b>£12,623,500</b>

The changes may be summarised as follows:

Following recent environmental inspections of catering facilities a contingency has been included to allow for any urgent works.

WMH Infection isolation facility – the scope of the project has changed. The original intention was to provide a segregation facility on the Critical Care Unit to manage non-airbourne infections. The clinical lead has now requested that the facility also makes provision for airbourne infections. This significantly increases the specification for the works and requires the development of a “Negative Pressure Suite”. The total cost is now likely to exceed £1m and the Hospital Management Team are preparing a business case for approval by this committee and the Health Board. The works will now potentially be carried out over two years and the expenditure profile has been revised accordingly. The costs in this year reflect the design fees and enabling works.

Ysbyty Penrhos Stanley – support to hospice - see section 2.4.2

WMH Ambulatory Emergency Care Unit – the Hospital Management Team have requested support to create an Ambulatory Emergency Care Unit within the existing Medical Diagnostic Unit to support and enhanced model of care that seeks to ensure timely consultant lead assessment thereby reducing waiting times and avoiding admissions.

WMH Neurophysiology accommodation – additional clinic space has been identified as a key requirement to reduce diagnostic waits.

Divisions are continuing to review their priorities and the CPMT will monitor the programme. As previously indicated the programme makes provision for an over-commitment to allow the Health Board to manage any in-year slippage.

## 2.4 ALTERNATIVE FUNDING

### 2.4.1 Estates Rationalisation/Disposal Programme

The following table provides an overview of the disposals for 2019/20.

	NBV	Actual capital receipts 2019/20	Capital Receipt Forecast 2019/20
Land and Property Disposals	£'000	£'000	£'000
Abergele Hospital - Grazing Land	38		38
Blaenua Ffestiniog Health Centre	168		168
Brymbo Health Centre	50		50
Ala Road, Pwylheli	100		100
<b>Total</b>	<b>356</b>	<b>0</b>	<b>356</b>

### 2.4.2 Donated Funding

Scheme	RAG rating				
	Q	T	C	R	B
Medical Devices	G	G	G	G	G
Equipment to support Hybrid theatre	G	G	G	G	G
Informatics	G	A	G	G	G
Ysbyty Penrhos Stanley - hospice	G	A	A	G	G
Minor Estates adaptations	G	G	G	G	G

#### Ysbyty Penrhos Stanley (YPS) – Hospice

The Health Board supported the conversion of a vacant ward at YPS to create a satellite hospice facility as part of a planned network of palliative care across Ynys Mon and Gwynedd. St Davids hospice pledged £417,000 support for the scheme. The tendered costs are in excess of the original budget due to:

- Additional engineering costs
- Market conditions
- The expected recovery of VAT has been challenged, the revised cost takes a prudent approach and assumes that no VAT will be recoverable.

The project team have undertaken a value engineering exercise and identified potential savings that do not adversely affect the functionality of the planned unit. St Davids hospice have agreed to increase their support to £516,000 this is the maximum they can afford. As a consequence there is a potential shortfall of £127,000. This project remains a priority and is considered to be an excellent example of the Health Board working with partners to develop collaborative solutions.

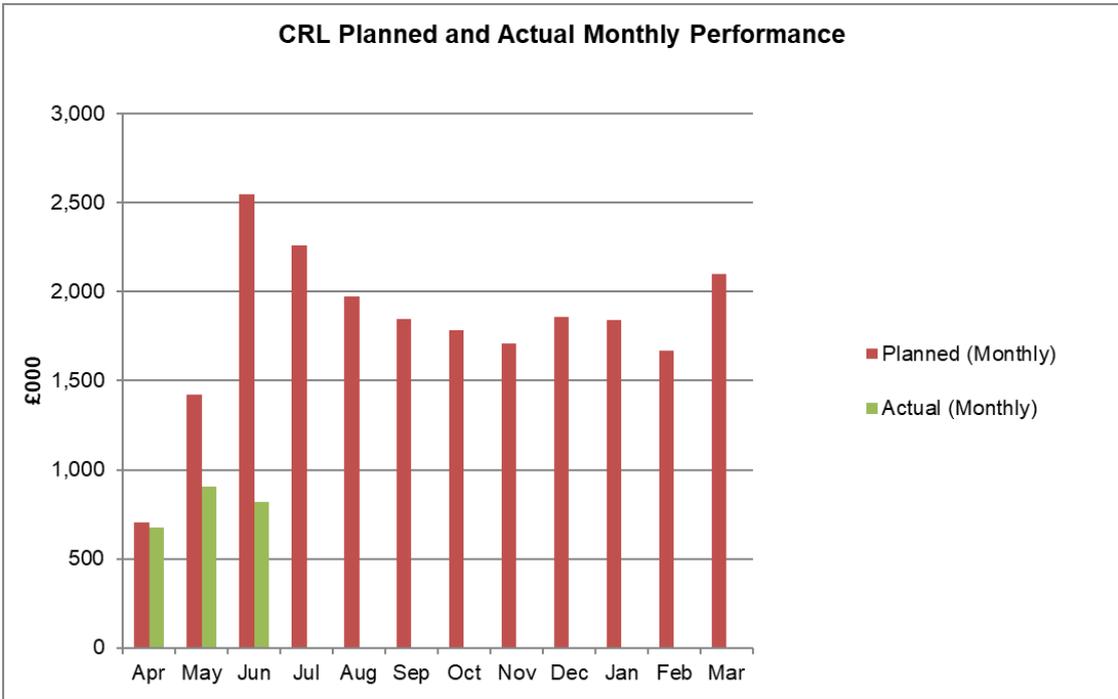
### 3.1 FINANCE OVERVIEW

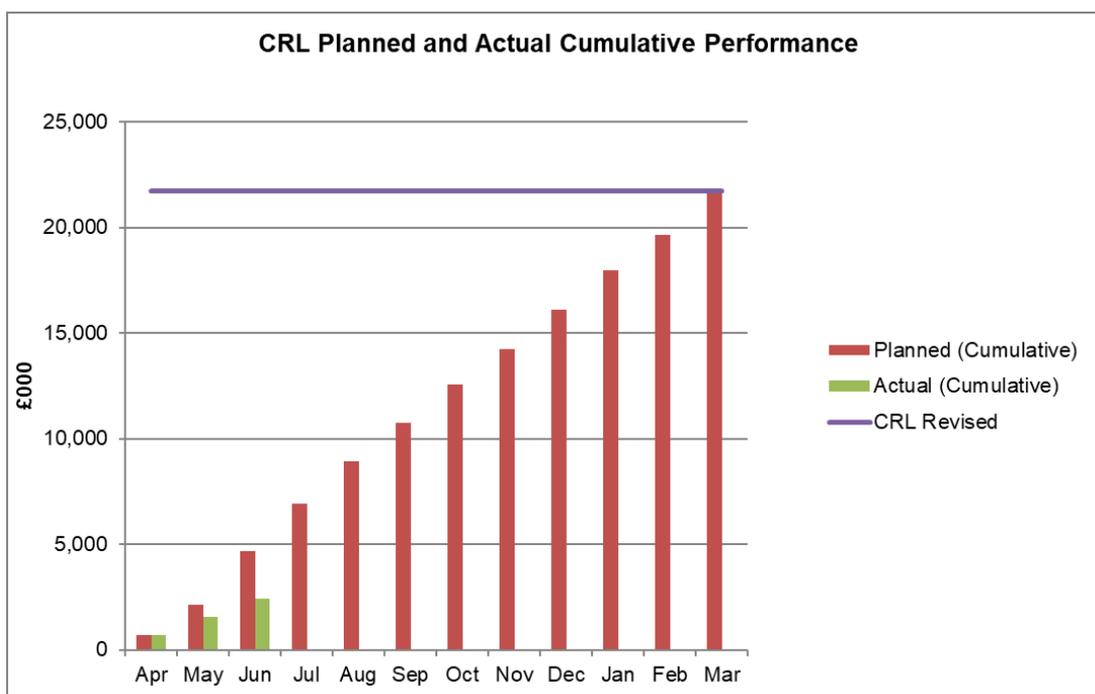
The expenditure in Month 3 reflects a net spend of £0.819m.

The forecast capital profiles for the All Wales schemes are currently being reviewed by project managers and cost advisors to ensure we have accurate profiles for each scheme by month.

### 3.2 Capital Resource Limit

The graph shown below sets out the planned expenditure profile for the year and the actual expenditure to date.





The table below provides a breakdown of the CRL by scheme.

	CRL 2019/20 £'000	2019/20 Expenditure M3 £'000	2019/20 Forecast Out- turn £'000	Variance £'000
<b>All Wales Schemes</b>				
<b>Capital Projects Approved Funding</b>				
SuRNICC - FBC works	350	31	574	224
PAS System	996	71	1,255	259
Substance Misuse - The Elms Development	265	391	625	360
Substance Misuse - Holyhead, Anglesey	418	1	676	258
Substance Misuse - Shotton, Flintshire	1,325	0	1,340	15
Emergency Department System	701	0	701	0
Ysbyty Gwynedd - Emergency Department	1,496	995	2,526	1,030
North Denbighshire Community Hospital	2,404	0	2,404	0
Progress Redevelopment of Ablett Unit @ YGC from SOC	849	0	849	0
<b>Sub-total</b>	<b>8,804</b>	<b>1,489</b>	<b>10,950</b>	<b>2,146</b>
<b>All Wales CRL Total</b>	<b>8,804</b>			
<b>Discretionary Schemes</b>				
YGC Brokerage	(1,500)	0	0	1,500
IM&T	3,000	18	2,775	(225)
Med Devices	1,768	201	1,768	0
Estates	9,653	691	6,232	(3,421)
<b>Discretionary CRL Total</b>	<b>12,921</b>	<b>910</b>	<b>10,775</b>	<b>(2,146)</b>
<b>TOTAL CRL ALLOCATION 2018/19</b>	<b>21,725</b>			
Development Fund/ Capital Receipts	356	0	356	0
Donated	1,578	0	1,578	0
Grant monies	0	0	0	0
	<b>1,934</b>	<b>0</b>	<b>1,934</b>	<b>0</b>
<b>Grand Total</b>	<b>23,659</b>	<b>2,399</b>	<b>23,659</b>	<b>0</b>

### 3.3 Expenditure and Forecasts at Month 3

The expenditure reflected in the Month 3 position includes estimates based on the forecast profile of project valuations for June 2019. This is supported by the expenditure profile statements produced by the project managers and cost advisors for each of the All Wales Schemes.

#### **4.1 Conclusions**

Following a review by the CPMT this report confirms proposed changes to the planned discretionary capital programme due to amendments to the expenditure profile and additional cost pressures.

#### **4.2 Recommendations**

The Committee is asked to receive this report.

## Appendix 1 Summary of Expenditure Against Resource Limit Approvals

Funding	Year-end target (£'000)	Year to date performance (£'000)	% Spend to date	Risk	Notes
All Wales	8,804	1,489	17%	Green	
Discretionary	12,921	910	7%	Green	
<b>Subtotal CRL</b>	<b>21,725</b>	<b>2,399</b>	<b>11%</b>	<b>Green</b>	
Capital Receipts	356	0	0%	Green	
Donated Capital	1,578	0	0%	Green	
Grant Capital	0	0	0%	Green	
<b>Total capital resource available</b>	<b>23,659</b>	<b>2,399</b>	<b>10%</b>	<b>Green</b>	

<b>Finance and Performance Committee</b>  <b>29.7.19</b>	 <b>To improve health and provide excellent care</b>	Bwrdd Iechyd Prifysgol Betsi Cadwaladr University Health Board
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<b>Report Title:</b>	<b>Integrated Quality &amp; Performance Report (IQPR)</b>
<b>Report Author:</b>	Mr Ed Williams, Head of Performance Assurance Dr Jill Newman Director of Performance
<b>Responsible Director:</b>	Mr Mark Wilkinson, Executive Director of Planning & Performance
<b>Public or In Committee</b>	Public
<b>Purpose of Report:</b>	This report provides the committee with a summary of key quality, performance, financial and workforce indicators.
<b>Approval / Scrutiny Route Prior to Presentation:</b>	This paper has been scrutinised and approved by the Director of Performance.
<b>Governance issues / risks:</b>	<p><b>Key Performance Indicators:</b></p> <p>Our report outlines the key performance and quality issues that are delegated to the Finance &amp; Performance Committee. The summary of the report is now included within the Executive Summary page of the IQPR and demonstrates the areas that are challenged in relation to delivery of the expected standards of performance, together with the actions being taken to address the performance.</p> <p><b>Governance</b></p> <p>Work has commenced in training exception report leads with a view to improving the quality of reporting. The board to ward reporting has been improved by using the same design and methodology for reporting in divisional performance reports. Work is underway to adopt the same methodology for the Health Economy performance reports.</p> <p>The <b>Financial Balance</b> is discussed in detail in the Finance Report.</p>
<b>Financial Implications:</b>	N/A
<b>Recommendation:</b>	The Finance & Performance Committee is asked to note the report and to assist in addressing the governance issues raised.

<b>Health Board's Well-being Objectives</b> <i>(indicate how this paper proposes alignment with the Health Board's Well Being objectives. Tick all that apply and expand within main report)</i>	√	<b>WFGA Sustainable Development Principle</b> <i>(Indicate how the paper/proposal has embedded and prioritised the sustainable development principle in its development. Describe how within the main body of the report or if not indicate the reasons for this.)</i>	√
1.To improve physical, emotional and mental health and well-being for all		1.Balancing short term need with long term planning for the future	√
2.To target our resources to those with the greatest needs and reduce inequalities	√	2.Working together with other partners to deliver objectives	√
3.To support children to have the best start in life		3. Involving those with an interest and seeking their views	√
4.To work in partnership to support people – individuals, families, carers, communities - to achieve their own well-being		4.Putting resources into preventing problems occurring or getting worse	√
5.To improve the safety and quality of all services	√	5.Considering impact on all well-being goals together and on other bodies	
6.To respect people and their dignity	√		
7.To listen to people and learn from their experiences			
<b>Special Measures Improvement Framework Theme/Expectation addressed by this paper</b> This paper supports the revised governance arrangements at the Health Board and supports the Board Assurance Framework by presenting clear information on the quality and performance of the care the Health Board provides.			
<b>Equality Impact Assessment</b> The Health Board's Performance Team are establishing a rolling programme to evaluate the impact of targets across the Equality & Diversity agenda.			

*Disclosure:*

*Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board*



**GIG**  
CYMRU  
**NHS**  
WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board



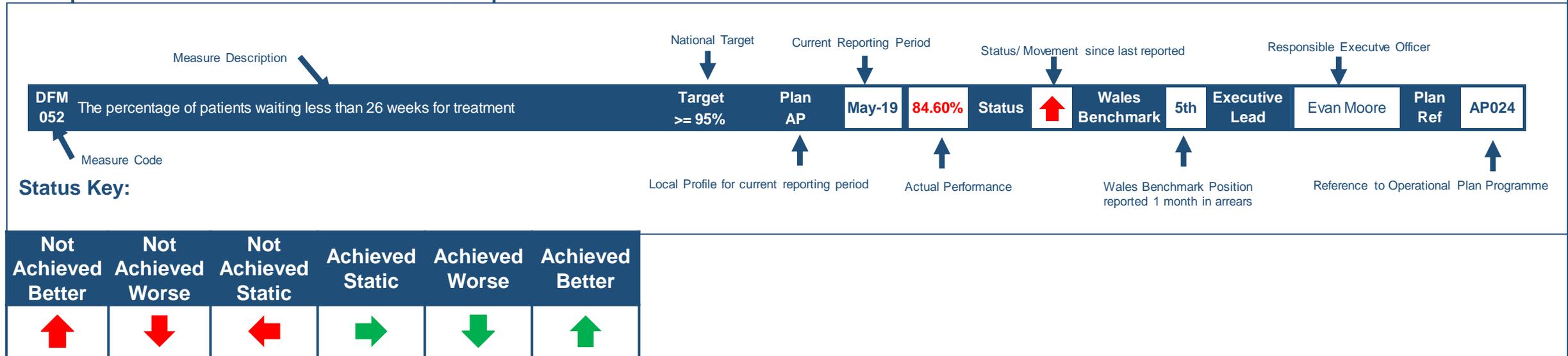
**June 2019**

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This Integrated Quality & Performance Report (IQPR) is intended to provide a clear view of current performance against a selected number of Key Performance Indicators (KPI) that have been grouped together to triangulate information. This report should be used to inform decisions such as escalation and de-escalation of measures and areas of focus. Actions for escalation should be captured in the Chairs report for the Board and minutes of the committee.

The measure code relates to the code applied within the NHS Wales Annual Delivery Framework, which Welsh Government hold the Board accountable for delivering. A key difference in the structure of the IQPR for 2019/20, in comparison to 2018/19 is that it is that the report reflects the organisational priorities as set out in the Annual Plan approved by the Board. The report maps each the measures included against the corresponding work programme within the Annual Plan for 2019/20. This is done via a reference number at the right hand side of the Measure Component Bar (shown below). The next page contains a list of all the Programmes in the Annual Plan in the order of the reference numbers The actual performance reported is compared to the National Target in the first instance, with the colour of the font used to depict whether the performance is better or worse than target. Where a local plan is in place to deliver improved performance overtime the actual performance should also be considered against this plan. To assist with this the national target and the BCU profile are shown on the summary pages.

### Description of the Performance Indicator bar Components:



### Profiles

For each measure the Executive sponsor is confirming the profile of performance expected to be delivered during the year based on the actions and resourcing set out in the operational plan. The report will track performance against this profile, in addition to performance against the national target. It is noted that profile set will reflect the reporting requirement and rate of change of performance expected. Therefore some indicators are annual, others bi-annual, quarterly, bi-monthly or monthly.

### Escalated Exception Reports

When performance on a measure is worse than expected, the Lead for that measure is asked to provide an exception report to assure the relevant Committee that a) that they have a plan and set of actions in place to improve performance, b) that there are measurable outcomes aligned to those actions and c) that they have a defined timeline/ deadline for when performance will be 'back on track', preferably demonstrable through a recovery trajectory. Although these are normally scrutinised by Finance & Performance Committees, there may be instances where they need to be 'escalated' to the Board. These will be included within the relevant Chapter on an 'as-required' basis.

### Statistical Process Control Charts (SPC)

Where possible SPC charts are used to present performance data. This will assist with tracking performance over time, identifying unwarranted trends and outliers and fostering objective discussions rather than reacting to 'point-in-time' data.

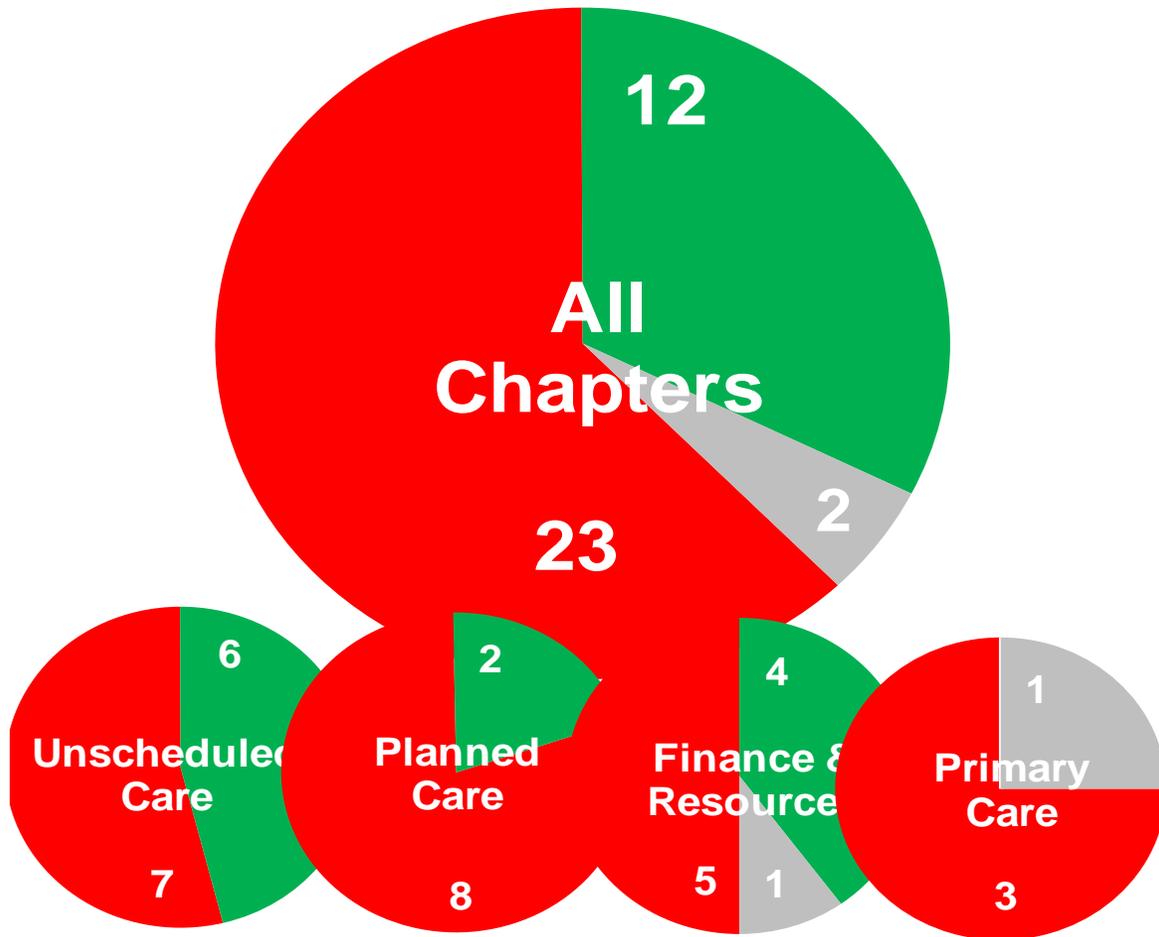
### Cycle of business

This report attempts to:

- a) Set out the actions in the operational plan and their associated measures which come under the TOR for this committee to scrutinise during 2019/20
- b) Provide a report of performance against profile for June 2019 where the measure and profile is reportable monthly

In addition to this report all committees will in future be provided with a RAGP self-assessment of progress against the actions within the operational work programme. This committee will receive this additional report this month.

Annual Plan No	Annual Plan Programme
AP022	Transform Eye Care Pathway to deliver more care closer to home, delivered in partnership with local optometrists
AP024	Systematic reviews and plans developed to address service sustainability for all planned care specialties. Implement Year One plans, for example Endoscopy, Rheumatology and Gynaecology
AP026	Implement new Single Cancer Pathway across North Wales
AP028	Demand: Improved Urgent Care Out of Hours / 111 Service
AP029	Demand: Enhanced Care Closer to Home Pathways
AP031	Demand: Improved Mental Health crisis response
AP033	Flow: Emergency Medical Model
AP037	Discharge: Integrated Health and Social care
AP038	Stroke Services
AP041	Build on Quality Improvement work to develop the BCU improvement system and delivery plan for efficient, value based health care
AP043	Deliver Year One of the 'Health & safety Improvement Programme' focussing on high risk/ high impact priorities whilst creating the environment for a safety culture
AP046	Deliver Year One 'Leadership Development Programme' to priority triumvirates
AP056	Delivery of information content to support flow/ efficiency
NIP	Not in Plan i.e. Measures are required by NHS Wales Delivery Framework, but are not linked to Actions in the Operational Plan



AP = Awaiting Profile

### Most Improved

Measure	Status	Target	Plan
Ambulance Handovers within 1 Hour	447 ↑	0	<= 270
PADR Rate	70.0% ↑	>= 85%	>= 76%
Stroke Care: Admission within 4 Hours	68.70% ↑	>= 55.5%	>= 50%
GP Out of Hours Assessment	94.0% ↑	>= 90%	AP

### Of Most Concern

Measure	Status	Target	Plan
Emergency Department 4 Hour Waits (inc MIU)	71.38% ↑	>= 95%	>= 76%
Emergency Department 12 Hour Waits	1,445 ↑	0	<= 1,290
RTT 36 Weeks	7,998 ↓	0	AP
Diagnostic Waits: Over 8 weeks	2,827 ↑	0	<= 2,666
Follow up Backlog	88,511 ↓	<= 74,555	AP
Financial Balance: Cumulative Deficit	£10.96m ↓	<= £35m	<= £8.8m

## Overall summary of performance

The table shows the comparative performance for June 2019 with May 2019, demonstrating improvement in **18** and worsened position for **14** of the Indicators reported to the Finance and Performance Committee. The performance of 3 measures has remained the same, and data for two indicators is not yet due

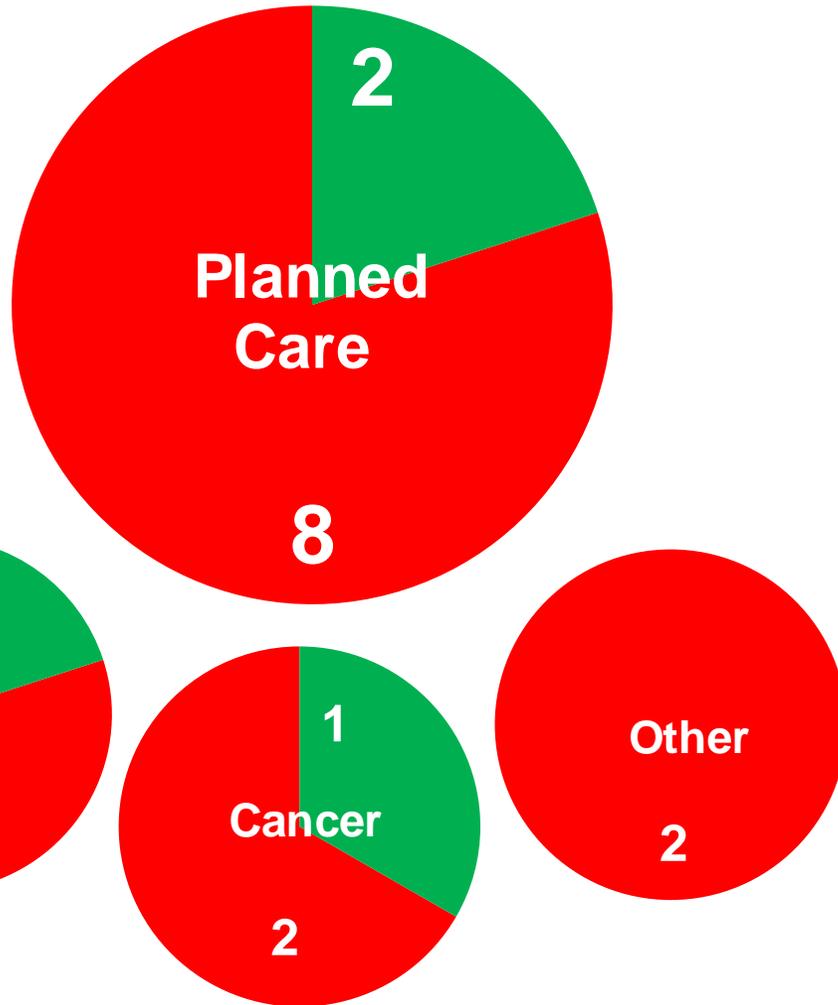
**Planned Care** – Of the 10 measures in this chapter, performance has improved against **4** whilst it has worsened against **5**. The final RTT 36 Week position at end of June 2019 is **7,998** waiting over 36 weeks for treatment. Endoscopy with **2,409** patients waiting over 8 weeks accounts for **85%** of the **2,827** diagnostic breaches. An increase in 8 week diagnostic waits in endoscopy for routine patients was anticipated while priority was given to more clinically urgent surveillance and suspected cancer patients.

**Unscheduled Care** – Of the **11** Measures in this chapter, performance has improved against **8**. Performance in our Emergency Departments has improved in June 2019 compared to May 2019. Performance against Stroke Admission within 4 Hours further improved in June 2019 and has surpassed the target rate, which means performance is better than the UK Sentinal Stroke Audit Programme(SSNAP) benchmark.

**Finance and Use of Resources** – Of the 10 measures in this chapter, performance has improved against **5** measures whilst it has worsened against **4** measures. Data isn't yet available for **1** measures. The Health Board's financial position remains a serious concern and details will be provided in the Financial Report.

**Primary Care** - Of the 4 measures reported in this chapter, performance has improved against 1 measure but is worse against 2 measures whilst there is no published update for the remaining measure at the time of reporting.

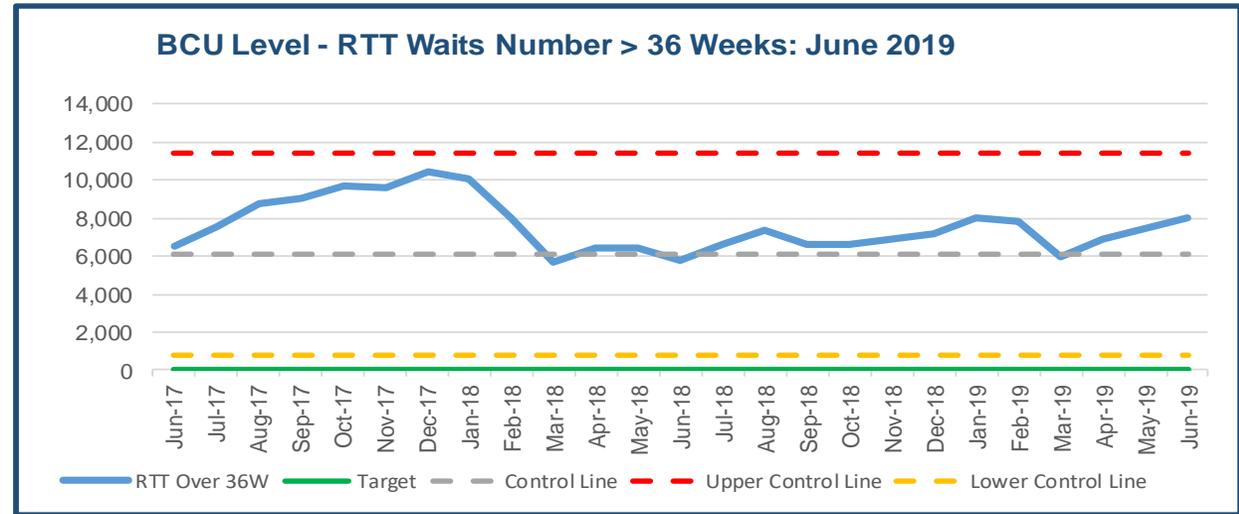
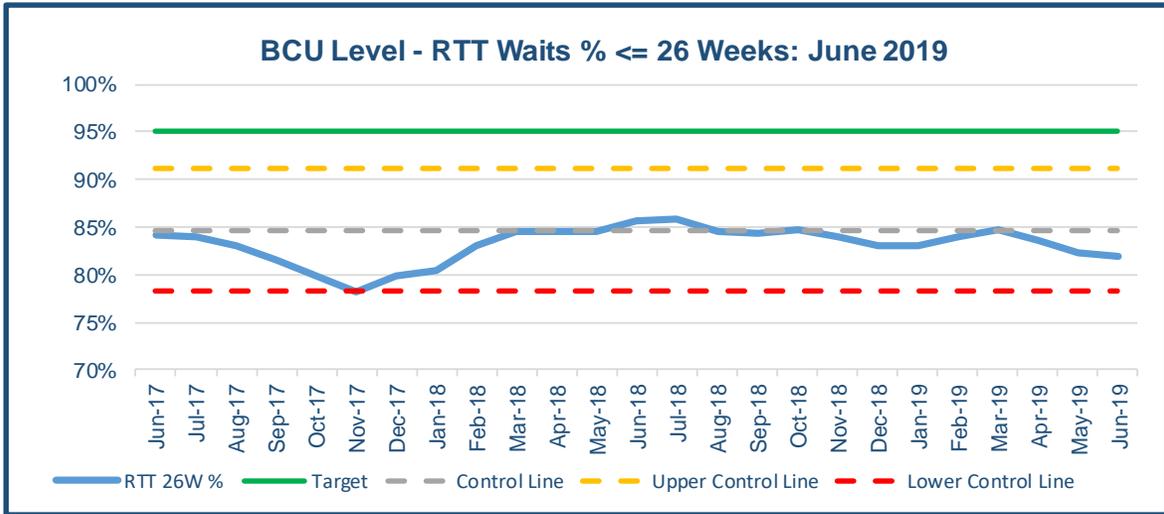
Chapter	Better	Worse	Same	Not Yet Due	Total
Planned Care	4	5	1	0	10
Unscheduled Care	8	3	2	0	13
Our Resources	5	4	0	1	10
Primary Care	1	2	0	1	4
<b>Total</b>	<b>18</b>	<b>14</b>	<b>3</b>	<b>2</b>	<b>37</b>



Measure	Status	Target	Plan
Referral to Treatment (RTT): < 26 Weeks	82.00% ↓	>= 95%	AP
Referral to Treatment (RTT): > 36 Weeks	7,998 ↓	0	AP
Referral to Treatment (RTT): > 52 Weeks	2,506 ↑	0	AP
Diagnostic Waits: > 8 Weeks	2,827 ↑	0	<= 2,666
Therapy Waits: <= 14 Weeks	0 →	0	0
Follow-up Waiting List Backlog	88,511 ↓	<= 74,555	AP
Ophthalmolgy R1	63.87% ↑	>= 95%	AP
Cancer: 31 Days (non USC Route)	98.30% ↓	>= 98%	>= 98%
Cancer: 62 Days (USC Route)	81.50% ↓	>= 95%	>= 95%
Cancer: 62 Day Single Pathway (inc Suspensions)	79.00% ↑	Improve	AP

AP = Awaiting Profile

<b>DFM 052</b>	The percentage of patients waiting less than 26 weeks for treatment	Target $\geq 95\%$	Plan AP	Jun-19	<b>82.00%</b>	Status	Wales Benchmark	7th	Executive Lead	Evan Moore	Plan Ref	AP024
<b>DFM 053</b>	The number of patients waiting more than 36 weeks for treatment	Target 0	Plan AP	Jun-19	<b>7,998</b>	Status	Wales Benchmark	7th	Executive Lead	Evan Moore	Plan Ref	AP024
<b>LM05 3a</b>	The number of patients waiting more than 52 weeks for treatment	Target 0	Plan AP	Jun-19	<b>2,506</b>	Status	Wales Benchmark	N/A	Executive Lead	Evan Moore	Plan Ref	AP024



## Actions:

- Develop and implement the New RTT performance management framework (Command & Control structure). Target booking profile for the backlog patients, preventing 36 week build up of waits and prioritising clinical urgent cases through grip & control on the scheduling process.
- Ensure the derived demand and capacity profile sign-off process is completed
- Refresh capacity gaps and initiate outsourcing/insourcing to address both recurrent and non-recurrent (backlog) gap over 3 years. This will also enable a flex approach as BCUHB stands down additional activity due to operational efficiency
- Weekly slot utilisation in place at HMT, area and speciality level –to ensure strengthened use and management
- Introduce Theatre scheduling and 6:4:2 meetings across all the 3 sites
- Strengthen and review the weekly/ monthly RTT trajectory

## Outcomes:

- Delivery of the agreed RTT backlog reduction trajectory at site/area, speciality and BCUHB level by March 2020
- Agreed D&C with identified capacity variance managed with assurance
- Right capacity, right case mix and right access process at speciality level
- Increased OP slot utilisation
- Improved theatre utilisation and increase in average cases per list
- Monthly RTT performance forecast in place

## Timelines:

Starting 8th July 2019 – Standard Operating Procedure (SoP) and booking target at site and speciality level in place.

12/07/2019 – Demand & Capacity reconciliation at Hospital Management Team and speciality level completed on 04/07. Ready to be signed of by Managing Directors/Area Directors

Expected start date October 2019 - Speciality level requirement by case mix confirmed. Procurement initiated by 15th July

31/07/2019 - Weekly slot report for YWM in place, draft for YG and YGC is currently being operationally validated

01/08/2019 - draft SoP for theatre scheduling and 6:4:2 meetings

30/07/2019 - draft trajectory based on 18/19 RTT profile in place. This is being revised based on proposed solution and is expected to be operationalised by 30th July 19.

## Activity

This table demonstrates the additional patient activity delivered by specialty which sites have claimed against additional RTT resource. The information is being checked to ensure:

- This activity is above the agreed core activity
- This activity is in accordance with the requirements to deliver RTT improved performance.

Going forward now that the RTT plan has been developed the additional activity will be prospectively managed to ensure activity scheduled aligns to the solutions and funding allocated.

Q1 Summary	Outpatient	Diagnostic	IPDC
General Surgery	-	-	114
Urology	79	175	96
Orthopaedics	11	-	294
ENT	-	-	51
Ophthalmology	660	-	331
Max Fax / Oral Surgery	100	-	50
Cardiology	-	141	-
Dermatololgy	-	-	1
Gastro	274	654	-
Endoscopy	-	1,390	-
TOTAL	1,124	2,360	937

## Resource claimed by services

This table shows the cost (£) related to the activity delivered in Q1. This will be revised once the checking of allocation of activity is completed during July to give further assurance of the alignment of resource and activity to the RTT plan. Welsh government have confirmed an additional allocation of £11,85m to BCU to support improvement in RTT and diagnostic delivery.

Q1 Summary	Outpatient	Diagnostic	IPDC
General Surgery	-	-	130,907
Urology	9,434	20,740	231,877
Orthopaedics	1,034	-	1,084,343
ENT	-	-	39,012
Ophthalmology	85,796	-	196,454
Max Fax / Oral Surgery	7,600	-	67,320
Cardiology	-	13,320	-
Dermatology	-	-	658
Gastro	90,992	226,249	-
Endoscopy	-	615,388	-
TOTAL	194,855	875,697	1,750,571
<b>Additional elements claimed</b>			
Validation (YGC)	-	-	21,747
Gastro Vanguard	-	-	7,227
Other Diagnostics (Pathology / Radiology)	-	-	585,121
Physio	-	-	132,806
Optometry	-	-	56,667
Dietetics	-	-	3,781
TOTAL	-	-	3,628,472

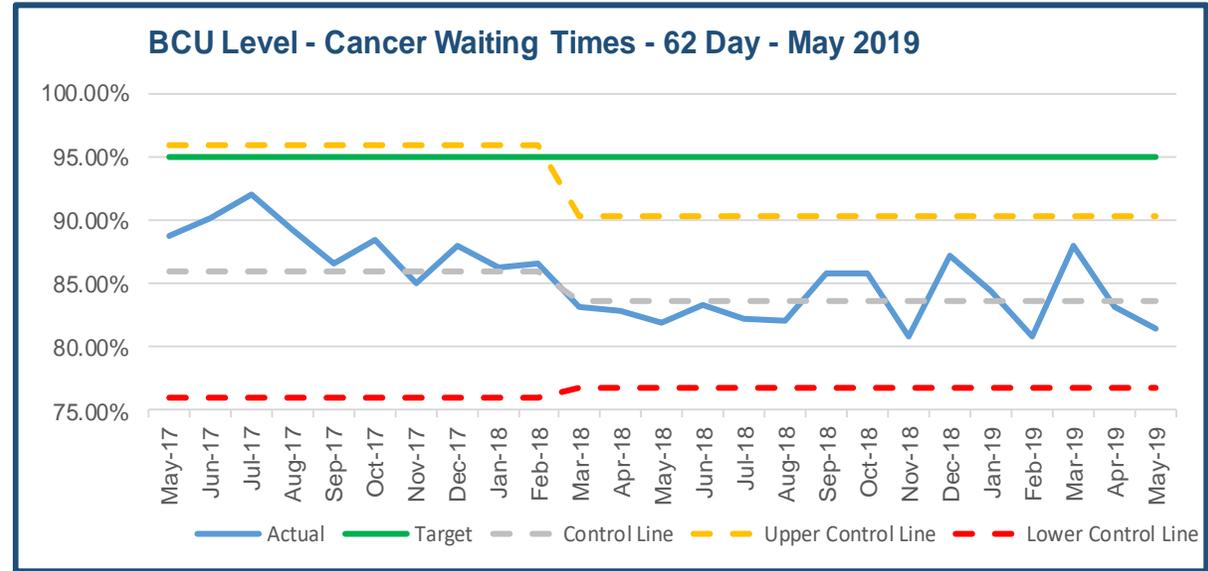
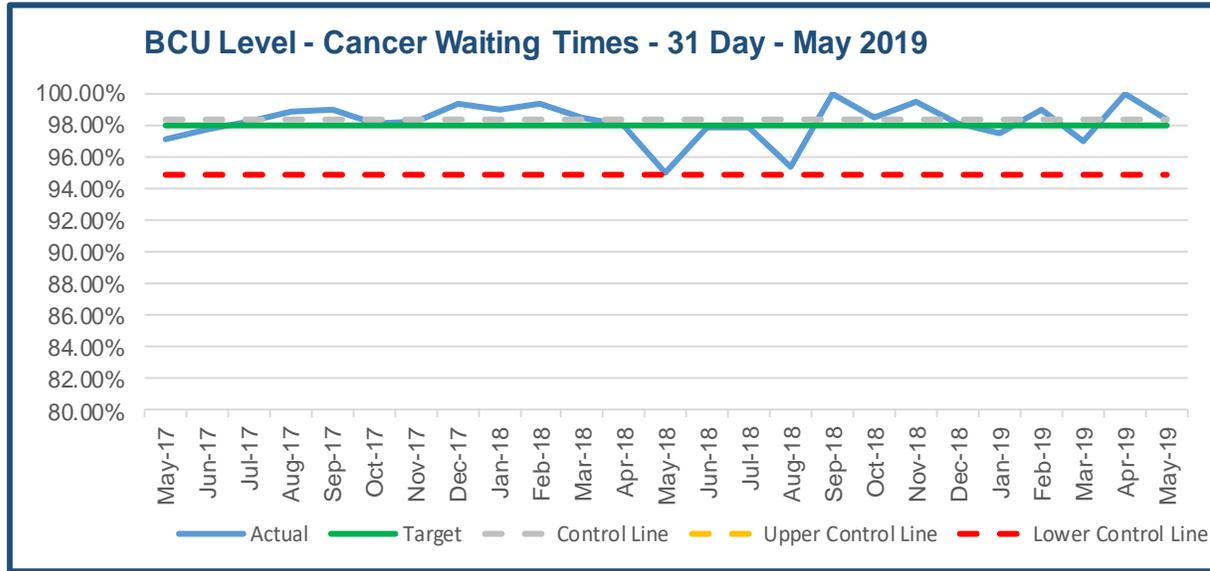
## Waiting List Change by specialty:

The table below shows the change in volume of patients over 36 weeks in the specialties that have undertaken additional activity and where additional cost has been claimed.

It is recognised that the change in waiting list is affected by a number of factors. Therefore without additional activity the waiting list deterioration shown below may have been greater than experienced in the first quarter. Further work is underway to be assured of this.

Q1 Summary	increase in patients over 36weeks	reduction in patients over 36 weeks
General Surgery	455	-
Urology	418	-
Orthopaedics	59	-
ENT	112	-
Ophthalmology	297	-
Max Fax / Oral Surgery	152	-
Cardiology	1	-
Dermatology	-	10
Gastro	110	-
<b>Total</b>	<b>1604</b>	<b>10</b>
Endoscopy( over 8 weeks)	346	-

<b>DFM 063</b>	The percentage of patients newly diagnosed with cancer, not via the urgent route, that started definitive treatment within (up to & including) 31 days of diagnosis (regardless of referral route)	<b>Target</b> ≥ 98%	<b>Plan</b> ≥ 98%	May-19	<b>98.30%</b>	<b>Status</b> ↓	Wales Benchmark 4th	Executive Lead	Adrian Thomas	Plan Ref	AP026
<b>DFM 064</b>	The percentage of patients newly diagnosed with cancer, via the urgent suspected cancer route, that started definitive treatment within (up to & including) 62 days of receipt of referral	<b>Target</b> ≥ 95%	<b>Plan</b> ≥ 84%	May-19	<b>81.50%</b>	<b>Status</b> ↓	Wales Benchmark 3rd	Executive Lead	Adrian Thomas	Plan Ref	AP026
<b>DFM 065</b>	Percentage of patients starting first definitive cancer treatment within 62 days from point of suspicion	<b>Target</b> Improve	<b>Plan</b> AP	Jun-19	<b>79.00%</b>	<b>Status</b> ↑	Wales Benchmark *	Executive Lead	Adrian Thomas	Plan Ref	AP026



## Actions:

- Prioritise available endoscopy capacity for USC and other clinically urgent patients awaiting endoscopy
- Hold additional haematuria clinics in East for USC urology patients
- Hold additional breast rapid access clinics on all three sites. Review opportunities for patients to be seen at other sites if appropriate in order to maximise available resource
- Agree urology surgery capacity plan for major surgery
- Track all patients on a USC pathway in order to ensure all delays escalated and remedial action taken as appropriate

## Outcomes:

- All USCs booked within 2 weeks
- All USC urology patients seen within 3 weeks
- All USC breast patients seen within 3 weeks
- All cases booked within target
- Reduction in over 62 day backlog to less than 100
- Improved 62 day target performance to 90%

## Timelines:

- Achieved March 2019 and sustained
- Achieved May 2019 and sustained
- By August 2019 – waiting times reduced as at July 2019 due to additional clinics held. East and West on target to achieve by August. Central capacity limited by lack of radiologists. Potential to provide clinics on other sites being explored urgently
- By August 2019
- Over 62 day backlog reduced to 100 as at July 3<sup>rd</sup> 2019; further reduction will be dependent upon successful resolution of breast issue above
- September 2019

**DFM 054** The number of patients waiting more than 8 weeks for a specified diagnostic

**Target**  
0  
**Plan**  
≤ 2,666

**Jun-19**

**2,827**

**Status**



**Wales Benchmark**

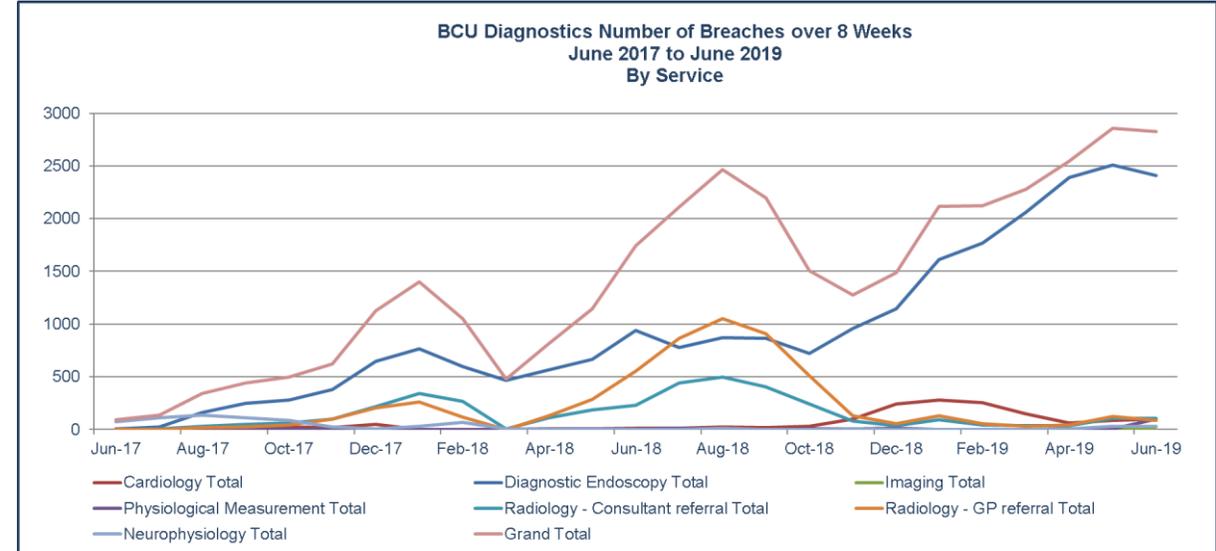
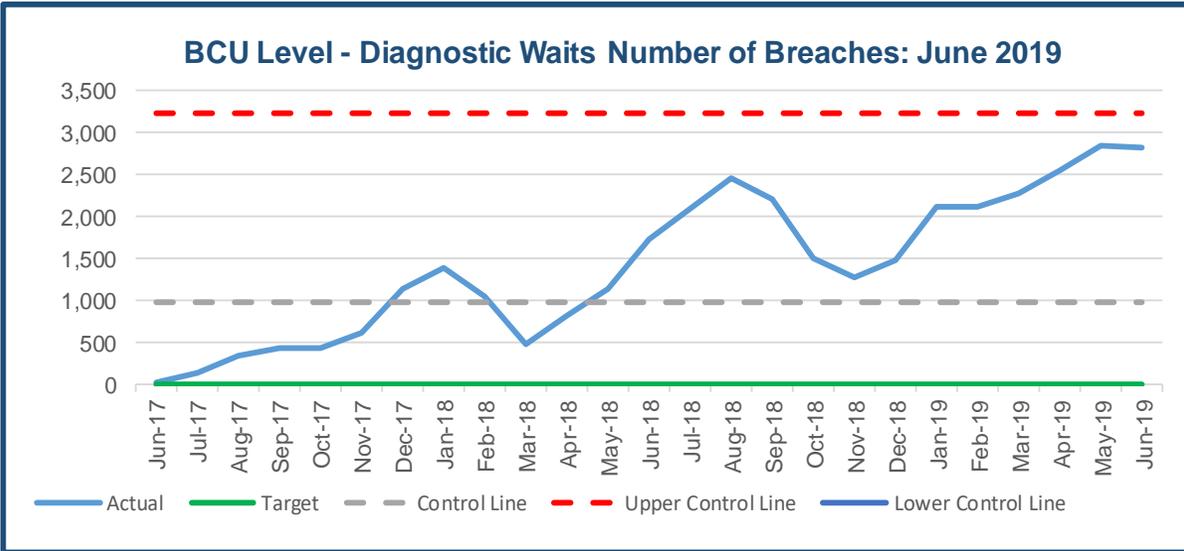
**7th**

**Executive Lead**

Adrian Thomas

**Plan Ref**

AP024



## Actions:

- Set up clear governance around the endoscopy service in readiness towards Joint Advisory Group (JAG) accreditation
- Convene a Health Board wide JAG implementation group (includes backlog management)
- Refresh the capacity and demand model at site level and modality of endoscopic procedures driven by the task and finish group reporting to the North Wales Endoscopy Board
- Monitor and manage the implementation of the BCUHB wide endoscopy business case
- Develop an endoscopy Patient Targeted List (PTL) and set up a weekly backlog clearance meeting
- Monitor the utilisation and productivity of non-recurrent capacity
- Monitor and support site delivery of agreed trajectory for backlog clearance of endoscopy
- Planning initiated for 2020/21

## Outcomes:

- JAG accreditation
- Clear integrated governance framework planning and monitoring endoscopy quality metrics
- Prospective planning for services ensuring the delivery of a sustainable plan for the site teams to implement
- Provide a framework for scheduling, planning and to be able to optimise operating capacity and maximise the use of theatre resources and quality of patient care
- Reduction of waiting list for endoscopy
- Improvement in patient experience for waiting times for diagnostic endoscopy
- Improve utilisation within units
- 2020/21 plan in place

## Timelines:

- Next JAG Inspection date to be confirmed
- August 2019
- Implement August 2019
- 18<sup>th</sup> July 2019
- 18<sup>th</sup> July 2019
- Implement August 2019
- 15<sup>th</sup> July 2019
- August 2019

**DFM 056** The number of patients waiting for an outpatient follow-up (booked and not booked) who are delayed past their agreed target date for planned care specialities

**Target**  
≤ 74,555

**Plan**  
AP

Jun-19

**88,511**

Status



Wales Benchmark

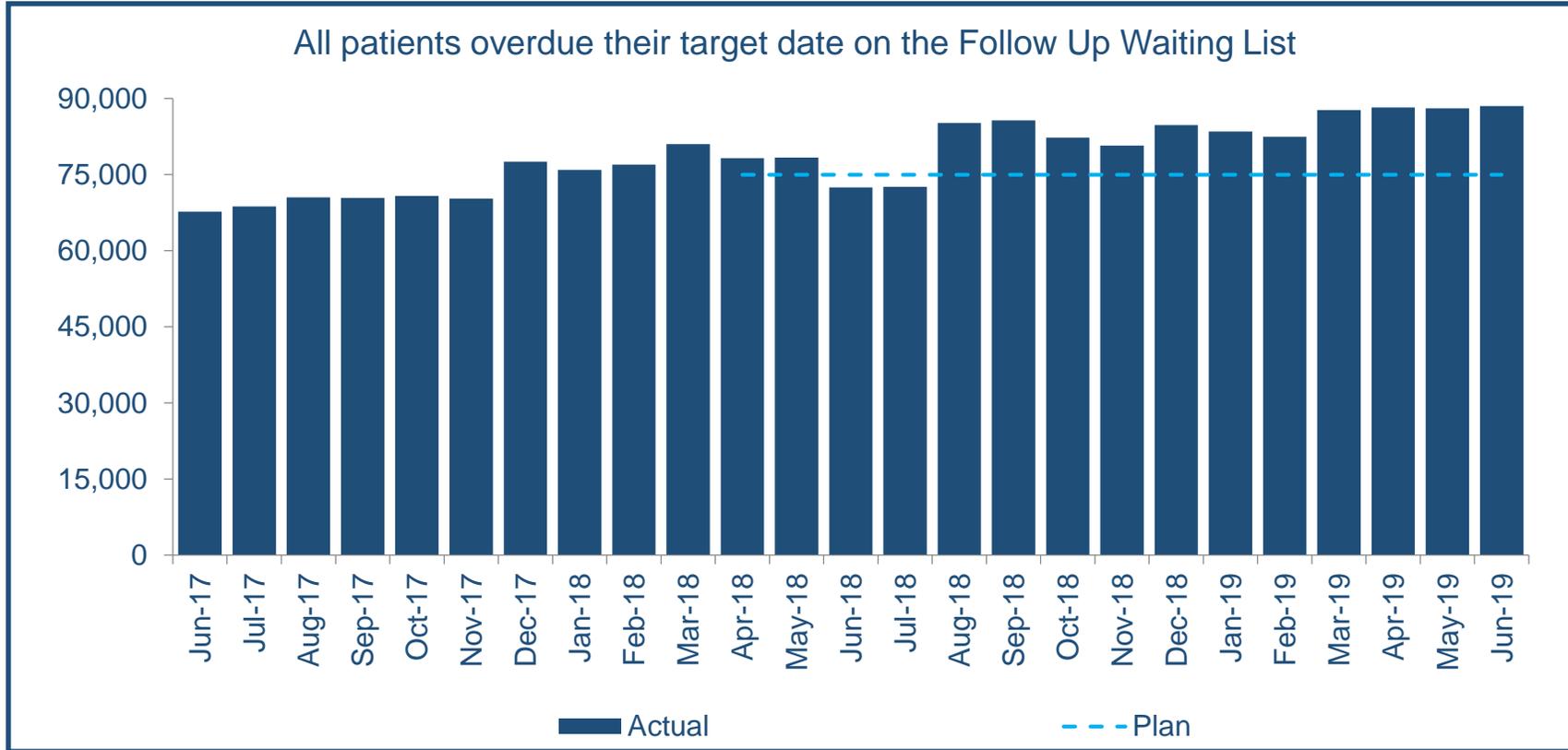
7th

Executive Lead

Evan Moore

Plan Ref

AP024



### Actions:

- Implement PROMs Virtual Follow up (FU) in Orthopaedics
- Implement and strengthen Referral Management
- Tendering for the data deconstruction and Follow up validation after business case approval (working up the validation resource as an interim solution and then substantive support)
- A clinical review date for all patients on a follow waiting list
- A clinical health risk factor in place for each patient on the eye care measures
- Implement See on Symptom (SoS)
- Weekly slot utilisation in place at HMT and speciality level

### Outcomes:

- Reduction in FU 1,400 during year 1 (19/20), increasing to circa 3,300 in year 2 (20/21)
- Standard referral pathway, Advice and guidance and self management in place to reduce demand
- Non-recurrent external resource to validate FU backlog
- Recurrent resource for sustained validation
- Valid Follow up patient targeted list ( PTL)
- Timely treatment based on clinical urgency
- Enabling patients to be scheduled by Health Risk factor so as to see the clinically most urgent patients first and address overdue backlog.
- Reduction in Follow up patients
- Increased Out Patient slot utilisation

### Timelines:

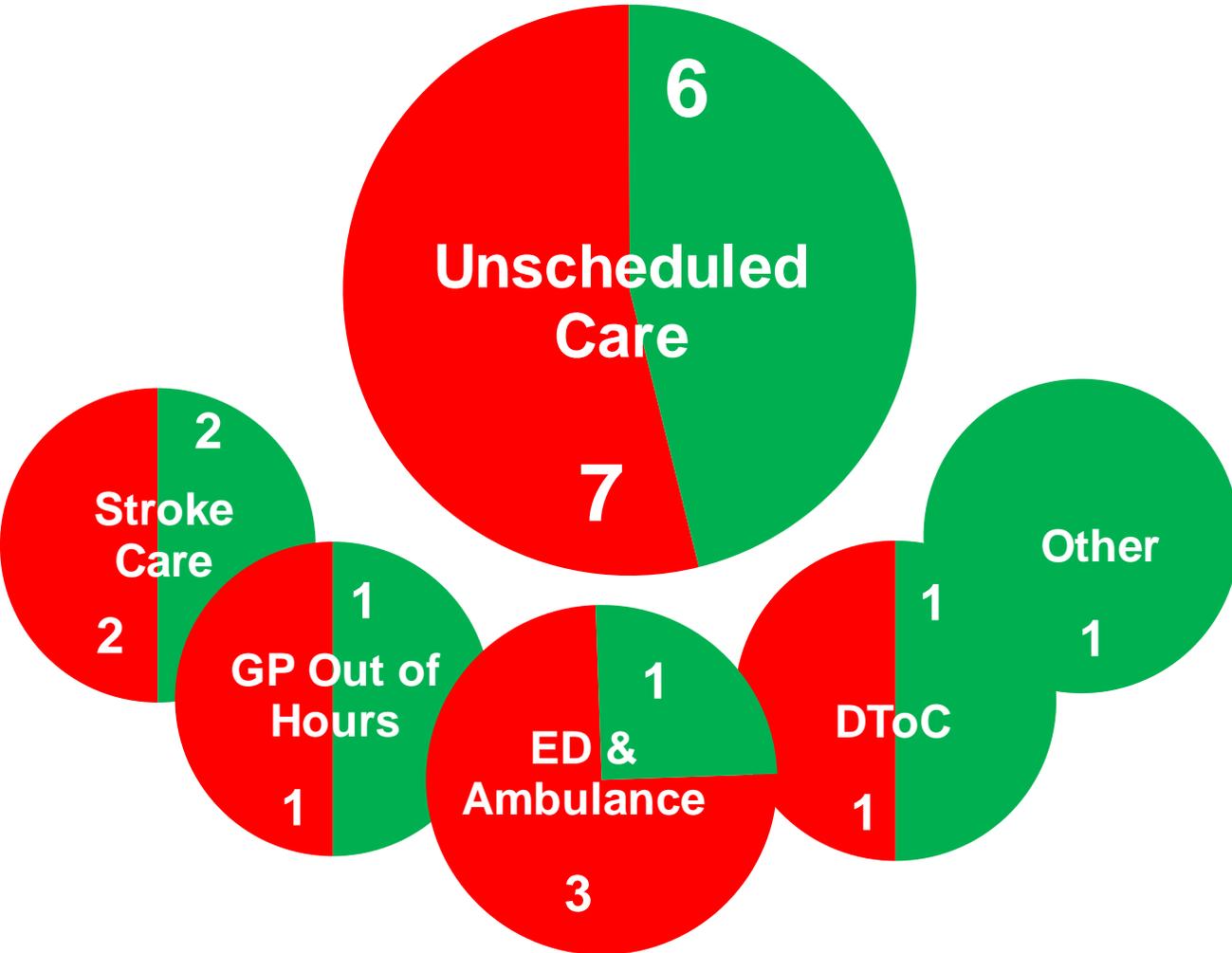
- (Time line to be confirmed) Plans are being developed at site level.
- July 19 (Current practice is being evaluated for further roll out). Wider roll out plan to be confirmed by September 2019
- 30/08/2019 -Business case has been approved. Mini tendering process being organised
- September 2019 - PTL is now available and being used in weekly PTL meeting to monitor compliance
- 98% by Dec. 2019 (achieved June 2019)
- September 2019
- 31/07/2019. Weekly slot report for WMH in place, draft for YG and YGC is currently being operationally validated

<b>DFM 057</b>	95% of ophthalmology R1 patients who are waiting within their clinical target date or within 25% in excess of their clinical target date for care or treatments	<b>Target</b> >= 95%	<b>Plan</b> AP	<b>May-19</b>	<b>63.87%</b>	<b>Status</b>		<b>Wales Benchmark</b>	<b>6th</b>	<b>Executive Lead</b>	Deborah Carter	<b>Plan Ref</b>	AP022
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- Actions:**
1. Patient Communication of forthcoming changes to the management of eye care in Wales
  2. Data Quality and Validation
  3. Patient Scheduling by Risk factor
  4. Pathway re-design – Cataracts and Glaucoma
  5. Demand and Capacity Analysis
  6. Develop IT infrastructure

- Outcomes:**
1. Over 34,000 letters and Frequently Asked Questions sent to patients. Staff responded to patients who made contact to seek further advice. Learning from this to be assessed at next Booking and Scheduling meeting at the end of July
  2. Validation impact demonstrated and reported in June report. Impact is showing that 98.8% of the end of June 2019 patients had a risk factor clinically allocated. It is expected that those new patients awaiting clinical triage will not have a risk factor at a point in time. The turnaround time for this part of the pathway has been set as 4 days. Learning from the validation process will be discussed at the next booking and scheduling meeting and is being used to inform the continuing work on follow up backlog in other specialties.
  3. Booking by risk factor from the waiting list commenced at the end of June in Abergele resulting in this site showing 72.4% of patients waiting less than 25% beyond their due date compared to the overall BCU performance of 63.1%. The patient targeting list is now available on all 3 sites and so booking by R factor is being rolled out. Early learning shows that work is needed to flex capacity from new to review slots and on booking at the desk to support effective scheduling of long waiters. Consultant communication on the changes required is being issued in July.
  4. Cataract pathway for direct listing, post operative management and second eye is being tested and rolled out across BCU. Glaucoma pathway clinical leads pathway meeting established for July 2019 to support optimum use of Ophthalmology diagnostic and treatment centres in the community. The impact of this will be quantified post the pathway review meeting.
  5. DU workshop 10<sup>th</sup> July identified national challenge of modelling demand for new eye care measures. 3 tools will be shared with BCU to support scoping of the sustainable service requirements for the Eye Care business case
  6. Tender for EPR closed and being evaluated. Formal request made to include in BCU IM&T programme of work

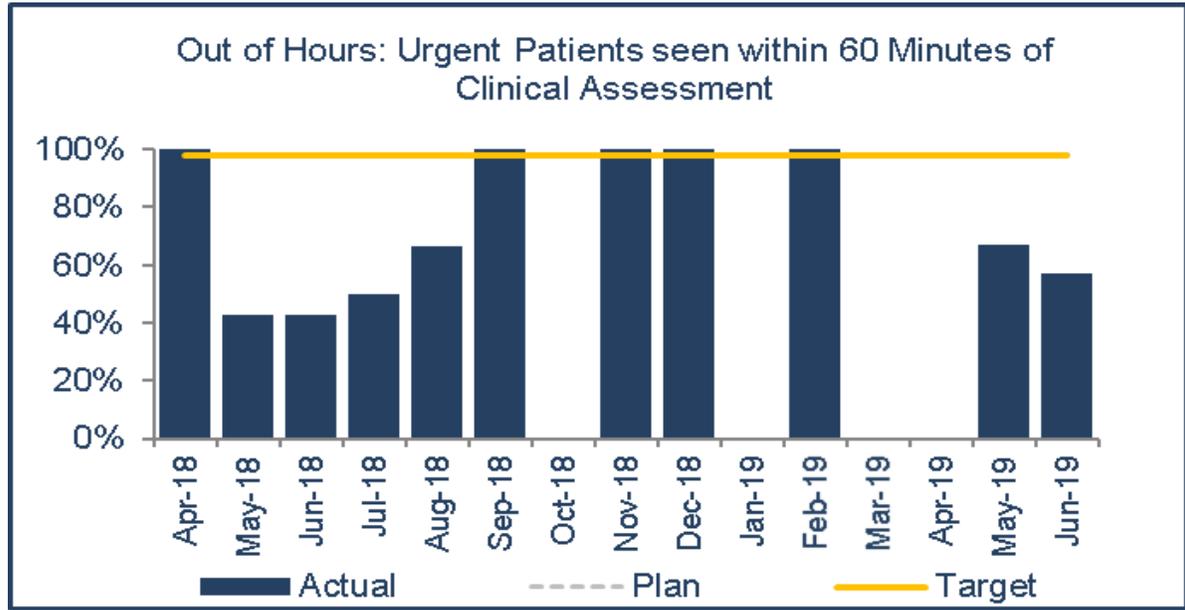
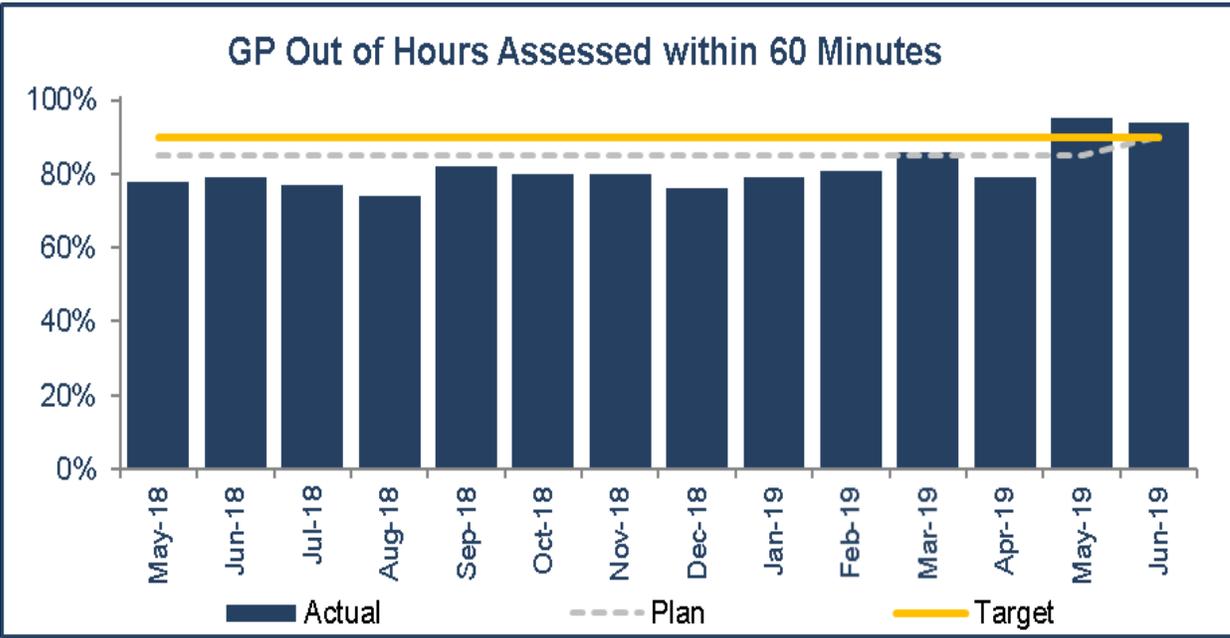
- Timelines:**
1. Communications distributed on time and in budget. Learning planned for end of July 2019.
  2. Learning from validation exercise to be completed by end of July 2019.
  3. Improvement August 2019 with delivery by March 2020.
  4. March 2020 for delivery of Glaucoma pathway
  5. November 2019



Measure	Status	Target	Plan
Out of Hours: Assessment 60 Minutes	94.00% ↑	>= 90%	AP
Out of Hours: Very Urgent 60 Minutes	57% ↓	>= 90%	AP
Stroke Care: Admission within 4 Hours	68.70% ↑	>= 55.5%	>= 50%
Stroke Care: Review by consultant 24 Hours	82.00% ↑	>= 84%	>= 85%
Stroke Care: Access to Speech Therapy	72% ↑	Improve	AP
Stroke Care: 6 Month Follow up Assessment	20.00%	N/A	Improve AP
Ambulance Response within 8 minutes	69.00% ↑	>= 65%	>= 65%
Ambulance Handovers within 1 Hour	447 ↑	0	<= 270
Emergency Department 4 Hour Waits (inc MIU)	71.38% ↑	>= 95%	>= 76%
Emergency Department 12 Hour Waits	1,445 ↑	0	<= 1,290
Hip Fracture Survival 30 days	83.90% ↓	Improve	AP
Delayed Transfers of Care (DToC): MH	12 ↓	Reduce	<= 13
Delayed Transfers of Care (DToC): non-MH	68 ↓	Reduce	<= 35

AP = Awaiting Profile

<b>DFM 049</b>	Percentage of OOH/111 patients prioritised as P1CH that started their definitive clinical assessment within 1 hour of the initial call being answered	<b>Target</b> ≥ 90%	<b>Plan</b> AP	<b>Jun-19</b>	<b>94%</b>	<b>Status</b>	<b>Wales Benchmark</b> 1st	<b>Executive Lead</b> Chris Stockport	<b>Plan Ref</b> AP028
<b>DFM 050</b>	Percentage of OOH/111 patients prioritised as P1F2F requiring a Primary Care Centre (PCC) base appointment seen within 1 hour following completion of their definitive clinical assessment	<b>Target</b> ≥ 90%	<b>Plan</b> AP	<b>Jun-19</b>	<b>57%</b>	<b>Status</b>	<b>Wales Benchmark</b> 5th	<b>Executive Lead</b> Chris Stockport	<b>Plan Ref</b> AP028



DFM050	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
within 60	0	8	4									
Total	0	12	7									

\* Where 0 is shown in relation to the very urgent 60min target DFM050 No patients presented with this level of need

### Actions:

- A breach analysis is carried out for each patient that is not seen within 60 minutes of being triaged as very urgent. A review of the clinical records for the three cases that breached has been undertaken.
- Anomalies between the reporting module within Aداstra and the performance targets that we are reporting on has been raised with the technical support team in Aداstra.
- Further communication and learning tips to be circulated to all Triage Nurses and a training session has been arranged for Monday 8th July 2019.

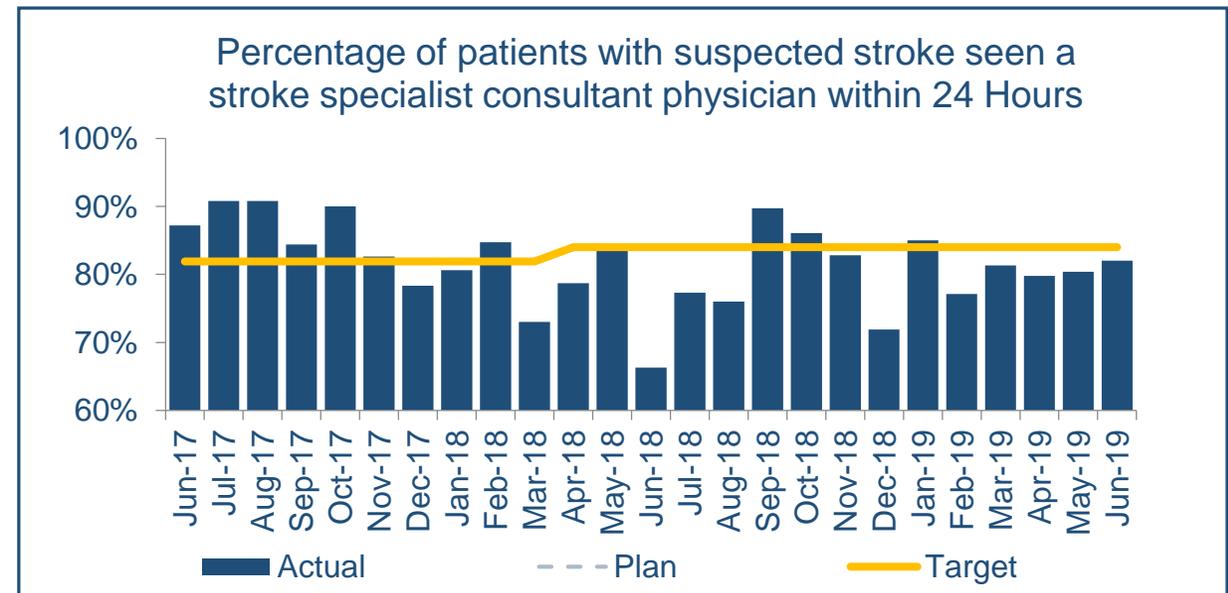
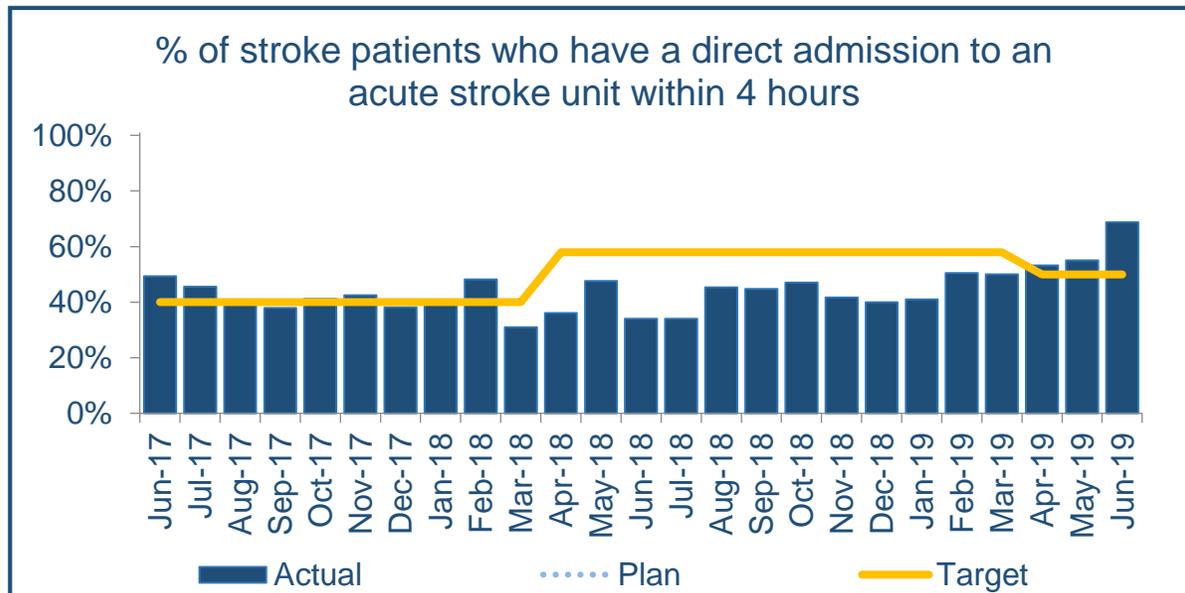
### Outcomes:

- Reassurances that no harm or potential harm came to any of the patients
- More assurance of accurate reporting
- Increased efficiency and a reduction in the number of patients waiting beyond the 60 minute mark for

### Timelines:

- Ongoing whilst breaches occur
- Awaiting response from Aداstra technical support team
- 8<sup>th</sup> July 2019

<b>DFM 066</b>	Percentage of patients who are diagnosed with a stroke who have a direct admission to an acute stroke unit within 4 hours of the patient's clock start time	<b>Target</b> >= 55.5%	<b>Plan</b> >= 50%	Jun-19	<b>68.70%</b>	<b>Status</b> ↑	Wales Benchmark 3rd	Executive Lead	Deborah Carter	Plan Ref	AP038
<b>DFM 067</b>	Percentage of patients who are assessed by a stroke specialist consultant physician within 24 hours of the patient's clock start time	<b>Target</b> >= 84%	<b>Plan</b> >= 85%	Jun-19	<b>82.00%</b>	<b>Status</b> ↑	Wales Benchmark 3rd	Executive Lead	Deborah Carter	Plan Ref	AP038
<b>DFM 068</b>	Percentage of stroke patients receiving the required minutes for speech and language therapy	<b>Target</b> Improve	<b>Plan</b> AP	Jun-19	<b>71.70%</b>	<b>Status</b> ↑	Wales Benchmark N/A	Executive Lead	Deborah Carter	Plan Ref	AP038
<b>DFM 069</b>	Percentage of stroke patients who receive a 6 month follow up assessment	<b>Target</b> Improve	<b>Plan</b> AP	Qtr 1 19/20	<b>20.00%</b>	<b>Status</b> N/A	Wales Benchmark N/A	Executive Lead	Deborah Carter	Plan Ref	AP038



### Actions:

- Continue to ring fence 2 beds on the ASU.
- Site Management Teams to support action with daily review at Safety Huddles.
- Escalation process to be followed if potential for breach .
- Education with ED Teams of the need to assess, diagnose and refer urgently to meet the clinical standard.
- Improvement to the access to the Consultant in 24 hours is a greater challenge as this can only happen when the Consultants are On Call at their own site at a weekend. For the rest of the week the standard is met.
- A paper has been submitted to Secondary Care and Area with a proposal to remove the Consultants from the GIM rota at weekends which will provide a more sustainable solution to the Thrombolysis DtN times OOH and the above Standard.
- The installation of Telemedicine at home is also required and included in the paper.

### Outcomes:

- Improved performance against 4 hour standard to ASU
- Continuous awareness of the needs of patients on the stroke pathway to prompt timely actions
- Escalation of management actions to enable patients needs to be met.
- Continuous awareness of the needs of patients on the stroke pathway to prompt timely actions
- Improved performance of the Clinical standard to see new patients within 24 hours. This will be achieved by virtual weekend ward rounds for all new admissions to the three sites during the weekend by the On Call thrombolysis Consultant.
- This will only happen if their commitment to the GIM rota is reduced at weekends. Improved DtN times for Thrombolysis.
- Improve speed of senior decision making

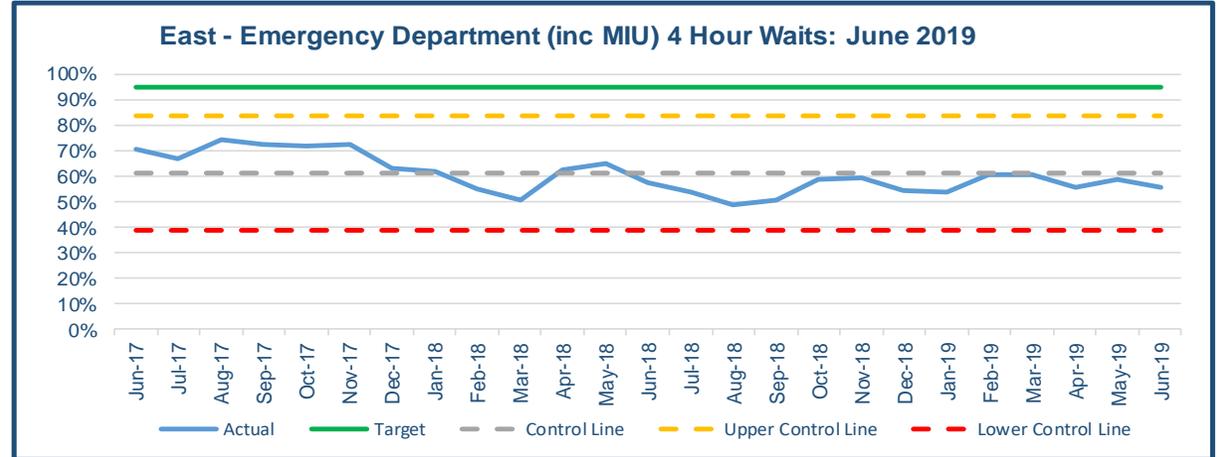
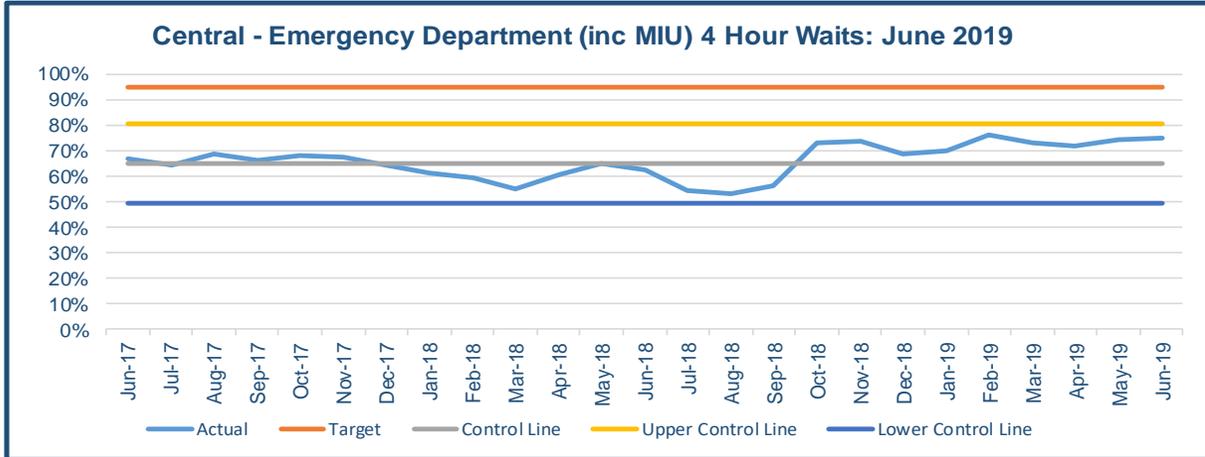
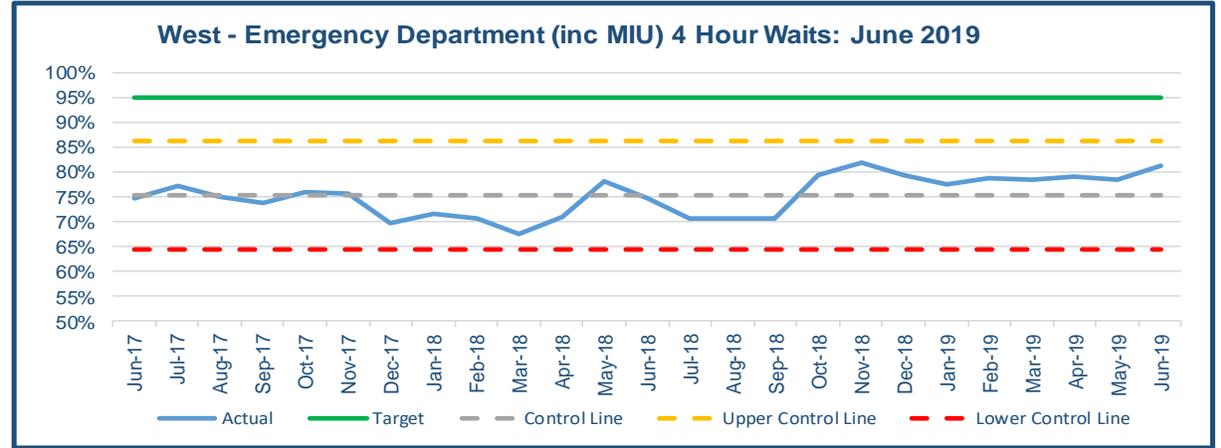
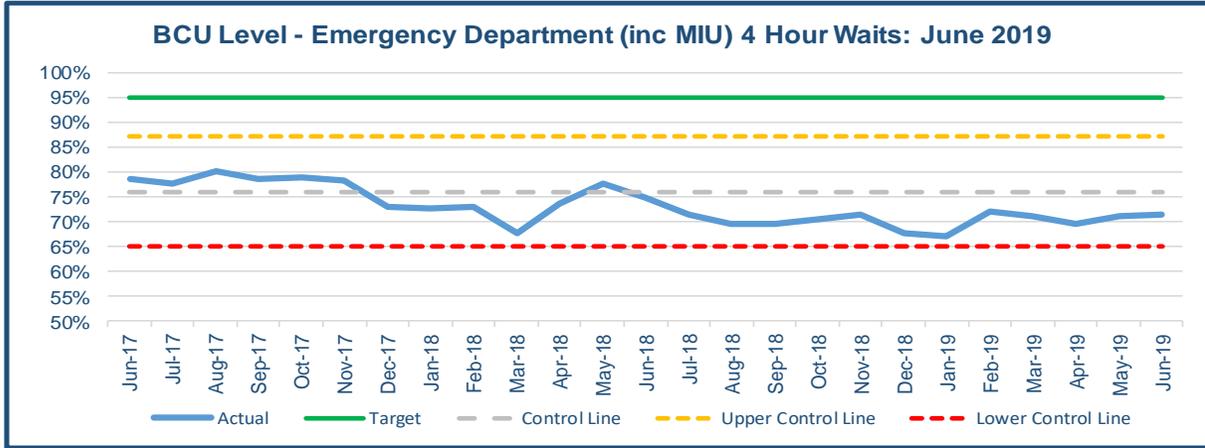
### Timelines:

- Immediate and ongoing
- Paper submitted 3<sup>rd</sup> July 2019 to Secondary Care and Area Senior Managers.
- Part of year 1 of stroke business case to strengthen present service.

**DFM 072** The percentage of patients who spend less than 4 hours in all major and minor emergency care (i.e. A&E) facilities from arrival until admission, transfer or discharge

**Target**  $\geq 95\%$   
**Plan**  $\geq 75\%$

Jun-19	<b>71.38%</b>	Status		Wales Benchmark	7th	Executive Lead	Deborah Carter	Plan Ref	AP033
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## Actions:

**West:** On going developing informatics dashboard to support 30 day review on all EC performance with visual display being created for trust floor.

Funding to support GP at the front door model has been secured with recruitment commenced.

Review of breach data

Confirmed further training in line with Royal College of Emergency Medicine (RCEM) standards to support redirection from Triage.

On going development financially to support Emergency Department (ED) trackers as non-funded roles.

On going reviews of all Ambulance conveyances against outcomes and green breaches as part of the breach review.

**Central:** Senior leadership team daily 'reset'

Appointment of a dedicated ED performance manager (takes up post 8.7.19)

Weekly planning meetings for Same Day Emergency Care (go live 3.7.19), DU attended final planning meeting.

Preparation for START (Streaming, Triage, Ambulance assessment, Rapid treatment, Team Coordination) model in ED (go live 1.7.19).

On-going work to establish Paediatric Assessment Unit (PAU) (workshop planned for 4.7.19)

Re-focussed weekly SAFER (Senior review, All patients, Flow, Early discharge, Review) meetings

Development of robust plan for ward buddying system across site

Commenced weekly multi disciplinary long length of stay review of all patients with stay over 21 days, with weekly senior leadership meeting to review outcomes.

'Home First' launched with additional Occupational Therapy (OT) support on wards

**East:** The substantive business case for ED staffing which was approved by secondary care, awaits decision

One locum for the acute medical care is in place, however changes to the model are constrained by agreement of the on call rota.

Nb. WAST data suggests an increase of 3% in conveyances

## Outcomes:

### West

Analysis of breach data confirms elements of 'double counting' between paediatrics and non-paediatrics .

Miscoding of left without Being seen identified and is being addressed

### Central

Via corrective actions, deliver performance in July in line with agreed trajectory of improvement for 4hr performance and for number of children and young people who breach the 4 hr standard.

### East

- 1) Continued locum recruitment – additional consultant sourced for August
- 2) Discussion with Hallam agency & Options for ANP alternatives
- 3) GP in ED
  - 1) Through longer term process
  - 2) Via locum fill
- 4) Paediatric support form Area
- 5) Estates have confirmed minor works complete for ambulatory 1/10/19, therefore looking for alternative options
- 6) Following local stranded reviews new process to support delays and escalate to be introduced
- 7) Review of the Building better care projects to a manageable level to ensure delivery

## Timelines:

### West

By 31<sup>st</sup> July 2019

Ongoing

By 31<sup>st</sup> August 2019

Ongoing

### Central

By 31<sup>st</sup> July 2019

### East

By 1<sup>st</sup> August 2019

By 15<sup>th</sup> July 2019

1<sup>st</sup> August 2019

Request to agency 4<sup>th</sup> July 2019

Area support 2<sup>nd</sup> July 2019

Plan to try decant area.

Discussion 5/7/19 re: options with clinicians

Week commencing 8<sup>th</sup> July

2019

2<sup>nd</sup> July 2019

**DFM 073** The number of patients who spend 12 hours or more in all hospital major and minor care facilities from arrival until admission, transfer or discharge

**Target**  
0

**Plan**  
≤ 1,395

**Jun-19**

**1,445**

**Status**



**Wales Benchmark**

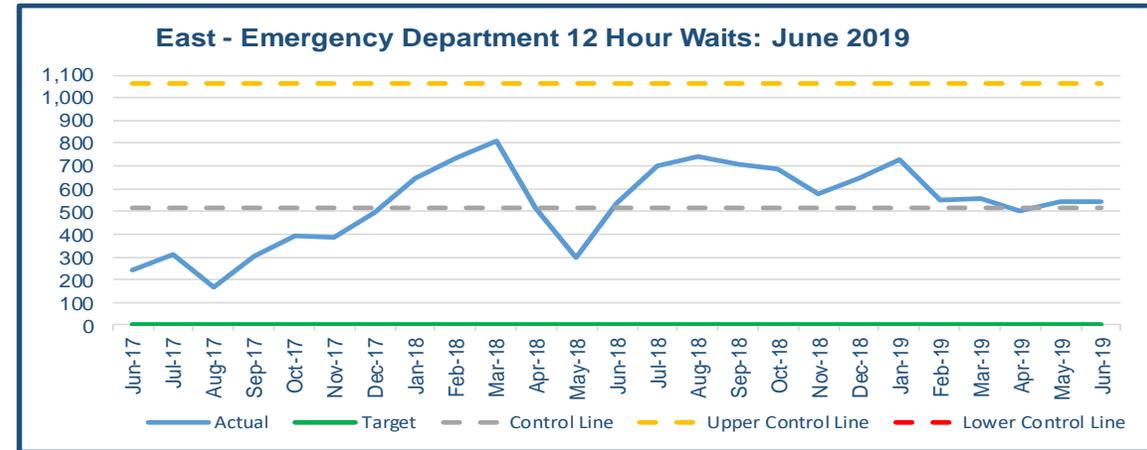
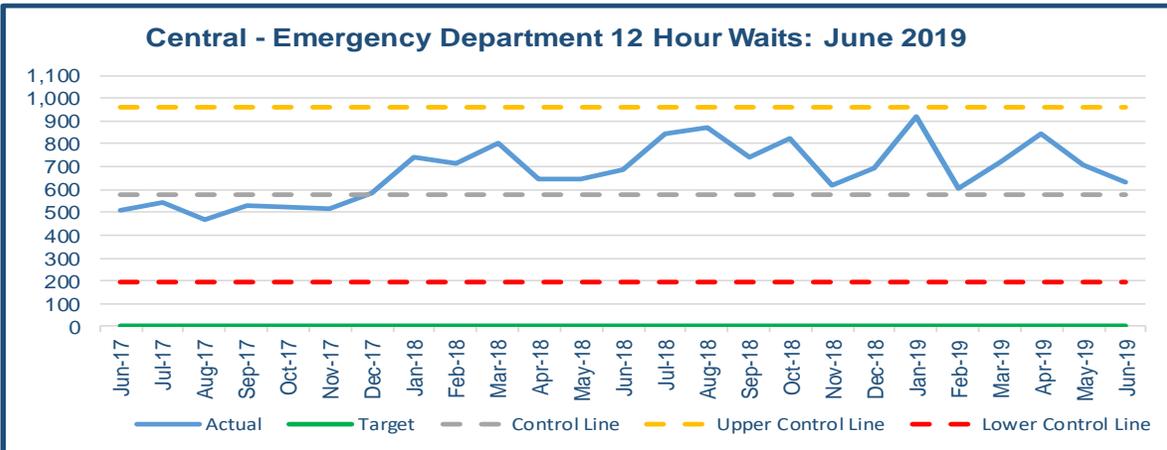
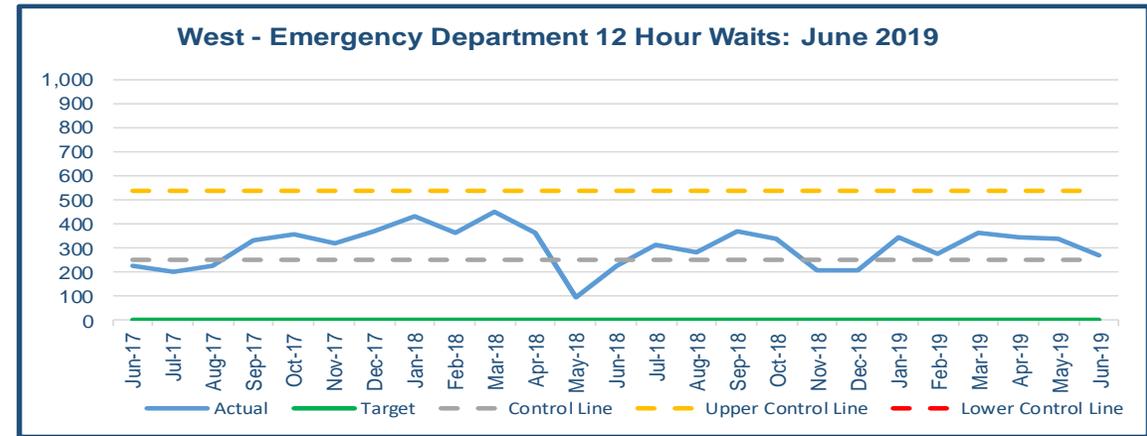
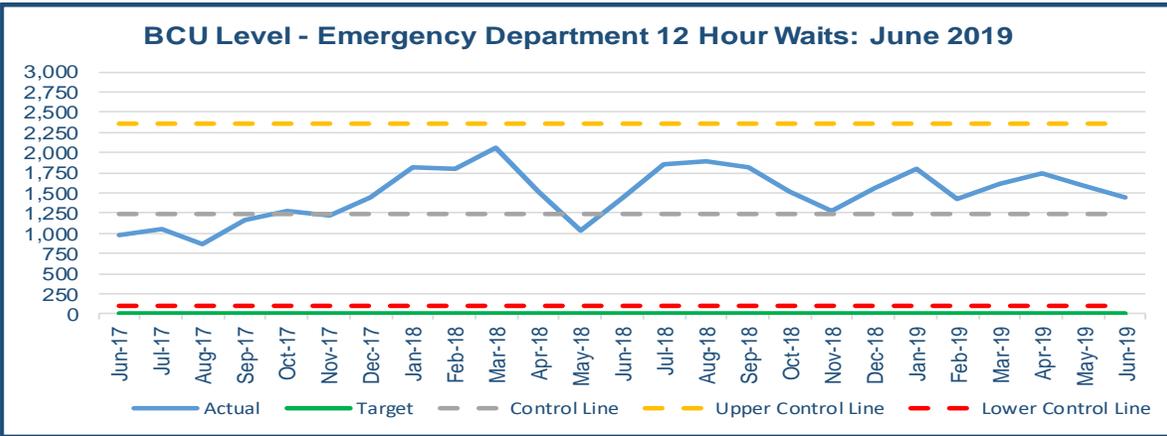
**7th**

**Executive Lead**

**Deborah Carter**

**Plan Ref**

**AP033**



### Actions:

#### West

- Ongoing Root Cause Analysis (RCA) of 12hr Breaches to identify themes and trends and ensure no patient harm.
- Creation of Escalation process for delays.
- Previous weeks performance reviewed as part of the breach process.
- Visual dashboard still in development with base setting completed.

#### Central

- Senior leadership team daily 'reset'
- Appointment of a dedicated Emergency Department (ED) performance manager (takes up post 8.7.19)
- Weekly planning meetings for Same Day Emergency Care (go live 3.7.19), DU attended final planning meeting.
- Preparation for START (Streaming, Triage, Ambulance assessment, Rapid treatment, Team Coordination) model in ED (go live 1.7.19).
- On-going work to establish Paediatric Assessment Unit (PAU) (workshop planned for 4.7.19)
- Re-focussed weekly SAFER (Senior review, All patients, Flow, Early discharge, Review) meetings
- Development of robust plan for ward buddying system across site
- Commenced weekly multi disciplinary long length of stay review of all patients with stay over 21 days, with weekly senior leadership meeting to review outcomes.
- 'Home First' launched with additional Occupational Therapy (OT) support on wards

#### East

The zero tolerance culture change remains in place, however bed capacity remains extremely challenging.

### Outcomes:

#### West

- Improvement in escalation of concerns has supported the improvement in reducing 12hr delays.
- DTA's being captured as part of the review along with confirming DTA's applied by ST3/4 or above.

#### Central

Via corrective actions, deliver performance in July in line with agreed trajectory of improvement for 4hr performance and for number of children and young people who breach the 4 hr standard.

#### East

Ongoing reiteration and focus within the bed meetings

### Timelines:

#### West

- On going.
- End of July 2019
- On going.

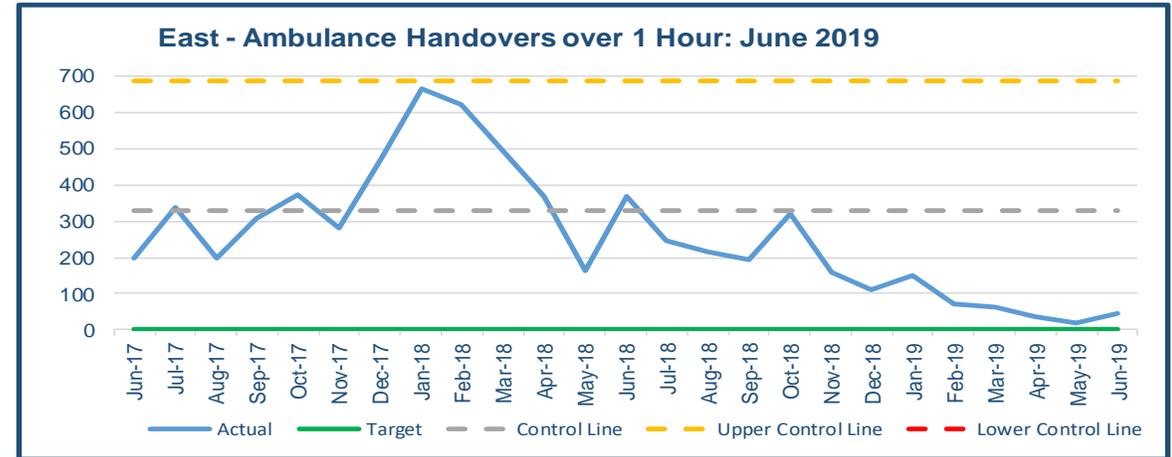
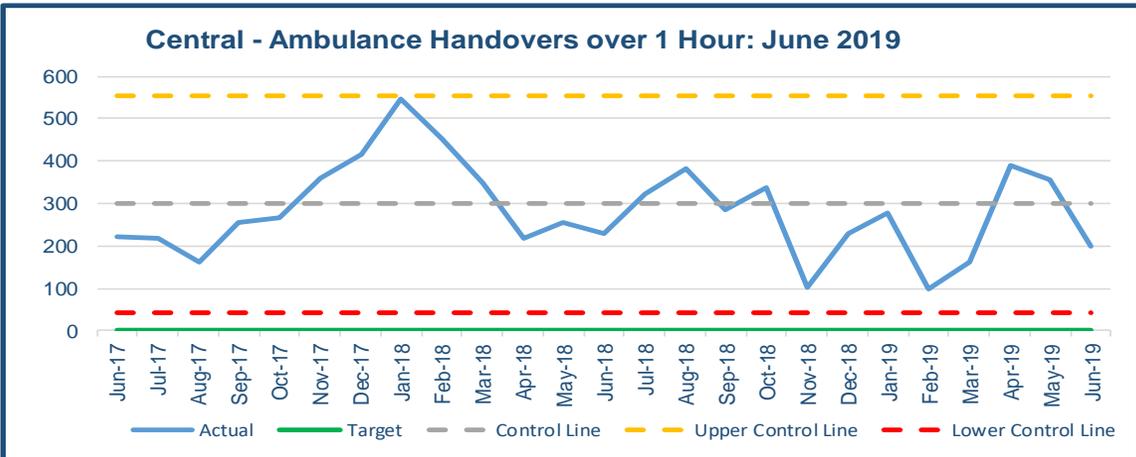
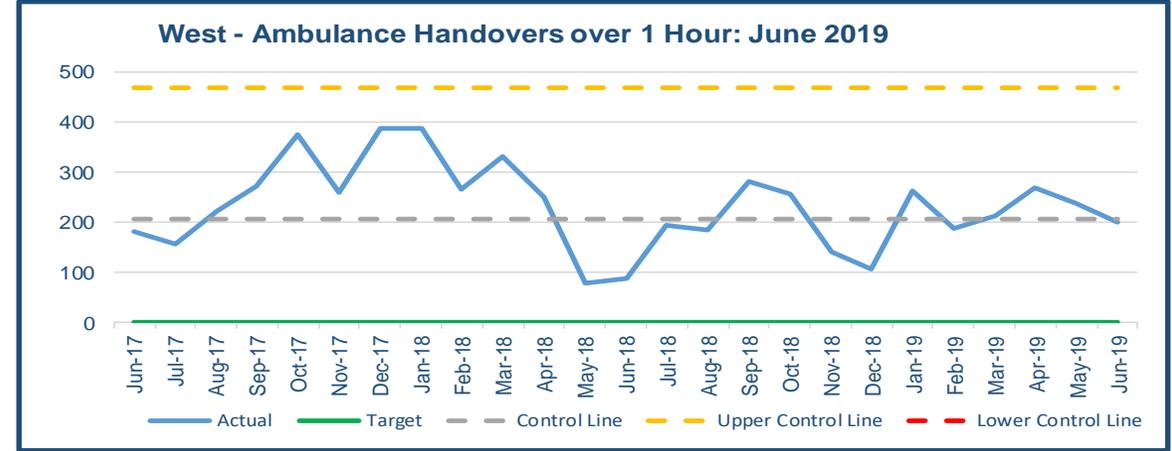
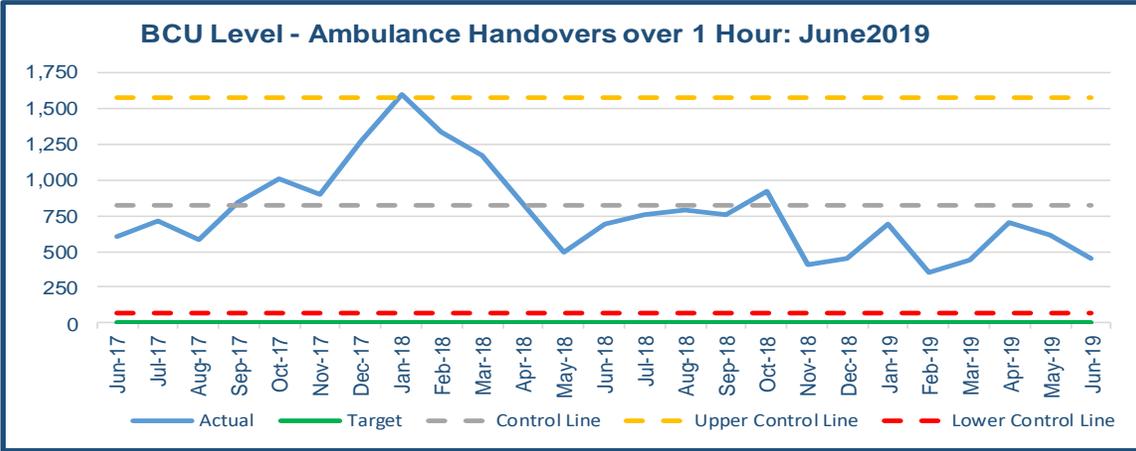
#### Central

By 31<sup>st</sup> July 2019

#### East

By 1<sup>st</sup> July 2019

<b>DFM 071</b>	Number of ambulance handovers over one hour	<b>Target 0</b>	<b>Plan</b> ← 341	<b>Jun-19</b>	<b>447</b>	<b>Status</b>	<b>Wales Benchmark</b>	<b>5th</b>	<b>Executive Lead</b>	<b>Deborah Carter</b>	<b>Plan Ref</b>	<b>AP029</b>
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### Actions:

#### West

Continued on going review of Arrivals against outcome. Good stakeholder engagement with Welsh Ambulance Service Trust (WAST) to review themes and patterns.

Dual Pin entry went live in June 2019 with noticeable improvement in lost hours.

On going work on escalation and communication for delays, with real time tracking of delays. Planned motion time study to be completed on ambulance arrivals to clear to review route/planning and implement front door triage.

Patient Report Forms (PRF) /Emergency Department (ED) Casualty Card reviews on going with WAST clinical team to identify themes and trends. This is now business as usual and supported by Site and WAST in utilizing all available community resources and identifying areas that may need support and educating.

Creation of Root Cause Analysis (RCA) Divert proforma, along with developing an escalation flow chart to support site in requesting support from other site during periods of high demand.

#### Central

The corrective actions to drive improvements in 4hr and 12 hour performance also support improved ambulance handover performance.

A snap shot audit has also been undertaken by WAST one day a week during June to inform actions to reduce conveyances to ED through greater use of community alternatives.

#### East

The zero tolerance cultural approach continues

### Outcomes:

#### West

Delays have occurred owing to works in line with Phase III build and redirection of crews on arrival. Works completed so improvement should be evident in July.

#### Central

Via corrective actions, further reduce the number of 60 minute handover delays for a fourth consecutive month and in line with the trajectory for improvement.

#### East

- Continued focus on reducing delays looking at the 15 mins
- Dual pin with WAST introduction will sharpen grip & control

### Timelines:

#### West

On going – Business as Usual.

On going- Business as Usual.

31<sup>st</sup> July 2019.

Completed 30<sup>th</sup> June 2019

On going – Business as usual.

Ongoing as part of the EDQDF working group.

#### Central

By 31<sup>st</sup> July 2019

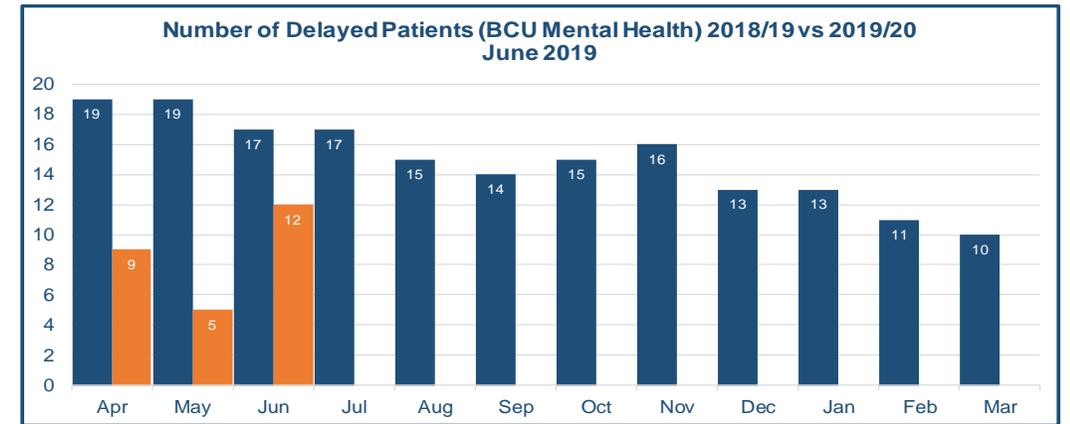
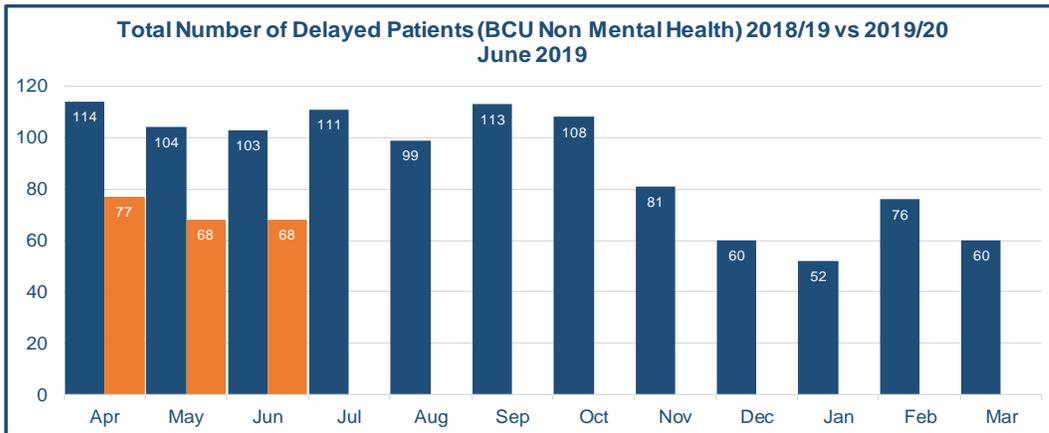
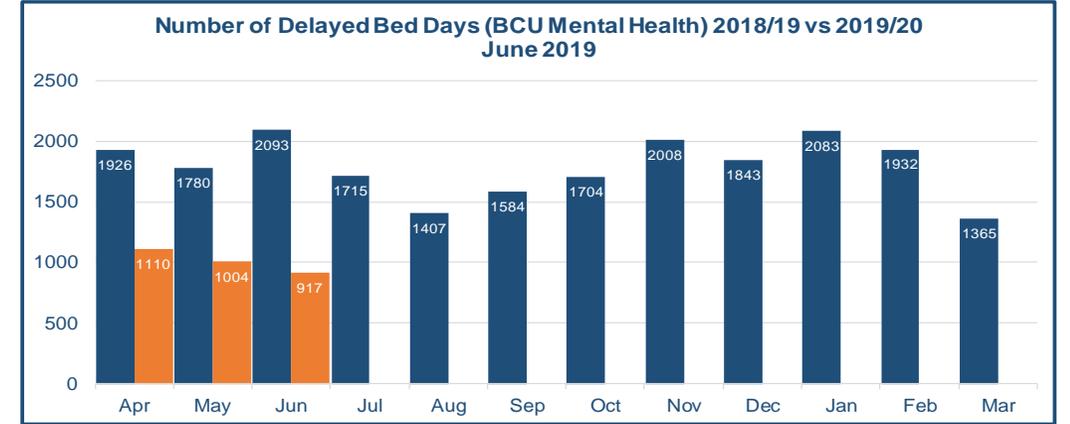
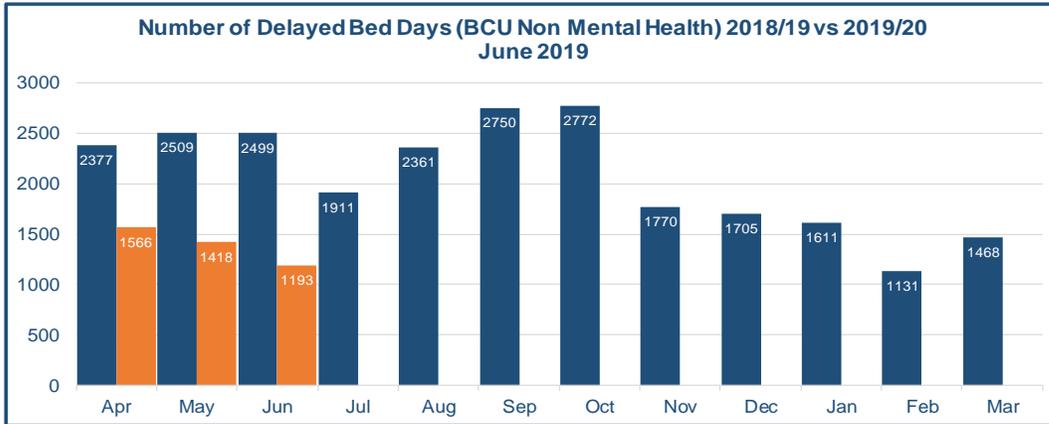
#### East

By 1<sup>st</sup> July 2019

By 8<sup>th</sup> July 2019

<b>DFM 025</b>	Number of health board mental health delayed transfer of care	<b>Target Reduce</b>	<b>Plan &lt;= 13</b>	<b>Jun-19</b>	<b>12</b>	<b>Status</b>	<b>Wales Benchmark</b>	<b>1st</b>	<b>Executive Lead</b>	Andy Roach	<b>Plan Ref</b>	<b>AP031</b>
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<b>DFM 026</b>	Number of health board non mental health delayed transfer of care	<b>Target Reduce</b>	<b>Plan &lt;= 35</b>	<b>Jun-19</b>	<b>68</b>	<b>Status</b>	<b>Wales Benchmark</b>	<b>5th</b>	<b>Executive Lead</b>	Deborah Carter	<b>Plan Ref</b>	<b>AP037</b>
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### Actions:

- Weekly and pre-census Delayed Transfers of Care (DToC) meetings where all patients are discussed and monitored are continuing. DToCs are scrutinised daily on site and delays in package of care and/or social worker attendance are escalated to Senior management early for further escalation to Directors of Social Care in respective Local Authority.
- Delays in the acute and community continue to be due to placement and package of care.
- Top up fees in the Nursing and Residential placement continues to impact on patient transfers and it is anticipated that the BCU Care Home fees paper should help with this issue

### Outcomes:

- Improved grip and control on DTOC position and utilization of escalation processes.
- The number of census confirmed non-mental health DTOCs for June is 68.
- Daily MFD meetings are taking place in West Area; in Centre and East long length of stay process is being implemented .

### Timelines:

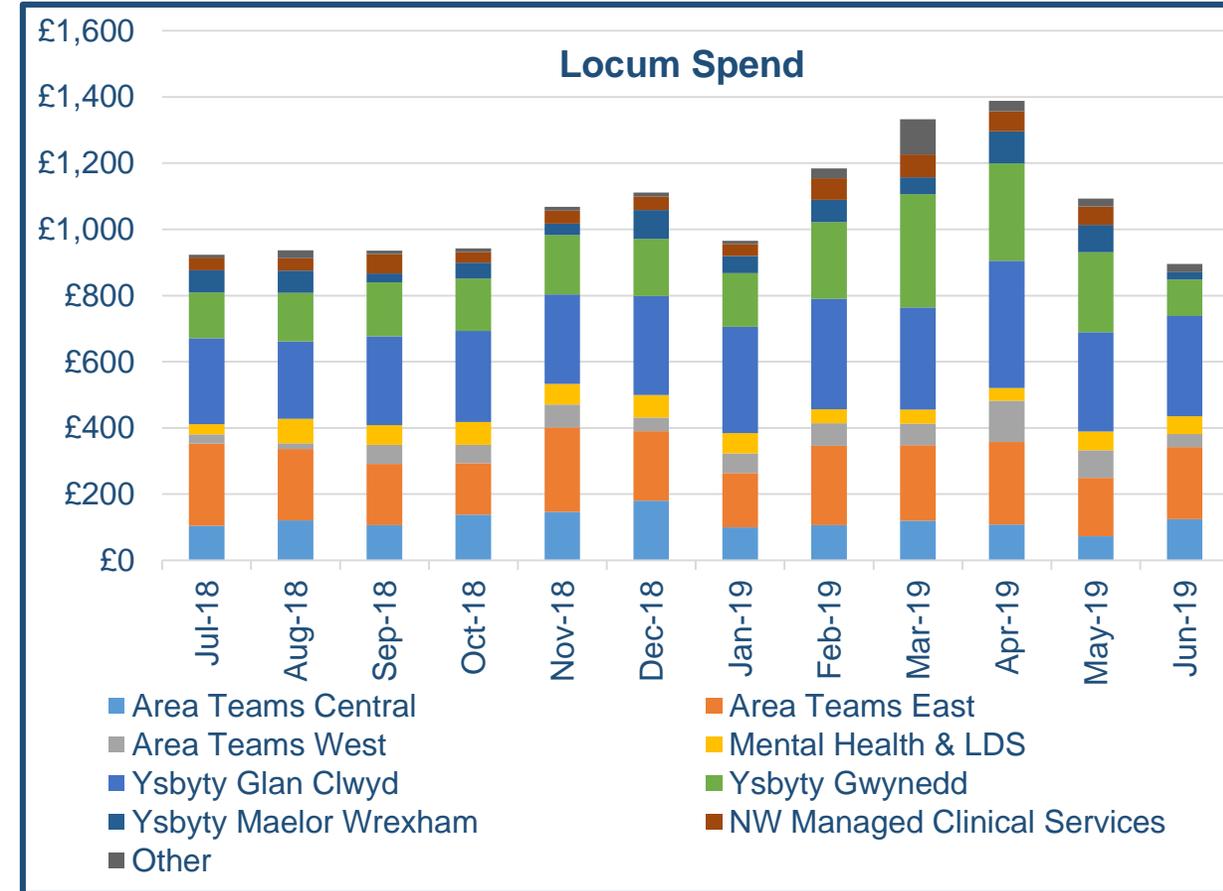
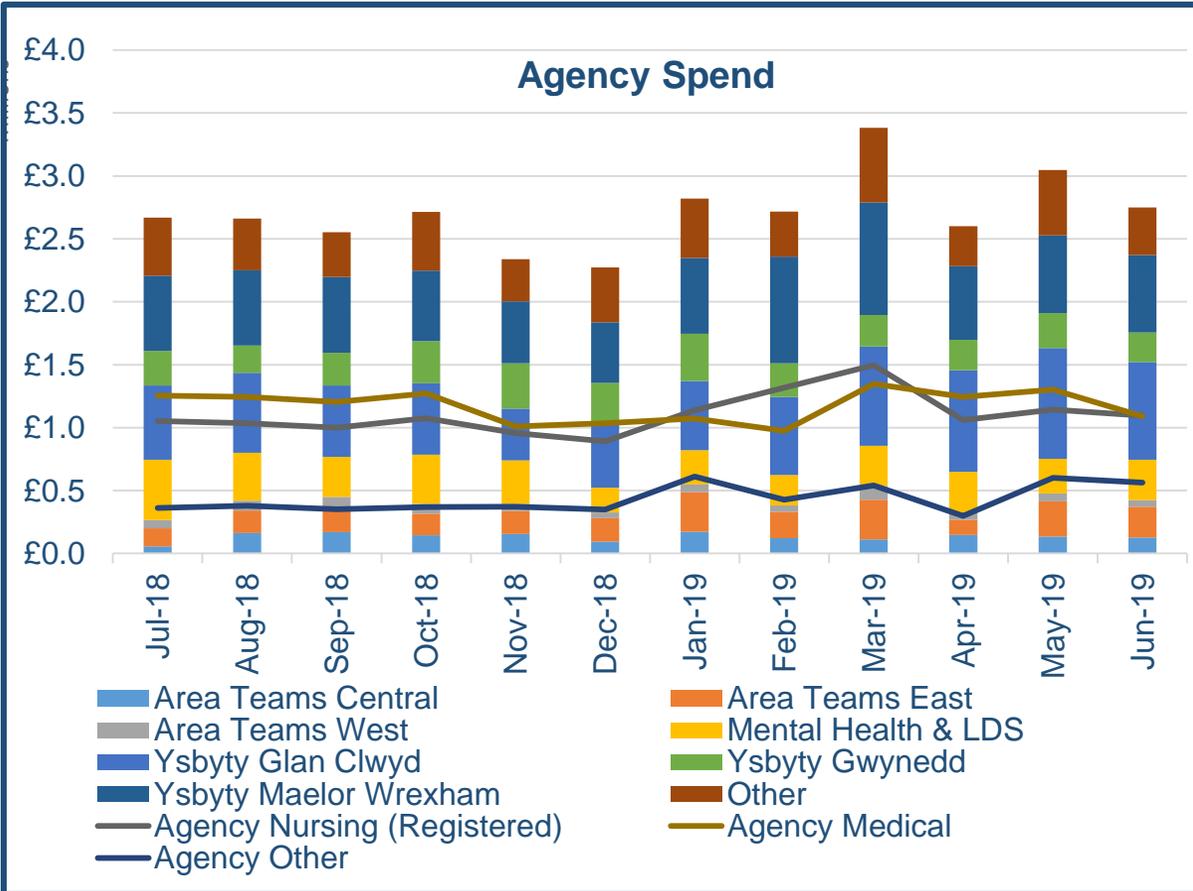
- Escalation undertaken on a daily basis
- Dependant on sign off of BCU Care Home fees paper.



Measure	Status	Target	Plan
Quantity of Biosimilar medicines prescribed	68.50% ↓	Improve	>= 72%
Critical Care Beddays Lost to DToC			
PADR Rate (%)	70.0% ↑	>= 85%	>= 76%
Staff agreed PADR helps improve	54.0% ↑	Improve	N/A A
Staff engagement Score	3.76 ↑	Improve	N/A A
Mandatory Training (Level 1) Rate (%)	84% ↓	>= 85%	>= 85%
Sickness absence rates (% Rolling 12 months)	5.10% ↓	<= 4.31%	<= 4.79%
Staff happy for BCU to treat Friends/Relatives	67.00% ↑	Improve	N/A A
Finance: Agency & Locum Spend	£3.7m ↑	TBA	AP
Finance: Position against Financial Balance	£10.96m ↓	<= £35m	<= £8.8m

AP = Awaiting Profile N/A A = Not Applicable - Annual

LM00 1F	Cost of Agency & Locum spend within Month	Target TBA	Plan AP	Jun-19	£3.7m	Status	↑	Wales Benchmark	N/A	Executive Lead	Sue Green	Plan Ref	NIP
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### Actions:

Agency spend is down by £298k on May with both Medical and nursing agency spend reduced overall by £212k and 47k respectively. MHLN nursing increased by £15k and allied health professionals increased again in North Wales managed Clinical Services from £29k in April to £106k in June.

Locum spend is also down by £130k on May (and £425k on April)

There has been an increase in Bank and additional basic hours with the most significant being in Estates and facilities. This is being investigated to ensure appropriate use of zero hours contracts.

- Continued delivery against the grip and control plan actions is key and will continue to demonstrate impact.
- Specific actions in July 2019 include:
- Further roll out of roster controls
- Auto enrolment on bank for all Nursing & Midwifery (N&M) joiners.
- Enforcement of 1 hour lunch break for Agency staff.
- Improved Medical Pay Spend reporting through Workforce Dashboard and development of a Medical Dashboard

### Outcomes:

- The actions currently being progressed will provide a better understanding of staffing levels allowing us to anticipate shortages and challenge requests / identify alternative solutions to agency usage.
- Increasing pools of temporary staffing, in both N&M and Administration & Clerical staff, will reduce reliance on agency staff.
- Stricter controls around temporary staffing processes, particularly around incorporating Medical locums into the Establishment Control process could reduce the number of short term contracts and reduce costs.

### Timelines:

A number of actions are scheduled for completion by the end of July 2019, and therefore the impact should be seen during quarter 2.

<b>LM00</b> 2F	% Cumulative Deficit Position against the planned Financial Balance	<b>Target</b> ≤ £35m	<b>Plan</b> ≤ £8.8m	<b>Jun-19</b>	<b>£10.96m</b>		N/A	Sue Hill	NIP
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### Actions

The Health Board's Interim Financial plan for 19/20 is a forecast deficit of £35m, with a challenge by the Welsh Government to revise this plan to a £25m deficit.

As at the end of June the Health Board is reporting a £10.96m overspend, which is £2.2m over the planned deficit position.

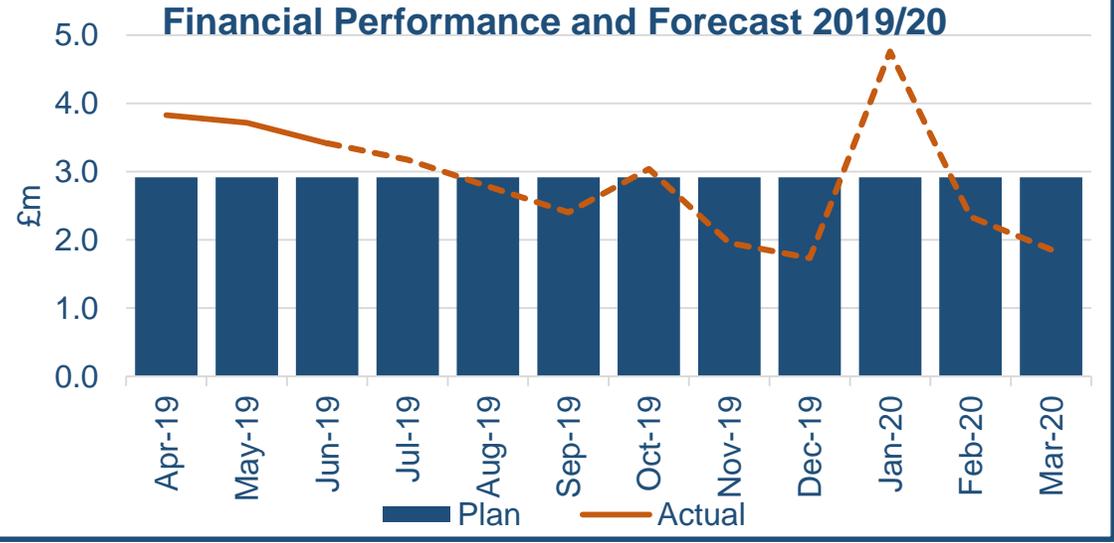
To meet the planned deficit the Health Board needs to make significant savings and address over-spends that have emerged in the early part of the year.

Whilst good progress has been made on developing savings plans, a shortfall still exists and further work is needed to identify additional schemes.

In addition a number of the savings plans need further develop work, to increase the potential for achievement in the current and future periods.

### Outcomes

Subject to the Health Board fully engaging in financial recovery, and continuing to drive forward on both transformation and transactional savings, the £35m plan is achievable.



### Timeline

The Health Board is considering the challenges presented by reducing the deficit to £25m, with the intention of making a decision in the July Board meeting.

Independent consultants, funded by Welsh Government, have been working with the Health Board to support in the identification of savings opportunities.

DFM 091 Percentage of sickness absence rate of staff

Target <= 4.31%

Plan >= 4.79%

May-19 **5.10%**

Status

Wales Benchmark

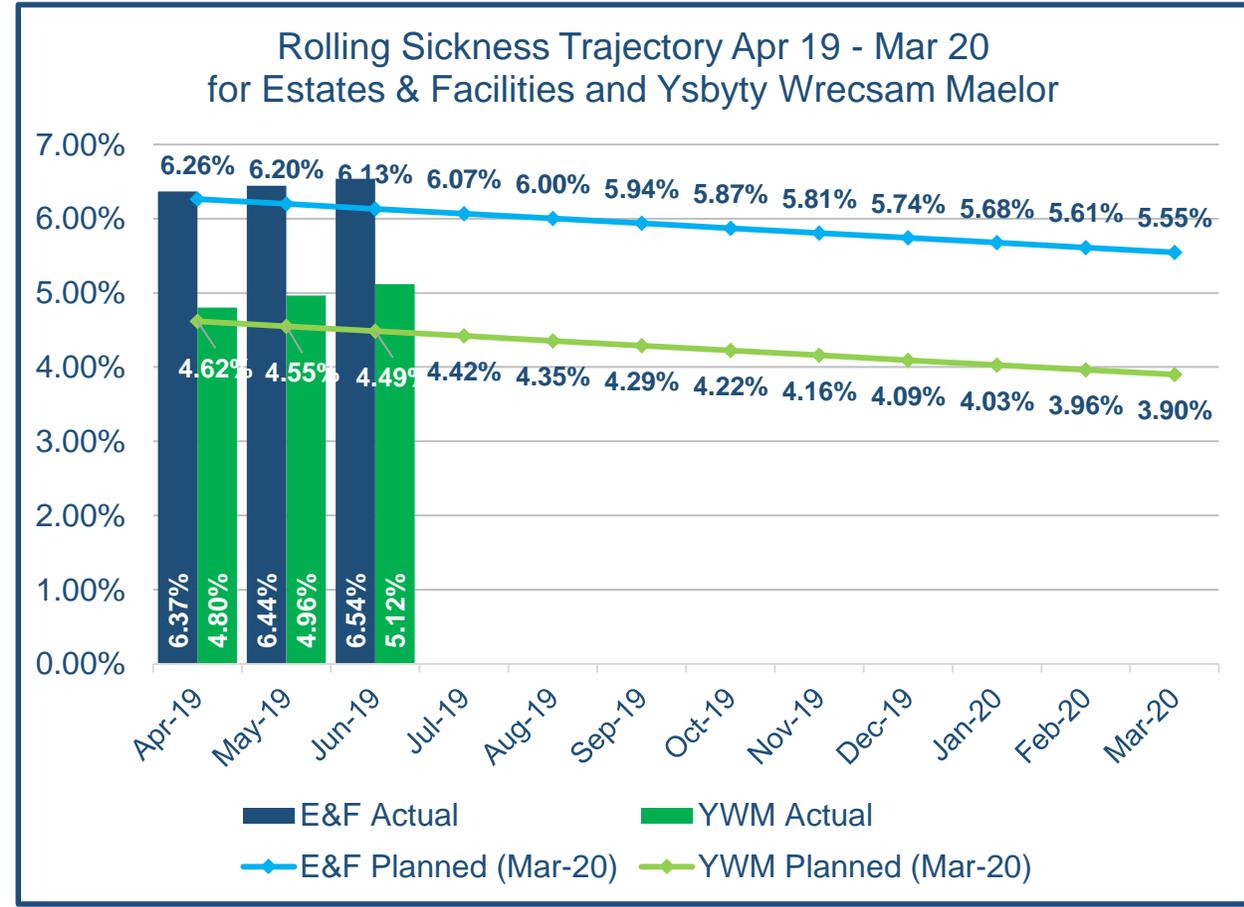
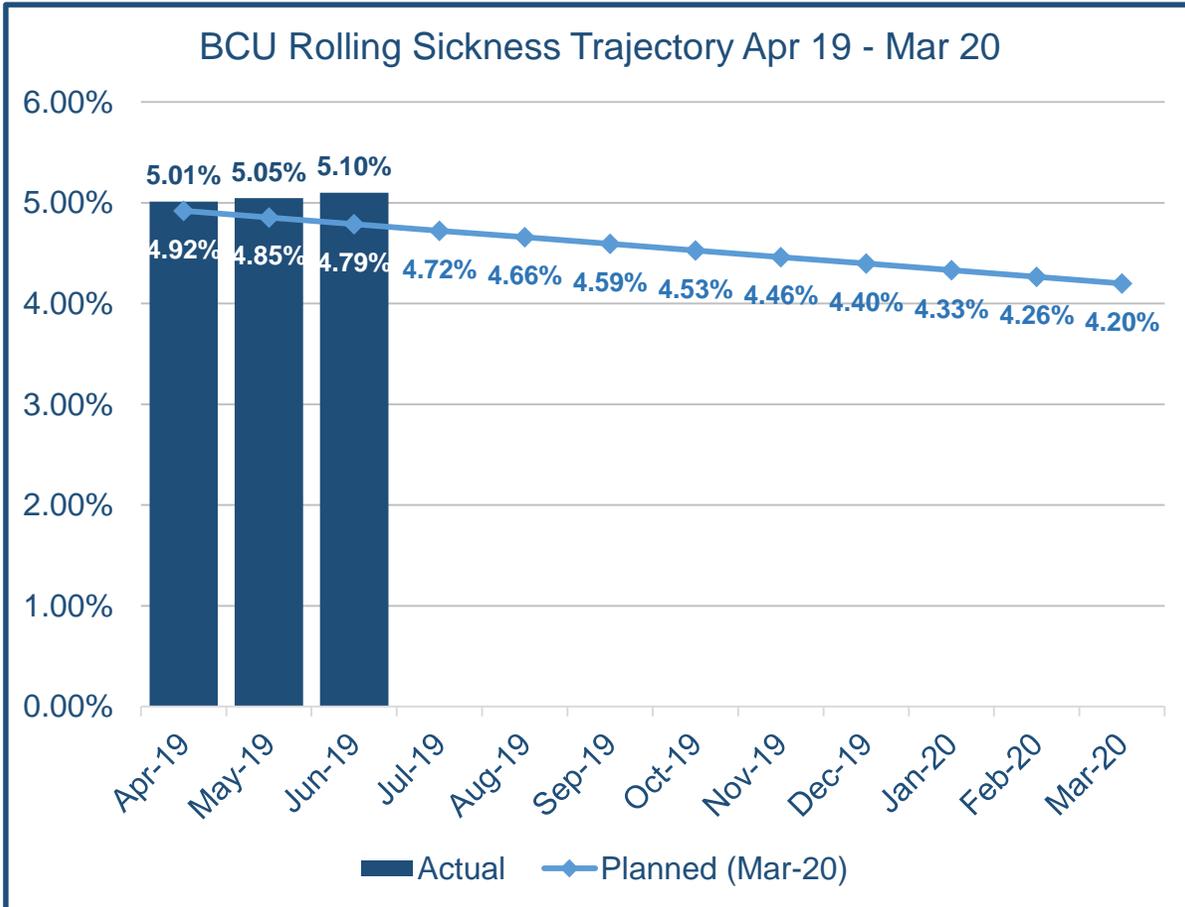
3rd

Executive Lead

Sue Green

Plan Ref

AP043



### Actions:

At 5.10% for the rolling 12 months, BCU is above its planned improvement trajectory of 4.79% but on par with the All Wales trajectory of 5.09%.

All Wales revised trajectory published in June is now based on reaching 4.31% by March 2020. This has been reviewed to understand impact as links to national determination of the payment of enhancements. Given the evident rise in BCU when enhancements were re-introduced in 2017/18, this is likely to have a significant impact on our sickness levels.

All Divisions are worse than the improvement trajectories with the top 3 areas being MHLD at 6.55%; Estates at 6.53% and YGC at 5.81%. Estates and YWM are furthest away from the trajectories (demonstrated on the graphs on p.36)

In addition to the priority areas in the overall improvement plan, specific focussed support is being given to these areas to identify immediate actions to address the continued upward trend.

### Outcomes:

The outcome of the improvement work underway is unlikely to show any material impact until September.

The specific actions with the quantified impact expected will be provided to Finance and Performance Committee in August.

This will include:

- Long term absence management
- Stress related absence
- Musculoskeletal related absence
- Accident/injury related absence
- Absence recording

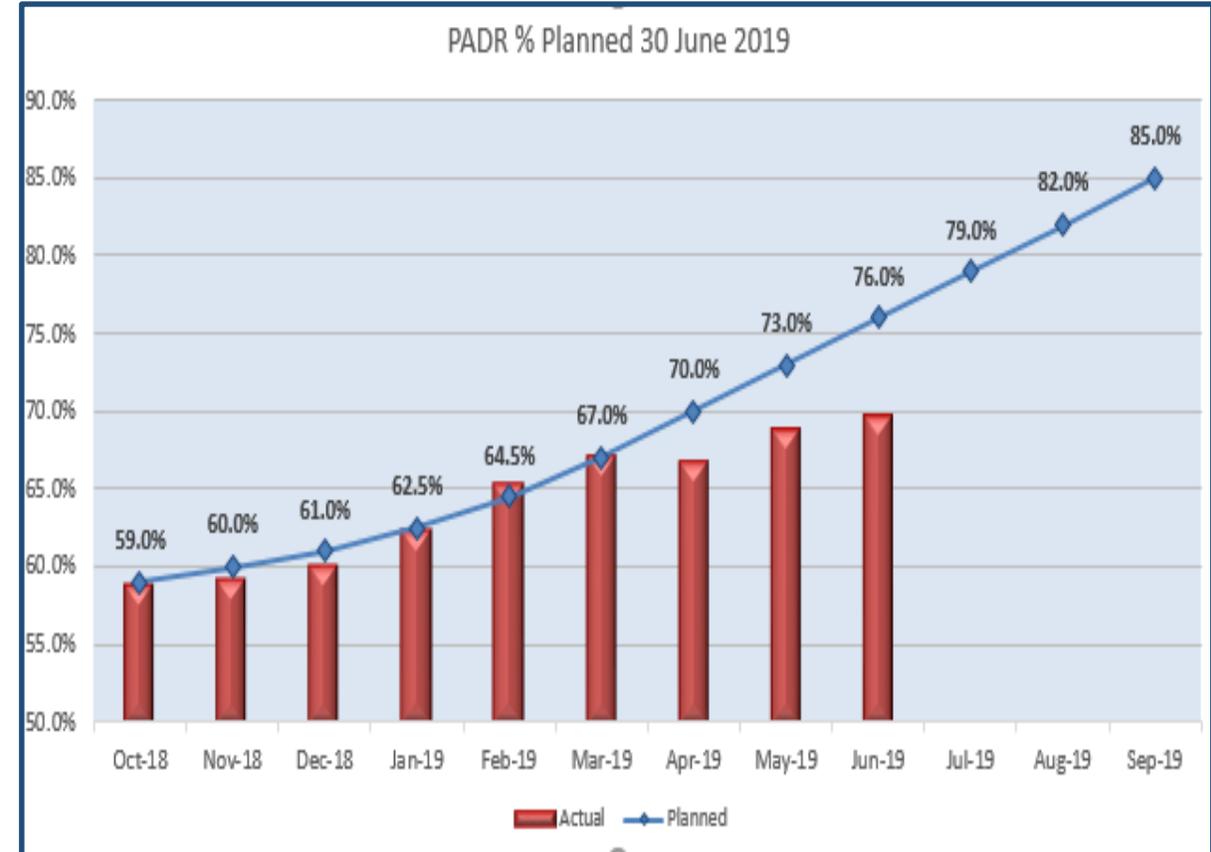
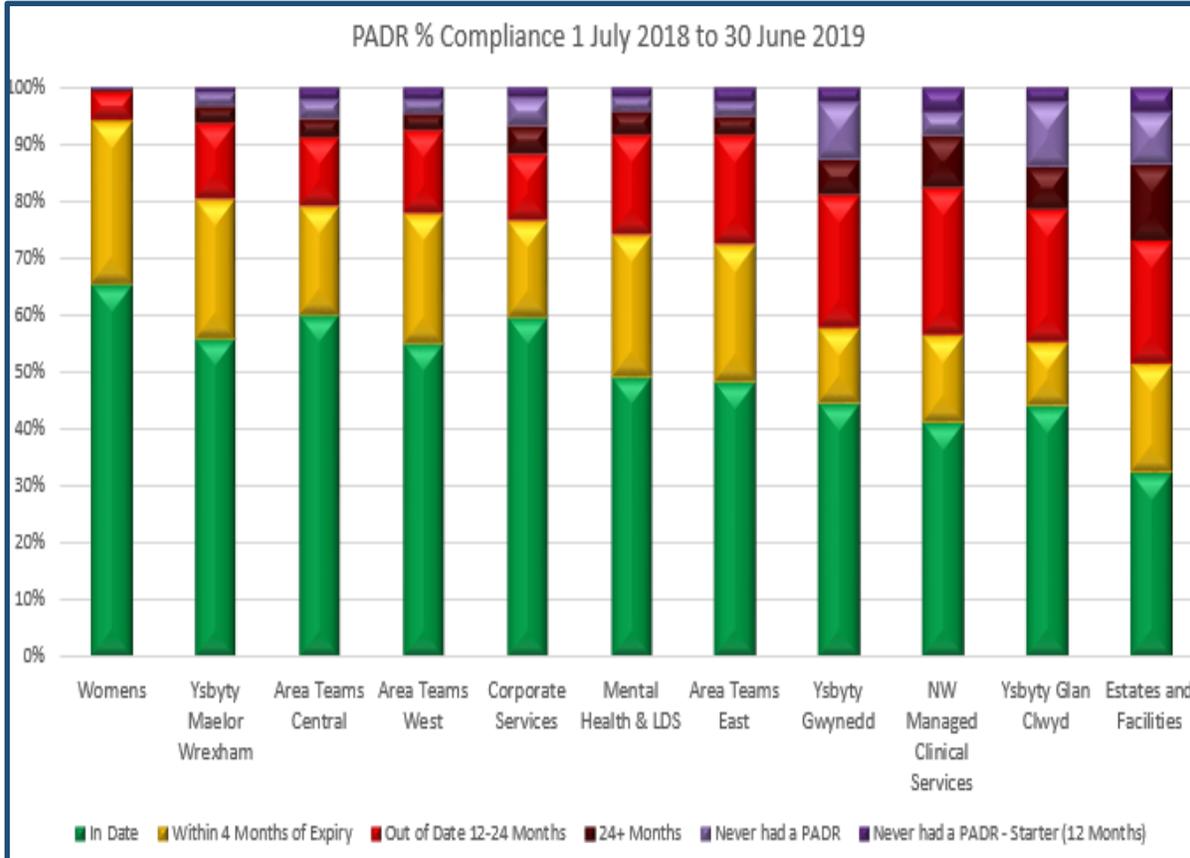
### Timelines:

The trajectories have been developed to deliver the internal stretch target of 4.2% by the 31st March 2020.

Targeted improvement plans with quantification  
- August 2019

Review of unsocial hours by Welsh Partnership  
Forum – September 2019

DFM 087	Percentage of headcount by organisation who have had a Personal Appraisal and Development Review (PADR)/medical appraisal in the previous 12 months (excluding doctors and dentists in training)	Target	Plan	May-19	70.00%	Status	↑	Wales Benchmark	5th	Executive Lead	Sue Green	Plan Ref	AP046
		>= 85%	>= 76%										



### Actions:

- Share best practice case study from Ysbyty Wrexham Maelor as part of the monthly organisational compliance update to Executives and Senior Managers.
- Provide all Executives and Senior Managers with divisional breakdown of their monthly compliance over the last 8 months
- Create draft simplified PADR form and resources (emphasising sustainability of PADR) ready for consultation and feedback with targeted staff groups.
- Provide detailed comparable reports to the Directors in areas with low compliance such as Estates & Facilities and Ysbyty Glan Clwyd (YGC) to support the monitoring of their Divisional Improvement Plan
- Drop-in sessions with ward managers at YGC on PADR and ESR
- Target areas which are not making progress as expected to provide support and facilitate corrective action

### Outcomes:

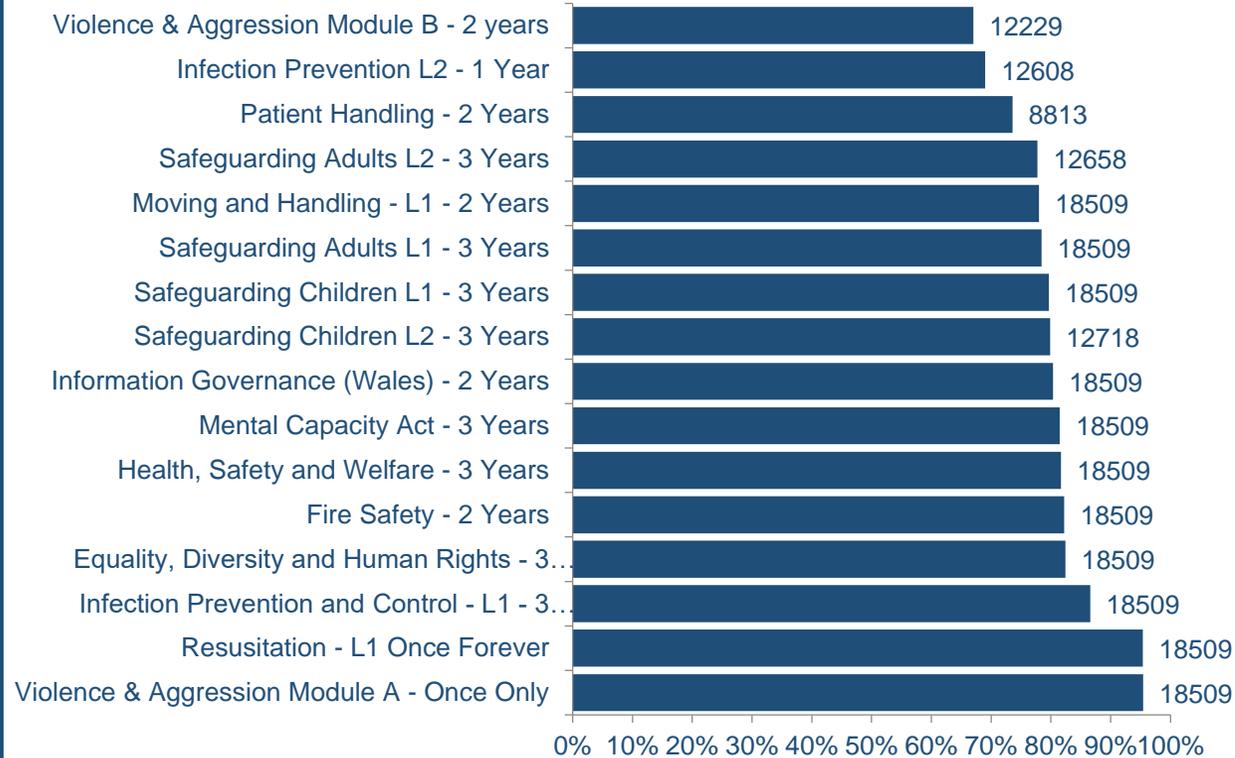
- Sharing best practice across the organisation will promote organisational learning and support Divisions to adopt tried and tested approaches to improve their compliance
- Providing a detailed breakdown of monthly compliance over the last 8 months will provide the organisation and Divisions with an overview of how they have progressed or not progressed, allowing the identification of hot spot areas that need urgent corrective action.
- Gathering and acting on feedback on a new streamlined process will lead to staff feeling included and taking more ownership of PADR as well as ensuring the process is fit for purpose
- Providing support at Executive and Director level will ensure accountability of PADR is cascaded within Divisions
- Drop-in sessions will allow ward managers to troubleshoot areas of difficulty to directly increase compliance in their areas
- Targeting areas with low compliance with further information will allow Divisions to work with hot spot areas to improve compliance

### Timelines:

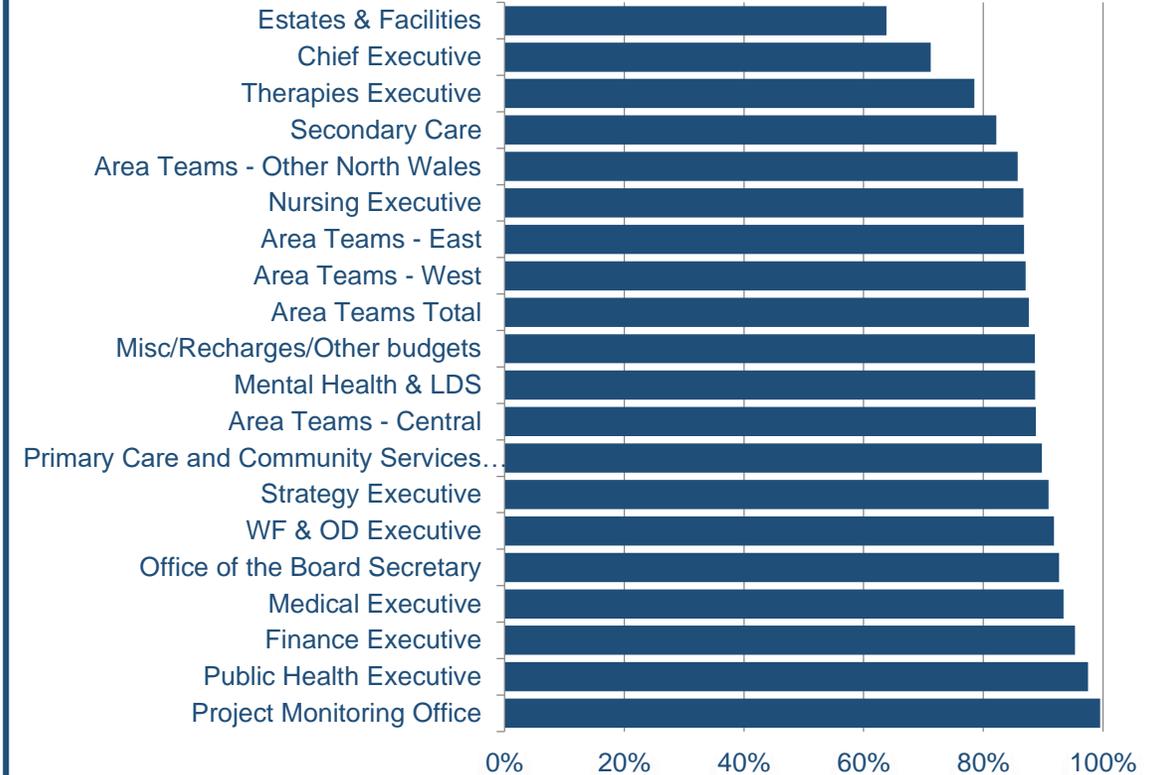
All actions highlighted will be completed during July with the aim of supporting the organisation to achieve minimum 85% compliance by Q2 2019/20. However, considering the pace of improvement over the last 3 months, it is not currently realistic to expect a 5% increase per month to achieve the national minimum target of 85%.

<b>DFM 090</b>	Percentage compliance for all completed Level 1 competencies within the Core Skills and Training Framework by organisation	<b>Target</b> >= 85%	<b>Plan</b> >= 85%	<b>May-19</b>	<b>84.00%</b>	<b>Status</b>		<b>Wales Benchmark</b>	<b>1st</b>	<b>Executive Lead</b>	Sue Green	<b>Plan Ref</b>	AP046
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### Core Mandatory Training Compliance June 2019



### Overall June Compliance by Division



### Actions:

The Performance in June 2019 for Mandatory Training Compliance identified a decrease of 1% for level 1 and a decrease of 2% for level 2 training. Currently level 1 is at 84% which is 1% below the national target of 85%. After a full investigation of the compliance dashboard, attendance records, Subject Matter Expert [SME] responses & E-learning activity it is reported that June's compliance identified that 3% of staff within Nursing & Midwifery staff groups became non-compliant.

#### Actions:

Identify the reason for non compliance renewal within Nursing & Midwifery staff group for Equality & Diversity, Health & Safety training, Safeguarding Adults & Safeguarding Children training.

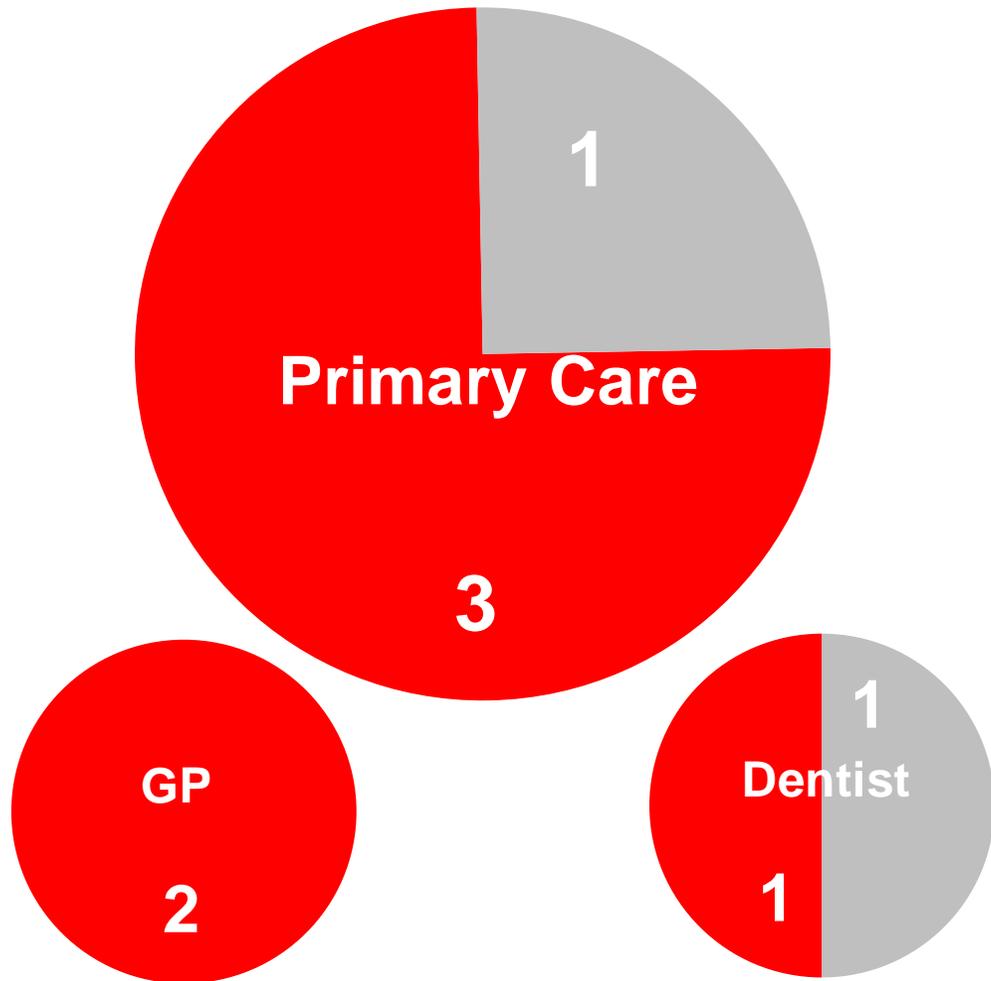
Identify from projected compliance figures, months where increased groups [over 2%] of staff will become non-compliant with Level 1 and level 2 training.

### Outcomes:

- Identifying the reasons for non-renewal of compliance within Nursing & Midwifery staff group will highlight areas requiring more training opportunities to be available therefore increasing compliance to reach the 85% target.
- Obtaining projected compliance data will allow all SME's the opportunity to review and amend forthcoming training schedules to reflect the requirement to increase training opportunities for larger groups of staff who will require renewal of compliance. This will ensure training compliance maintains at the 85% target.

### Timelines:

With the identification of projected training data to review significant large increases in non-compliance, amendments to the Improvement Plan especially in terms of revision of provision, attendance records, Did not attend data, reviewing areas of poor compliance including individual compliance records we anticipate returning back to the target rate for level 1 training by the end of July 2019.



Measure	Status	Target	Plan
Convenient GP Appointment	36.50% ↓	Reduce	AP
GP Practice Open 5pm to 6.30pm	80.00% ↑	Improve	AP
Accessed NHS Dentist	49.20% ↓	Improve	AP
Dentist Follow Up	N/A	Reduce	AP

Key Performance Indicators for Primary Care are being developed and as soon as they have been agreed, they will be published here. The Performance Assurance Team are reviewing the Primary Care sections of Board Reports of other Health Boards and will aim to agree Measures with the Executive Director for Primary & Community Care and the Primary Care Support Unit in providing a mid-year report.

AP = Awaiting Profile

<b>DFM 047</b>	Percentage of people (aged 16+) who found it difficult to make a convenient GP appointment	<b>Target Reduce</b>	<b>Plan AP</b>	<b>2017/18</b>	<b>36.5%</b>	<b>Status</b> 	<b>Wales Benchmark</b> <b>N/A</b>	<b>Executive Lead</b>	Chris Stockport	<b>Plan Ref</b>	<b>AP013</b>
<b>DFM 048</b>	Percentage of GP practices offering daily appointments between 17:00 and 18:30 hours	<b>Target Improve</b>	<b>Plan AP</b>	<b>Qtr 4 18/19</b>	<b>80.0%</b>	<b>Status</b> 	<b>Wales Benchmark</b> <b>7th</b>	<b>Executive Lead</b>	Chris Stockport	<b>Plan Ref</b>	<b>AP013</b>

**Actions:**

- The Area Teams and Primary Care & Community (PCC) Team continue to encourage practices to ensure that patients have good access hours for appointments with a clinician.
- The PCC Team are currently conducting an audit of all practices against the BCUHB access standards

**Outcomes:**

Non-compliance against the standard will be addressed directly with the practice by the PCC Team.

**Timelines:**

- Interim results of the audit of BCUHB Access Standards will be discussed at the LMC meeting on 9<sup>th</sup> July 2019.
- Future work on Access Standards will need to be aligned with the requirements of any Access Standards agreed for the 2019/20 GMS Contract.

Further information is available from the office of the Director of Performance which includes:

- performance reference tables
- tolerances for red, amber and green
- the Welsh benchmark information which we have presented

Further information on our performance can be found online at:

- Our website [www.pbc.cymru.nhs.uk](http://www.pbc.cymru.nhs.uk)
- Stats Wales [www.bcu.wales.nhs.uk](http://www.bcu.wales.nhs.uk)  
[www.statswales.wales.gov.uk](http://www.statswales.wales.gov.uk)

We also post regular updates on what we are doing to improve healthcare services for patients on social media:



follow @bcuhb

<http://www.facebook.com/bcuhealthboard>

<b>Finance and Performance Committee</b>  <b>29.7.19</b>	 Bwrdd Iechyd Prifysgol Betsi Cadwaladr University Health Board  <b>To improve health and provide          excellent care</b>
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<b>Report Title:</b>	<b>2019/20 Annual Plan: Monitoring of Progress against Actions</b>
<b>Report Author:</b>	Mark Wilkinson, Executive Director of Planning & Performance
<b>Responsible Director:</b>	Mark Wilkinson, Executive Director of Planning & Performance
<b>Public or In Committee</b>	Public
<b>Purpose of Report:</b>	This report provides the committee with a self-assessment of progress at quarter 1 (month 3) against delivery of the actions in the Interim Operational Plan of the Health Board
<b>Approval / Scrutiny Route Prior to Presentation:</b>	This paper has been scrutinised and approved by the Executive Team on 17.7.19.
<b>Governance issues / risks:</b>	The report is a self- assessment undertaken by the Executive Lead for strategically responsible for each action. To increase the level of assurance which can be taken from the report and to ensure consistency in application of the rating, the rating applied is compared against milestones set and a more detailed sampling of the actions is included in the report.
<b>Financial Implications:</b>	The actions to be delivered are expected to be delivered within the budget set for the operational plan.
<b>Recommendation:</b>	The Committee is asked to note the report.

<b>Health Board's Well-being Objectives</b> <i>(indicate how this paper proposes alignment with the Health Board's Well Being objectives. Tick all that apply and expand within main report)</i>	√	<b>WFGA Sustainable Development Principle</b> <i>(Indicate how the paper/proposal has embedded and prioritised the sustainable development principle in its development. Describe how within the main body of the report or if not indicate the reasons for this.)</i>	√
1.To improve physical, emotional and mental health and well-being for all	√	1.Balancing short term need with long term planning for the future	√
2.To target our resources to those with the greatest needs and reduce inequalities	√	2.Working together with other partners to deliver objectives	√
3.To support children to have the best start in life	√	3. Involving those with an interest and seeking their views	√
4.To work in partnership to support people – individuals, families, carers, communities - to	√	4.Putting resources into preventing problems occurring or getting worse	√

achieve their own well-being			
5.To improve the safety and quality of all services	√	5.Considering impact on all well-being goals together and on other bodies	√
6.To respect people and their dignity	√		
7.To listen to people and learn from their experiences	√		
<b>Special Measures Improvement Framework Theme/Expectation addressed by this paper</b>			
This paper supports the revised governance arrangements at the Health Board and supports the Board Assurance Framework by presenting clear information on the progress of the actions set out in the operational plan of the board			
<b>Equality Impact Assessment</b>			
The operational plan has been equality impact assessed.			

*Disclosure:*

*Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board*



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CYMRU  
NHS  
WALES

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Betsi Cadwaladr  
University Health Board



June 2019

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**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

This report presents performance against the 2019/20 Annual Plan actions, and is presented in the same order as the plan i.e. health improvement and health inequalities, care closer to home, planned care, unscheduled care, workforce, digital and estates.

The ratings have been self assessed by the relevant lead executive director. All the ratings have been reviewed and approved by the executive team. Additional assurance will be provided on a quarterly basis with narrative in support of the rating given to a random selection of plan actions . Where a red rating is applied in any month, a short narrative is provided to explain the reasons for this and actions being taken to address.

As it is the end of the first Quarter 2019/20, this report includes a sample of evidence for two of the Actions within each programme. Lead Executives have compared their rating in light of the Q1 milestones. The sampling aims to provide a consistency check on the application of the RAGP rating and additional evidence to provide assurance that the rating is appropriate.

To interpret this report, it is necessary to note the basis of the rating which provides a succinct forecast of delivery, combined with an assessment of relative risk.

Feedback is welcomed on this report and how it can be strengthened. Please email [Jill.Newman@Wales.NHS.UK](mailto:Jill.Newman@Wales.NHS.UK).

RAG	Every Month End	By year end	Actions depending on RAG rating given
<b>Red</b>	Off track, serious risk of, or will not be achieved	Not achieved	Where RAG given is Red: - Please provide some short bullet points explaining why, and what is being done to get back on track.
<b>Amber</b>	Achievement as forecast; work has commenced; some risks being actively managed	N/A	Where RAG is Amber: No additional information required
<b>Green</b>	On track for achievement, no real concerns	Achieved	Where RAG is Green: No additional information required
<b>Purple</b>	Achieved	N/A	Where RAG is Purple: No additional information required

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

Actions	Exec Lead	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Smoking Cessation Opportunities increased through 'Help Me Quit' programmes	PH	G	G	G									Q4
Healthy weight services increased	PH	G	G	G									Q4
Explore community pharmacy to deliver new lifestyle change opportunities	PH	G	G	G									Q4
Delivery of ICAN campaign promoting mental well-being across North Wales communities	MH&LD	G	G	G									Q4
Implement the Together for Children and Young People Change Programme	PC&C	A	A	G									Q4
Improve outcomes in first 1000 days programmes	PC&C	G	G	G									Q4
Further develop strong internal and external partnerships with focus on tackling inequalities	PH	G	G	G									Q4
Partnership plan for children progressed with a strong focus on Adverse Childhood Experiences	PC&C	*	R	A									Q4
Implement Year Three of Quality Improvement Strategy	N&M	G	G	G									

RAG	Every Month End
<b>Red</b>	Off track, serious risk of, or will not be achieved
<b>Amber</b>	Achievement as forecast; work has commenced; some risks being actively managed
<b>Green</b>	On track for achievement, no real concerns
<b>Purple</b>	Achieved

**Three Year Outlook and 2019/20 Annual Plan**  
 Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

## Quarter 1 Sample Report : Healthy Weight Services Increased:

### Milestones due to be met in Quarter 1:

1. Level 2 (Lifestyle Interventions / Weight Management Programmes) Business Case (adults) finalised
2. Develop resilient communities by Social Prescribing:
  - scope opportunities for social prescribing as part of the North Wales Steering Group
3. Implement 10 steps to a Healthy Weight

### Summary of Position

The adult tier 2 weight management business case funding has recently been approved. Service specification is under development.

The social prescribing work is progressing with links to the Clusters and the CVCs across North Wales.

Different staff groups across the region continue to promote the evidence based 10 Steps to a Healthy Weight messages to support children and families: <http://everychildwales.co.uk/parents/>

Letters/briefings are being sent to area education leads and key stakeholders to highlight the latest Child Measurement Programme results in their areas and update on partnership actions.

There is a robust clinical pathway in place for management of obesity in pregnancy; to support this further, Foodwise in Pregnancy (a group based healthy lifestyle intervention to promote optimal weight gain in pregnancy) is currently being explored as part of the BCUHB planning processes

Infant Feeding Strategic Plan was launched in March 2019 with over >125 attendees. Local implementation plan now under development, which will also align with recently launched national BF plan. This work is overseen by NW Infant Feeding Strategic Group

Pilot completed with school nurses in West to test improvements in communicating with parents about their child's weight. Evaluation report currently being prepared

Regionally, Let's Get Moving North Wales was launched in June 2018 with the aim of getting people to move more across the life course and encouraging partners to work together to realise this ambition: <http://www.wales.nhs.uk/sitesplus/888/page/92311>

Audit of NICE Guidance on Childhood Obesity – a recent audit of compliance of NICE Guidance on childhood obesity has been undertaken within BCUHB West Area

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

## Quarter 1 Sample Report : Implementation of 3 year Quality Improvement strategy

### Milestones due to be met in Quarter 1:

There were no milestones due for Quarter 1

### Summary of Position

Progress on implementing the three year Quality Improvement Strategy was presented at Quality, Safety & Experience (QSE) Committee on the 16<sup>th</sup> July 2019. Please refer the presentation which is attached.

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

Actions	Exec Leads	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Put in place agreed model for integrated leadership of clusters in at least three clusters, evaluate and develop plan for scaling up	PC&C	G	G	A									Q4
Put in place Community Resource Team maturity matrix and support to progress each CRT	PC&C	G	G	G									Q4
Model for health & well-being centres created with partners, based around a 'home first' ethos	PC&C	A	A	A									Q4
Implementation of RPB Learning Disability strategy	MH&LD	*	G	G									Q4
Plan and deliver digitally enabled transformation of community care	PC&C	G	G	A									Q4
Develop and Implement a Social prescribing model for North Wales	PC&C	G	G	G									Q4
Establish framework for assessment for CHC and individual packages of care for people with mental health needs or learning disabilities	MH&LD	G	G	P									Q4
Establish a local Gender Identity Team	PC&C	A	A	A						Q3			
Define and put in place Model for integrated Primary and Community Care Academy (PACCA) to support GP practices under greatest pressure	PC&C	A	A	G									Q4
Develop and implement plans to support Primary care sustainability	PC&C	*	G	G									Q4
Work through the RPB to deliver Transformational Fund bid	PC&C	G	G	G									Q4

RAG	Every Month End
Red	Off track, serious risk of, or will not be achieved
Amber	Achievement as forecast; work has commenced; some risks being actively managed
Green	On track for achievement, no real concerns
Purple	Achieved

Three Year Outlook and 2019/20 Annual Plan  
Monitoring of progress against Actions for Year One (2019/20)

June 2019

**Quarter 1 Sampled Report: Put in place agreed model for integrated leadership of clusters in at least three clusters, evaluate and develop plan for scaling up**

## Milestones due to be met in Quarter 1

Put in place agreed model for integrated leadership of clusters in at least three clusters, evaluate and develop plan for scaling up:

1. Early Adopter Clusters identified and locality leadership teams established

- **Put in place Community Resource Team maturity matrix and support to progress each CRT:**
  1. Regional Community Resource Team Conference (arranged by Central Area)
- **Work through the RPB to deliver Transformational Fund bid:**
  1. Governance and programme controls, workforce, recruitment plan and exit strategies in place
- **Define and put in place Model for integrated Primary and Community Care Academy (PACCA) to support GP practices under greatest pressure**
  1. Governance, plan and project team established
- **Develop and implement plans to support Primary care sustainability**
  1. Plan in place for capacity and demand review in Primary Care
- **Model for health & well-being centres created with partners, based around a 'home first' ethos**
  1. Mapping of Health and Well-being Centres reviewed and priorities agreed
  2. Appoint GP prescribers for the three Areas
- **Establish a local Gender Identity Team**
  1. Implement Gender Identity pathways following the establishment of the Wales Gender Service

## Summary of Position

The RPB transformation fund board workshop has taken place and identified we will have one pilot site in each of the regions. The integrated service boards have been engaged to determine the location of each pilot so as to ensure local ownership. This has been rated amber as the Q1 milestone was missed, however the work has progressed and still expected to deliver action required by Q4 as in the operational plan.

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

### Quarter 1 Sampled Report: Establish a local Gender Identity Team

#### Milestones due to be met in Quarter 1

Implement Gender Identity pathways following the establishment of the Wales Gender Service

#### Summary of Position

The Health Board has progressed development of the Gender Identity Pathways. The All Wales Service has been slightly delayed and this Action has been RAG rated as amber.

Actions	Exec Lead	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Centralisation of complex vascular surgery services supported by a new hybrid theatre on YGC site	MD	P	P	Q1									
Implement preferred service model for acute urology services	MD	G	G	A									Q4
Business case, implementation plan and commencement of enabling works for Orthopaedics (refer to estates section/ plan)	MD	G	G	Q1									
Transform eye care pathway to deliver more care closer to home delivered in partnership with local optometrists	MD	A	A	A									Q4
Rheumatology service review	PC&C	G	G	A			Q2						
Implement the new Single cancer pathway across North Wales	T&HS	A	R	Q1									
Systematic review and plans developed to address service sustainability for all planned care specialties. Implement year one plans for example Endoscopy, Rheumatology, Gynaecology	N&M, T&HS, MD	G	G	Q1									Q4
Develop Rehabilitation model for people with Mental Health or Learning Disability	MH&LD	*	G	G									Q4
Fully realise the benefits of the newly established SURNICC service	PC&C	*	G	A									Q4

RAG	Every Month End
Red	Off track, serious risk of, or will not be achieved
Amber	Achievement as forecast; work has commenced; some risks being actively managed
Green	On track for achievement, no real concerns
Purple	Achieved

Three Year Outlook and 2019/20 Annual Plan  
Monitoring of progress against Actions for Year One (2019/20)

June 2019

## Quarter 1 Sample Report : Develop Rehabilitation Model for people with Mental Health or Learning Disabilities:

### Milestones due to be met in Quarter 1:

There are no Milestones due to be met in quarter One for this Programme Action

### Summary of Position

A Paper has been developed following the outcome of the work in the Rehab Quality an Workforce group. The paper recommendations have been feedback and well received into the strategy and service redesign meetings and the agreed key areas of focus are:

- Tan Y Castell – we are looking to amalgamate Tan Y Castell into one whole unit. This will allow us to have 2 separate 8 bedded single sex open rehab units. This will enable the MDT to be closer aligned to service provision.
- Carreg Fawr – consideration is being given to develop this into a low secure/locked rehab provision. This will enable the patient group within Cynydd to be supported after the Ablett redesign. This will allow the forensic patient pathway to be more streamlined. Consideration is being given to utilising the other half of the villa for rehab services.
- Coed Celyn – dependent on the above we are looking at reviewing the functionality of the unit. We have been working closely with Ty Grosvenor in Wrexham and they are now supporting the bulk of BCUHB female patients who require locked rehab.
- CRT – there is a proposal that these will go back to the localities.
- We are aware QAIT have done a piece of work and we will review this plan in line with their recommendations once the paper has been received.

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

## Quarter 1 Sample Report : Single Cancer Pathway(SCP)

### Milestones due to be met in Quarter 1:

1. Develop a business case for the implementation of the Single Cancer Pathway

### Summary of Position

A Programme Business Case for the SCP has been developed and was presented to EMG and SPPH in June and July respectively. The Health Board has submitted bids to support further implementation of the SCP to the Welsh Cancer Network and following revision of the process is reviewing it's submission. This resource is essential to increase our internal organisational capacity to support full implementation.

The Health Board will be reporting using the SCP methodology from the end of June 2019 as per requirements.

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

Actions	Exec Lead	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
<b>Demand</b> Workforce shift to improve Care Closer to Home	PC&C	G	G	G									Q4
<b>Demand</b> Improved Mental Health Crisis response	MH&LD	G	A	A									Q4
<b>Demand</b> Improved Crisis Intervention Services for Children	PC&C	A	A	G									Q4
<b>Demand</b> Enhanced Care Closer to Home Pathways	PC&C	G	G	A									Q4
<b>Flow</b> Emergency Medical Model	N&M	G	G	Q1									
<b>Demand</b> Improved Urgent Care Out of Hours/ 111 Services	N&M	G	G	A									Q4
<b>Flow</b> SAFER implementation	N&M	G	A	A									Q4
<b>Flow</b> Ablett/ PICU for Mental Health (linked to Estates section/ plan)	MH&LD	G	A	A									Q4
<b>Flow</b> Early Pregnancy Service (emergency gynaecology)	PH	G	G	G									Q4
<b>Dicharge</b> Integrated health and social care	N&M	A	A	A									Q4
Stroke Services	MD	A	A	Q1									

RAG	Every Month End
Red	Off track, serious risk of, or will not be achieved
Amber	Achievement as forecast; work has commenced; some risks being actively managed
Green	On track for achievement, no real concerns
Purple	Achieved

Coincidentally, the action rated red in June 2019 was also selected for sample scrutiny and therefore the narrative can be seen on the next slide.

## Three Year Outlook and 2019/20 Annual Plan

Monitoring of progress against Actions for Year One (2019/20)

# June 2019

## Quarter 1 Sample Report Stroke Services

### Milestones due to be met in Quarter 1:

1. Confirm the service model and develop a Pre Consultation Business Case
2. Agree priorities and phasing for the sustainability of current and future stroke services including stroke prevention, the strengthening of acute stroke services on each of the three DGH sites and early supported discharge services.
3. The provision of Mechanical Thrombectomy Services via Walton or Stoke (WHSSC contract from 1st April 2019)

### Summary of Position

Business Case was presented at Executive Team and at Executive Management Group however, further work was required to enable completion in year one within an affordable financial envelope. This work is due to be completed by the 19th July 2019 then it will be reconsidered by the Executive Team. The intention is to implement strengthened stroke services in year one with timeline for delivery being in Quarter 4. The Mechanical Thrombectomy Contract with the Walton Centre NHS Foundation Trust has been completed.

## Quarter 1 Sample Report : Flow – Emergency Medical Model

### Milestones due to be met in Quarter 1:

#### **Demand- Improved Urgent care out of hours / 111 service**

- 1.Transforming Urgent Care through the development of a business case for a Clinical Assessment and Triage response

#### **Flow: Emergency Medical Model**

- 1.Development of dedicated Ambulatory Emergency Care within Acute sites.
- 2.Development of revised Acute Medical Model to improve flow within medical division on all sites

#### **Discharge: Integrated health and social care**

- 1.Working with Local Authorities to develop external professional standards to respond to BCU

### **Summary of Positon**

This has been rated as amber as the implementation is at different stages on different sites. The development of ambulatory emergency care within acute sites has been implemented in YG, was implemented in YGC in July 2019 and is in the planning stage at WMH. The development of the revised acute medical model to improve flow is ongoing on the three sites with YG implementation phased to the opening of the new build in September 2019, the YGC being linked directly to the same day emergency care model which was implemented during July (the medical model is awaiting full implementation within this model), WMH remains in the planning phase.

Actions	Exec Lead	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Establish an integrated workforce improvement infrastructure to ensure all our work is aligned	WOD	G	G	G			Q2						
Build on QI work to develop the BCU improvement system and delivery plan for efficient value based healthcare	WOD	G	G	G									Q4
Deliver Year One Workforce Optimisation Objectives - reducing waste and avoidable variable/premium rate pay expenditure. Demonstrating value for money and responsible use of public funds	WOD	A	A	A									Q4
Deliver year one Health & Safety Improvement programme, focussing on high risk / high impact priorities whilst creating the environment for a safety culture	WOD	G	A	A									Q4
Develop an integrated multi professional education and learning Improvement Programme in liaison with HEIW	WOD	A	G	G						Q3			
Develop a Strategic Equality Plan for 2020-2024	WOD	G	G	A			Q2						
Deliver Year One Leadership Development programme to priority triumvirates	WOD	A	G	G									Q4
Develop an integrated workforce development model for key staff groups with health and social care partners	WOD	G	G	G									Q4
Provide 'one stop shop' enabling services for reconfiguration or workforce re-design linked to key priorities under Care Closer to Home; excellent hospital services	WOD	A	A	A									Q4
Develop and Deliver Year one Communications Strategy to improve Communications and enhance BCUHB reputation	WOD	A	G	G									Q4

RAG	Every Month End
Red	Off track, serious risk of, or will not be achieved
Amber	Achievement as forecast; work has commenced; some risks being actively managed
Green	On track for achievement, no real concerns
Purple	Achieved

**Three Year Outlook and 2019./20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

**Quarter 1 Sample Report : Objective 2: Build on QI work to develop the BCU improvement system and delivery plan for efficient value based healthcare.**

**Milestones due to be met in Quarter 1:**

1. Develop proposal

**Summary of Position**

A detailed proposal titled the Organisation and Governance Structure for Improvement has been discussed and agreed by the Executive Team and Board in March. Improvement has moved to the leadership of the Executive Director of WOD and a revised structure agreed.

A review of staff with both Bronze and Silver level IQT has been undertaken. A detailed gap analysis will need to be concluded in order to establish future training needs.

All leadership programmes offered by the Health Board have been reviewed to incorporate IQT Bronze or Silver as appropriate. The ILM Level 2 programme will incorporate Bronze IQT from September 2019. ILM Level 3 and 4 will incorporate IQT Silver. The newly established Leading for Transformation programme will include IQT Silver for all current 5 Cohorts.

The Step into Management programme for newly appointed managers and supervisors has been adapted to include IQT Bronze from September 2019.

The Orientation programme for all new employees includes improvement and value based healthcare on Day 1 of the programme.

A meeting is scheduled for the 31<sup>st</sup> July between the QI, Service Improvement and OD team to discuss the provision and capacity to deliver a suite of improvement techniques training. A plan of the offer needs to be in place by Q2.

The organisation will measure staff engagement in relation to improvement via the NHS Wales Staff Survey and the local organisational Be Proud survey.

It is unclear at this point if the 2 measures from the national staff survey will be measures in future surveys. The measures were:

I am involved in discussions/decisions in my work

I am able to make improvements in my area of work

However we will be able to track improvements within the Be Proud survey through the themes 'Influence' and 'Discretionary Effort'. These themes are the most relevant to improvement and include the following questions:

I feel safe to speak my mind about how things can be improved

The organisation encourages staff to suggest new ideas for improving services

I always act upon opportunities to show initiative in my role

The first Be Proud survey has been closed with a 20% response rate. The report should be with the organisation by the 12<sup>th</sup> July with a briefing to Executives provided on the 31<sup>st</sup> July and high level themes released to the Board at their meeting on the 25<sup>th</sup> July. Following analysis of the data in the report an Organisational and Divisional improvement plan will be integrated with the existing NHS Wales Staff Survey Organisational and Divisional improvement plans.

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

**Quarter 1 Sample Report : Objective 10: Develop and Deliver Year one Communications Strategy to improve Communications and enhance BCUHB reputation**

**Milestones due to be met in Quarter 1:**

There are no Milestones due to be met in Quarter 1.

**Summary of Position**

A draft communications strategy has been developed and is subject to engagement over July and August before being submitted for review and approval

The external website(internet) has been redeveloped using a new content management system approved nationally and is ready for soft launch in July

Internet will be fully bi lingual and will assist in easy navigation by users and easy update in a controlled way by content editors

Weekly updates on media content and press releases in place and evaluation of impact planned for Quarter 2

Campaign plan underway subject to addressing a temporary resourcing issue in the team

Significant engagement across key stakeholders continues against the Plan; developing the Strategic Equality Plan etc.

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

Actions	Exec Lead	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Statutory Compliance / Estate Maintenance	PP&E	G	G	G									Q4
Primary Care Project Pipeline	PP&E	G	G	G									Q4
Well-being Hubs	PP&E	G	G	A									Q4
North Denbighshire	PP&E	G	A	R									Q4
Ruthin Hospital	PP&E	G	G	G									Q4
Vale of Clwyd	PP&E	G	G	G									Q4
Orthopaedic Services	PP&E	G	G	G									Q4
Ablett Mental Health Unit	PP&E	G	G	G									Q4
Wrexham Maelor Infrastructure	PP&E	R	R	Q1									
Hospital Redevelopments	PP&E	G	G	G									Q4
Central Medical Records	PP&E	G	G	G									Q4
Laundry Services	PP&E	A	A	A									Q4
Residencies	PP&E	G	G	G									Q4
Integrated Care Fund (ICF) Schemes	PP&E	G	G	G									Q4

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Purple	Achieved

**Wrexham Maelor Infrastructure:** The position is as reported last month. Work continues with our external advisors and we expect the Programme Business Case to be presented to the July F&P Committee. :

**North Denbighshire:** Following a request from the contractor to change the terms of the contract the Board has sought legal advice. The proposed changes introduce additional cost and potential risk to the Health Board and not considered acceptable. The on-going resolution of this issue will delay the project however work will continue to progress the Full Business Case to minimise any such delay.

## Three Year Outlook and 2019/20 Annual Plan

Monitoring of progress against Actions for Year One (2019/20)

# June 2019



### Quarter 1 Sample Report : Well-being Hubs

#### Milestones due to be met in Quarter 1:

There are no Milestones due to be met in Quarter 1.

#### Summary of Position

- Work is progressing in developing the network of well-being hubs.
- The initial priorities have been confirmed as Pen-y-Groes and Bangor.
- The projects are likely to be delivered with partners through a collaborative delivery model.
- The projects are supported by the RPB and will be facilitated through the Welsh Government ICF allocation.
- Business cases will be required to support any revenue consequences.

### Quarter 1 Sample Report : Ablett Mental Health Unit

#### Milestones due to be met in Quarter 1:

There are no Milestones due to be met in Quarter 1.

#### Summary of Position

- MHLD have appointed the former Director of Operations and Service Delivery, as Project Director
- Procurement of external support, Project Manager, Cost Advisor and Supply Chain Partner has commenced. Interview are through July and the procurement will be complete by August.
- Work is progressing in developing the Outline Business Case which is currently focused upon the Strategic and Economic cases.

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

Actions	Exec Lead	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Jan-20	Feb-20	Mar-20
Phase three of Welsh Patient Administration Project (PAS) starts. It will replace the Commercial PAS system in the West and standardise processes relating to this system in other sites	MD	G	G	G									Q4
Completion of pilot studies to learn lessons to inform wider installation and utilisation of the Welsh Community Care Information System	MD	A	A	R									Q4
Reconstitute the Welsh Emergency Department System upgrading the Emergency Department System in the East (phase 1) and extending instances to Central and West (phase 2 and 3)	MD	G	G	G									Q4
Phase 2 of a local Digital Health Record which will strengthen our investment and approach to the delivery of an electronic patient record	MD	G	G	G			Q2						
Support the identification of storage solution for Central Library	MD	A	A	A			Q2						
Transition program to review the management arrangements for ensuring good record keeping across all patient record types	MD	G	G	A									Q4
Delivery of information content to support flow/efficiency	MD	A	A	G									Q4
Rolling programmes of work to maintain / improve the digital infrastructure e.g. migration of telephone infrastructure from an end of life solution to one which is fully supported and capable of underpinning service change e.g. single call centre	MD	G	G	A									Q4
Provision of infrastructure and access to support care closer to home	MD	A	A	A									Q4
Support Eye Care Transformation	MD	G	G	G									Q4
Implement Tracker 7 cancer module in Central and East.	MD	A	A	G			Q2						

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**WCCIS:** Pilot Studies have not yet started. Discussions are continuing with the supplier. Current expectation is that the Pilot is not likely to take place until 2020.

**Three Year Outlook and 2019./20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

## Quarter 1 Sample Report : Support the identification of storage solution for Central Library

### Milestones due to be met in Quarter 1:

There are no Milestones due to be met in Quarter 1.

### Summary of Position

Mitigation of high level risks in the health records central file library has been undertaken. The file library programme board is focussing on producing a business case to providing a long term solution. This is connected with the developing case for mental health services on the site.

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

**Quarter 1 Sample Report : Rolling programmes of work to maintain / improve the digital infrastructure e.g. migration of telephone infrastructure from an end of life solution to one which is fully supported and capable of underpinning service change e.g. single call centre**

### **Milestones due to be met in Quarter 1:**

There are no Milestones due to be met in Quarter 1.

### **Summary of Position**

Business Case currently being reviewed. As reported via the Exception Reports to Digital Information Governance Committee (DIGC) but the timeline will extend beyond the original 5 year plan for this programme of work.

**Three Year Outlook and 2019/20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**

The Annual Plan is included on page 423 of the March 2019 Health Board papers.

The link to these papers is shown below:

<http://www.wales.nhs.uk/sitesplus/documents/861/Agenda%20bundle%20Health%20Board%2028.3.19%20%20V2.0%20updated%2022.3.19-min.pdf>

**Three Year Outlook and 2019./20 Annual Plan**  
Monitoring of progress against Actions for Year One (2019/20)

**June 2019**



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

*Quality Improvement Strategy  
ongoing opportunities update  
July 2019*





Through strong Leadership from Ward to Board,

- Reduce mortality;
- Reduce harm;
- Improve reliability of care;
- Deliver what matters most;
- Deliver integrated care.

SAFE ~ CARING ~ EFFECTIVE

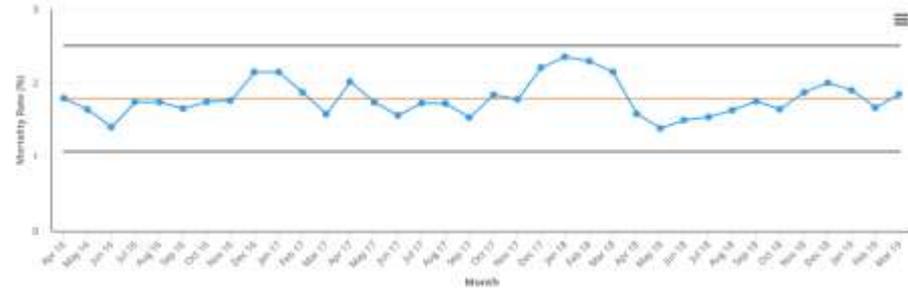


## Leadership from Ward to Board,

- Nurse Staffing Act – report submitted May 2019;
- Implementation of robust governance and accountability structures;
- Learning from incidents/complaints;
- Listening mechanisms for patients and staff.

**Internal Audit** review this year in preparation for strategy for next 3 years...

# Reducing Mortality ...



- Crude death rate (CDR) has ↓11% between 2017/18 & 2018/19 – reduction common cause variation:
  - CDR Pneumonia – ↓13%
  - CDR Septicemia - ↓24%
- YGC ED mortality ↓ - median 0.34% to 0.28%

## Actions in year:

- Safe Clean Care campaign – reducing HCAs;
- Ward accreditation;
- Pressure ulcer collaborative;
- Sepsis collaborative –to improve uptake of sepsis 6 bundle; focussing on ED;
- HAT project rollout across BCU;
- Raise awareness of AKI – IRIS dashboard development;
- Learning from Deaths Policy for MH/LD division developed, now implementing

# *Mortality Reduction 2019/20*

- Introduce DATIX deaths review module
- Embed mortality review learning in Q&S meetings at all levels
- Action on Pneumonia and Acute Kidney Injury
- Complete spread of HAT work across BCU
- Develop systems for monitoring primary care
- Support improvements in End of Life Care

# BCUHB Ward Accreditation Programme

Areas Reviewed during the unannounced Ward Accreditation visit:

Progress to date: 42 wards across all areas confirmed accreditation score: 23 *Silver*, 12 *Bronze*, 7 *White*



## Areas for Improvement

- Record keeping
- Ward Leadership
- Patient Experience Feedback for QI
- SAFER implementation
- Health and Safety

## Areas for Celebration

- Local QI projects
- Positive Feedback from MDT
- Ward Leadership
- Ward teams embracing the accreditation process
- Improving team morale

Awarded Status	Definition
GOLD	Achieved excellent standards and have clear evidence of sustaining this success in data over at least 6 months
SILVER	Achieved very good standards and have some data over time to evidence this
BRONZE	Achieved good standards as expected by the Trust but have no evidence of sustaining this over time or have fallen below expected standards but are completing appropriate actions to address this
WHITE	Have not achieved the Trust minimum standards in at least one area and are not completing appropriate actions to address this issue – some additional support is required
FLAGGED	Serious concerns have been identified in relation to safety or quality that require weekly monitoring and significant support



# BCUHB focus on our 4 Main Harms



Falls Collaborative commenced  
Aim for a 15% reduction inpatient falls by end of November



HB Standards launched so far:  
Datix reporting streamlined—SBAR  
Staff knowledge & Resources –Are you chair aware?  
Masterclasses July for detailed training with staff



SCC to continue with year two focus being on embedding learning  
Success so far:  
C Diff reduction  
MRSA reduction  
Reduction in mortality and morbidity



Implementation of medication standards  
Ward to Board assurance strengthened  
Focus on storage & information on discharge

Utilising a collaborative approach- focused improvements relating to our key harms with support from QI team & subject experts as a faculty our identified cohort wards has/will provide:

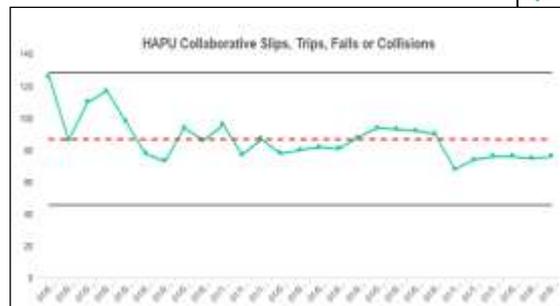
- Opportunity to embed common Quality Improvement language & methodology;
- Embed a set of standards or creates '**Always Events**' for patients;
- Provides a clear framework for our quality, safety and patient care agenda.

## HAPU

- Standardised & streamlining reporting on Datix;
- Standardised training resources;
- Are you chair aware?

### Results so far ...

- Early indication reduction grade 2 and above on collaborative wards;
- Reduction in **falls!!!**.



### Are you chair aware?

1 On the diagram, please indicate the areas at risk of pressure damage:



2 How long should a patient sit in a chair before being repositioned?

## Inpatient Falls

- Multidisciplinary Faculty established;
- Masterclass June 11<sup>th</sup> ;
- Cohort wards identified & fully engaged as MDT;
- Measures determined.

## Medication Management

- Implementation of medication standards
- Ward to board assurance- utilising ward accreditation, medicine management team, strategic group

### Area of focus...

- Safe storage;
- Information to patients/families on discharge.



- Interactive Harms dashboard measures harms data in *real time* therefore:
  - supporting focused quality improvements;
  - provides opportunity for wards to shine;
  - provides opportunity for sharing best practice
  - Provides opportunity for intervention and support
- ARK project YG success aim to roll out across HB





# *Improving reliability of Care..*

- Clinical Pathways strengthened-Sepsis, AKI, VTE, dementia care;
- Ability to report real time harm data;
- Learning systems-PTR, external reviews, patient feedback;
- Standardised approach to quality improvement continues.

# Building Capability

- QI Hub – Co designed and launched September 2018  
*average of 35 new Twitter followers per month*
- Master Classes methodology, e-handbooks & QI clinics
- Training in programmes in place
  - Silver IQT-107 staff trained in the past year
  - Project Quality Assurance process developed
  - Specialty /team specific IQT programmes
- Academic QI pathway with Bangor University developed



# *Celebrating Success*

- QI hub – database to be launched to capture QI Projects support spread
- HAT work finalist NHS Wales Awards/ highly commended HSJ awards/ Exemplar site status at YGC, Wrexham Maelor site in progress for exemplar status YG about to commence
- 5 entrants to NHS Wales awards
- SCC commended at HCAI event
- QIRI conference

<b>Finance and Performance Committee</b>		Bwrdd Iechyd Prifysgol Betsi Cadwaladr University Health Board
<b>29.7.19</b>	<i>To improve health and provide excellent care</i>	

<b>Report Title:</b>	<b>Developing our Plan for 2020/23 - Draft Planning Principles and Outline Timetable</b>
<b>Report Author:</b>	Mr John Darlington, Assistant Director - Corporate Planning
<b>Responsible Director:</b>	Mr Mark Wilkinson, Executive Director of Planning and Performance Mrs Sue Hill, Acting Executive Director of Finance
<b>Public or In Committee</b>	Public
<b>Purpose of Report:</b>	<p>This paper sets out the draft planning principles and timetable to support the development of our 2020/23 Integrated Medium Term Plan (IMTP).</p> <p>A series of recommendations are made to ensure clear planning arrangements exist to ensure our plan is approved and submitted by December 2019.</p>
<b>Approval / Scrutiny Route Prior to Presentation:</b>	<p>A workshop was held on 19<sup>th</sup> June with Planning and Service Development group members to support a review of our previous years planning cycle and to make recommendations for improving the way we plan across the Health Board going forward. The output of which and recommendations have informed this paper.</p> <p>The outline content of the paper have also been discussed by Executive Team and shared with leads within Health Economies for feedback and comments</p>
<b>Governance issues / risks:</b>	The development of an approvable Integrated Medium Term Plan is a critical organisational requirement, as a specific action under the Special Measures Improvement Framework. It is a statutory requirement to develop an approvable IMTP under the NHS Finance Act. The risk relating to failure to develop a plan is identified within the Corporate Risk Register.
<b>Financial Implications:</b>	The planning principles reinforce that plans must be delivered within delegated budgets and these will reflect the need to reduce our deficit and to internally manage all cost pressures over our allocation.
<b>Recommendation:</b>	It is recommended that F&P Committee approve the draft planning principles and outline timetable for 2020/23

<b>Health Board's Well-being Objectives</b> <i>(indicate how this paper proposes alignment with the Health Board's Well Being objectives. Tick all that apply and expand within main report)</i>	✓	<b>WFGA Sustainable Development Principle</b> <i>(Indicate how the paper/proposal has embedded and prioritised the sustainable development principle in its development. Describe how within the main body of the report or if not indicate the reasons for this.)</i>	✓
1.To improve physical, emotional and mental health and well-being for all	✓	1.Balancing short term need with long term planning for the future	✓
2.To target our resources to those with the greatest needs and reduce inequalities	✓	2.Working together with other partners to deliver objectives	✓
3.To support children to have the best start in life	✓	3. Involving those with an interest and seeking their views	✓
4.To work in partnership to support people – individuals, families, carers, communities - to achieve their own well-being	✓	4.Putting resources into preventing problems occurring or getting worse	✓
5.To improve the safety and quality of all services	✓	5.Considering impact on all well-being goals together and on other bodies	✓
6.To respect people and their dignity	✓		
7.To listen to people and learn from their experiences	✓		
<b>Special Measures Improvement Framework Theme/Expectation addressed by this paper</b> Strategic and Service Planning Financial Strategy			
<b>Equality Impact Assessment</b> The IMTP will be subject to an Equality Impact Assessment prior to submission to the Board in December. Any significant Equality and Human Rights considerations will be flagged in relevant areas of the Plan as these are developed.			

*Disclosure:*

*Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board*

## **Developing our Plan for 2020/23**

### **Draft Planning Principles and Outline Timetable**

#### **1. Purpose of the Report**

This paper sets out the draft planning principles and timetable to support the development of our 2020/23 Integrated Medium Term Plan (IMTP) or Annual Plan. A series of actions are being taken to ensure clear planning arrangements exist to ensure our plan is approved and submitted by December 2019.

A workshop was held on 19<sup>th</sup> June with Planning and Service Development group members to support a review of our previous years planning cycle and to make recommendations for improving the way we plan across the Health Board going forward. The output of which and recommendations have informed this paper.

#### **2. Planning Principles for 2020/23**

##### **2.1. National Planning Context**

The introduction of Integrated Medium Term Plans across Wales signalled a move away from a focus on annual plans, towards a medium-term approach linked to organisational strategies.

A Healthier Wales is Welsh Government's long-term plan for health and social care services in Wales and sets the context of all our work for the forthcoming years. It sets out the vision of a 'whole system approach to health and social care', which is focused on health and wellbeing, and on preventing physical and mental illness.

The NHS Wales Planning Framework confirmed the requirement for every NHS organisation to have a long-term strategy, which should be a separate document to the IMTP. The guidance confirms that the IMTP document should "demonstrate how the actions to be taken during the three-year period help achieve the long term vision of the organisation set out in the strategy".

The Primary Care Model for Wales is predicated on cluster level population needs assessment and planning the use of available resources, not just those of the NHS, to meet that need. In view of this, the Minister for Health and Social Services expects significant progress over the coming months by health boards to support and empower the planning function at cluster level and to draw in local authorities and third and independent sector service providers. Optimal cluster working supports optimal regional partnerships and progress with 'A Healthier Wales'.

## 2.2. Local Context

In March 2018, the Board approved its long-term strategy – entitled Living Healthier, Staying Well (LHSW). This strategy sets out how health, well-being and healthcare might look in ten years' time and how we will start working towards this now. This will influence how our resources are allocated and how staff prioritise their time. The strategy is based on three overlapping major programmes within the overall portfolio:

- Improving Health and Reducing Inequalities
- Care Closer to Home
- Acute Hospital Care

Our 2019/22 plan was approved by Board in March with a major refresh in July 2019. Significant work was undertaken to ensure the plan is SMART and we need to build further on this approach into 2020/23. Learning from lessons in 2018/19, we aim to build the plan from our clusters and services and key factors that we need to take into account are:-

- Planning is dynamic, ever changing and evolving.
- All management roles have a planning component within them.
- Planning should not stop in March and start again in the autumn.
- Our plan is not about describing 'business as usual' but to articulate where we need to change.

## 2.3. Summary Planning Principles:

Our Planning Principles for 2020/23 are attached in full in appendix one and can be summarised as follows:

- ***Focus on Quality, Safety and Outcome driven plans.***
- ***Cost effective delivery.***
- ***Health economy level planning - Cluster IMTP plans will be developed by September 2019 (based on the national template) and incorporated into Health Economy Plans.***
- ***Plans will demonstrate a robust deficit reduction plan - there will be no opportunity to bid for additional resources and each Health Economy plan will 'live within means'.***

## Pyramid of Relationships and Flow from PADR to Board



**Our Strategy and Planning Map is Summarised below**

<b>Regional Partnership Board / Public Service Boards</b>					
<b>BCU Strategy – Living Healthier Staying Well</b>					
<b>Equality and Diversity</b>					
<b>Improving Health and Reducing Inequalities</b>		<b>Care Closer to Home</b>		<b>Acute Hospital Care</b>	
<b>Enabling Strategies ( * denotes key enabling strategy)</b>					
<b>Services Strategy *</b>	<b>Workforce *</b>	<b>Digital Health *</b>	<b>Estates *</b>	<b>Carers</b>	
<b>Welsh Language</b>	<b>Finance / recovery *</b>	<b>Quality and Safety *</b>	<b>R&amp;D and Innovation</b>	<b>Mental Health Strategy</b>	<b>Learning Disabilities Strategy</b>
<b>Improvement Groups – Reporting to Portfolio Management Group</b>					
<b>Health Improvement Group</b>	<b>Care Closer to Home Improvement Group</b>	<b>Together for Mental Health Improvement Group</b>	<b>Planned Care Improvement Group</b>	<b>Unscheduled Care Sub Group</b>	<b>Digital Improvement Group</b>
<b>Estates Improvement Group</b>	<b>Workforce Improvement Group</b>	<b>Quality Improvement Group</b>	<b>Procurement Improvement Group</b>	<b>Medicines Management Improvement Group</b>	<b>Continuing Healthcare Improvement Group</b>
<b>East, Centre, West Health Economy Delivery Plans for 2019/20</b>					
<b>Underpinning Cluster / Service Delivery Plans</b>					

The Improvement Groups will take a life course approach from early years, children and young people, through to adult and older age.

### **3. Draft Outline Plan Development & Timetable**

For 2020/23 we need to ensure plans are built from cluster level through to Health Economy and up to BCU level with planning and delivery supported through Health Economy Accountability Reviews. Separate accountability reviews will be held for certain pan BCU services

Cluster plans (completed in an All Wales template) / Services / Departments will feed into and inform respective Health Economy Plans.

For 2020/23 the expectation is therefore for three Health Economy plans and a Mental Health and Learning Disabilities plan. These plans will help shape the BCU Three Year plan for 2020/23.

Key actions from regional plans that can be disaggregated will be embedded within Health Economy plans, e.g. Women's and Mental Health and Learning Disabilities as applicable to specific Health Economy areas.

Improvement Groups, overseen by the Portfolio Management Group (PMG), have a lead role in setting commissioning intentions. The commissioning intentions will incorporate key National Delivery Framework performance measures.

Improvement groups will support the refresh of our three year ambition and ensure new / emerging issues are considered and prioritised as part of this.

#### **Outline Timetable**

The timetable incorporates two broad phases of work:

##### **Phase 1 – Establishing Key Deliverables for 2020/21**

Refreshed three year ambition and key deliverables for 2020/21 will be developed by Improvement Groups by mid-August for agreement by EMG and Board.

Draft Key deliverables will be issued to Health Economy Planning leads by the end of August 2019.

##### **Phase 2 – Delivery Plan Development**

Health Economy plans to be developed in response to identified key deliverables prioritised in phase one – adopting the example plan template.

The Health Economy plans will in turn inform both Improvement Group delivery plans and BCU Corporate level Plan.

The BCU level three year plan format developed in 2019/22 will be utilised.

The work programme template developed in 2019/20 will be adopted and operate at a Health Economy level to support the development of the plan and tracking its delivery.

## **Action**

The following actions have been identified to support the development of our plan. These will be further refined with support from BCU Planning and Service Development Group.

### **By the end of June 2019**

#### **Focus on continuous planning and delivery of 2019-20 plans, specifically:-**

- Organisational priorities and national priorities
- Continued engagement sessions through area and site teams
- Demand and Capacity plan per service line
- Reinforce accountability framework
- Stratify services based on accountability framework

#### **Planning principles for 2020/23 and outline timetable for 2020/21 developed**

##### **July - September 2019**

- Planning Principles and draft timeline developed
- Communication routes confirmed.
- Re-confirm expectations of roles in planning.
- Confirm governance framework.
- Reconfirm three year ambition.
- Review in-year business cases and take into account financial recovery plan implications.
- Local staff engagement in planning.
- Accountability framework review.
- Governance documented within respective health economies e.g. AD's, SLTs, HMTs, SIGs.
- Prioritisation approaches agreed.
- Information Governance for oversight of the plans.
- Clarity on cluster plan requirements and development of plans by September 2019.
- **Planned Care Rapid Improvement events in each Health Economy.**
- Service, area / site and exec planning meetings for 2020/21.
- Key Referral to Treatment milestone actions to include: priorities aligned to demand and capacity plan, operational efficiency for 2020/21, clear accountability and responsibilities (individual / teams), Resource Plan & Operational efficiency plan and full gap analysis.
- Capital and Workforce plans refreshed working closely with Health Economy leads.
- Strategy refresh work implications and areas for future planning & development identified for incorporating into plans.
- **30<sup>th</sup> September - Draft Health Economy Plans.**
- **September draft cluster IMTPs submitted.**

## October – December 2019

- Evaluation of 2019/20 plan delivery as a transition to Q1 2020/21.
- Aggregated plan with operational priorities.
- **31<sup>st</sup> October – Finalise three year plan at a Health Economy level and Health Economy work programme template** developed to support the development and tracking delivery of the Health Economy plan (incorporating clear KPIs to reflect: Operational delivery, Quality, Workforce, Finance).
- Accountability reviews of in-year plans.
- Internal governance Health Economy plans approved through relevant hospital and Area governance structures.
- **5<sup>th</sup> November - BCU wide plan drafted.**
- October to November – all committees scrutiny.
- **6<sup>th</sup> November - plan to EMG/Execs.**
- **November – budgets aligned to plan.**
- **29<sup>th</sup> November - plan to Finance and Performance Committee.**
- **3<sup>rd</sup> December - plan to SPPH Committee.**
- **5<sup>th</sup> December - Three Year Plan submitted to Board.**
- **20<sup>th</sup> December - Three year Plan submitted to WG with underpinning Health Economy Plans.**

## Appendix 1: Draft Planning Principles

The Health Board will develop a refreshed Three Year Outlook for 2020/23 alongside a work programme for 2020/21 in the context of our statutory duty to produce a three-year plan and a Service Strategy. The planning principles that will underpin all our work are:-

- Quality, Safety and Improving Outcomes are our top priority (refreshed quality strategy for 2020/23)
- Everything we do will be in line with our Organisational Values.
  - Put patients first
  - Working together
  - Value and respect each other
  - Learn and innovate
  - Communicate openly and honestly
- Plans need to be SMART Specific, Measurable, Attainable, Realistic, Timely
- Our three Health economies (East, Central and West) must demonstrate measurable benefits through integration (across primary and secondary care; physical and mental health; and health and social care).
- We will develop a sustainable & equitable integrated model of primary care and community services organised through Cluster Networks and these will form the basis for our future planning arrangements.
- We will ensure delivery of our Living Healthier, staying Well strategy life course priorities for Improving health and reducing health inequalities, care closer to home and excellent hospital care (including supporting frameworks and priorities.)
- Our plan will reflect the priorities agreed with our Statutory, Third sector and independent sector partners including how services are co-produced and delivered on an integrated system wide basis to deliver legislation frameworks for Health & Well-being in Wales.
- We will maximise the benefits of our enabling strategies around workforce, digital and estates to make our system sustainable.
- We will improve our efficiency over the next three years to peer group benchmarking levels and our financial plans will be based on a robust deficit reduction plan and approaches for resources to follow the patient.
- All plans must be delivered within delegated budgets and these will reflect the need to reduce our deficit and to internally manage all cost pressures over our allocation.
- There is no opportunity to 'bid' for additional revenue as part of the Annual Plan process. The only route for consideration of schemes outside a delegated budget envelope is through a clear business case demonstrating benefits realisation and contribution to the overall financial position.
- Our workforce challenges will be addressed through recruitment approaches and by changing workforce models in line with service need.



<b>Report Title:</b>	Finance Report Month 3 2019/20
<b>Report Author:</b>	Ms Sue Hill, Acting Executive Director of Finance
<b>Responsible Director:</b>	Ms Sue Hill, Acting Executive Director of Finance
<b>Public or In Committee</b>	Public
<b>Purpose of Report:</b>	The purpose of this report is to provide a briefing on the financial performance and position of the Health Board for the year, together with actions being undertaken to tackle the financial challenge.
<b>Approval / Scrutiny Route Prior to Presentation:</b>	This report is subject to scrutiny by the Finance and Performance Committee prior to submission to the Board.
<b>Governance issues / risks:</b>	This report does not impact on Governance issues or risks.
<b>Financial Implications:</b>	<p>The Health Board's draft financial plan for 2019/20 is a deficit of £35.0m.</p> <p>Welsh Government has set the Health Board a control total of £25.0m and a new plan is being developed to drive financial improvement. The Health Board's current plan reflects a deficit of £35.0m. The new plan will be submitted to the Board in July and once approved, this will be reflected in the Health Board's budgets and devolved to its various divisions, together with revised savings targets.</p> <p>At the end of Month 3 the Health Board is overspent by £11.0m, £2.2m higher than current plan deficit. The Health Board is still forecasting to achieve its current plan deficit of £35.0m, on the basis that actions are being taken to recover the year to date shortfall and respond to any additional emerging costs pressures that may arise over the remainder of the year.</p> <p>The key reasons for the year to date over spend are:</p> <ul style="list-style-type: none"> <li>- Savings required to deliver a £35.0m deficit have been allocated to divisions and phased into the Health Board's monthly budgets with an anticipated £7.2m of savings by Month 3. Savings achieved to date total £4.3m, £2.9m behind planned delivery. However, progress on identifying savings has improved significantly during June.</li> <li>- Over spends across a number of divisions and spend categories with some off-setting underspends and additional income in</li> </ul>

	<p>other areas.</p> <p>Work continues on implementing grip and control across the Health Board, reducing the expenditure run rate, and on the development of further savings and resource utilisation schemes.</p>
<b>Recommendation:</b>	It is asked that the report is noted, including the forecast position of £35.0m deficit.

<b>Health Board's Well-being Objectives</b> <i>(Indicate how this paper proposes alignment with the Health Board's Well Being objectives. Tick all that apply and expand within main report)</i>	✓	<b>WFGA Sustainable Development Principle</b> <i>(Indicate how the paper/proposal has embedded and prioritised the sustainable development principle in its development. Describe how within the main body of the report or if not indicate the reasons for this.)</i>	✓
1.To improve physical, emotional and mental health and well-being for all		1.Balancing short term need with long term planning for the future	✓
2.To target our resources to those with the greatest needs and reduce inequalities	✓	2.Working together with other partners to deliver objectives	
3.To support children to have the best start in life		3. those with an interest and seeking their views	
4.To work in partnership to support people – individuals, families, carers, communities - to achieve their own well-being		4.Putting resources into preventing problems occurring or getting worse	✓
5.To improve the safety and quality of all services		5.Considering impact on all well-being goals together and on other bodies	
6.To respect people and their dignity			
7.To listen to people and learn from their experiences			
<b>Special Measures Improvement Framework Theme/Expectation addressed by this paper</b>			
Costs associated with implementing improvements arising from Special Measures are included within departmental budgets.			
<b>Equality Impact Assessment</b>			
Not applicable.			

Disclosure:

Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

# FINANCE REPORT

MONTH 3 2019/20

Sue Hill

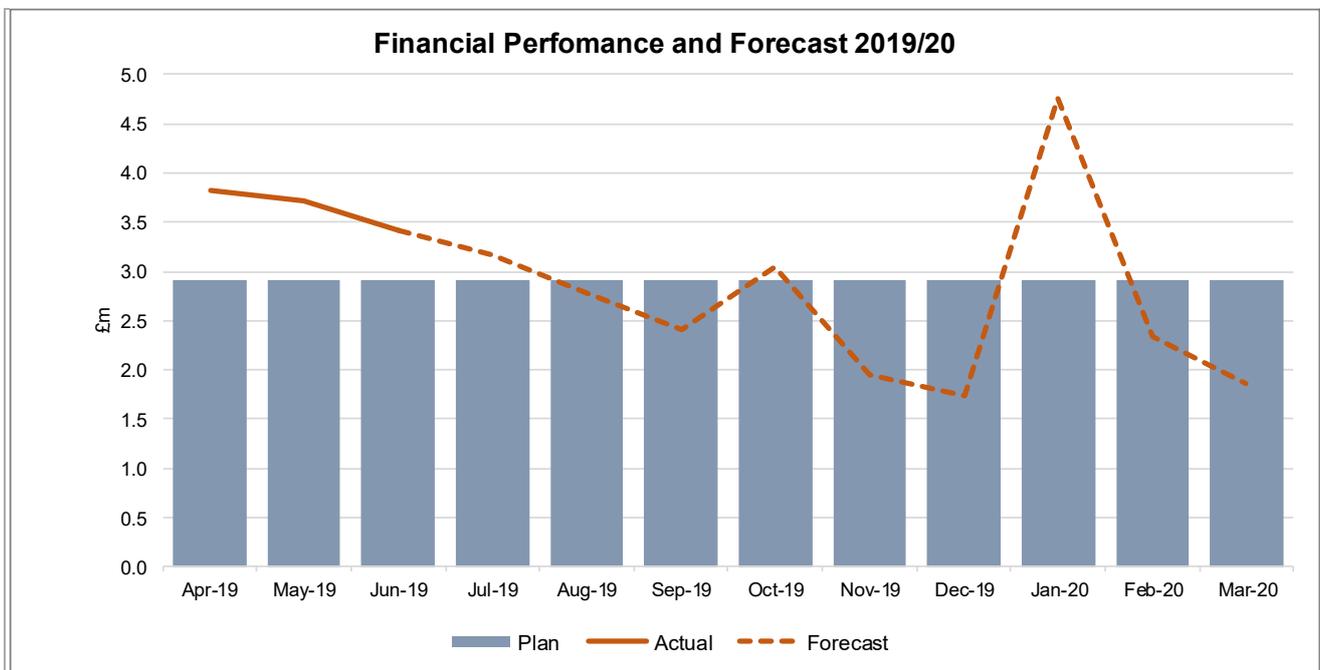
Acting Executive Director of Finance

Betsi Cadwaladr University Health Board

# 1. Executive Summary

## 1.1 Executive Summary

Current Month		Year to Date		Full Year Forecast	
Plan	£2.9m Deficit	Plan	£8.8m Deficit	Plan	£35.0m Deficit
Actual	£3.4m Deficit	Actual	£11.0m Deficit	Forecast	£35.0m Deficit
Variance	£0.5m Adverse	Variance	£2.2m Adverse	Variance	Nil



### Key reasons for the year to date overspend:

- Over spends on Other Non-pay (£2.8m), Secondary Care drugs (£0.9m), Continuing Healthcare (CHC) (£0.7m) and Primary Care Prescribing (£0.4m).
- Offsetting under spends seen in Primary Care (£1.0m), overachieved income (£1.0m) and pay costs (£0.5m).
- Total savings delivered by Month 3 are £4.3m against budgeted anticipated savings of £7.2m, a shortfall of £2.9m. Of this £2.9m, £2.3m is held within divisions against unallocated budgets (as part of the Other Non-pay variance) and £0.6m is allocated across expenditure budgets and so absorbed into the overall position.

## 2. Key Targets

### 2.1 Key Targets

Key Target	Annual Target	Year to Date Target	Year to Date Actual	Forecast Risk	Trend
<b>Achievement against Revenue Resource Limit (£'000)</b> To ensure that the Health Board's expenditure does not exceed the aggregate of it's funding in each financial year.	(35,000)	(8,750)	(10,955)		
<b>Performance against savings and recovery plans (£'000)</b> To ensure savings achieve the required target. The target used is budgeted anticipated savings.	34,500	7,217	4,252		
<b>Achievement against Capital Resource Limit (£'000)</b> To ensure net capital spend does not exceed the capital resource limit.	21,725	3,992	2,399		
<b>Compliance with Public Sector Payment Policy (PSPP) target (%)</b> To pay a minimum of 95% of all non NHS creditors within 30 days of receipt of goods/invoice.	95.0	95.0	96.4		
<b>Revenue cash balance (£'000)</b> Cash balance held by the Health Board to not exceed 5% of monthly cash draw down from Welsh Government.	7,912	7,912	1,924		

Performance against Statutory requirements 2019/20	
Ensure the aggregate of the Health Board's expenditure does not exceed the aggregate of its funding in a 3 year period	No
Prepare and submit a Medium Term Plan that is signed off by Welsh ministers	No

### 2.2 Medium Term Plan

- The Health Board has agreed with Welsh Government that it will develop an Annual Operating Plan for 2019/20 which responds to the special measures framework and key areas for improvement.

## 3. Revenue Position

### 3.1 Month 3 Position

- At the end of Month 3 the Health Board is overspent by £11.0 m, £2.2m higher than financial plan.
- Year to date actual figures are detailed below on a month by month basis. Further analysis of expenditure is included in Sections 4 and 5 of the report.

2019/20 Actuals				
	Month 1 £m	Month 2 £m	Month 3 £m	Total £m
Revenue Resource Limit	(125.0)	(123.2)	(124.1)	(372.3)
Miscellaneous Income	(10.6)	(11.9)	(11.1)	(33.6)
Health Board Pay Expenditure	64.6	61.9	62.0	188.5
Non-Pay Expenditure	74.9	76.9	76.6	228.4
<b>Health Board Total</b>	<b>3.9</b>	<b>3.7</b>	<b>3.4</b>	<b>11.0</b>

- The plan for Month 3 was a £2.9m deficit. The actual position was £3.4m, £0.5m in excess of plan. The in-month excess over plan is lower by £0.3m than the excess in Month 2.
- During June, the significant issues contributing to the over spent position were savings shortfall against planned budgeted delivery across most divisions (£0.8m), over spends across a number of divisions and expenditure categories, with some offsetting underspends and additional income, including pay.
- The key over spending division is Secondary Care, where high agency usage has had an adverse impact.

### 3. Revenue Position

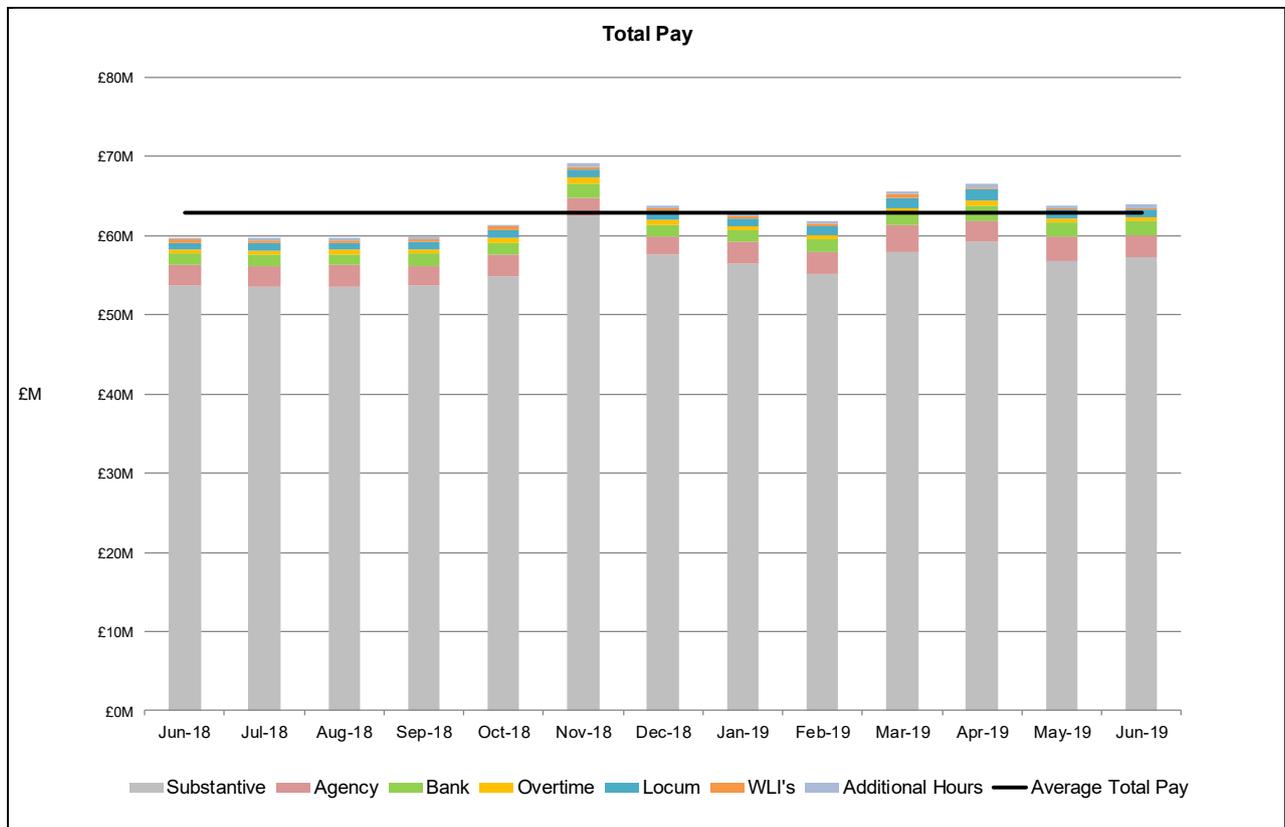
#### 3.2 Financial Performance by Division

	Month 1			Month 2			Month 3			CUMULATIVE		
	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE	BUDGET	ACTUAL	VARIANCE
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>WG RESOURCE ALLOCATION</b>	(124,954)	(124,954)	0	(123,186)	(123,186)	0	(124,111)	(124,111)	0	(372,250)	(372,250)	0
<b>AREA TEAMS</b>												
West Area	13,195	13,278	83	12,974	12,998	24	13,065	13,066	1	39,234	39,342	108
Central Area	17,406	17,294	(112)	17,004	17,075	70	17,131	17,051	(79)	51,541	51,420	(121)
East Area	19,079	19,050	(28)	18,767	18,928	162	18,882	18,905	23	56,727	56,883	156
Other North Wales	1,100	834	(266)	1,090	1,072	(18)	1,098	1,206	108	3,288	3,112	(175)
Commissioner Contracts	16,287	16,206	(81)	16,263	16,191	(73)	16,577	16,647	70	49,128	49,044	(84)
Provider Income	(1,600)	(1,601)	(1)	(1,600)	(1,768)	(168)	(1,600)	(1,859)	(259)	(4,799)	(5,228)	(429)
<b>Total Area Teams</b>	<b>65,466</b>	<b>65,062</b>	<b>(405)</b>	<b>64,499</b>	<b>64,496</b>	<b>(3)</b>	<b>65,153</b>	<b>65,017</b>	<b>(136)</b>	<b>195,118</b>	<b>194,574</b>	<b>(544)</b>
<b>SECONDARY CARE</b>												
Ysbyty Gwynedd	8,465	8,712	247	8,303	8,444	141	8,276	8,392	116	25,043	25,547	504
Ysbyty Glan Clwyd	9,966	10,392	426	9,835	10,281	446	9,868	10,259	391	29,669	30,932	1,262
Ysbyty Maelor Wrexham	8,781	8,908	126	8,558	8,700	143	8,448	8,530	83	25,787	26,138	351
North Wales Hospital Services	8,845	8,994	149	8,704	8,647	(57)	8,642	8,584	(58)	26,190	26,225	34
Womens	3,330	3,370	39	3,228	3,282	54	3,239	3,066	(173)	9,797	9,718	(79)
<b>Total Secondary Care</b>	<b>39,387</b>	<b>40,375</b>	<b>987</b>	<b>38,627</b>	<b>39,354</b>	<b>727</b>	<b>38,472</b>	<b>38,831</b>	<b>359</b>	<b>116,487</b>	<b>118,560</b>	<b>2,073</b>
<b>Total Mental Health &amp; LDS</b>	<b>10,460</b>	<b>10,682</b>	<b>222</b>	<b>10,200</b>	<b>10,156</b>	<b>(44)</b>	<b>10,205</b>	<b>10,145</b>	<b>(60)</b>	<b>30,864</b>	<b>30,983</b>	<b>119</b>
<b>Total Corporate Budgets</b>	<b>10,665</b>	<b>10,709</b>	<b>44</b>	<b>10,691</b>	<b>10,748</b>	<b>57</b>	<b>10,424</b>	<b>10,397</b>	<b>(27)</b>	<b>31,780</b>	<b>31,853</b>	<b>73</b>
<b>Total Other Budgets (Reserves)</b>	<b>1,892</b>	<b>1,952</b>	<b>59</b>	<b>2,085</b>	<b>2,148</b>	<b>62</b>	<b>2,773</b>	<b>3,135</b>	<b>362</b>	<b>6,751</b>	<b>7,234</b>	<b>483</b>
<b>TOTAL INCOME AND EXPENDITURE</b>	<b>2,917</b>	<b>3,825</b>	<b>908</b>	<b>2,917</b>	<b>3,716</b>	<b>799</b>	<b>2,917</b>	<b>3,414</b>	<b>498</b>	<b>8,750</b>	<b>10,955</b>	<b>2,205</b>

## 4. Pay

### 4.1 Total Pay

- Total Health Board pay (excluding Primary Care functions) is £188.5m, which is an under spend against plan of £0.5m. Total pay including Primary Care is £194.2m, a year to date over spend of £0.5m.

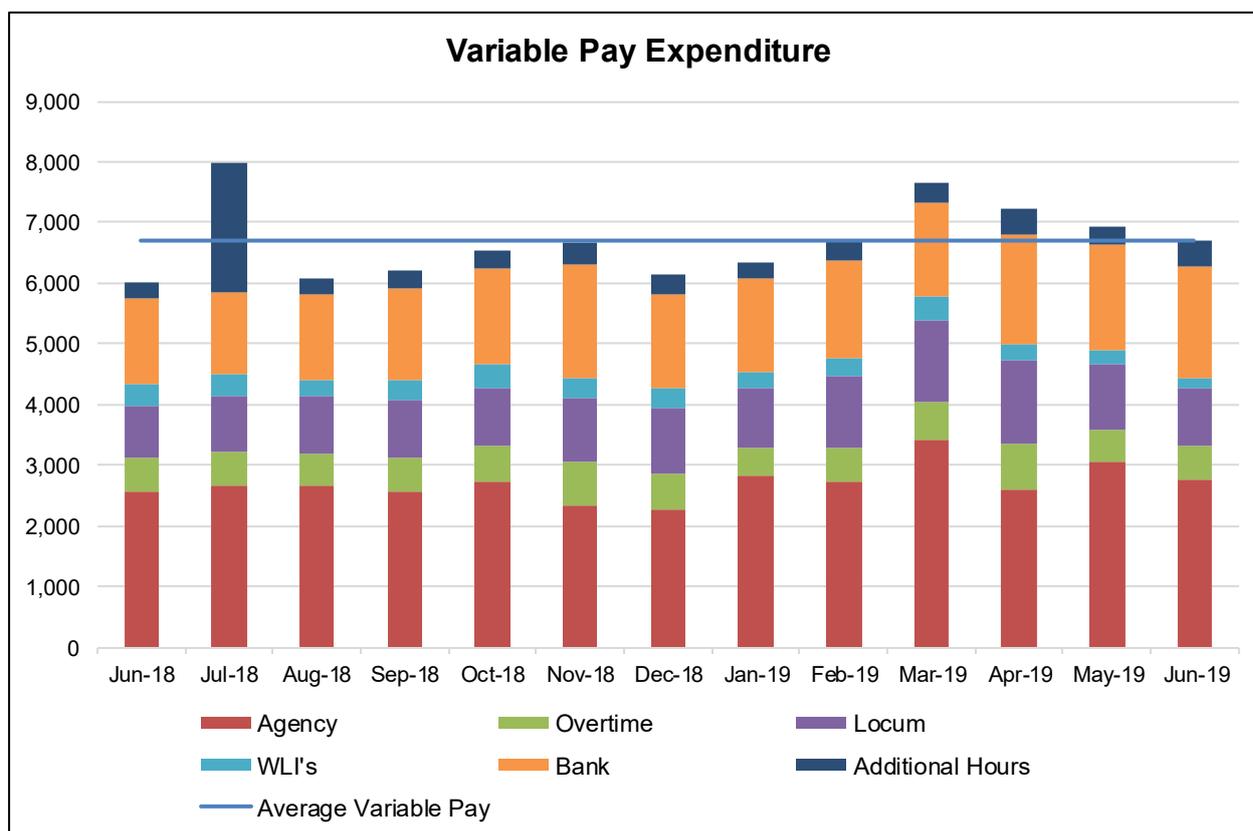


	Month 2 2019/20	Month 3 2019/20	Movement M2 to M3	Monthly Average 2019/20	YTD Variance
	£m	£m	£m	£m	£m
Administrative & Clerical	8.1	8.1	0.0	8.2	(1.8)
Medical & Dental	14.0	14.3	0.3	14.2	1.3
Nursing & Midwifery Registered	20.1	20.1	0.0	20.5	(2.4)
Additional Clinical Services	9.2	9.3	0.1	9.5	2.1
Add Prof Scientific & Technical	2.6	2.3	(0.3)	2.5	(0.4)
Allied Health Professionals	3.7	3.7	0.0	3.7	0.0
Healthcare Scientists	1.2	1.1	(0.1)	1.2	0.1
Estates & Ancillary	3.0	3.1	0.1	3.1	0.0
Savings to be allocated					0.6
<b>Health Board Total</b>	<b>61.9</b>	<b>62.0</b>	<b>0.1</b>	<b>62.9</b>	<b>(0.5)</b>
Primary care	1.8	2.0	0.2	1.9	1.0
<b>Total Pay</b>	<b>63.7</b>	<b>64.0</b>	<b>0.3</b>	<b>64.8</b>	<b>0.5</b>

- April's pay expenditure included the 1.1% lump sum payable to Agenda for Change staff who were on the top of scale. The cost of this was £2.5m and accounts for increased year to date monthly average.

## 4. Pay

- Over spends continue in areas of high agency usage (Medical and Dental and Additional Clinical Services (for Health Care Support Workers)). The high level of nursing vacancies remains, leading to an under spend on Nursing and Midwifery.
- Admin & Clerical continues to under spend due to a significant number of vacancies across all areas.
- Professional Scientific & Technical pay costs have reduced in Month 3, with a year to date under spend. The majority of this relates to vacancies within Psychology that remain unfilled.
- 10.5% (£6.7m) of total pay for Month 3 (10.7% / £20.8m year to date) related to variable pay; agency, bank, overtime, locum, WLI and additional hours. This is a decrease of £0.2m from May, primarily around reductions in agency and locum costs, offset by a rise in additional hours payments.

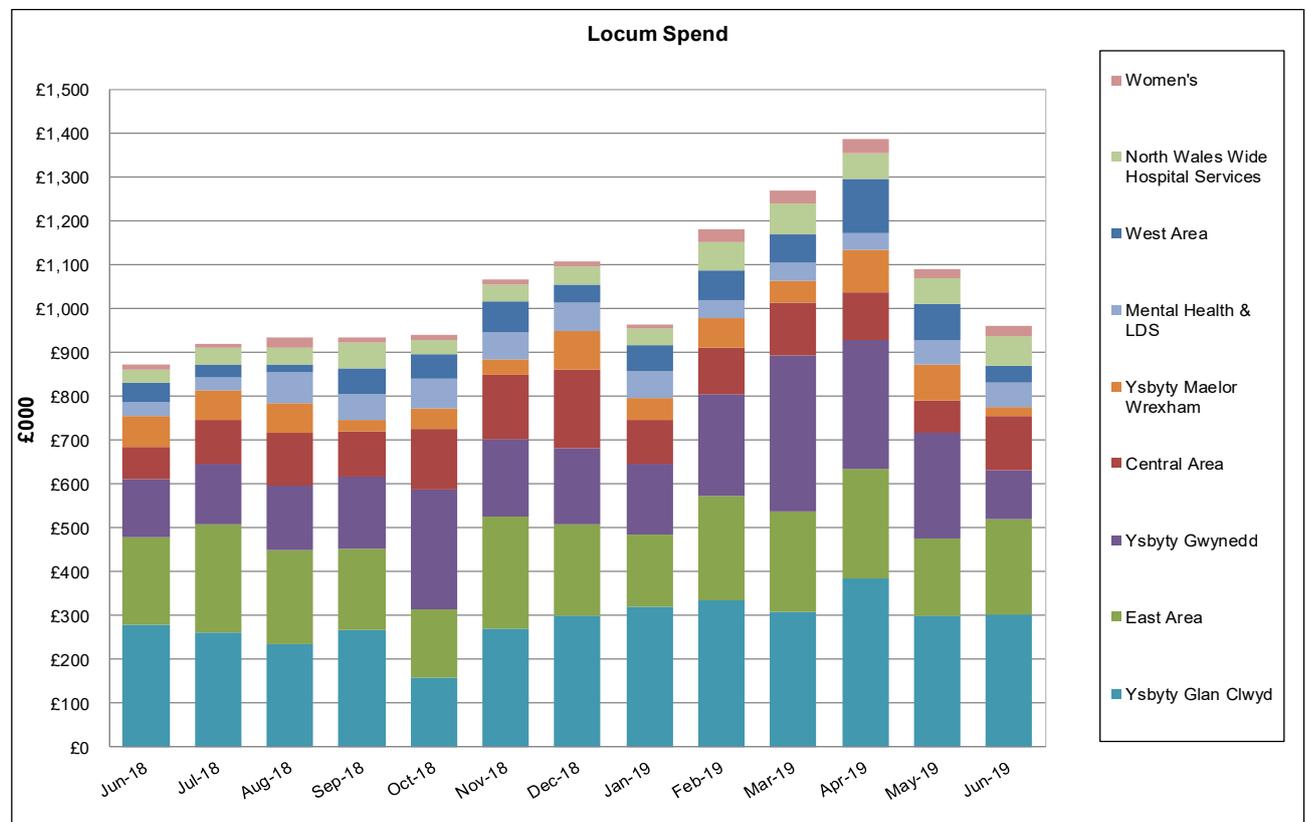
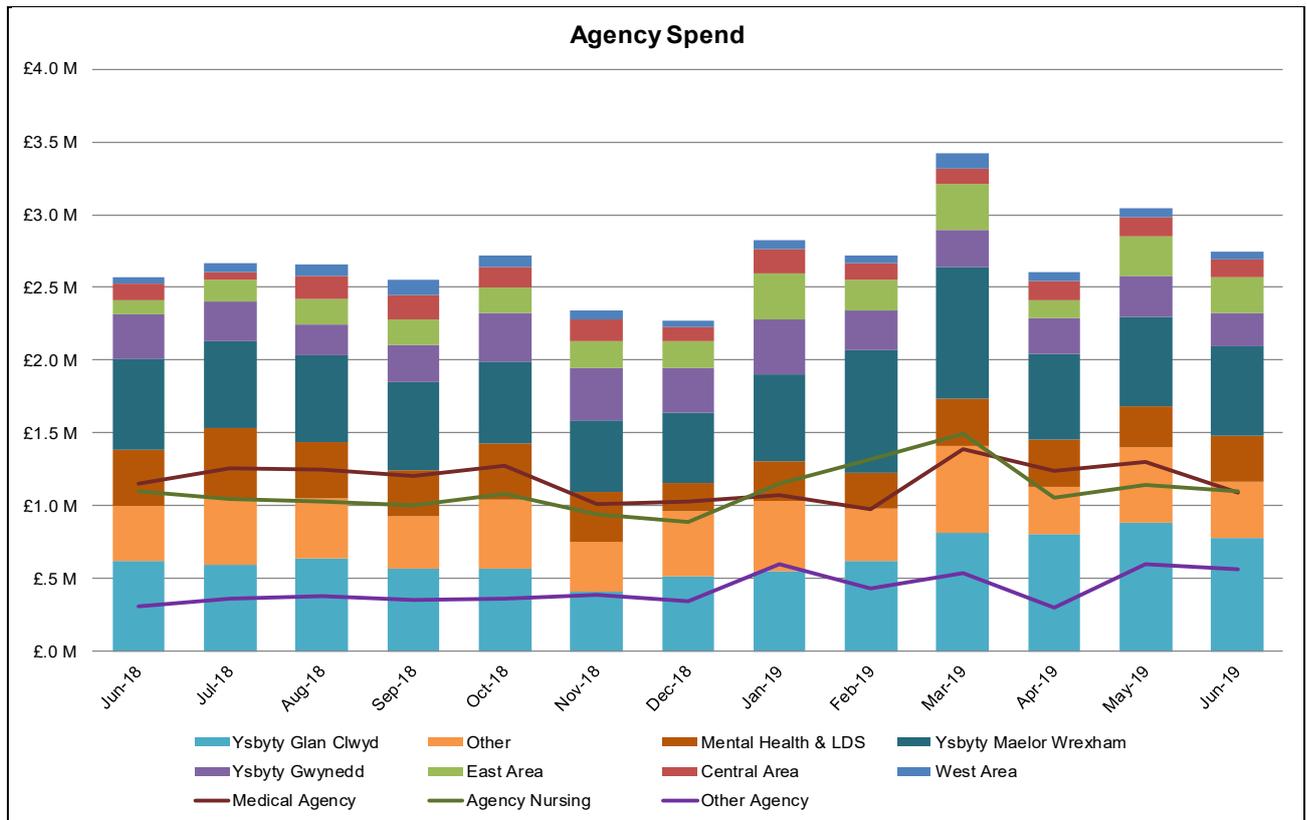


### 4.2 Agency and Locum Costs

- Expenditure on agency staff for Month 3 is £2.7m, representing 4.3% of total pay, a decrease of £0.3m from May.

## 4. Pay

- Expenditure on locum staff for Month 3 is £1.0m, representing 1.5% of total pay, a decrease of £0.1m on May expenditure.



## 4. Pay

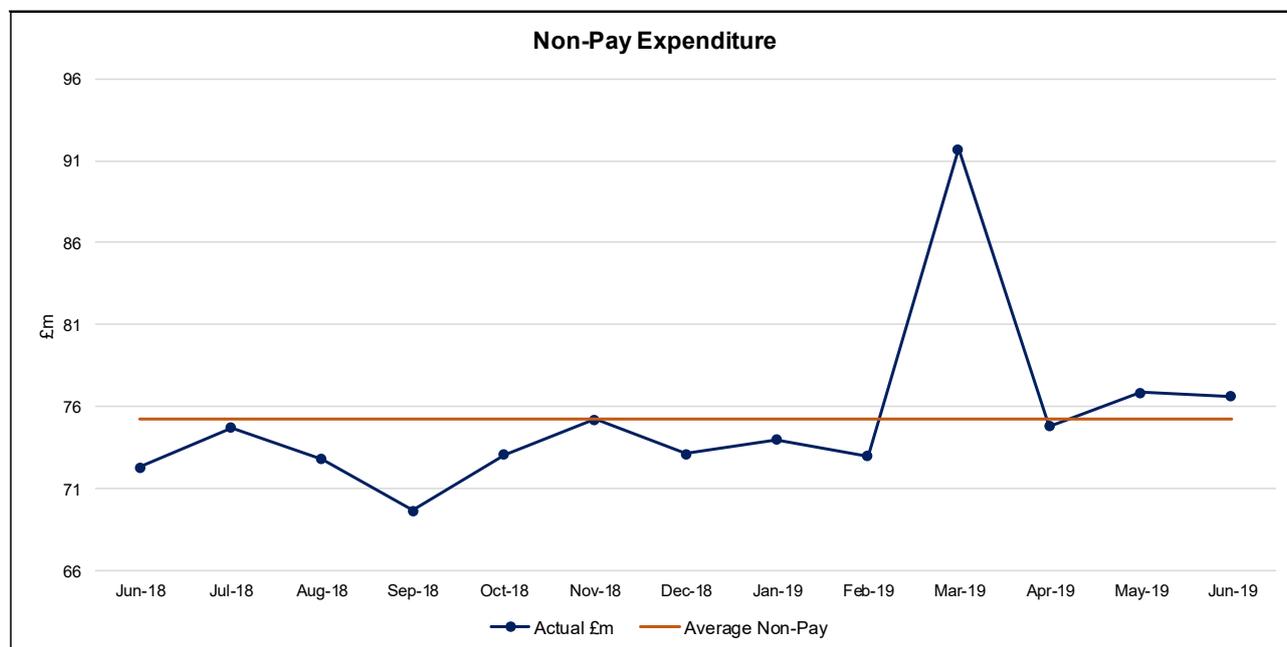
<b>Key Points</b>	
<b>Medical Agency</b>	Medical agency costs decreased by £0.2m from May to an in-month spend of £1.1m. The areas primarily responsible are Ysbyty Glan Clywd (£0.3m), Ysbyty Gwynedd (£0.2m) and Mental Health (£0.3m) accounting for 75.5% of the month's spend. Medical agency is primarily used to cover vacancies.
<b>Nurse Agency</b>	Nurse agency costs totalled £1.1m for the month, a reduction of less than £0.1m from the prior month. Agency nurses continue to support the sustained pressures arising from unscheduled care and provide cover for the large number of vacancies in Secondary Care. The use of agency nurses is particularly an issue for Wrexham (£0.6m in-month) and Ysbyty Glan Clwyd (£0.4m in-month), which together account for 89.1% of these costs in June.
<b>Other Agency</b>	Other agency costs have remained the same as Month 2 at £0.6m and mainly arise from Allied Health Professionals (£0.3m) and Admin and Clerical (£0.2m). Admin and Clerical agency totals £0.5m for the year to date and is primarily being used in the Nursing Executive (£0.1m in Month 3 / £0.3m year to date) mainly for Secondary Care Management teams, Workforce & Organisation development (£0.03m in Month 3 / £0.08m year to date) for Bank Nurse Coordinators and Medical Staffing and also in the Project Management Office within Turnaround (£0.03m in Month 3 / £0.06m year to date).
<b>Locums</b>	Month 3 costs primarily relate to specialty doctors (£0.6m) and specialty registrars (£0.3m), across both Secondary Care (£0.5m) and Area Teams (£0.4m). Expenditure on locum consultants reduced from £0.4m in May to less than £0.1m in June, relating to Secondary Care.

Appendix 2 contains more detailed analysis of movements in pay expenditure, and details of key actions being taken to manage expenditure.

## 5. Non-Pay

### 5.1 Non-Pay

- Non-pay costs total £228.4m, giving a year to date over spend of £3.7m against the planned budget.



	Month 2 2019/20	Month 3 2019/20	Movement M2 to M3	Monthly Average 2019/20	YTD Variance
	£m	£m	£m	£m	£m
Primary Care	17.0	17.2	0.2	17.0	(1.0)
Primary Care Drugs	8.2	8.2	0.0	8.2	0.4
Secondary Care Drugs	6.0	5.6	(0.4)	5.8	0.9
Clinical Supplies	5.6	5.5	(0.1)	5.5	(0.3)
General Supplies	2.3	1.3	(1.0)	1.8	0.4
Healthcare Services Provided by Other NHS Bodies	21.0	21.6	0.6	21.2	(0.2)
Continuing Care and Funded Nursing Care	8.3	8.1	(0.2)	8.2	0.7
Other	5.9	5.6	(0.3)	5.5	2.8
Capital	2.6	3.5	0.9	2.8	0.0
<b>Total</b>	<b>76.9</b>	<b>76.6</b>	<b>(0.3)</b>	<b>76.0</b>	<b>3.7</b>

#### Key Points

#### Primary Care

- The Health Board saw a reduction in the Dental allocation this month due to the Patient Charge Revenue target being raised by £0.07m for the year. No other significant movements were seen, so the annual forecast remains at breakeven. The risks to this forecast are contract under-delivery or contract closures, and whether Welsh Government fully fund any in-year inflationary uplifts.
- Within General Medical Service (GMS), the forecast remains under spent at £0.2m, as the uptake on the newer Enhanced Services

## 5. Non-Pay

	<p>(Diabetes and NOAC) in the first 3 months still remains lower than expected. Further uptake of the Enhanced Services will be closely monitored to ensure the overall GMS forecast remains robust, particularly in light of the expanding number of Managed Practices, which can be volatile and have a material impact on the GMS forecast.</p>
<b>Primary Care Drugs</b>	<ul style="list-style-type: none"><li>- Prescribing data is received two months in arrears. There are a range of forecasting options used to estimate this two months accrual and BCU uses the lowest forecast methodology in its monthly reported position. April 2019 data was received in June and showed costs similar to those for March. Cost per prescribing day has increased by 1.5% from April 2018 to April 2019. This increase has not been fully extrapolated into the 2019/20 position, therefore there remains a degree of risk in our forecast. This approach will be kept under review.</li><li>- The £0.4m year to date overspend relates to community dressings, which were a significant cost pressure last year and have continued to be in 2019/20. A savings scheme is in place to reduce these costs and a number of actions have now been completed as part of this, with further actions agreed to take place over the next few months when it is expected that savings will begin to materialise. A review of the scheme, actions taken and impact on costs is scheduled for October. Completed actions against this scheme are:<ul style="list-style-type: none"><li>• New Dressings Formulary agreed and in place.</li><li>• Product lines reduced, with high value / low volume items now taken off the Formulary and only ordered as 'specials'.</li><li>• The purchase of some items moved to NHS Stores in Denbigh.</li><li>• Ongoing training of District Nurses, alongside the appointment of a new dedicated Tissue Viability nurse in the West.</li><li>• Review of spending by District Nurse base.</li><li>• Stock reviews at some (but not all yet) the District Nurse bases</li></ul></li></ul> <p>Further actions to be completed:</p> <ul style="list-style-type: none"><li>• Completion of stock reviews.</li><li>• Review of products that remain on the Formulary for price compared to NHS Stores price – this will identify any potential further cash savings from switching more products to NHS Stores.</li><li>• Local Matrons to be accountable for the local implementation and delivery of savings / cost reduction actions.</li><li>• Health Board Wide Dressing Savings Group to meet in October to review the above actions, identify whether additional savings can be made by switching further products to NHS stores and explore other cost reduction solutions.</li></ul>

## 5. Non-Pay

<b>Secondary Care Drugs</b>	<ul style="list-style-type: none"><li>- Costs have fallen in Month 3 to the lowest for the year so far. However there is still an in-month over spend (£0.2m), albeit at a reduced level.</li><li>- Key areas of pressure this year are due to Haematology (£0.2m), Oncology (£0.1m), Dermatology (£0.3m), Diabetes (£0.2m) and Mental Health drugs (£0.2m), the latter primarily due to increased hospital and Substance Misuse prescribing.</li><li>- Key actions that are being undertaken to reduce costs are:<ul style="list-style-type: none"><li>• Cancer services has its own Medicines Management group and is undertaking deep dive sessions into critical areas.</li><li>• An Oncology savings scheme focusing on a homecare dispensing route for two drugs commenced in June. A 33% transition has so far been achieved for one of the drugs, with the second drug at 8%. This will be progressed over the next few months.</li><li>• A Haematology drug for transition to homecare has been identified and is planned to switch in Quarter 2.</li><li>• Switches to FP10 prescribing for Cancer services have been undertaken for Centre and West, with the East scheduled to take place once staff appointments have been made.</li><li>• The Dermatology bio-similar switch has not been as quick as expected, particularly in the East Area which has the highest number of potential patients. The conversion of patients to biosimilar alternatives has been identified as a key priority, with monthly reviews by the Area Team to monitor progress and speed up the rate of change.</li><li>• Two further Dermatology drug switches have been identified and are anticipated to start in Quarter 2.</li><li>• The Centre Area Medical Director is commencing a full pathway review and redesign project with Diabetes, which should impact on drugs and activity.</li><li>• Two potential Diabetic drug switches have been identified and Business Cases are currently in development.</li><li>• Mental Health drug deep dive sessions are being launched with an aim to understand how drug spend is reported, where the cost pressures are, what the most expensive drugs and formulations are and where efficiencies could be made.</li><li>• Mental Health have currently identified six schemes within their drugs savings plan, with the aim of saving £0.1m during 2019/20.</li></ul></li></ul>
<b>Clinical Supplies</b>	<ul style="list-style-type: none"><li>- Costs have remained in line with the average for the year.</li><li>- Under spends are seen against contractual clinical services (£0.2m), primarily arising from reduced outsourcing activity within Radiology.</li><li>- Cost pressures seen last year in vaccines and continence products have not materialized so far in 2019/20.</li></ul>

## 5. Non-Pay

<b>General Supplies</b>	<ul style="list-style-type: none"> <li>- The £1.0m decrease in costs in June relates to a journal correction from the previous month and is offset by a compensating adjustment to income. This is therefore a neutral adjustment.</li> <li>- Catering provisions (£0.1m) and legal &amp; professional fees (£0.1m), are the primary areas where cost pressures are evident.</li> </ul>
<b>Healthcare Services provided by other NHS Bodies</b>	<ul style="list-style-type: none"> <li>- The WHSCC contract has a year to date under spend of (£0.1m).</li> <li>- The Countess of Chester contract is currently under spent, however it is anticipated that there will be an increase in activity over the next few months as waiting lists have reopened to Welsh patients.</li> <li>- It is currently forecast that Commissioning contracts will breakeven by the end of the year.</li> </ul>
<b>Continuing Health Care (CHC) and Funded Nursing Care (FNC)</b>	<ul style="list-style-type: none"> <li>- CHC is £0.7m over spent for the year, with FNC being balanced.</li> <li>- Expenditure on CHC has reduced by £0.2m from May, primarily due to decreases in Mental Health costs. However, Mental Health still remains the key risk area, with a £0.5m over spend for 2019/20.</li> <li>- The Area teams are £0.2m over spent, with the main area of pressure continuing to be in the West. The Areas are particularly impacted by Elderly Mental Health CHC cases where costs and cases continue to rise. There is growth in the number of dementia patients with a pressure on available bed capacity. The Area teams are working with Mental Health to try and identify actions that can be taken to reduce activity and develop schemes to mitigate against the impact.</li> </ul>
<b>Other Costs</b>	<ul style="list-style-type: none"> <li>- This category includes all other areas of non-pay expenditure.</li> <li>- The over spend position for the year relates to:             <ul style="list-style-type: none"> <li>• Unallocated/unidentified savings schemes across Divisions (£2.3m) – total savings delivered by Month 3 are £4.3m against budgeted anticipated savings of £7.2m, a shortfall of £2.9m. Of this £2.9m, £2.3m is held within divisions against unallocated budgets under Other Non-pay and £0.6m is allocated across expenditure budgets and so absorbed into the overall position;</li> <li>• Travel (£0.5m) – pressures on lease car costs (£0.1m), Non-Emergency Patient Travel Service (NEPTS) (£0.1m) and general travel and subsistence (£0.1m). Discussions continue with the Welsh Ambulance Service around transferring NEPTS, with an estimated handover of October 2019. The Health Board is working on defining the service required. It's noted that £0.2m of the reported overspend is not real and results from a journal error that will be corrected in Month 4;</li> <li>• Power (£0.1m) – reflects re-billing issues from 2018/19, assumed zero inflationary growth, increased costs at YGC due to the site being fully operational following the redevelopment and no additional funding for the new YG ED scheme; and</li> </ul> </li> </ul>

## 5. Non-Pay

	<ul style="list-style-type: none"><li>• Postage (£0.1m) - There are several projects planned to reduce post charges from franked mail, as well as moving locally franked mail onto the central mail hub. Anticipated savings haven't met the expected levels to date.</li></ul>
<b>Capital</b>	<ul style="list-style-type: none"><li>- Capital costs include depreciation and impairment costs, which are fully funded.</li></ul>

- Appendix 3 shows the utilisation of the Service Development reserve at the end of Month 3.

## 6. RTT

### 6.1 RTT Year to Date Costs

- At the end of May the Health Board has spent £3.1m on additional activity to reduce the long waiting lists. Welsh Government RTT income, which it is anticipated will be received to fund this activity, is included in the position.
- Current levels of RTT activity for the whole of 2019/20 have been forecast. Welsh Government has approved funding to date of £14.1m; to cover £0.5m follow-up reduction, £11.85m waiting list improvements in diagnostics, RTT and therapy, and £1.75m in MSK and other areas. It is recognised that the forecast expenditure is likely to increase.
- The Health Board is currently undertaking a detailed review of its demand, capacity and core requirements to significantly refine the expected cost for 2019/20.

Expenditure Category		Total Spend Month 1	Total Spend Month 2	Total Spend Month 3	Cummulative Spend to Date
		£000	£000	£000	£000
Medical Costs		215	293	115	623
Theatre Staff		42	66	44	153
Theatre Non Pay		46	105	(3)	147
Other Staffing		57	54	56	167
Other Non Pay		246	359	356	961
Ward / Outpatients		176	172	200	547
Outsourced Activity		0	57	(57)	0
Insourcing		176	226	143	545
<b>Total Expenditure</b>		<b>958</b>	<b>1,332</b>	<b>854</b>	<b>3,143</b>
Diagnostics	Cardiology	0	14	(14)	1
	Gastro / Endoscopy	223	343	243	809
	Ophthalmology	53	18	0	71
	Radiology	180	228	177	585
	Urology	0	12	(12)	0
	Sub Total	456	615	394	1,465
Inpatients Daycases Outpatients	Anaesthetics	0	1	(1)	0
	Dermatology	0	0	1	1
	ENT	7	13	19	39
	General Surgery	16	44	69	129
	Gen Med	0	2	0	2
	Max Fax	13	12	4	30
	Oral		47	(1)	47
	Ophthalmology	14	97	37	148
	Orthopaedics	288	477	263	1,027
	Other	0	0	1	1
	Urology	157	16	60	232
	WPAS Validators	7	7	8	22
	Sub Total	502	716	459	1,678
<b>Total Expenditure</b>		<b>958</b>	<b>1,331</b>	<b>854</b>	<b>3,143</b>

## 7. Allocations

### 7.1 Allocations

Description	Value £m 19/20	Recurrent (R) / Non- recurrent (NR)
<b>Allocations Received</b>		
Total Confirmed Funding	1,472.4	R
Sub-total Allocations Received	1,472.4	
<b>Allocations Anticipated</b>		
IM & T Refresh programme	1.9	NR
Consultant Clinical Excellence Awards	0.4	NR
Vocational Training	1.0	NR
SpRs	0.4	NR
WAST Emergency Services Mobile Communications Programme (ESMCP)	0.3	NR
Funding for additional 1% Doctor Dentist Review Body	1.7	NR
Unsocial Hours during Sickness Absence	1.0	NR
Additional costs for PWC - Estimated	0.5	NR
Treatment Fund	1.7	NR
Invest to save funding	0.6	NR
Immunisation Funding	0.4	NR
RTT funding	13.7	NR
AME Impairments	45.6	NR
DEL Depreciation	4.1	NR
Transformational funding (ICAN)	0.2	NR
MSK Orthopaedic Services	1.2	R
Tariff funding	1.8	NR
All other anticipated income	0.4	NR
Sub-total Allocations Anticipated	76.9	
<b>Total Allocations as at Month 3</b>	<b>1,549.3</b>	
<b>Recurrent Allocations</b>	<b>1,473.6</b>	
<b>Non-recurrent Allocations</b>	<b>75.7</b>	

- Planned income for the Health Board is expected to reach £1,549.3m for 2019/20, all of which is reflected within the current forecast. Welsh Government allocations form the majority of the Health Board's funding. Confirmed allocations total £1,472.4m year to date, with further anticipated allocations in year of £76.9m.
- New anticipated allocations in Month 3 are for Capital (AME impairments £46.6m and DEL depreciation £4.1m), tariff funding (£1.8m), MSK orthopaedic services (£1.2m) and transformational funding (ICAN) (£0.2m).

## 8. Savings

### 8.1 Savings Delivery

- Savings reported below include Red Rated schemes and Efficiency Gains. These are excluded from the figures reported to Welsh Government in the Monitoring Return and hence the tables below differ slightly to the Monitoring Return tables. The figures in the rest of this report match those in the Monitoring Return.

2019/20	March Submission to WG £'000	Savings Budget £'000	Savings Identified				Excess / (deficit) of savings identified £'000	Planned Risk Rating			Total £'000	Forecast Delivery				Forecast Variance to WG Submission £'000	Forecast Variance to Budget £'000	Forecast Variance to Identified Savings £'000
			Cash Releasing £'000	Cost Avoidance £'000	Efficiency Gains £'000	Total £'000		Low £'000	Med £'000	High £'000		Cash Releasing £'000	Cost Avoidance £'000	Efficiency Gains £'000	Total £'000			
Ysbyty Gwynedd	1,534	2,901	970	540	650	2,160	(741)	1,419	0	741	2,160	924	518	650	2,091	557	(810)	(69)
Ysbyty Glan Clwyd	1,439	3,758	545	839	0	1,384	(2,375)	888	232	264	1,384	500	735	0	1,235	(204)	(2,523)	(148)
Ysbyty Wrexham Maelor	1,292	2,598	1,205	300	300	1,805	(793)	1,352	0	453	1,805	1,259	300	300	1,859	567	(739)	54
North Wales Managed Services	742	2,592	717	0	268	985	(1,606)	964	22	0	985	754	0	260	1,014	272	(1,578)	28
Womens Services	994	1,048	252	189	0	441	(607)	441	0	0	441	267	189	0	455	(539)	(592)	15
<b>Secondary Care</b>	<b>6,002</b>	<b>12,897</b>	<b>3,689</b>	<b>1,867</b>	<b>1,218</b>	<b>6,775</b>	<b>(6,122)</b>	<b>5,064</b>	<b>253</b>	<b>1,458</b>	<b>6,775</b>	<b>3,704</b>	<b>1,741</b>	<b>1,210</b>	<b>6,655</b>	<b>653</b>	<b>(6,242)</b>	<b>(120)</b>
Area - West	2,704	3,216	2,035	700	0	2,735	(481)	2,712	0	23	2,735	2,091	700	0	2,791	87	(425)	56
Area - Centre	3,720	4,870	3,771	0	0	3,771	(1,099)	3,592	0	179	3,771	3,836	0	0	3,836	116	(1,034)	65
Area - East	3,506	4,851	3,933	476	0	4,409	(442)	3,336	0	1,073	4,409	2,528	477	0	3,005	(501)	(1,846)	(1,404)
Area - Other	320	318	348	0	0	348	31	148	0	200	348	348	0	0	348	28	31	0
Contracts	463	500	350	113	0	463	(38)	154	100	209	463	350	113	0	463	0	(38)	0
<b>Area Teams</b>	<b>10,713</b>	<b>13,755</b>	<b>10,438</b>	<b>1,289</b>	<b>0</b>	<b>11,727</b>	<b>(2,028)</b>	<b>9,943</b>	<b>100</b>	<b>1,684</b>	<b>11,727</b>	<b>9,154</b>	<b>1,290</b>	<b>0</b>	<b>10,444</b>	<b>(269)</b>	<b>(3,311)</b>	<b>(1,283)</b>
MHLD	2,340	3,575	1,811	1,188	0	2,999	(576)	2,512	0	487	2,999	1,324	2,658	0	3,982	1,642	407	983
Corporate	1,416	4,273	2,385	12	0	2,397	(1,877)	2,134	100	163	2,397	2,300	12	0	2,312	897	(1,961)	(85)
<b>Divisional Total</b>	<b>20,470</b>	<b>34,500</b>	<b>18,323</b>	<b>4,356</b>	<b>1,218</b>	<b>23,898</b>	<b>(10,602)</b>	<b>19,653</b>	<b>453</b>	<b>3,792</b>	<b>23,898</b>	<b>16,482</b>	<b>5,701</b>	<b>1,210</b>	<b>23,393</b>	<b>2,922</b>	<b>(11,107)</b>	<b>(505)</b>
<b>Not allocated to Divisions</b>	<b>4,530</b>		<b>5,816</b>		<b>1,796</b>	<b>7,612</b>	<b>7,612</b>			<b>7,612</b>	<b>7,612</b>					<b>(4,530)</b>	<b>0</b>	<b>(7,612)</b>
<b>Total Identified Savings</b>	<b>25,000</b>	<b>34,500</b>	<b>24,139</b>	<b>4,356</b>	<b>3,014</b>	<b>31,510</b>	<b>(2,990)</b>	<b>19,653</b>	<b>453</b>	<b>11,404</b>	<b>31,510</b>	<b>16,482</b>	<b>5,701</b>	<b>1,210</b>	<b>23,393</b>	<b>(1,608)</b>	<b>(11,107)</b>	<b>(8,117)</b>

## 8. Savings

2019/20	March Submission to WG YTD Profile	YTD Budget	YTD Planned as per tracker				YTD Delivered				YTD Variance to WG Submission	YTD Variance to Budget	YTD Variance to Plan	Rest of Year Delivery
			Cash Releasing £'000	Cost Avoidance £'000	Efficiency Gains £'000	Total £'000	Cash Releasing £'000	Cost Avoidance £'000	Efficiency Gains £'000	Total £'000				
<b>Based on £34.5m</b>														
Ysbyty Gwynedd	283	609	145	135	162	443	151	46	24	221	(62)	(388)	(222)	1,870
Ysbyty Glan Clwyd	168	917	62	0	0	62	89	0	0	89	(80)	(828)	27	1,147
Ysbyty Wrexham Maelor	99	493	127	0	21	148	130	0	21	151	53	(342)	3	1,708
North Wales Managed Services	80	592	87	0	61	148	94	0	59	152	72	(440)	4	861
Womens Services	92	254	45	47	0	92	99	105	0	204	112	(50)	112	251
<b>Secondary Care</b>	<b>723</b>	<b>2,864</b>	<b>466</b>	<b>182</b>	<b>245</b>	<b>893</b>	<b>563</b>	<b>151</b>	<b>104</b>	<b>817</b>	<b>95</b>	<b>(2,047)</b>	<b>(75)</b>	<b>5,837</b>
Area - West	673	711	436	175	0	611	608	169	0	777	103	66	166	2,015
Area - Centre	567	974	733	0	0	733	894	0	0	894	328	(79)	161	2,942
Area - East	791	1,098	686	158	0	844	674	159	0	833	42	(264)	(11)	2,172
Area - Other	32	87	36	0	0	36	36	0	0	36	4	(51)	0	312
Contracts	30	30	30	0	0	30	30	0	0	30	0	0	0	433
<b>Area Teams</b>	<b>2,093</b>	<b>2,899</b>	<b>1,921</b>	<b>333</b>	<b>0</b>	<b>2,254</b>	<b>2,242</b>	<b>328</b>	<b>0</b>	<b>2,570</b>	<b>478</b>	<b>(329)</b>	<b>316</b>	<b>7,873</b>
MHLD	243	576	73	161	0	234	47	528	0	575	332	(1)	341	3,407
Corporate	286	876	435	3	0	438	428	3	0	431	145	(446)	(7)	1,882
<b>Divisional Total</b>	<b>3,344</b>	<b>7,217</b>	<b>2,895</b>	<b>679</b>	<b>245</b>	<b>3,819</b>	<b>3,279</b>	<b>1,010</b>	<b>104</b>	<b>4,393</b>	<b>1,050</b>	<b>(2,823)</b>	<b>575</b>	<b>18,999</b>
<b>In Development</b>	<b>170</b>					<b>0</b>				<b>0</b>	<b>(170)</b>	<b>0</b>	<b>0</b>	
<b>Total BCUHB Savings</b>	<b>3,514</b>	<b>7,217</b>	<b>2,895</b>	<b>679</b>	<b>245</b>	<b>3,819</b>	<b>3,279</b>	<b>1,010</b>	<b>104</b>	<b>4,393</b>	<b>880</b>	<b>(2,823)</b>	<b>575</b>	<b>18,999</b>

## 9. Forecast and Underlying Position

### 9.1 Forecast Position

- The Health Board has a forecast outturn for 2019/20 of £35.0m, in line with the financial plan.
- Welsh Government has set the Health Board a control total of £25.0m and a new plan has been developed to move towards this. The Health Board's current plan and budgetary management reflects a deficit of £35.0m. The new plan will be submitted to the Board in July and once agreed, this will need to be reflected in the Health Board's budgets and devolved to its various divisions, together with related savings targets.
- PwC are working with the Health Board to identify and convert further savings opportunities that will help drive the organisation's financial improvement and support progress towards the £25.0m control total.
- Year to date slippage against the plan is expected to be recovered over the remainder of the year. The forecast for the remaining months of 2019/20 has been adjusted to reflect this.

### 9.2 Underlying Position

	IMTP Underlying Position b/f £'000	Future IMTP Underlying Position c/f £'000
Previous Year's Outturn / Current Year's Forecast Outturn	(41,279)	(35,000)
Non Recurring Savings	(2,414)	(1,759)
Non Recurring Mitigating Actions	(1,873)	(7,318)
Non Recurring RRL Income - Allocated	(3,802)	
Non Recurring RRL Income - Anticipated		
Non Recurring Other Income/Disposals	26	4
Non Recurring Accountancy Gains	(3,105)	
Non Recurring Cost Avoidance		
Full Year Effect of Recurring Savings	197	2,348
Full Year Effect of New Cost Pressures	(4,148)	
Other Non Recurring Factors		430
<b>Total</b>	<b>(56,398)</b>	<b>(41,295)</b>

- A key risk to the Health Board is its underlying deficit. The underlying deficit brought forward from 2018/19 was £56.4m.
- It is forecast that the underlying deficit carried forward into 2020/21 will be £41.3m, a decrease of £15.1m. Discussions continue with Welsh Government regarding the current year plan, so the financial plan and the underlying position for 2019/20 are still to be finalised.

## 10. Balance Sheet

### 10.1 Balance Sheet

Balance sheet as at Month 3 2019/20			
	Opening balance £000	M3 2019/20 £000	Movement £000
<b>Non Current Assets:</b>			
Fixed Assets	627,406	621,289	(6,117)
Other Non Current Assets	69,363	69,363	0
<b>Current Assets:</b>			0
Inventories	16,077	16,710	633
Trade and other receivables	66,441	44,638	(21,803)
Cash	3,972	4,989	1,017
<b>Total Assets</b>	<b>783,259</b>	<b>756,989</b>	<b>(26,270)</b>
<b>Liabilities:</b>			
Trade and other payables	142,428	126,663	(15,765)
Provisions	110,432	105,382	(5,050)
<b>Total Liabilities</b>	<b>252,860</b>	<b>232,045</b>	<b>(20,815)</b>
	530,399	524,944	(5,455)
<b>Financed by:</b>			
General Fund	402,323	396,868	(5,455)
Revaluation Reserve	128,076	128,076	0
<b>Total Funding</b>	<b>530,399</b>	<b>524,944</b>	<b>(5,455)</b>

- Key movements during June 2019 included:
  - Fixed Assets: Depreciation, less newly capitalised additions.
  - Trade and other receivables: Additional resource drawdown from Welsh Government in respect of the year-to-date deficit, so reducing receivables, and movements in working capital balances.
  - Trade and other payables: Reductions in commissioning accruals, Accounts Payable balances, capital creditors and CHC/FNC accruals.
  - Provisions: Reduction in litigation provisions due to payments made along with a revised quantum from Legal and Risk Services and reductions in CHC/FNC provisions.
  - General Fund: Year to date deficit less drawdown of capital resource from Welsh Government.

### 10.2 Cash

- The closing cash balance as at 30<sup>th</sup> June 2019 was £5.0m which included £3.1m of cash held for capital expenditure. The revenue cash balance of £1.9m was within the internal target set by the Health Board.

## 10. Balance Sheet

- It is currently anticipated that £35.0m of strategic cash support and £10.0m of working capital balances support will be required by the Health Board in 2019/20. These figures will be finalised later in the year and a formal request submitted to Welsh Government following agreement from the Board.

Revenue cash requirements 2019/20	£'000
Opening revenue balance	307
Forecast revenue deficit	(35,000)
Working capital balances	(10,000)
<b>Underlying forecast revenue cash shortfall</b>	<b>(44,693)</b>
<b>Anticipated Funding requests</b>	
Strategic cash assistance	35,000
Working capital balances support	10,000
<b>Forecast closing revenue cash balance</b>	<b>307</b>

### 10.3 Public Sector Payment Policy

PSPP target: to pay a minimum of 95% of all non NHS creditors within 30 days of receipt of goods or a valid invoice	Value %	Trend
Cumulative year to date % of invoices paid within 30 days (by number) - forecast green	96.4%	

### 10.3 Capital

- The Capital Resource Limit at Month 3 is £21.7m.
- Year to date expenditure is £2.4m against a plan of £4.0m. The year to date slippage of £1.6m will be recovered throughout the remainder of the year.

## 10. Balance Sheet

	CRL/ Planned YTD 2019/20 £'000	2019/20 Forecast Out-turn £'000	Variance £'000	2019/20 Expenditure M3 £'000	YTD Planned £'000	Narrative
<b>All Wales Schemes</b>						
<b>Capital Projects Approved Funding</b>						
SuRNICC - FBC works	350	574	224	31	164	SuRNICC is complete and operational. The completion of the multi faith room is due to be completed in September 2019.
PAS System	996	1,255	259	71	127	The project board has agreed on a revised programme. The upgrade in the East is due to take place followed by the implementation in the West.
Substance Misuse - The Elms Development	265	625	360	391	625	The contractor is progressing well on the site and the scheme has been handed over. External works is in progress and the final account will be reviewed shortly.
Substance Misuse - Holyhead, Anglesey	418	676	258	1	100	The scheme is design stage. Once completed it will go tender.
Substance Misuse - Shotton, Flintshire	1,325	1,340	15	0	115	The scheme is design stage. Once completed it will go tender.
Emergency Department System	701	701	0	0	0	The scheme is currently being reviewed and a formal programme will be produced.
Ysbyty Gwynedd - Emergency Department	1,496	2,526	1,030	995	1,096	The scheme is progressing well and is due to complete in September 2019.
North Denbighshire Community Hospital	2,404	2,404	0	-	200	The Full Business Case is being progress and the fees will be due this financial year.
Progress Redevelopment of Ablett Unit @ YGC from SOC to OBC	849	849	0	0	0	The Outline Business Case is being progressed and the fees will be due this financial year.
<b>All Wales Total</b>	<b>8,804</b>	<b>10,950</b>	<b>2,146</b>	<b>1,489</b>	<b>2,427</b>	
Discretionary Total	12,921	10,775	(2,146)	910	1,565	The discretionary capital programme has been formally agreed by the Finance and Performance Committee. The programme is progressing.
<b>Overall Total</b>	<b>21,725</b>	<b>21,725</b>	<b>0</b>	<b>2,399</b>	<b>3,992</b>	

# 11. Risks and Opportunities

## 11.1 Risks

	Issue	Description	Risk (Worst Case) £m	Key Decision Point & Summary Mitigation	Risk Owner
1	Prescribing	<p>Prescribing data is only received two months in arrears. There are a range of forecasting options used to estimate this two months accrual ranging from the all-Wales HSW Forecast to a BCU locally derived version. BCU uses the lowest forecast methodology in its monthly reported position, giving rise to a possible financial risk between the BCU model and the worst-case model.</p> <p>The estimated risk does not include any potential growth in the number of drug items added to the No Cheaper Stock Obtainable (NCSO) price list, which therefore represents an additional (unquantified) risk</p>	(2.25)	<p>The risk is reviewed and updated monthly as the latest prescribing data becomes available. April 2019 data was received in June and showed costs similar to those for March. Cost per prescribing day has increased by 1.5% from April 2018 to April 2019. This increase has not been fully extrapolated into the 2019/20 position, giving rise to a risk against the forecast used.</p> <p>There are a wide range of Prescribing Savings Schemes in place to manage spend and growth. Head of Pharmacy and Finance leads meet monthly to discuss and share areas of cost growth and savings opportunity in order to mitigate the risk.</p>	Nigel McCann, CFO Central Area as Prescribing Finance Lead
2	Continuing Healthcare (CHC)	<p>The Health Board is experiencing significant ongoing pressures in relation to both the underlying number and cost of care packages. The financial plan approved by the Board explicitly excluded providing growth funding for CHC.</p> <p>The risk on CHC is primarily in relation to Older People's Mental Health (OPMH) CHC. There has been a significant increase in the number of cases within recent months, some of which are high cost 1:1 cases.</p>	(1.8)	<p>This is monitored monthly and Divisions are developing cost avoidance schemes to mitigate against this impact.</p> <p>The Area Teams are working with Mental Health to try to resolve the issue, but there is a growing trend in dementia patients with a pressure on available bed capacity.</p>	Rob Nolan, Finance Director –Commissioning & Strategy

## 11. Risks and Opportunities

	Issue	Description	Risk (Worst Case) £m	Key Decision Point & Summary Mitigation	Risk Owner
3	Under-performance of savings plans	<p>To address our deficit the Health Board will be required to deliver its significant savings target. There is a risk that savings schemes will not deliver quickly enough the required level of savings to ensure the Health Board addresses its deficit in the current year.</p> <p>The Health Board has a process and track record of delivering cash releasing savings of circa £20.0m per annum. Current targets are higher than track record, and additional savings will also be required to deal with cost pressures that arise throughout the year (including the shortfall in savings and overspends up to Month 3) and other emerging shortfalls.</p> <p>At Month 3, the Health Board has £3.8m of schemes classified as red risk and £5.8m of schemes not yet allocated to divisions. This gives a total risk of £9.6m.</p> <p>The additional savings measures that will need to be introduced to progress from a plan of £35.0m towards a control total of £25.0m represent an additional risk.</p>	(9.6)	<p>PwC are working with the Health Board with the aim to ensure delivery of the savings quantum. They have identified additional savings opportunities as part of their ongoing work. Improvements have been made to the process of identification and conversion of plans into schemes.</p> <p>Work continues on the development of further resource utilisation schemes, which will form an important part of the Health Board's efficiency programme for 2019/20.</p>	Pat Crawford, Interim Financial Turnaround Consultant
<b>Total</b>			<b>(13.65)</b>		

### 11.2 Opportunities

- Relative to reported risks of £13.65m, we have reported to Welsh Government partial mitigation at this stage.
- The Recovery Director and has been appointed and additional resource is in place to support delivery of the savings programme and to identify an additional £10m of cash releasing savings, and to support grip and control actions that will drive financial benefit and other improvements.

## 12. Summary

### 12.1 Key Actions

- PwC are working with the Health Board to support the delivery of the savings programme and working towards the £25.0m control total set by Welsh Government. Once the new financial plan has been agreed by the Board, this will need to be reflected in the Health Board's budgets and devolved to divisions, together with related savings targets.
- Areas of immediate focus included in the revised plan were:
  - Key actions for improving financial discipline.
  - Enhancing grip and control across the organisation
  - Workforce optimisation.
  - Acceleration of key savings programmes.
  - Introduction of a sub-group of the Finance and Performance Committee to assure delivery of the financial plan.
  - Appointment of a Recovery Director to drive financial recovery, and to identify and deliver savings targets of £35.0m cash releasing.

### 12.2 Conclusions

- The Health Board's planned forecast for 2019/20 is £35.0m. This is based on an underlying brought forward deficit of £56.4m. The Month 3 position is a deficit of £11.0m, giving a year to date position which is £2.2m higher than the planned deficit.
- During June, the significant issues contributing to the over spent position were savings shortfall against planned budgeted delivery across most divisions (£0.8m), over spends across a number of divisions and spend categories, with some offsetting underspends and additional, including pay.
- The key over spending division is Secondary Care, where high agency usage has had an adverse impact.
- Welsh Government has set the Health Board a control total of £25.0m and a new plan has been developed to move towards this. This will be taken to the Board for approval in July.

### 12.3 Recommendation

- It is asked that the report is noted, including the forecast outturn of £35.0m and recognising the significant risks to the financial position.

## Appendix 2: Finance Report Addendum – Pay Expenditure

Year to Date Variances - Month 3						
Category	Division					
	Areas £m	Secondary Care £m	Mental Health £m	Corporate £m	Other £m	Total £m
<b>Income</b>	<b>(0.8)</b>	<b>(0.3)</b>	<b>0.0</b>	<b>0.0</b>	<b>0.1</b>	<b>(1.0)</b>
Substantive	(3.2)	(5.5)	(1.2)	(0.4)	(0.1)	(10.4)
Agency	1.0	5.2	0.6	0.1	0.0	6.9
Locum	1.2	1.8	0.0	0.0	0.0	3.0
<b>Total Health Board Pay</b>	<b>(1.0)</b>	<b>1.5</b>	<b>(0.6)</b>	<b>(0.3)</b>	<b>(0.1)</b>	<b>(0.5)</b>
Primary Care	(1.0)	0.0	0.0	0.0	0.0	(1.0)
Primary Care Drugs	0.4	0.0	0.0	0.0	0.0	0.4
Provided Services Non-Pay	1.2	0.8	0.0	0.4	0.6	3.0
Secondary Care Drugs	0.6	0.1	0.2	0.0	0.0	0.9
Services from other NHS Bodies	(0.2)	0.0	0.0	0.0	0.0	(0.2)
Continuing Care and Funded Nursing Care	0.2	0.0	0.5	0.0	0.0	0.7
Other Non-Pay	0.1	0.0	0.0	0.0	(0.2)	(0.1)
<b>Total Non-Pay</b>	<b>1.3</b>	<b>0.9</b>	<b>0.7</b>	<b>0.4</b>	<b>0.4</b>	<b>3.7</b>
<b>Planned Deficit</b>						<b>8.8</b>
<b>Total YTD Variance</b>	<b>(0.5)</b>	<b>2.1</b>	<b>0.1</b>	<b>0.1</b>	<b>0.4</b>	<b>11.0</b>

## Appendix 2: Finance Report Addendum – Pay Expenditure

Division	
<b>Areas</b>	<ul style="list-style-type: none"> <li>• Vacancies are driving the year to date under spend on pay. Locums and agency staff are being used to cover some gaps, however there still remains a large net under spend.</li> <li>• Primary Care continues to under spend, however Dental is forecasting a year end breakeven position, whilst the GMS the forecast remains under spend at £0.2m.</li> <li>• The Primary Care drugs overspend relates to community dressings, which is discussed in detail in Section 5.1 of the report.</li> <li>• Key pressure areas are unidentified savings held within the division against unallocated budgets under Other Non-pay (£1.3m) and secondary care drugs, specifically for Dermatology (£0.3m) and Diabetes (£0.2m).</li> <li>• Continuing Healthcare (CHC) continues to be a risk area, particularly for the West, with over spends arising from Elderly Mental Health cases.</li> </ul>
<b>Secondary Care</b>	<ul style="list-style-type: none"> <li>• Pay costs are the main area of over spend for Secondary Care. High levels of agency and locum usage, where staff are paid at a premium, are negating the large under spend arising from vacancies.</li> <li>• Unidentified savings held within the division against unallocated budgets under Other Non-pay total £0.8m.</li> <li>• The over spend on drugs predominantly relates to Haematology (£0.2m) and Oncology (£0.1m), offset by under spends against the acute hospitals.</li> </ul>
<b>Mental Health</b>	<ul style="list-style-type: none"> <li>• Savings made against substantive pay due to vacancies are somewhat reduced by agency costs, but still result in an overall under spend on total pay.</li> <li>• Continuing Healthcare (CHC) remains the key risk for the division, although costs have again reduced in Month 3.</li> <li>• The drugs over spend primarily relates to increased hospital and Substance Misuse prescribing.</li> </ul>
<b>Corporate</b>	<ul style="list-style-type: none"> <li>• Savings arise in pay due to vacancies, particularly within Medical Executive (£0.1m) and Turnaround (£0.1m).</li> <li>• Unidentified savings held within the division against unallocated budgets under Other Non-pay total £0.2m.</li> <li>• Further non-pay cost pressures arise due to catering provisions (£0.1m), postage (£0.1m) and power (£0.1m).</li> </ul>
<b>Other</b>	<ul style="list-style-type: none"> <li>• Includes budgets for Capital costs, Losses, Medical Education and Reserves.</li> <li>• Overall a £0.4m over spend position which primarily relates to Reserves.</li> </ul>

## Appendix 2: Finance Report Addendum – Pay Expenditure

### 1. Total Pay Spend against Pay Budget

The monthly pay budget for June increased by £0.7m to £64.3m. Total Pay spend increased by £0.3m and an under spend of £0.3m.

### 2. Variable “Non-Core” Pay Expenditure

Total Non- Core pay spend reduced by £0.2m from £6.9m to £6.7m. This is against a backdrop of additional work being undertaken to ensure RTT delivery and the associated costs. Agency; Locum and WLI all reduced whilst Additional basic hours and Bank both increased. This is positive in that the increases were seen in the non-premium element. This is starting to build confidence in the efficacy of the grip and control actions.

#### 2.1 Premium Rate Non-Core

**Agency** – spend reduced by £0.3m from £3m to £2.7m, with both medical and nursing agency spend reducing by £0.212m and £0.047m respectively. All divisions/areas other than MHLD reduced spend with Women’s; YG, YGC and East seeing the biggest decreases. Medical Agency decreased from £1.3m to £1.1m, whilst Nursing Agency decreased slightly to £1.1m.

**Waiting List Initiative Payments (WLIs)** – spend reduced from £0.212m to £0.170m with most divisions/sites reducing. This is the lowest spend since 2017 and will need to be monitored against internal locum spend to ensure that it doesn’t impact on our ability to achieve RTT standards.

**Overtime** – spend increased by £0.022m from £0.538m to £0.560m with most areas and sites seeing a slight increase with the exception of YG and YGC. This is now in the “normal” range seen in 2018/2019 and further work will be required to understand the drivers and to determine the “expected” level of overtime for different services to enable better budgetary planning.

#### 2.2 Non Premium Rate Non-Core

**Internal Locum** – Spend reduced by £0.1m from £1.1m to just below £1m with most divisions/areas, apart from NWMCS, East and Central Areas, seeing a reduction.

This is the lowest level since October 2018 and it will be important to understand whether this is the impact of controls or reluctance to undertake additional work due to pension/tax changes.

The roll out of Medic on Line across most of the organisation by the end of August will ensure that expenditure is captured in ‘real time’ in future and will therefore avoid fluctuations due to delayed submission of returns.

## Appendix 2: Finance Report Addendum – Pay Expenditure

**Additional Contracted Hours (ACH)** – Spend increased by £0.156m from £0.290m to £0.446m. All divisions/areas saw an increase with E&F increasing by £0.132m. This will be investigated to ensure appropriate use of bank contracts.

**Bank** – Spend increased by £0.1m from £1.7m to £1.8m with increases seen across most clinical divisions.

### 3. Actions

Establishment Control continues to be embedded; we have undertaken a soft launch of the new electronic form which is accessed through the portal with full implementation in August.

Compliance has increased across the organisation with establishments becoming aligned with the General Ledger. Whilst work continues in terms of reviewing the backlog the new process will provide managers with clear visibility in terms of progress of their submission. There is further work underway in terms of reporting, including visibility for Executives to review what is in the system. Focus has been on making the process as efficient as possible without reducing the level of control. Behaviour change has been essential in improving financial management across the Health Board.

The Grip and Control Delivery Plan is providing a helpful lever to accelerate many of the improvement plans already in place. A number of actions are scheduled for completion by the end of July 2019, and therefore it is expected that the impact will be seen during quarter 2. The delivery plan is challenging and requires teams to focus resources on delivery.

A focus is on increasing pools of temporary staff, particularly in nursing, medical and dental and A&C, in order to reduce the requirement for agency staff.

## Appendix 3: Service Development Reserve Update

		19/20 total value	Anticipated Spend in - year	Anticipated Slippage in - year	Actual Drawn to Date	Balance
		£m	£m	£m	£m	£m
2018/19 Schemes	3rd Tier for Critical Care - YGC	0.45	-0.30	0.15	-0.45	0.00
	WCCIS	0.35	-0.26	0.09		0.35
	3rd tier anaesthetics rota - YG	0.25	-0.25	0.00		0.25
	Exec Nurse Consultant Dementia Post	0.09	-0.07	0.02	-0.09	0.00
	Primary Care Optometry	0.07	-0.03	0.03		0.07
	Broadcare Software licences and support	0.06	-0.02	0.04	-0.06	0.00
	Motor Neuron Disease Care Coordinator Service	0.06	-0.01	0.05	-0.06	-0.01
	Bobath Children's Therapy service	0.05	-0.01	0.04		0.05
	Patient Advisory Support Service	0.22	-0.06	0.16	-0.22	0.00
Unscheduled Care	Additional Capacity Unscheduled Care	1.50	-1.50	0.00	-1.50	0.00
	acute paediatric service - 2 posts at 14 sessions	0.18	-0.09	0.09		0.18
Planned Care	RTT -incl 8 weeks Diagnostics	2.00	-2.00	0.00		2.00
	Orthopaedic Network Manager	0.18	-0.09	0.09	0.00	0.18
	LIMS Business Case	0.40	-0.20	0.20		0.40
	Additional Bed Capacity at YGC (Often vascular ward)	1.50	-1.50	0.00	-0.28	1.22
Children & Young people	CAMHS			0.00		
	Nursing Support to S136 Suite	0.00	0.00	0.00		0.00
	Changes to CAMHS Psychiatry Out of Hours Provision	0.00	0.00	0.00		0.00
	Promotion of Health Weight and Prevention of Childhood Obesity			0.00		
	Food-wise in Pregnancy	0.02	-0.01	0.02		0.02
HIIT	Smoking Cessation Services			0.00		
	Smoking Cessation Practitioners	0.05	-0.01	0.04		0.05
	Immunisation	0.06	-0.02	0.05		0.06
	Improving outcomes in the first 1000 days of life			0.00		
	Infant Feeding Co-ordinator, 1.5 WTE (Band 7)	0.06	-0.02	0.05		0.06
2019/20 Divisional Cost	Statutory Compliance incl H&S	0.50	-0.21	0.29		0.50
Wales Contracts	1% Extra	0.49	-0.49	0.00	-0.49	0.00
WHSSC Mandated	CIAG Schemes	0.65	-0.27	0.38	-0.63	0.02
	Thrombectomy Pathway available 23/7	0.28	-0.12	0.16	-0.28	0.00
<b>Total</b>		<b>9.45</b>	<b>-7.52</b>	<b>1.93</b>	<b>-4.05</b>	<b>5.40</b>





<b>Report Title:</b>	Financial review action plan
<b>Report Author:</b>	Ms Sue Hill, Acting Executive Director of Finance
<b>Responsible Director:</b>	Ms Sue Hill, Acting Executive Director of Finance
<b>Public or In Committee</b>	Public
<b>Purpose of Report:</b>	<p>The purpose of this report is to provide an update on the progress to date with the PWC financial review programme, which has three key deliverables: a revised financial plan for 2019/20, a delivery framework which is aligned with the governance of the Health Board and a pipeline of savings opportunities to support progress towards financial sustainability.</p> <p>The PWC programme has now concluded, and the Health Board received the financial baseline review at its public meeting in July. PWC are continuing to support the Savings programme and the Recovery Director for an extended period.</p>
<b>Approval / Scrutiny Route Prior to Presentation:</b>	This report has been subject to prior scrutiny by the executive team prior to submission to Finance and Performance Committee .
<b>Governance issues / risks:</b>	The financial baseline report includes recommendations around improvements to financial and operational governance and discipline and the accountability framework of the Health Board. Those recommendations are supported by a detailed action plan for implementation within the timescales proposed in the PWC reports.
<b>Financial Implications:</b>	<p>The draft interim plan for 2019/20 approved by the Board in March 2019 showed a £35m deficit after delivery of a £25m savings programme and the Welsh Government have set a control total of a maximum £25m deficit.</p> <p>The revised plan for 2019/20 will be presented to the Health Board in July 2019. The pipeline of opportunities will need to support delivery of the £25m deficit control total, by bridging the gap between the existing savings forecast against the £25m savings target and the additional £10m gap between the draft plan and the control total.</p>
<b>Recommendation:</b>	The report is for information and assurance and it is asked that the progress against the timeline of the financial review is noted.

<b>Health Board's Well-being Objectives</b> <i>(Indicate how this paper proposes alignment with the Health Board's Well Being objectives. Tick all that apply and expand within main report)</i>	✓	<b>WFGA Sustainable Development Principle</b> <i>(Indicate how the paper/proposal has embedded and prioritised the sustainable development principle in its development. Describe how within the main body of the report or if not indicate the reasons for this.)</i>	✓
1.To improve physical, emotional and mental health and well-being for all		1.Balancing short term need with long term planning for the future	✓
2.To target our resources to those with the greatest needs and reduce inequalities	✓	2.Working together with other partners to deliver objectives	
3.To support children to have the best start in life		3. those with an interest and seeking their views	
4.To work in partnership to support people – individuals, families, carers, communities - to achieve their own well-being		4.Putting resources into preventing problems occurring or getting worse	✓
5.To improve the safety and quality of all services		5.Considering impact on all well-being goals together and on other bodies	
6.To respect people and their dignity			
7.To listen to people and learn from their experiences			
<b>Special Measures Improvement Framework Theme/Expectation addressed by this paper</b>  The Health Board has commissioned the financial review to support progress towards a more sustainable position.			
<b>Equality Impact Assessment</b>  Not applicable – there is no impact on equality.			

*Disclosure:*

*Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board*

F & P Committee Coversheet v9.01 draft

## **Finance and Performance Committee Financial Review action review**

### **1.0 Purpose**

The purpose of this report is to provide an update on the progress to date with the PWC financial review programme, which has three key deliverables: a revised financial plan for 2019/20, a delivery framework which is aligned with the governance of the Health Board and a pipeline of savings opportunities to support progress towards financial sustainability.

### **2.0 Background**

The audited position for the Health Board for 2018/19 has been confirmed and was a £41.3m over spend. Of this, £35.0m related to the Health Board's planned budget deficit and £6.3m represented an adverse variance against the financial plan.

The draft interim plan for 2019/20 approved by the Board in March 2019 showed a £35m deficit after delivery of a £25m savings programme and the Welsh Government have set a control total of a maximum £25m deficit.

The Chair of the Health Board, supported by Welsh Government commissioned a financial review, which was advertised as tender T.0975 and complied fully with Welsh Government procurement guidance.

#### **2.1 Programme scope**

The tender specification described the programme as detailed below:

- A. *"To develop for the Betsi Cadwaladr University Health Board (BCUHB), a clear, evidenced and deliverable financial plan for approval by the UHB Board for 2019-20.*
- B. *As part of this work, to establish a delivery framework embedded within the UHB's Governance Framework, Board structure and day-to-day business to ensure successful delivery of the plan and;*
- C. *A clear set of products to enable the Health Board to continue to make improvements from final plan sign-off and on a continuous basis going forward.*

*The financial plan needs to deliver, at a minimum, a significant improvement on the £35m deficit control total set by Welsh Government in 2018/19, with a clear assessment of the opportunities to deliver a break-even plan where possible and the choices available to the Board to deliver that."*

PWC were the successful bidder in the tender and formally commenced work with the Health Board on 1<sup>st</sup> April 2019.

### 3.0 Progress to date

The programme commenced with a comprehensive engagement process which involved meetings and workshops with all relevant stakeholders in the Health Board and this was also supported by the Finance Delivery Unit (FDU) within Welsh Government.

The status of the expected reports to the Health Board is detailed in the following table:

Description	Status	HB Action Plan
<b>Grip &amp; Control report</b>	Final	Yes
<b>Financial Baseline report</b>	Draft	Yes
<b>Financial Plan – BCUHB led report</b>	Draft	
Delivery framework	Draft	
Pipeline of Opportunities	Draft	
<b>Close out letter</b>		
Approach & Methodology	Draft	
Lessons learnt	Draft	

The Health Board is working through the action plans developed to progress the recommendations from the Grip & Control report and the Financial Baseline report. An update on the former is with the Savings Sub-Group in July. A current update on the latter is attached as an Appendix to this paper.

### 4.0 Conclusion

The programme concluded in line with the expected timescale and progress was supported by the significant engagement between the Health Board, the FDU and PWC throughout the programme.

The key milestones were delivered on time and the Health Board continues to progress delivery of the actions identified to deliver both the PWC recommendations and an improving financial position for the Health Board.

The delivery of savings from existing schemes is already behind the trajectory in the draft annual plan for 2019/20, but there has been significant progress in June to convert Red and Amber schemes to Green.

The pipeline has been further developed during the first quarter of 2019/20 and now needs to be similarly migrated through the RAG rating methodology, which will be driven through the bi-weekly Finance Recovery Group and the monthly Finance Savings Group.

The appointment of the interim Recovery Director, as recommended by both the Public Accounts Committee and PWC, will also support the delivery of the £25m savings programme and an improved financial outturn in 2019/20.

The actions within the financial baseline action plan will be adapted to the 2019/20 financial plan in its final approved form, and the initial principles being proposed for approaching planning for 2020/21 and beyond.

### **5.0 Recommendation**

The report is for information and assurance and it is asked that the progress against the timeline of the financial review is noted.



PWC Rec Number	Area	Observations	Recommendations	Priority	Difficulty	Actions	Responsible LEAD EXECS	Timescale	Relative importance to Total potential Saving or Financial Impact	Progress As at 19 July	Additional Resource required to achieve timescale?
	<b>Multi-year recovery plan</b>	The Board should develop a multi-year recovery plan to address the underlying position and develop long-term, transformational recovery plans.		HIGH	HIGH	<ol style="list-style-type: none"> <li>1. Establish central infrastructure for Service and Productivity Improvement to enable collation of current state improvement/reviews/business case schemes/programmes</li> <li>2. Map benefits realisation qual and quan across current state schemes/programmes (inc. confirm and challenge)</li> <li>3. Map dependencies eg investment required across current state schemes</li> <li>4. Identify gaps in current state from future state requirement i.e. end point at 2022</li> <li>5. Develop plans to bridge gaps (including feeding into CLinical Strategy and where necessary review of 3 year plan)</li> </ol>	<ol style="list-style-type: none"> <li>1. SG/MW/SH</li> <li>2. SH/SG/MW</li> <li>3. MW/SH</li> <li>4. SH/SG/MW</li> <li>5. SH/SG/MW</li> </ol>	<ol style="list-style-type: none"> <li>1. 01/07/19</li> <li>2./3. 01/08/19</li> <li>4. 01/08/19</li> <li>5. 30/09/19</li> </ol>	HIGH	<ol style="list-style-type: none"> <li>1. Structure developed and plan in place to transfer staff/resources 1/7/19. Seeking interim support for the two Associate Director posts to establish systems and leadership for transfer. Case made for additional investment following review of capacity by PWC. The Board has a three year transformational plan which will be reviewed / reconfirmed at the July Board. Current areas of focus for plan improvement include RTT planning, and ensuring the plan meets our recovery objectives. PMG approved terms of reference for Improvement Groups include delivery of savings schemes within their areas, although few are fully operational yet. UPDATE: Approach to planning for 20/21 and beyond currently underway in context of recovery.</li> </ol>	No immediate resource requirement but longer term will need to consider potential requirement for investment in a range of potential areas e.g. OD, project management, IT etc.
	<b>Financial improvement &amp; change</b>	The Board should consider whether it needs a stronger focus on financial improvement and how to raise the focus and profile of the savings programme throughout the organisation.		HIGH	Medium	<ol style="list-style-type: none"> <li>1. Finalise BCU approach to driving cost reduction, specifically: (a) Our requirement for an external Turnaround Director for a period of between 6 - 12 months (b) The level of resource required in the PMO.</li> <li>2. Ensure an appropriate communication plan is in place to maximise the opportunity offered by the PWC review to galvanise action and focus</li> </ol>	<ol style="list-style-type: none"> <li>1. GD</li> <li>2. GD/SG</li> </ol>	<ol style="list-style-type: none"> <li>1. 24/05/19 to finalise approach then, dependent on decision and resource required, implementation ASAP</li> <li>2. Comms programme to commence week beginning 27/5/19</li> </ol>	HIGH	<ol style="list-style-type: none"> <li>1a. Recovery Director appointed for 9 months commencing 1st July</li> <li>1b. Capacity reviewed and revised structure developed as per action above.</li> <li>2. Longer term communication and Engagement plan under development for review by ET/FRG/EMG in next 2 weeks</li> </ol> <p>Delivery Framework workshops held by PWC. Outputs due w/c 17th June</p> <p>UPDATE: Recovery Director started, and putting recovery arrangements in place. Comms and engagement to follow once arrangements finalised and 19/20 plan confirmed by Board.</p>	Both TD and PMO have potential resource implications both would be a spend to save and a review of existing resources/investments will be needed to free up funding.
	<b>Drivers of the deficit</b>	The Board has an understanding of the key areas driving the underlying deficit, but has not undertaken a comprehensive exercise to understand what aspects are within its control or not.	The Board should obtain an understanding of the size and drivers of its deficit. Understanding the causes of the structural and operational deficit will also allow the development of strategies and solutions that address the deficit in a sustainable manner.	Medium	Medium	The drivers behind the underlying position are not an output from the PWC programme of work, but the Health Board will undertake this analysis, based on a PWC project with Barking, Havering And Redbridge University Hospitals NHS Trust <ol style="list-style-type: none"> <li>a. Action: David to introduce Sue to the DoF</li> <li>b. Action: Sue to produce a report on the Deficit Drivers – mid June</li> </ol>	SH	14/06/2019	HIGH	This analysis is scheduled for July and is underway.	N
	<b>Financial information</b>	The rolled-forward baseline budget is adjusted for the impact of non-recurrent historical items and the full-year effect of cost pressures. However this approach does not facilitate and encourage action to address recurrent areas of overspend, which are effectively included within the rolled-forward budget.	Accurate and transparent financial and other information is needed throughout the organisation to underpin proactive financial management from budget holder-level upwards to understand the financial position.	HIGH	Medium	The HB is reviewing its budgeting process as part of the financial improvement agenda. This will be agreed at F & P.	SH	01/09/2019	HIGH	Financial and operational planning for 20/21 commences on 19 June with a planning workshop. A paper will be presented to F&P in July seeking support for a set of planning principles, which will incorporate a review of the budgeting process. UPDATE: Paper being taken to July F&P meeting.	N
		The Board should be clear that the recurrent position is understood and challenged appropriately as part of the planning process and update its understanding of the underlying position regularly throughout the year.	The Board should consider reporting on: <ul style="list-style-type: none"> <li>- the monthly run-rate and underlying performance; and</li> <li>- regular forecasting and business planning updates, including key allocation and budget movements (in line with the recommendation above re allocations).</li> </ul>	HIGH	Medium	The HB are reviewing and will be recommending improvements to the quality and relevance of financial reporting to F & P.	SH	30/06/2019	Medium	The Health Board has improved the analysis around the underlying deficit and has been progressing this in conjunction with the FDU. UPDATE: Detailed discussions have taken place with FDU about the Health Board's analysis of underlying position. Current assessments are being taken forward in the planning updates for 19/20 being considered by the Board in July. Planning assumptions for 20/21 will need to challenge financial baselines brought forward from earlier periods.	N

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	Funding and allocations	The Board spent £19.5m on managing performance targets in FY18/19. The Board received funding for the majority of this from WG. At this stage, we have seen no plans to indicate this will continue at the same value, or at all.	The Board should obtain clarity and commitment from WG regarding funding, particularly for RTT costs, in FY19/20 and ensure the financial plan reflects all expected costs.	HIGH	HIGH	The Heath Board are discussing RTT performance and funding on an ongoing basis with WG and are improving the internal process and reporting of RTT spend. We are also developing an operational plan with the intention of gaining WG approval and funding.	MW/SH	30/06/2019	HIGH	Assurances of funding in 2019/20 have been received from Welsh Government and spending proposals are being developed and implemented on this basis. Activity and financial planning is now more aligned. C. 40 percent of our RTT challenge is within orthopaedics - detailed and costed plans are going through board governance before end July. C. 90% of our diagnostics challenge is endoscopy and a similar approach is in place. Detailed work is underway with Hospital MDs to agree core capacity, activity implication of additional one off spending year to date, and the consequent overall RTT plan.	Agreement on resources will be required with WG. The Health will need to maximise its own efficiency and productivity.
		The initial allocation increased by £88m in FY18/19. The Board did not know the full extent of funding available at the start of the financial year per the opening allocation. This reduces the effectiveness of the Board to 'own' its financial plan. Tracing the key movements throughout the year is challenging, as allocation is often coded to reserves initially to ensure this is then matched to appropriate expenditure and budgets per the general ledger are changed throughout the year. This may lead to difficulty in creating an accurate financial plan due to uncertainty around timing and value, or result in a lack of clarity around budgets.	The Board should consider its core capacity requirements to manage waiting lists and consider what sustainable changes may be required to manage performance targets.	HIGH	HIGH	The Heath Board are discussing RTT performance and funding on an ongoing basis with WG and are improving the internal process and reporting of RTT spend. We are also developing an operational plan with the intention of gaining WG approval and funding	MW/SH	30/06/2019	HIGH	The Health Board is developing both a core capacity model and a comprehensive RTT activity and cost business case by specialty for 2019/20	N
			The Board should also consider carrying out a formal exercise to understand how income received should be allocated, to align with the divisional structure. This would increase the level of transparency in regard to income and expenditure in each division, and provide a more accurate understanding of its financial position.	HIGH	Medium	The discipline around revenue allocations will be reviewed and actioned as part of the financial improvement programme	SH	30/06/2019	LOW	The Management accounting team are developing a suite of consistent processes and improved relevance and quality of financial reporting in conjunction with transacting the new plan once approved and related budgets.	N
	Forecasting and accruals	Non-pay • M12 non-pay expenditure is higher than FY18/19 average by c.£18.7m, an increase of c30%.	The accuracy of forecasting and accruals should be considered given the significant increase of non-pay expenditure in M12.	Medium	Medium	The discipline and consistency around accruals will be reviewed and actioned as part of the financial improvement programme	SH	30/06/2019	Medium	The Health Board is developing a more streamlined forecasting tool in order to improve the accuracy of the financial forecast and the quality of management information in conjunction with transacting the new plan once approved. UPDATE: The Health Board is also involved with a national forecasting improvement initiative.	N
			Whilst there are specific reasons for this in a number of cases, the Board should be sure that any general increase in costs is understood in terms of the potential impact on FY19/20 going forwards.	Medium	Medium	The explanation and detail provided around accruals will be reviewed and actioned as part of the financial improvement programme	SH	30/06/2019	Medium	The Health Board is developing a more streamlined forecasting tool in order to improve the accuracy of the financial forecast and the quality of management information. UPDATE: central finance are also monitoring accruals levels across the organisation on a monthly basis.	N

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	Financial planning	<p>The FY19/20 financial plan does not include all known operational pressures, most crucially the ongoing costs of waiting list activity.</p> <p>This suggests a lack of clarity over priorities, especially where performance targets are continually expected to be met alongside financial targets.</p>	<p>The budget setting process including approving and rejecting of cost pressures and savings plans should include operational engagement.</p>	Medium	Medium	<p>The budget and planning process for 20/21 will be reviewed and agreed by a sub group of the F&amp;P</p>	SH/MW	30/09/2019	Medium	<p>Financial and operational planning for 20/21 commences on 19 June with a planning workshop. A paper will be presented to F&amp;P in July seeking support for a set of planning principles.</p>	N
		<p>The plan discusses areas of opportunity for savings, and refers to ensuring the wider impact of planned recurrent savings is reflected, e.g. service disinvestment or restructure. However, there is little information of how the transformation and savings programmes will be aligned to long term financial plans.</p> <ul style="list-style-type: none"> <li>We found little information regarding activity or demand/capacity planning within the plan. This may occur alongside financial planning but this should be clearly and transparently linked to financial plans for the organisation to understand its financial position fully.</li> </ul>	<p>The Board should review the planning and budget setting process to ensure this is structured and integrated across the service. This could include identifying integrated control totals by area or type of care. The Board should ensure that it understands the true cost of delivering services and that financial plans fully and accurately reflect this.</p>	Medium	Medium	<p>Evaluation of 2019/22 planning process underway. Timetable for 2020/23 integrated financial and operational planning to June 19 Finance and Performance Committee. Planned care core capacity baselines by hospital and specialty being signed off as part of 2019/20 RTT planning. This will provide a fixed point against which further changes in activity and funding can be considered together. The Executive Directors have considered the existing Health Board structure and how best to maximise the benefits of integrated working, who0ch will be discussed with the full Board to agree a way forward.</p> <p>The budget and planning process for 20/21 will be reviewed and agreed by a sub group of the F&amp;P</p>	SH/MW	30/09/2019	Medium	<p>See above for 2020/21 planning. Improvement Groups have an explicit financial focus and provide a mechanism to drive pan BCU thematic cost improvement.</p>	N
		<p>Types of care (e.g. secondary, primary, mental health) are operated as separate financial areas and there is currently no requirement to develop integrated financial plans. Some divisions may work closely with others, but there appears to be no structured approach to ensuring an overall financial strategy across divisions, which ensures consistent methods are utilised across all. This makes it difficult to understand the true cost of services and generate system-wide strategic plans which are underpinned with financial planning.</p>	<p>The Board should also consider how to make the planning process more transparent and consistent across the organisation. This should demonstrate how the financial plan is clearly linked to operational plans, health economy-wide plans and transformational plans. We recognise the Board recently appointed a Planning Director to focus on the planning requirements for the Board.</p>	Medium	Medium	<p>Health economy plans being developed for the first time in 2019/20 and are prompting new conversations. Plans for 2020/23 to be built on health economy plans. Improvement Groups under the direction of the Portfolio Management Group will lead the implementation of our plans and strategies in their respective areas including the identification and delivery of major cost improvement projects. The capacity and capability for planning and performance management across BCU is currently under review</p> <p>The budget and planning process for 20/21 will be reviewed and agreed by a sub group of the F&amp;P</p>	MW/SH	30/09/2019	Medium	<p>Health economy plans have been received and are currently under evaluation. Accountability reviews also have a health economy focus. Some evidence this is driving new behaviours and approaches to more integrated working.</p> <p>UPDATE: The approach to health economy plans is addressed in the planning approach assumptions paper being prepared for Committee in July.</p>	N

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	<b>Accountability for budget management</b>	The actual outturn within the most current plan varied significantly, primarily due to under-delivery against the 'turnaround' savings target. • The true levels of expenditure throughout FY18/19 have been offset by large underspending on ringfenced or specific funding. This may indicate that budget holders are not fully held to account for managing expenditure (both under and	The Board should review its accountability framework and consider how it holds budget holders to account for delivering under and overspends.	Medium	Medium	A number of recent changes have been made to the accountability framework. These need to be given time to embed themselves, alongside a range of other measures that have already been put in our are being considered (e.g. external Turnaround Director). Review effectiveness of accountability framework The accountability framework will be reviewed and refined as part of the delivery framework developed following our work with PWC	GD/MW/SH	30/09/2019	HIGH	The accountability reviews will be evaluated after the next round of meetings in early autumn. A revised accountability framework will be presented to the finance and performance committee.	N
	<b>Immediate cost control</b>	The Board has identified £4.2m of its target of £9.5m cost avoidance schemes, with a risk adjusted value of £1.9m. The organisation has been proactive in delivering 'quick-win' actions to improve this value.	The Board should consider areas of immediate cost control and improvement (with reference to the separate short report from PwC) to reduce and curtail expenditure.	HIGH	Medium	1. Grip and Control plan developed with engagement with key Execs 2. Quantification of benefits undertaken and agreed 3. Delivery Plan in place and monitoring arrangements in place	SG Pay SH Non Pay	1. 10/05/19 2. 17/05/19 3. 24/05/19	HIGH	1. Grip and Control developed and progressing against deadlines. (subject to separate report to FSG) 2. Quantification of benefits developed and agreed in terms of enabler for overall workforce optimisation schemes. 3. Delivery plan in place and on track with weekly reporting continuing. UPDATE: Refere to the latest position on the savings pipeline and the staus of schemes and pipeline.	Set out in Grip and Control Plan
	<b>Development of savings programme</b>	The Board has identified £15.3m of its target of £25m cash releasing savings, with a risk adjusted value of £5.1m. This is a significant risk to the delivery of the FY19/20 plan. The Board must take rapid action to improve its savings programme.	The Board should prioritise improvements to its savings programme, including the governance and framework surround these (with reference to the work currently being undertaken by PwC).	HIGH	HIGH	The accountability framework will be reviewed and refined as part of the delivery framework from PWC. Continue to develop the Board's savings programme and work with PWC to identify opportunities to meet the full savings requirement of £34.5m . Finalise BCU approach to driving cost reduction, specifically: (a) Our requirement for an external Turnaround Director for a period of between 6 - 12 months (b) The level of resource required in the PMO.	SH	Work with PWC as per agreed schedule of dates/outputs	HIGH	This has progressed significantly during June and both the Finance Savings sub group and the Financial Recovery Group are supporting the delivery of savings. UPDATE: Refere to the latest position on the savings pipeline and the staus of schemes and pipeline.	Both TD and PMO have potential resource implications both would be a spend to save and a review of existing resources/investment s will be needed to free up funding.
	<b>PMO governance</b> <b>Robust governance arrangements and clear roles and responsibilities</b>	• The PMO team's role and remit in driving transformation is predominantly administrative • The current resource within the team is minimal, which impacts the PMO team's ability to dedicate support to scheme authors. • The process by which schemes are appraised by the PMO is subjective and would benefit from clarity and for guidance to be circulated to divisional management and scheme authors. • The PMO has only recently set up an assurance forum (Savings Programme Task Group) which should provide independent oversight and assurance on the progression of schemes although this is still in its infancy.	Ensure the PMO function is resourced appropriately in order to focus on identifying additional FY19/20 saving schemes. This should include providing sufficient support to each of the divisional areas and to convert ideas into implementable opportunities which are then regularly monitored and tracked.	HIGH	Medium	1. Finalise BCU approach to driving cost reduction, specifically: (a) Our requirement for an external Turnaround Director for a period of between 6 - 12 months (b) The level of resource required in the PMO.	GD	24/05/19 to finalise approach then, dependent on decision and resource required, implementation ASAP	HIGH	1. Recovery Director appointed for 9 months commencing 1st July 1b. Capacity reviewed and revised structure developed as per action above. Financial recovery Group Established chaired by Director of Finance and Vice Chair Director of Workforce & OD (as Imporvement/DMO lead) UPDATE: Recovery Director has proposed arrangements for recovery.	Both TD and PMO have potential resource implications both would be a spend to save and a review of existing resources/investment s will be needed to free up funding.
			Build on WG guidance to provide further clarity to divisions on what is expected for a scheme to be rated as "Green" or "Amber".	HIGH	Medium	Further guidance to be developed	SH	31/05/2019	HIGH	The WG guidance has been distributed to divisions and a summarised version has been produced and shared with CFOs to cascade as appropriate. UPDATE: Additional guidance is being promoted through the Improvement Groups.	N

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	<p><b>PMO Governance</b></p> <p><b>Detailed plans and rigorous reporting</b></p>	<ul style="list-style-type: none"> <li>The PMO faces persistent challenges over PID and project plan quality, along with the quality of financial and activity analysis provided.</li> <li>A significant portion of the schemes are also dependent on reviews and future analyses. Following best practice, the review which explores the savings potential of a scheme needs to be done ahead of scheme submission in order to provide an evidence base which can be linked to a financial value.</li> </ul>	<p>Ensure that PMO issued guidance recommends that any reviews or further analysis is conducted ahead of scheme submission. This should be central to underpinning the financial evidence outlined within the PID.</p>	Medium	Medium	<p>Revise guidance on PMO submission and assessment. Enhance management sign off of submissions to include underpinning evidence. Provide training to operational teams to support schemes development</p>	GL/SH	Guidance updated by 31/5/19	Medium	<p>The Reporting process has been upgraded and improved and we will continue to streamline processes and accessibility. UPDATE: Refer current status of schemes and pipeline.</p>	N
	<p><b>PMO Governance</b></p> <p><b>Good engagement process</b></p>	<ul style="list-style-type: none"> <li>Although there is clear evidence of PMO engagement with relevant stakeholders, given resourcing challenges within the PMO team the capacity to provide engagement across the organisation is thin. This involves members of the team covering numerous divisions which impacts the team's capability to provide dedicated support where this is needed.</li> <li>The operational pressures which are currently being faced by the Board mean there is limited clinical and operational capacity to develop savings schemes. This is compounded by the reliance on interims/agency posts and management vacancies.</li> </ul>	<p>A formal communications plan for the Board-wide savings programme should be developed, specifically outlining key challenges along with periodic updates on performance against the savings plan. This will encourage staff engagement in the savings programme.</p>	Medium	Medium	<p>Finalise BCU approach to driving cost reduction, specifically: (a) Our requirement for an external Turnaround Director for a period of between 6 - 12 months (b) The level of resource required in the PMO.</p>	GD	Comms programme to commence week beginning 27/5/19	Medium	<p>Revised structure and approach for improvement and DMO aimed at addressing observations. In addition communication and engagement programme under development should provide the narrative to support the development of efficiency and productivity programmes</p>	N
	<p><b>PMO Governance</b></p> <p><b>Strategic alignment</b></p>	<ul style="list-style-type: none"> <li>The PMO team reports on schemes based on relevant classifications (i.e. transactional or transformational and whether they align with the strategic objectives).</li> <li>The Improvement team (which also sits under the Turnaround Director) focuses on generating future pipeline schemes which are transformational and which will deliver savings, although this approach is still in its infancy.</li> <li>Given the challenges outlined above, the organisation has limited capacity to focus on developing transformational schemes.</li> </ul>	<p>Ensure that strategic initiatives are driven centrally and supported by a suitably resourced (and experienced) PMO function to drive scheme development and delivery within each of the divisions.</p>	HIGH	Medium	<p>Revised approach to driving service improvement and cost reduction to be delivered as agreed at RATs. Finalise BCU approach to driving cost reduction, specifically: (a) Our requirement for an external Turnaround Director for a period of between 6 - 12 months (b) The level of resource required in the PMO.</p>	GD		HIGH	<p>Revised structure and approach for improvement and DMO aimed at addressing observations. In addition Communication and engagement programme under development should provide the narrative to support the development of efficiency and productivity programmes</p>	<p>Both TD and PMO have potential resource implications both would be a spend to save and a review of existing resources/investments will be needed to free up funding.</p>

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	<b>PMO Governance</b> <b>Providing challenge and support</b>	<ul style="list-style-type: none"> <li>The PMO does provide advice and supports the divisional management and scheme authors, although due to capacity issues the quality of this support is varied.</li> <li>It is not clear to what extent the PMO function applies the necessary pressure to divisional management in order to develop red rated schemes and identify further schemes to fill the gap between pipeline value and target.</li> </ul>	Ensure that the executive team and PMO apply appropriate pressure to divisional management to continue to develop their savings pipeline and identify new schemes to fill the savings gap.	<b>HIGH</b>	<b>Medium</b>	1. PMO reporting to be included within the accountability process for Divisions to ensure focus and prominence. 2. Weekly PMO programme review meetings with Divisional Directors to ensure scheme development and delivery. 3 appropriate escalation arrangements in place with Executives to address delivery concern.3 Finalise BCU approach to driving cost reduction, specifically: (a) Our requirement for an external Turnaround Director for a period of between 6 - 12 months (b) The level of resource required in the PMO.	GD	31/05/2019	<b>HIGH</b>	The Financial Recovery Group is providing further scrutiny of challenge and support to the operational teams. UPDATE: The Recovery Director has also commenced at the Health Board.	Both TD and PMO have potential resource implications both would be a spend to save and a review of existing resources/investments will be needed to free up funding.
	<b>PMO Governance</b> <b>Risk management</b>	<ul style="list-style-type: none"> <li>We did not observe a consistent framework for monitoring and reporting on risks associated with scheme slippage. Based on the information received, guidance on this was not provided in the WG risk stratification tool.</li> <li>We also did not see any evidence that RAG ratings for approved schemes affected the weighted pipeline value. This is recognised as best practice as it enables the PMO team to rapidly report on slippage and ensure mitigating actions are taken. This is also not covered in the WG guidance.</li> </ul>	Produce a risk management framework for reporting savings delivery slippage, and ensure this is reflected within the savings tracker	<b>HIGH</b>		1. Develop a risk management and reporting framework. 2. Ensure weighted pipeline value approach adopted in developing the revised savings programme with PWC (GL 14.05.19)	SH	1. 31/5/19 2. 30/6/19	<b>HIGH</b>	Revised structure and approach for improvement and DMO aimed at addressing observations. A change in process re Financial recovery Group signing off schemes will provide an additional scrutiny pre implementation of a Gateway management approach	
	<b>Investments</b>	The Board has a business case template and guidance, however this does not appear to have been consistently followed for items included in the FY19/20 plan. This guidance does not outline the key stages to approval or how the Board strategically assesses investments.	The Board is reviewing the business case policy and approval process currently This should ensure the policy includes clear requirements for improvement to quality/services and financial viability, and ensure this is communicated and followed.  This should include a clear process for holding project leads to account, clear viability criteria and routes for approval	<b>Medium</b>	<b>Medium</b>	A draft schedule of revenue and capital business cases is now in existence and will be shared with Executives - June. May F&P is received a detailed report confirming the governance behind new investments in the interim 2019/20 Annual Plan. The business case process has recently been reviewed by internal audit and an action plan has been developed. A further revision will reflect best practice in Welsh NHS and will be presented to F & P	MW/SH	31/07/2019	<b>Medium</b>	All these actions are on track. UPDATE: As part of the action plan addressing the Internal Audit, the organisation's various guidance on business cases will be reviewed, refreshed and relaunched, together with an overarching framework documents which clarifies the various scenarios when BCs are required.	N
		There seems to have been little proactive business planning throughout the year. This makes it difficult for the organisation to effectively plan its investment strategy and manage the process continually. The Board has recognised the need to strengthen its approach in line with the recently appointed director of planning.	The Board should consider attribution of ring fenced funding towards its intended requirement and making best use of project plans and milestones to understand the benefit delivery	<b>Medium</b>	<b>Medium</b>	The budget and planning process for 20/21 will be reviewed and agreed by a sub group of the F&P	MW/SH	30/09/2019	<b>Medium</b>	Financial and operational planning for 20/21 commences on 19 June with a planning workshop. A paper will be presented to F&P in July seeking support for a set of planning principles.	N

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		The lack of evidence of governance around investments in the FY19/20 plan demonstrates a clear issue in the ability for the Board to make informed decisions, which could lead to investment without appropriate strategic, financial or quality assessment		Medium	Medium	Report to May Finance and Performance Committee (MW 14.05.19) The discipline and consistency around the prioritisation and approval of investments will be reviewed and actioned as part of the financial improvement programme (SH 14.05.19)	MW/SH	30/06/2019	Medium	Report presented and approved at May F&P committee. UPDATE: Revision of business case templates and guidance underway, and will support good governance.	N
		Details of approval limits and appropriate delegation were not clear and do not appear to have been fully communicated amongst the team. This may lead to investments not being approved at the sufficient level resulting in a lack of joined-up understanding within the Board regarding the impact of investments.		Medium	Medium	The discipline and consistency around SFIs and the scheme of delegation will be reviewed and actioned as part of the financial improvement programme	SH/MW	30/06/2019	Medium	The Health Board has consulted with other Health Boards to benchmark the relevance and appropriateness of the SFIs and review of its application will now be integrated into the action plan UPDATE: Following the publication of new Operational Schemes of Delegation, a working group is being established to confirm that consistent and effective operational arrangements are in place across the divisions.	N
		We noted 3 sampled items were all reflective of increased pressures in FY18/19. Without sufficient supporting evidence, it is not possible to agree whether these have been appropriately included as investments or fit the requirements for 'Healthier Wales' funding.		Medium	Medium	The business case and planning processes will be further integrated for the 20/21 budgeting cycle.	SH/MW	30/06/2019	Medium	A draft planning timetable is being presented to F&P in July. UPDATE: BC templates and guidance is also being reviewed.	N
		We were unable to comment on larger scale transformational programmes, including Care Closer to Home, as no evidence was available. However, the Board should ensure it has appropriate mechanisms for holding partners to account for investment governance and return.		Medium	Medium	An Improvement Group is being established on Care Closer to Home (May 19) under the overall direction of the Portfolio Management Group. This will include local authority partners. The discipline and consistency around the prioritisation and approval of investments will be reviewed and actioned as part of the financial improvement programme.	MW/SH	30/06/2019	Medium	The terms of reference for the Improvement Group have been approved by the Portfolio Management Group.	N

Finance and Performance Committee  29.7.19	 <b>GIG CYMRU NHS WALES</b>   Bwrdd Iechyd Prifysgol Betsi Cadwaladr University Health Board  <b>To improve health and provide excellent care</b>
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<b>Report Title:</b>	Welsh Government Monthly Monitoring Return
<b>Report Author:</b>	Tony Uttley, Interim Director of Finance, Operational Finance
<b>Responsible Director:</b>	Sue Hill, Acting Executive Director of Finance
<b>Public or In Committee</b>	Public
<b>Purpose of Report:</b>	To report to the Committee the completion of monthly reporting to the Welsh Government for Month 3 of 2019-20
<b>Approval / Scrutiny Route Prior to Presentation:</b>	The submission made to Welsh Government was required to have CEO and CFO sign off.
<b>Governance issues / risks:</b>	None
<b>Financial Implications:</b>	None
<b>Recommendation:</b>	Note the contents of the report that has been made to the Welsh Government about the Health Board's financial position for the third month of 2019-20

<b>Health Board's Well-being Objectives</b> <i>(indicate how this paper proposes alignment with the Health Board's Well Being objectives. Tick all that apply and expand within main report)</i>	√	<b>WFGA Sustainable Development Principle</b> <i>(Indicate how the paper/proposal has embedded and prioritised the sustainable development principle in its development. Describe how within the main body of the report or if not indicate the reasons for this.)</i>	√
1.To improve physical, emotional and mental health and well-being for all		1.Balancing short term need with long term planning for the future	
2.To target our resources to those with the greatest needs and reduce inequalities	√	2.Working together with other partners to deliver objectives	
3.To support children to have the best start in life		3. Involving those with an interest and seeking their views	
4.To work in partnership to support people – individuals, families, carers, communities - to achieve their own well-being		4.Putting resources into preventing problems occurring or getting worse	
5.To improve the safety and quality of all services		5.Considering impact on all well-being goals together and on other bodies	
6.To respect people and their dignity			

7.To listen to people and learn from their experiences		
<b>Special Measures Improvement Framework Theme/Expectation addressed by this paper</b>		
None		
<a href="http://www.wales.nhs.uk/sitesplus/861/page/81806">http://www.wales.nhs.uk/sitesplus/861/page/81806</a>		
<b>Equality Impact Assessment</b>		
<i>There is no impact on equality</i>		

*Disclosure:**Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board*



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

# MONITORING RETURN

MONTH 3 2019/20

Sue Hill

Acting Executive Director of Finance

Betsi Cadwaladr University Health Board

# 1. FINANCIAL POSITION & FORECAST

## 1.1 Year to Date Position

- Welsh Government has set the Health Board a control total of £25m and a new plan has been developed to move towards this. The Health Board's current plan and budgetary management reflects a deficit of £35m. The new plan will be submitted to the Board in July and, once agreed, this will need to be reflected in the Health Board's budgets and devolved to its various divisions together with related savings targets. This will be in place for Month 4 reporting.
- PwC are working with the Health Board to support the identification and conversion of further savings opportunities that will help move the organisation towards the £25.0m control total.
- At the end of Month 3 the Health Board is overspent by £11.0m. This is £2.2m higher than the current plan deficit of £8.8m.
- The key reasons for the year to date over spend are outlined below.
  - Savings schemes across divisions that have not yet been allocated to specific budgets (£2.3m). Total savings delivered by Month 3 are £4.3m against budgeted anticipated savings of £7.2m, a shortfall of £2.9m. Of this, £2.3m is held within divisions against unallocated budgets under Other Non-pay and £0.6m is allocated across expenditure budgets and so absorbed into the overall position.
  - Over spends in a number of divisions, with some off-setting underspends in others.
- The interim plan for Month 3 was a £2.9m deficit. The actual position was £3.4m, £0.5m higher than plan. This reflects an improving overall expenditure run rate relative to Months 1 and 2.

## 1.2 Forecast Position

- The Health Board's forecast at Month 3 is a deficit of £35.0m, as per the interim financial plan for 2019/20.
- Slippage against the plan for the first quarter of the year is expected to be recovered over the remainder of the year. The forecast for the rest of 2019/20 has been adjusted to reflect this.

## 1. FINANCIAL POSITION & FORECAST

### 1.3 Income (Table B)

- Income has been forecasted in line with the original plan plus new income that has been identified since.
- The Health Board has anticipated RTT income of £13.7m for the full year, of which £3.4m has been spent up to Month 3.
- Discussions are ongoing with Welsh Government about the full extent of RTT plans and the amount reflected in financial forecasts will be kept under review as these progress. The Health Board is currently undertaking a detailed review of its demand, capacity and core requirements to significantly refine the expected cost for 2019/20. The amount currently forecasted does not include additional expenditure that may be required to improve performance trajectories up to the required levels.

### 1.4 Non-pay (Table B)

- Non-pay costs total £228.4m, giving a year to date over spend of £3.7m against the planned budget.

<b>Primary Care</b>	- Under spends continue – GDS is forecast to break even with GMS forecast to under spend by £0.2m.
<b>Primary Care Drugs</b>	<ul style="list-style-type: none"><li>- Prescribing data is received two months in arrears. There are a range of forecasting options used to estimate this two months accrual and BCU uses the lowest forecast methodology in its monthly reported position. April 2019 data was received in June and showed costs similar to those for March. Cost per prescribing day has increased by 1.5% from April 2018 to April 2019. This increase has not been extrapolated into the 2019/20 position, therefore the anticipated costs included in the position are based on a flat trend from 2018/19. This approach will be kept under review, and there remains a degree of risk in our forecast.</li><li>- The £0.4m year to date overspend relates to community dressings, which were a significant cost pressure last year and have continued to be in 2019/20. A savings scheme is in place to reduce these costs.</li></ul>
<b>Secondary Care Drugs</b>	<ul style="list-style-type: none"><li>- Costs have fallen in Month 3 to the lowest for the year so far. However there is still an in-month over spend (£0.2m), albeit at a lower level than in previous months.</li><li>- Key areas of pressure this year are due to Haematology (£0.2m),</li></ul>

## 1. FINANCIAL POSITION & FORECAST

<b>Clinical Supplies</b>	<p>Oncology (£0.1m), Dermatology (£0.3m), Diabetes (£0.2m) and Mental Health drugs (£0.1m).</p> <ul style="list-style-type: none"> <li>- Costs have remained in line with the average for the year.</li> <li>- Under spends are seen against contractual clinical services (£0.2m), primarily arising from reduced outsourcing activity within Radiology.</li> <li>- Cost pressures seen last year in vaccines and continence products have not materialised in 2019/20.</li> </ul>
<b>General Supplies</b>	<ul style="list-style-type: none"> <li>- The £1.0m decrease in costs in June relates to a Medical Education adjustment and is offset by a decrease in income.</li> <li>- Catering provisions (£0.1m) and legal &amp; professional fees (£0.1m), are the primary areas where cost pressures are evident.</li> </ul>
<b>Healthcare Services provided by other NHS Bodies</b>	<ul style="list-style-type: none"> <li>- The WHSCC contract has a year to date under spend of (£0.1m).</li> <li>- The Countess of Chester contract is currently under spent, however it is anticipated that there will be an increase in activity over the next few months as waiting lists have reopened to Welsh patients.</li> <li>- It is currently forecast that Commissioning contracts will breakeven by the end of the year.</li> </ul>
<b>Continuing Health Care (CHC) and Funded Nursing Care (FNC)</b>	<ul style="list-style-type: none"> <li>- Expenditure on CHC has reduced by £0.2m from May, primarily due to decreases in Mental Health costs.</li> <li>- CHC is £0.7m over spent for the year, with FNC being balanced.</li> <li>- The key risk area relates to Mental Health, with a £0.5m over spend for 2019/20.</li> <li>- The Area teams are £0.2m over spent, with the main area of pressure continuing to be in the West. The Areas are particularly impacted by Elderly Mental Health CHC cases where costs and cases continue to rise. The Area teams are working with Mental Health to try and identify actions that can be taken to reduce activity.</li> <li>- Backdated inflation payments are included within the Month 10 forecast.</li> </ul>
<b>Other Costs</b>	<ul style="list-style-type: none"> <li>- This category includes all other areas of non-pay expenditure.</li> <li>- The over spend position for the year relates to:             <ul style="list-style-type: none"> <li>• Unallocated/unidentified savings schemes across Divisions (£2.3m) – of the £2.9m shortfall of savings against planned and budgeted delivery, £2.3m sits in Other Non-pay and £0.6m is allocated across other expenditure categories.</li> <li>• Travel (£0.5m)</li> <li>• Power (£0.1m)</li> <li>• Postage (£0.1m)</li> <li>• Rents (£0.1m).</li> </ul> </li> </ul>
<b>Capital</b>	<ul style="list-style-type: none"> <li>- Capital costs include depreciation and impairment costs, which are fully funded.</li> </ul>

## 1. FINANCIAL POSITION & FORECAST

- The capital charges in the Month 3 position reflect the non-cash submission presented in June 2019. In addition the impairment forecast calculation was included.
- The YGC redevelopment scheme completes in the first quarter of 2019/20. As a result, a full reconciliation will be undertaken and the District Valuer (DV) will complete a House Keeping valuation for the development. An initial review was undertaken to produce an indicative valuation to allow the Health Board the opportunity to declare the AME impact.
- AME Impairments have been included as the indicative impairment value for the YGC redevelopment is material and also has an impact on the DEL depreciation forecasted. All impairment values may change once the necessary information is received from the DV.

### 1.5 Reserves (Table B)

- All reserves and movements are identified in Table B, including the phasing patterns.

### 1.6 Accountancy Gains (Table B)

- There were no accountancy gains reported in the month.

### 1.7 Pay (Table B2)

- Total Health Board pay (excluding Primary Care functions) is £188.5m, which is an under spend against plan of £0.5m. Total pay including Primary Care is £194.2m, a year to date over spend of £0.5m.
- April's pay expenditure included the 1.1% lump sum payable to Agenda for Change staff who were on the top of scale. The cost of this was £2.5m and accounts for increased year to date monthly average.
- Over spends continue in areas of high agency usage (Medical and Dental and Additional Clinical Services (for Health Care Support Workers)). The high level of nursing vacancies remains, leading to an under spend on Nursing and Midwifery.
- Admin & Clerical continues to under spend due to a significant number of vacancies across all areas.

## 1. FINANCIAL POSITION & FORECAST

- Professional Scientific & Technical pay costs have reduced in Month 3, with a year to date under spend and the majority of this relates to vacancies within Psychology that remain unfilled.

## 2. UNDERLYING POSITION

### 2.1 Underlying Position (Table A1)

- Since last month we have updated our analysis of underlying position, reflecting ongoing discussions with Welsh Government.
  - We have some residual issues resolving validation errors on Table A. We would welcome a further discussion with Welsh Government about this, and also about the Welsh Government income figure reflected in the initial plan.
-

## 3. RING FENCED ALLOCATIONS

### 3.1 Ring Fenced Allocations

- **GMS** - The expected uptake on the newer Enhanced Services (Diabetes and NOAC) in the first 3 months has been lower than expected, resulting in a current forecast under spend of £0.152m. Further uptake of the Enhanced Services will be closely monitored to ensure the overall **GMS** forecast remains robust, particularly in light of the expanding number of Managed Practices, which can be volatile and have a material impact on the **GMS** forecast.
- All other ring-fenced allocations are forecast to be fully utilised.

## 4. NET EXPENDITURE PROFILE ANALYSIS

### 4.1 Net Expenditure Profile Analysis (Table B1)

- CHC inflation is forecast to be paid in Months 10 onwards, including any backdated payments within Month 10.

## 5. AGENCY/LOCUM EXPENDITURE

### 5.1 Agency/Locum Expenditure (Table B2)

- Expenditure on agency staff for Month 3 is £2.7m, representing 4.3% of total pay, a decrease of £0.3m from May.
- Medical agency costs decreased by £0.2m from May to an in-month spend of £1.1m. The main areas of spend are Ysbyty Glan Clywd (£0.3m), Ysbyty Gwynedd (£0.2m) and Mental Health (£0.3m) accounting for 75.5% of the month's spend. Medical agency is primarily used to cover vacancies.
- Nurse agency costs totalled £1.1m for the month, a reduction of less than £0.1m from the prior month. Agency nurses continue to support the sustained pressures arising from unscheduled care and provide cover for the large number of vacancies in Secondary Care. The use of agency nurses is particularly an issue for Wrexham (£0.6m in-month) and Ysbyty Glan Clwyd (£0.4m in-month), which together account for 89.1% of these costs in June.
- Other agency costs have remained the same as Month 2 at £0.6m and mainly arise from Allied Health Professionals (£0.3m) and Admin and Clerical (£0.2m).

## 6. SAVINGS ASSUMPTIONS

### 6.1 Savings / Recovery Plan Requirement (Table C, C1, C2 & C3)

- To deliver the Health Board's control total of £25.0m will require £10.0m of cash releasing savings in year above the £25.0m cash releasing savings already reflected in the current plan.
- Additional savings opportunities are being worked up, aimed at reduce the Health Board's deficit and recovering the year to date shortfall against the Health Board's current plan. Pipeline opportunities are also in development.

### 6.2 Identified Savings / Plans

- Monitoring Return tracker green, amber and income generation schemes identified total £21.0m against a current target of £34.5m. This leaves a gap of £13.5m, an improvement of £2.6m over last month.
- Identified cash releasing savings schemes included in the tracker amount to £15.4m against a requirement of £25.0m, leaving a gap of £9.6m. This represents a £0.8m improvement on last month. A further £5.8m of cash releasing schemes have been identified. These have yet to be agreed by and allocated to divisions, at which point they will be brought into the tracker.
- Identified cost avoidance schemes included in the savings tracker amount to £5.5m, compared with £3.6m at Month 2, an improvement of £1.9m.
- In addition, £0.2m of income generation schemes remain in the savings tracker.

### 6.3 Savings Delivered

- Total savings delivered by Month 3 are £4.3m against planned scheme profiles of £3.4m, £0.9m ahead of the year to date plans.
- However, the budget had anticipated £7.2m of savings overall, so the position at Month 3 is £2.9m behind budgeted delivery. Of this £2.9m shortfall of savings against planned and budgeted delivery, £2.3m is held within divisions against unallocated budgets under Other Non-pay and £0.6m is allocated across expenditure budgets and so absorbed into the overall position

## 6. SAVINGS ASSUMPTIONS

- Work continues on the development of further cash releasing and pipeline schemes, and on resource utilisation schemes which form an important part of the Health Board's efficiency programme for 2019/20.

## 7. INCOME ASSUMPTIONS

### 7.1 Income Assumptions (Tables D & E)

- At the end of June the Health Board has spent £3.1m on additional activity to reduce the long waiting lists. Welsh Government RTT income, which it is anticipated will be received to fund this activity, is included in the position. Discussions continue with Welsh Government regarding this funding and until confirmation is received, it remains a residual risk that we have not enumerated at this stage.
- Non-contracted income figures in Table D are based on the 2018/19 outturn. The HEIW figure is an estimate for the full year.

## 8. HEALTH CARE AGREEMENTS AND MAJOR CONTRACTS

### 8.1 Contract Approvals

- All of the Health Board's Welsh Expenditure and Income LTA's/SLA's were agreed before the deadline of 31<sup>st</sup> May 2019.

### 8.2 Contract Performance

- Contracts are reporting an over spend for Month 3 of £0.1m, with a year to date underspend of £0.1m relating to the WHSCC contracts.

## 9. RISK MANAGEMENT

### 9.1 Risk Management (Table F)

- Significant focus is currently being given to address the Health Board's deficit position. Approaches are being put in place to increase grip and control, reduce expenditure and to identify and convert savings and efficiency opportunities.
- The full year forecast is £35.0m, which aligns with the Health Board's current plan deficit of £35.0m. The current plan is being re-worked to address the lower control total of £25.0m that has been set for the Health Board.
- The table below outlines the outstanding key risks relative to current plan. It is recognised that the additional savings measures that need to be introduced to progress from a plan of £35.0m towards a control total of £25.0m represent an additional risk.

Risks	Risks £'m	Risk level	Explanation
Primary Care Prescribing	(2.25)		<p>Prescribing data is only received two months in arrears. There are a range of forecasting options used to estimate this two months accrual ranging from the all-Wales HSW Forecast to a BCU locally derived version. BCU uses the lowest forecast methodology in its monthly reported position, giving rise to a possible financial risk between the BCU model and the worst-case model.</p> <p>The risk is reviewed and updated monthly as the latest prescribing data becomes available. April 2019 data was received in June and showed costs similar to those for March. Cost per prescribing day has increased by 1.5% from April 2018 to April 2019. This increase has not been fully extrapolated into the 2019/20 position, giving rise to a risk against the forecast used.</p> <p>There are a wide range of Prescribing Savings Schemes in place to manage spend and growth. Head of Pharmacy and Finance leads monthly to discuss and share areas of cost growth and savings opportunity in order to mitigate the risk.</p> <p>The estimated risk does not include any potential growth in the number of drug items added to the No Cheaper Stock Obtainable (NCSSO) price list, which therefore represents an additional (unquantified) risk.</p>

## 9. RISK MANAGEMENT

	Risks	Risk level	Explanation
Continuing Healthcare (CHC)	(1.8)		<p>The financial plan approved by the Board explicitly excluded providing growth funding for CHC.</p> <p>The risk on CHC is primarily in relation to OPMH CHC. There has been a significant increase in growth/no of cases, some high cost, within recent months.</p> <p>We are working to try to resolve the issue but there is a growing trend in dementia patients with a pressure on available bed capacity.</p>
Underperformance of savings plans	(9.6)		<p>Identified cash releasing savings schemes included in the tracker amount to £15.4m against a requirement of £25.0m, leaving a gap of £9.6m.</p> <p>Work continues on the conversion and delivery of identified schemes, and the development of further schemes which will address over-spends and progress towards plan for 2019/20.</p>

## 10. STATEMENT OF FINANCIAL POSITION & WELSH NHS DEBTORS

### 10.1 Statement of Financial Position (Table G)

- Key movements during June 2019 included:
  - Non-current assets – Property, plant and equipment: Reduction of £6,016k due to £8,528k depreciation less £2,399k newly capitalised in year.
  - Trade and other receivables: Alignment of revenue resource allocation drawn down against budget, as additional cash was drawn ahead of profile to cover the year to date deficit and movements in working capital - deficit of £10,955k plus circa £10,500k working capital cash.
  - Trade and other payables:
    - Reduction of £12,052k in revenue payables and £3,713k in capital payables. Revenue payables reduction includes £4,860k relating to Accounts Payable, £4,483k for commissioning accruals and £1,224k for CHC/FNC accruals.
    - The in-month movement is an increase as there was no second pharmaceutical payment in June, less reductions in commissioning accruals with WHSSC and reduction in Accounts Payable system balance.
  - Provisions: Reduction of £4,636k in clinical negligence provisions due to payments made and revised quantum from Legal and Risk Services and reductions in CHC/FNC provisions
  - General Fund: £5,500k Capital drawdown from Welsh Government, less £10,955k year to date deficit.

### 10.2 Welsh NHS Debtors (Table M)

- The Health Board had 6 outstanding Welsh NHS invoices between 11 and 17 weeks old at the end of June 2019, with a total value of £30,052.
- One invoice with £2,794 outstanding has been paid in July 2019. Escalation letters have been sent for the other 5 invoices.

## 11. CASH FLOW FORECAST

### 11.1 Cash Flow Forecast (Table H)

- The closing cash balance as at 30<sup>th</sup> June 2019 was £5.0m which included £3.1m of cash held for capital expenditure. The revenue cash balance of £1.9m was within the internal target set by the Health Board.
- Table H – Monthly cash flow forecast is currently reporting a forecast shortfall of £46.108m as at 31<sup>st</sup> March 2020, with a total cash requirement of £46.415m in order to maintain the opening revenue balance of £0.307m.
- The Health Board is currently assuming that both the opening capital cash balance of £3.665m and all in-year capital funding will be fully utilised during 2019/20.
- The total cash requirement of £46.415m consists of £35.0m to support the forecast deficit position as per Table B, £10.0m in respect of revenue working capital balances and £1.415m in respect of capital resource allocations that were not drawn in 2018/19.
- Revenue working capital balances relate to a general reduction in Accounts Payable balances in 2019/20 due to cash management actions at the end of the 2018/19 financial year and in-year spend relating to resource only allocations received during March 2019.

Revenue cash requirements 2019/20	£'000
Opening revenue balance	307
Forecast revenue deficit	(35,000)
Working capital balances	(10,000)
<b>Underlying forecast revenue cash shortfall</b>	<b>(44,693)</b>
<b>Anticipated Funding requests</b>	
Strategic cash assistance	35,000
Working capital balances support	10,000
<b>Forecast closing revenue cash balance</b>	<b>307</b>

## 11. CASH FLOW FORECAST

<b>Capital cash requirements 2019/20</b>	<b>£'000</b>
<b>Forecast cash spend</b>	
Approved Capital Resource limit	(21,725)
Donated asset income	(1,578)
Disposal proceeds	(356)
Anticipated working capital balances support	(1,415)
Utilisation of opening balance	(3,665)
<b>Total cash requirements</b>	<b>(28,739)</b>
<b>Forecast cash funding</b>	
Opening capital balance	3,665
Approved Capital Resource limit	21,725
Donated asset income	1,578
Disposal proceeds	356
Anticipated working capital balances support	1,415
<b>Forecast capital cash funding</b>	<b>28,739</b>
<b>Forecast closing capital cash balance</b>	<b>0</b>

## 12. PUBLIC SECTOR PAYMENT COMPLIANCE

### 12.1 Non-NHS Invoices (Table I)

- Performance in 2019/20 has been good, with a cumulative compliance rate of 96.4% by number (96.3% in Month 3), well above the 95.0% target.
- Performance based on invoice value is even higher at 97.6%.
- Actions taken during last year have continued into 2019/20, resulting in a sustained positive performance.

### 12.1 NHS Invoices (Table I)

- Performance for NHS invoices in terms of numbers did not meet the 95.0% benchmark in 2018/19. Developments seen in the latter part of last year have continued into 2019/20. However there has been a slight fall in performance in Month 3, giving a cumulative rate of 93.8%, slightly below the benchmark.
- The relatively low number of NHS invoices that are processed (500 on average a month) make this figure sensitive to small fluctuations, so focus will continue on identifying additional areas for improvement.
- The Health Board paid 1,507 NHS invoices during quarter 1 and this shortfall in the target equated to 18 invoices. The main reason for the shortfall was payment of a batch of 17 aged invoices to an English NHS Trust for pathology testing. The department has been contacted to understand the reasons behind the delay in paying the invoices and to try and prevent recurrence in the future.
- Performance based on invoice value is significantly better at 99.7%.

## 13. CAPITAL SCHEMES AND OTHER DEVELOPMENTS

### 13.1 Capital Resource Limit (Table J)

- The Capital Resource Limit at Month 3 is £21.7m. Year to date expenditure is £2.4m against a plan of £4.0m. The year to date slippage of £1.6m will be recovered throughout the remainder of the year.

### 13.2 Capital Programme (Table K)

- The table below provides an update by Capital programme scheme.

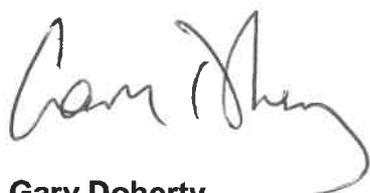
### 13. CAPITAL SCHEMES AND OTHER DEVELOPMENTS

All Wales Schemes	CRL/ Planned YTD 2019/20 £'000	2019/20 Forecast Out-turn £'000	Variance £'000	2019/20 Expenditure M3 £'000	YTD Planned £'000	Narrative
<b>Capital Projects Approved Funding</b>						
SuRNICC - FBC works	350	574	224	31	164	SuRNICC is complete and operational. The completion of the multi faith room is due to be completed in September 2019.
PAS System	996	1,255	259	71	127	The project board has agreed on a revised programme. The upgrade in the East is due to take place followed by the implementation in the West.
Substance Misuse - The Elms Development	265	625	360	391	625	The contractor is progressing well on the site and the scheme has been handed over. External works is in progress and the final account will be reviewed shortly.
Substance Misuse - Holyhead, Anglesey	418	676	258	1	100	The scheme is design stage. Once completed it will go tender.
Substance Misuse - Shotton, Flintshire	1,325	1,340	15	0	115	The scheme is design stage. Once completed it will go tender.
Emergency Department System	701	701	0	0	0	The scheme is currently being reviewed and a formal programme will be produced.
Ysbyty Gwynedd - Emergency Department	1,496	2,526	1,030	995	1,096	The scheme is progressing well and is due to complete in September 2019.
North Denbighshire Community Hospital Progress Redevelopment of Ablett Unit @ YGC from SOC to OBC	2,404	2,404	0	-	200	The Full Business Case is being progressed and the fees will be due this financial year.
<b>All Wales Total</b>	<b>8,804</b>	<b>10,950</b>	<b>2,146</b>	<b>1,489</b>	<b>2,427</b>	The Outline Business Case is being progressed and the fees will be due this financial year.
<b>Discretionary Total</b>	<b>12,921</b>	<b>10,775</b>	<b>(2,146)</b>	<b>910</b>	<b>1,565</b>	The discretionary capital programme has been formally agreed by the Finance and Performance Committee. The programme is progressing.
<b>Overall Total</b>	<b>21,725</b>	<b>21,725</b>	<b>0</b>	<b>2,399</b>	<b>3,992</b>	

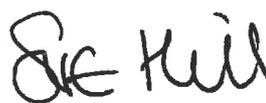
## 14. SUMMARY

### 14.1 Summary

- The figures contained within this report are consistent with the financial ledgers and internal reports of the Health Board.
- The Health Board has anticipated income in our full-year position that is not reflected in our ledger to cover RTT funding (referred to earlier in this report).
- The Month 3 Monitoring Return will be received by the Health Board's Finance and Performance Committee on the 29<sup>th</sup> July 2019.



**Gary Doherty**  
**Chief Executive**



**Sue Hill**  
**Acting Executive Director of Finance**



## 14. SUMMARY

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**Gary Doherty**  
**Chief Executive**

**Sue Hill**  
**Acting Executive Director of Finance**

## 14. SUMMARY

### Month 2 Monitoring Return Responses

#### Movement of Opening Financial Plan to Forecast Outturn (Table A)

I note that the Opening Plan section still does not agree with the last version of the AOP submission. Given that you refer to a planned deficit of £35m and the last AOP submission showed a £35m deficit, I would be grateful if this could be reflected in the top section of Table A (currently you are reporting a £29.348m opening plan deficit, with a further £6.417m of cost pressures shown on line 12, amounting to £35.765m; the underlying b/f does not agree with M12 and the cost pressures are shown as net of WG income instead of gross). To assist, I have provided a table below showing the breakdown that I would expect to see in your Month 3 submission. **(Action Point 1.2)**

	£'000	£'000	£'000	£'000
1 Underlying Position b/fwd from Previous Year - as per 3 year plan (Surplus - Positive Value / Deficit - Negative Value)	-56,398	0	-56,398	-56,398
2 New Cost Pressures - as per 3 year plan (Negative Value)	-48,305	0	-48,305	-48,305
3 Opening Cost Pressures	-104,703	0	-104,703	-104,703
4 Identified Savings Plan (Positive Value)	17,514	1,415	16,099	17,111
5 Savings Yet To Be Identified (Positive Value)	12,328	1,270	11,058	11,058
6 Welsh Government Funding (Positive Value)	39,703	0	39,703	39,703
7 Net Income Generated (Positive Value)	158	0	158	162
8 Planned Accountancy Gains (Positive Value)	0	0	0	0
9 Unallocated Reserves (Positive Value)	0	0	0	0
10				
11 Opening Financial Plan	-35,000	2,685	-37,685	-36,669

#### Response

We have updated the presentation of the underlying position and the opening plan in this month's MR.

#### Movement of Opening Financial Plan to Forecast Outturn (Table A)

I note your response to AP 1.4. The current outturn position is based on the delivery of £11.563m (£12.328m – less £0.744m additional in year savings (lines 13 & 14) and additional in year income £0.020m (line 16)) of savings plans which are currently 'yet to be identified'. It is vital that these savings are finalised imminently with delivery profiles being brought forward, to ensure you have a robust plan in totality, which will significantly reduce risk. **(Action Point 1.4)**

## 14. SUMMARY

### Response

Further progress has been made advancing our savings programme, and continues to be made ongoing. The current position is reflected in this month's MR.

### Movement of Opening Financial Plan to Forecast Outturn (Table A)

I note your response to AP 1.5. Once your schemes have been finalised, please undertake a further review of the FYE assessment, as these should have a greater positive impact on your forecast underlying position. **(Action Point 1.5)**

### Response

We have updated the presentation of the underlying position and the opening plan in this month's MR.

### Underlying Position (Table A1)

As referenced above in AP 1.2, the opening underlying position b/f from 18.19, should agree to the final position reported at Month 12. To assist, I have extracted this detail into a table below and I would be grateful if you could replicate this in your Month 3 Table A. **(Action Point 2.1)**

		£'000
1	Previous Years Outturn / Current Years Forecast Outturn	(41,279)
2	Non Recurring Savings (Negative Value)	(2,414)
3	Non Recurring Mitigating Actions (Negative Value)	(1,873)
4	Non Recurring RRL Income - Allocated (Negative Value)	(3,802)
5	Non Recurring RRL Income - Anticipated (Negative Value)	
6	Non Recurring Other Income/Disposals (Negative Value)	
7	Non Recurring Accountancy Gains (Negative Value)	(3,105)
8	Non Recurring Cost Avoidance - Outside of Savings Plan (Negative Value)	
9	Full Year Effect of Recurring Savings Adjustment (Full Year less In Year) (Positive Value)	223
10	Full Year Effect of New Cost Pressures Adjustment (Full Year less In Year) (Negative Value)	(4,146)
11	Other Non Recurring Factors (Negative Value) - please specify in narrative	
12	Other Non Recurring Factors (Positive Value) - please specify in narrative	
13	Total	(56,398)

### Response

## 14. SUMMARY

We have updated the presentation of the underlying position and the opening plan in this month's MR.

### **Underlying Position (Table A1)**

Please note that the FYE recurring column on Table A shows the c/f underlying position. This should be consistent with the value shown as your c/f position in sections A,B & C of Table A1. **(Action Point 2.2)**

### **Response**

We have updated the presentation of the underlying position and the opening plan in this month's MR.

### **Underlying Position (Table A1)**

Please use line 6 to show the FYE ADJ of your Income Generation (£0.026m) as a positive value. A separate line will be created next year, for this particular item. **(Action Point 2.3)**

### **Response**

Noted.

### **Underlying Position (Table A1)**

I note you are choosing a reporting methodology to assign a greater proportion of your FYE recurring savings against your underlying position, rather than against your FYE cost pressures which results in the need to report new unmitigated recurring cost pressures. Please consider using a methodology where the 19.20 FYE recurring actions firstly offset 19.20 FYE cost pressures with any balance being available to offset against the underlying position. Excluded the opening and closing columns, £20.994m (this is your M2 reported net value but this will change once updated for the APs referred to in this letter) would be the only item you need to report in section B & C. Adopting this methodology would provide greater clarity, is less complex and will not change your forecast u/l deficit value. If, however, you wish to retain your current methodology; please provide a detailed analysis of all the new FYE recurring cost pressures which you state you are unable to mitigate

## 14. SUMMARY

and therefore do not have a funding source. **(Action Point 2.4)**

### Response

We have updated the presentation of the underlying position and the opening plan in this month's MR.

### Monthly Positions/Net Expenditure Analysis (Table B/B1/B2)

The narrative describes the variance (£1.7m) against plan (2/12ths of £35m) as £2.1m unidentified savings (2/12ths), Drugs (£0.7m) and CHC (£0.6m) overspends; offset with underspends on Primary Care and overachieved income. These latter two items have not been quantified, but combined must equate to £1.7m. Going forward please quantify each of the items separately within your narrative explanation, so that we can validate these against your tables. **(Action Point 2.5)**

### Response

Comment noted – we have simplified the narrative for Month 3.

We will also re-consider the level of narrative in Month 4, in the context that we will also be updating our plan/budget numbers and will need to explain movements in this context.

### Monthly Positions/Net Expenditure Analysis (Table B/B1/B2)

I note the changes made to your monthly positions, following a review of your spend on Table B, which has materially reduced the March deficit from £10.5m to £4.9m. Although I acknowledge the improvements, I remain concerned about the robustness of your monthly position profile. Please continue to review and refine this, particularly once your savings gap has been eliminated. **(Action Point 2.6)**

### Response

Noted. We will keep this under ongoing review from Month 4, when we will be

## 14. SUMMARY

updating plan/budget numbers.

### **Monthly Positions/Net Expenditure Analysis (Table B/B1/B2)**

I note the additional narrative on page 5 & 6 this month to support the year to date and forecast financial position, by spend areas. Please continue to review and refine this, ensuring that the year to date, correlates to your opening narrative on pg1 (i.e. the £1.7m deficit above plan). **(Action Point 2.7)**

### **Response**

Comment noted – we have simplified the narrative for Month 3.

### **Monthly Positions/Net Expenditure Analysis (Table B/B1/B2)**

I note you have not reported any expenditure reserves in Section E of Table B. I wish to clarify that this table should be completed with data relating to your 'committed' reserves, that form part of spend in Table B section A. I therefore ask that this is again reviewed and completed, if you are holding such reserves. **(Action Point 1.11)**

### **Response**

See current month table B, linking to table B1.

### **Monthly Positions/Net Expenditure Analysis (Table B/B1/B2)**

Please ensure that any material movements in gross expenditure (B1), over the 12 month profile, are explained in your narrative (within section 4): one example would be the material increase in Primary Care spend in M12. **(Action Point 2.7)**

### **Response**

See updated forecasts and commentary in current month's MR.

## 14. SUMMARY

### Monthly Positions/Net Expenditure Analysis (Table B/B1/B2)

I note that combined NET variances on Table B1 at Month 1 were nil. These have increased to £27.310m at Month 2. I would expect combined annual NET variances (lines 21, 36, 51, 66, 80 & 97), to be nil as you have no mitigating items reported outside of six sections mentioned (e.g. profit of sale of assets) that would be offsetting the NET expenditure variances

Your total income on Table B at Month 2 has increased by £17.897m (for which you can legitimately amend gross plan values).

Please therefore review the gross expenditure plans for M3, taking into account any increased income, and eliminating the combined net annual variances of £27.310m (i.e. annual net variances on the categories, when combined, should equal nil). **(Action Point 2.8)**

### Response

Noted. We have reviewed the position for Month 3. We will be putting additional procedures in place to support granular reporting between ledger and MR in Month 4, alongside transitioning to a new plan.

### Monthly Positions/Net Expenditure Analysis (Table B/B1/B2)

I note your response to AP 1.12 and that the savings profile will need to be adjusted once you have worked through your plans; however, for Month 3, please review your forecast expenditure on agency (Table B2) and ensure the data is robust. **(Action Point 1.12)**

### Response

Noted and updated.

### Savings (Table C, C1, C2, C3)

## 14. SUMMARY

Having reviewed your tables, I note you have changed a number of the Month 1 values - savings plan and actual delivery (Pay, Non Pay Table C, the sub analysis on Pay Table C1 and this has changed the Month 1 values reported in Table B1). Going forward, please do not make any changes to previously reported data, without prior discussion with my team. **(Action Point 2.9)**

### Response

Noted – we will update this along with our transitioning to a new plan in Month 4. We are also providing additional guidance for correct use of the “Month 1[/Opening plan]” flag in the MR table.

### Savings (Table C, C1, C2, C3)

I note that there are still a number of schemes on the Tracker (C3) that are described as “targets” or “% transactional”. I again request that you review the descriptions for Month 3. **(Action Point 1.13)**

### Response

Noted – we have now flowed through updated scheme descriptors through our databases.

### Savings (Table C, C1, C2, C3)

Also on the tracker, are three scheme (AE012, AE012 & YMW020) which have FYE values, yet are expected to deliver no savings this year. If the forecast delivery is correct at nil, then it is premature to include a FYE for 19.20; instead these will become your new schemes in 2020.21. Please review and correct as necessary. **(Action Point 2.10)**

### Response

Noted.

## 14. SUMMARY

### Savings (Table C, C1, C2, C3)

It is pleasing to note that actual savings delivery (£1.446m) increased at Month 2; although your current profile shows this will reduce to £1.225m at Month 3 and will not increase to the level achieved at Month 2, until Month 6. I will look to your future submissions for assurance that your identified scheme profiles are robust and that you are taking all necessary action to ensure delivery is as early in the year as possible, in order to reduce risk. **(Action Point 2.11)**

### Response

Noted. The current month's MR reflects the current updated position on the savings programme.

### Risks (Table F)

I wish to acknowledge the improvements made to the reporting of your risks and opportunities at Month 2. I also note the positive assessment against your identified savings, in that you do not assess a risk of non-delivery. I acknowledge your comments on the risk of excess spend for CHC and Prescribing; however, please continue to review the assessment and when appropriate reflect the output from the 'directorates are seeking out more cost avoidance', as the opportunity to mitigate, should this risk materialise. **(Action Point 1.17)**

### Response

Noted.

### Capital Resource Limits

I would be grateful if you could inform me of the split between capital and revenue cash balance b/f at the start of the year (£3.972m). **(Action Point 2.12)**

### Response

As confirmed in Section 11.1 of the Month 2 Monitoring Return narrative the opening capital cash balance as at 1 April 2019 was £3.665m with the remaining £0.307m relating

## 14. SUMMARY

to revenue funding. The “Capital Cash Requirements 2019-20” table within the narrative shows how this opening balance is expected to be utilised during the 2019-20 financial year.

In terms of in-year funding and spend, cumulative capital draw down at Month 2 was £3.500m which when added to the opening cash balance gave a total available capital cash balance of £7.165m. Capital spend to Month 2 as reported in Table H was £5.293m resulting in a closing capital balance of £1.872m as at 31 May 2019.

The remaining cash balance of £2.916m as at 31 May 2019 related to revenue funding.

### Capital Resource Limits

Please review the ‘date of Ministerial approval’ in section A of Table L. It would appear that the dates after line 2, are incorrect. **(Action Point 2.13)**

### Response

The Ministerial approval dates within Section A of Table L have been corrected for the Month 3 submission.

### Other

I note your response to AP 1.23, in that you will report by exception. However, as a minimum, please reference that fact in your main narrative, so that a clear positive statement is made that all other ring fenced allocations are being fully utilised. **(Action Point 1.23)**

### Response

Comment noted – we have updated the narrative for Month 3.

## **NHS WALES SHARED SERVICES PARTNERSHIP SUMMARY PERFORMANCE REPORT BETSI CADWALADR UNIVERSITY HEALTH BOARD Period 1<sup>st</sup> January 2019 – 31<sup>st</sup> March 2019**

### **Introduction**

The purpose of this report is to provide summary performance data in respect of the services provided by NHS Wales Shared Services Partnership (NWSSP) for the quarter ended 31st March 2019.

The report provides end of quarter detail for the Health Board for the rolling twelve-month period to 31st March 2019 (Appendix 1/2) and further detail of the March 2019 position for all health organisations (Appendix 3).

### **Performance Summary**

#### *Financial Information*

NWSSP returned £2m direct savings to NHS Wales compared to an original budget of £750k. For BCU a cash distribution of £240K was distributed for 18/19. In addition, professional influence benefits generated for Wales totals £110m for the year to March. This is made up of £31m Procurement Savings, £14m of savings relating to Specialist Estates Services and £65m of Legal and Risk savings. This includes £19.69m that can be attributed to BCU.

#### *Employment Services – Payroll*

The performance accuracy data produced for payroll services provides detail regarding the performance after accounting for the supplementary payroll. This reflects amendments and payments made in the period which would otherwise have been missed and represents benefits for organisations and employees. For BCU the reported payroll accuracy prior to the supplementary payroll was reported as 99.43%, this increased to 99.72% following the supplementary payroll. This was in line with the position reported in the previous quarter and represents continuing strong performance against the target of 99%.

#### *Employment Services – Recruitment*

For March KPI performance driven by BCU showed the organisation missing time to shortlist with 6.3 days reported against the target of 3 days, this was an improvement on the quarter 3 performance which was reported as 7.9 days. Time to approve vacancies missed the target with 17.6 days reported against the 10 day target, this was again a deterioration on the quarter 3 performance of 10.9 days. Notification of outcome KPI achieved the target with 2.3 days reported against a target of 2 days, this was an improvement on the previous quarter of 5 days.

For KPI performance driven by NWSSP recruitment team all performance targets were met. For time to place adverts 1.7 days was reported against a target of 2 days. For time to send applications to manager 1 days was reported against a target of 2 days and for time to send conditional offer letter 3.4 days was reported against a target of 4 days.

The majority of Recruitment related calls are handled on behalf of All Wales in the South East region The Calls Answered percentage KPI achieved the 95% target for the quarter with 99.13%.

### *Procurement Services*

For the year to March 2019 procurement savings for Wales were reported as £31m, against a target of £11m. This included savings of £6.399m for BCU, compared to a target of £1.611m.

The volume of invoice lines on hold greater than 30 days decreased from 5,264 in December 2018 to 4,122 in March 2019. Within this, the invoice lines on hold greater than 30 days marked as disputed was reported as 43.7%.

The level of automated invoicing represents a key area for the efficiency of the Accounts Payable system and BCU achieved the target of 83%, reported as 85% year to date.

The Public Sector payment target of 95% was achieved for the Health Board with reported compliance of 95% for the year to date.

Invoice Turnaround within 4 days is reported as 83.6% against a 90% target, which is an improvement on the previous quarter.

### *Internal Audit*

To the end of March 77% of audits were reported against the target of 91%, with further audits in progress. The Health board indicator of 80% of management responses to draft report received within 15 days was slightly missed; with 78% reported. 100% performance was reported against the target of 10 days for draft response to final report.

### *Primary Care Services*

The published KPIs for contractor services relate to services provided to contractors. For the quarter ending March 2019 the indicators provided for BCU demonstrated full achievement against all indicators relating to payments made, cascade alerts, engagement and transfers.

The All Wales key performance indicator for Prescribing Services for keying accuracy rates has been consistently met with 99.55% reported for January, against the target of 99%. For the year to January 2019 a total of 68.351m prescriptions were processed. This represents a slight increase compared to the 67.809m processed at this point of the previous year.

### *Welsh Risk Pool*

The KPIs reported for Welsh Risk Pool relate to the management of claims processed through bimonthly committee meetings. For the 4<sup>th</sup> quarter 100% performance has been achieved for acknowledgement and processing and paid.

### *Legal and Risk Services*

The KPIs for acknowledgement within 1 day and response to advice within 3 days are consistently reported as achieving the 90% target. Achievement of the KPI related to time to raise invoices for the 4<sup>th</sup> quarter is reported at 96% achieving the 90% target.

## **Conclusion**

Reported performance for March 2019 was good. However, NWSSP will continue to work with BCU to continue to improve performance against recruitment times and delivering the Audit Plan.

**Organisation specific KPIs January 2019 – March 2019**

<b>BCU High Level - KPIs March 2019</b>		<b>Health Org Position</b>	<b>Health Org Position</b>	<b>Health Org Position</b>	<b>Health Org Position</b>
	<b>Target</b>	<b>30/06/2018</b>	<b>30/09/2018</b>	<b>31/12/2018</b>	<b>31/03/2019</b>
<b>Financial Information</b>					
Direct Savings Notified - YTD	£90k	£90K	£210k	£240k	£240k
Professional Influence Savings - YTD		£3.469m	£15.909m	£18.36m	£19.69m
<b>Employment Services</b>					
Payroll services					
Payroll accuracy rate prior to Supp	99%	99.54%	99.58%	99.52%	99.43%
Payroll accuracy rate post Supp	99%	99.77%	99.79%	99.76%	99.72%
<b>Organisation KPIs Recruitment</b>					
Resignation to Vacancy Start date	5 days	52.4 days	45.1 days	46.6 days	48.7 days
Time to Approve Vacancies	10 days	5.9 days	9.1 days	10.9 days	17.6 days
Time to Shortlist by Managers	3 days	4.7 days	7.2 days	7.9 days	6.3 days
Time to notify Recruitment of Interview Outcome	3 days	3.4 days	4.7 days	5 days	2.3 days
<b>NWSSP KPIs Recruitment</b>					
Time to Place Adverts	2 days	1.8 days	1.8 days	1.6 days	1.7 days
Time to Send Applications to Manager	2 days	1.9 days	1.3 days	1 days	1 days
Time to send Conditional Offer Letter	4 days	3.5 days	3.7 days	3.6 days	3.4 days
Calls Answered % Quarterly Average	95%	98%	96.10%	97.90%	99.13%
<b>Procurement Services</b>					
Procurement savings - YTD	£1.611m	£2.078m	£4.874m	£5.704m	£6.399m
Invoice Lines on Hold > 30 days		5,452	5,219	5,264	4,122
% Invoice Lines as being in dispute >30 days		18.30%	31.80%	37.37%	43.70%
E Enablement invoices	83%	80.60%	81.10%	84.00%	85.10%
Invoice Turnaround within 4 Days	90%	93.90%	82.50%	69.90%	83.60%
PSPP Compliance non NHS - YTD	95%	94.80%	95.30%	95.10%	95%
<b>Primary Care Services</b>					
Primary Care payments made accurately and to timescale	100%	100%	100%	100%	100%
Patient assignments actioned within 24 hours	100%	100%	100%	100%	100%
Medical record transfers to/from GPs and other primary care agencies within 6 weeks	95%	97%	93%	97%	96%
Urgent medical record transfers to/from GPs and other primary care agencies > within 2 working days	100%	100%	100%	100%	100%
Cascade Alerts issued within timescale	100%	100%	100%	100%	100%
Bi annual SLA meetings with LHBs	100%	100%	100%	100%	100%
<b>Internal audit</b>					
Audits reported % of planned audits - YTD	91%	11%	34%	50%	77%
Report turnaround management response to Draft report - YTD	80%	n/a	63%	82%	78%
Report turnaround draft response-final- YTD	80%	n/a	100%	100%	100%

**All Wales KPIs January 2019 – March 2019**

<b>ALL WALES KPIs</b>		<b>30/06/2018</b>	<b>30/09/2018</b>	<b>31/12/2018</b>	<b>31/03/2019</b>
<b>Primary Care Services</b>					
Prescription - keying Accuracy rates (Jan)	99%	99.69%	99.69%	99.77%	99.55%
Prescriptions processed (Apr-Jan)	67.809m	80.891m	26.947m	47.530m	68.351m
<b>Welsh Risk Pool</b>					
Acknowledgement of receipt of claim	100%	100%	100%	100%	100%
Valid claims processed in time for next WRP committee	100%	100%	100%	100%	100%
Claims agreed paid within 10 day	100%	100%	100%	100%	100%
<b>Legal and risk</b>					
Advice acknowledgement- 24 hrs	90%	99%	99%	99%	99%
Advice response – within 3 days	90%	97%	98%	99%	99%
Invoices requested within 21 day	90%	90%	94%	95%	96%

**All Health Organisation KPIs March 2019**

<b>KPIs March 2019</b>	<b>Target</b>	<b>ABMU</b>	<b>AB</b>	<b>BCU</b>	<b>C&amp;V</b>	<b>CT</b>	<b>HD</b>	<b>PHW</b>	<b>POW</b>	<b>VEL</b>	<b>WAST</b>	<b>HEIW</b>
<b>HEALTH ORG KPIs</b>												
<b>Financial Information</b>												
Direct Savings Notified - YTD		Target £93k Actual £249k	Target £74k Actual £197k	Target £90k Actual £240k	Target £79k Actual £210k	Target £51k Actual £139k	Target £58k Actual £155k	Target £6k Actual £17k	Target £14k Actual £39k	Target £9k Actual £23k	Target £9k Actual £26k	n/a
Professional Influence Savings- YTD	£10m	£15.97m	£24.31m	£19.69m	£9.92m	£7.63m	£14.57m	£3.56m	£0.38m	£1.74m	£1.12m	n/a
<b>Employment Services</b>												
Payroll services												
Payroll accuracy rate prior to Supp	99%	99.33%	99.36%	99.43%	99.37%	99.46%	99.81%	99.63%	99.39%	99.61%	99.59%	
Payroll accuracy rate post Supp	99%	99.66%	99.68%	99.72%	99.68%	99.73%	99.91%	99.81%	99.70%	99.81%	99.79%	
<i>Organisation KPIs Recruitment</i>												
Resignation to Vacancy Start date	5 days	48.4 days	41.9 days	48.7 days	42.9 days	40.8 days	44.5 days	47.0 days	16.9 days		34.5 days	
Time to Approve Vacancies	10 days	5.2 days	9.8 days	17.6 days	16 days	11.4 days	18.2 days	5.9 days	10.1 days	5 days	7.1 days	
Time to Shortlist by Managers	3 days	5.9 days	6.6 days	6.3 days	7.1 days	7 days	2.8 days	7.1 days	6.0 days		10 days	4.7 days
Time to notify Recruitment of Interview Outcome	3 days	4 days	4 days	2.3 days	5 days	3.2 days	1.7 days	4.5 days	1.5 days	7 days	6.7 days	5.5 days
<i>NWSSP KPIs Recruitment</i>												
Time to Place Adverts	2 days	1.6 days	2.0 days	1.7 days	1.9 days	1.9 days	1.5 days	1.7 days	1.6 days	1 day	1.5 days	2 days
Time to Send Applications to Manager	2 days	1 day	1.8 days	1 day								
Time to send Conditional Offer Letter	4 days	3.6 days	3.9 days	3.4 days	3.8 days	3.8 days	3 days	3.5 days	3.7 days	4 days	3.1 days	4 days
Calls Answered % Quarterly Average	95%	99.13%	99.13%	99.13%	99.13%	99.13%	99.13%	99.13%	99.13%	99.13%	99.13%	99.13%
<b>Procurement Services</b>												
Procurement savings- YTD		Target £2.446m Actual £5.826m	Target £1.992m Actual £5.288m	Target £1.611m Actual £6.399m	Target £2.217m Actual £5.098m	Target £0.891m Actual £3.942m	Target £1.263m Actual £3.786m	Target £0.086m Actual £0.075m	Target £0.065m Actual £0.203m	Target £0.365m Actual £0.828m	Target £0.038m Actual £0.214m	
Invoice Lines on Hold > 30 days		4,267	3,130	4,122	7,108	2,395	2,083	306	578	862	485	79

<b>KPIs March 2019</b>	<b>Target</b>	<b>ABMU</b>	<b>AB</b>	<b>BCU</b>	<b>C&amp;V</b>	<b>CT</b>	<b>HD</b>	<b>PHW</b>	<b>POW</b>	<b>VEL</b>	<b>WAST</b>	<b>HEIW</b>
% Invoice Lines as being in dispute >30 days		64.0%	48.1%	43.7%	44.3%	34.5%	56.2%	44.8%	19.6%	64.3%	13.6%	44.3%
Volume of Invoices paid against a PO (PO invoices)	80%	Not Reported										
E Enablement invoices - YTD	83%	94.90%	92.70%	85.10%	98.30%	95.30%	94.20%	95.80%	66.40%	96.40%	73.20%	97.30%
Invoice Turnaround within 4 Days	90%	74.00%	70.10%	83.60%	93.40%	83.00%	86.20%	92.50%	85.60%	93.10%	89.20%	83.20%
Accounts Payable Call Handling %	95%	98.60%	98.60%	Not Available	98.60%	98.60%	98.60%	98.60%	Not Available	98.60%	Not Available	98.60%
PSPP Compliance non NHS- YTD	95%	94.8%	95.1%	95.00%	95.0%	96.2%	96.1%	96.1%	95.80%	97.40%	97.00%	Not Available
<b>Internal audit</b>												
Audits reported % of planned audits - YTD		Target 96% Actual 91%	Target 69% Actual 79%	Target 91% Actual 77%	Target 93% Actual 76%	Target 87% Actual 79%	Target 88% Actual 70%	Target 81% Actual 75%	Target 83% Actual 83%	Target 94% Actual 75%	Target 73% Actual 73%	Target 63% Actual 50%
Report turnaround (15 days) management response to Draft report - YTD	80%	77%	56%	78%	46%	59%	76%	92%	82%	73%	82%	100%
Report turnaround (10 days) draft response-final- YTD	80%	97%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
<b>Primary Care Services</b>												
Primary Care payments made accurately and to timescale	100%	100%	100%	100%	100%	100%	100%	N/A	100%	N/A	N/A	N/A
Patient assignments actioned within 24 hours	100%	100%	100%	100%	100%	100%	100%	N/A	100%	N/A	N/A	N/A
Medical record transfers to/from GPs and other primary care agencies within 6 weeks	95%	95%	73%	96%	84%	84%	93%	N/A	93%	N/A	N/A	N/A
Urgent medical record transfers to/from GPs and other primary care agencies within 2 working days	100%	100%	100%	100%	100%	100%	100%	N/A	100%	N/A	N/A	N/A
Cascade Alerts issued within timescale	100%	100%	100%	100%	100%	100%	100%	N/A	100%	N/A	N/A	N/A
Bi annual SLA meetings with LHBS	100%	100%	100%	100%	100%	100%	100%	N/A	100%	N/A	N/A	N/A

Finance and Performance Committee

29.7.19



GIG  
CYMRU  
NHS  
WALES

Bwrdd Iechyd Prifysgol  
Betsi Cadwaladr  
University Health Board

To improve health and  
provide excellent care

<b>Report Title:</b>	Financial Policies and Processes
<b>Report Author:</b>	Tony Uttley, Interim Director of Finance – Operational Finance
<b>Responsible Director:</b>	Ms Sue Hill, Acting Executive Director of Finance
<b>Public or In Committee</b>	Public
<b>Purpose of Report:</b>	The purpose of this report is to brief the Committee on the framework of Health Board financial policies and related processes, and the current status of these documents.
<b>Approval / Scrutiny Route Prior to Presentation:</b>	This report is subject to scrutiny by the Finance and Performance Committee.
<b>Governance issues / risks:</b>	<p>This report does not impact on Governance issues or risks.</p> <p>The maintenance and promotion of financial policies and related processes supports effective financial governance, risk management and the exercise of grip and control across the Health Board.</p>
<b>Financial Implications:</b>	<p>The Health Board has a number of financial policies and procedures, which are made accessible to staff in various ways.</p> <p>In some cases the Health Board is bound by national requirements, and in others it develops and maintains its own organisational requirements.</p> <p>A general refresh of all Health Board controlled documents is currently underway, coordinated by the Office of the Board Secretary. This will position all controlled documents well for transition to updated internet and intranet sites in due course.</p> <p>A number of finance-related documents have been or are currently being reviewed. These are being reformatted in line with corporate requirements prior to the Committee being updated further. All such work is expected to be complete within Q2.</p> <p>Ongoing review of finance related policies and procedures will be in line with corporate policy, although reviews are completed sooner where a need for revision is identified. For example, we have recently reviewed our procedures relating to salary over and under payments in order to strengthen certain aspects.</p>

	<p>A number of areas have also been identified where there are no existing Health Board controlled documents, and where it may be appropriate for new ones to be developed; or where documents do exist but would benefit from supplementation. Specific areas being considered are Business Cases, Overseas Visitors, Budgetary Management and establishment Control. Further work on these areas is expected to be complete within Q2.</p> <p>In addition a number of areas have been identified within finance operations that would benefit from additional material, and these are currently being progressed. For example:</p> <ul style="list-style-type: none"> <li>• Following the annual external audit and internal lessons learned exercise we are progressing potential procedural changes and targeted staff training;</li> <li>• We have been developing our approaches to monthly financial reporting in 19/20. Following the establishment of the new financial plan we will be aligning our approaches to reporting and related procedures in order to support delivery.</li> </ul>
<b>Recommendation:</b>	<p>That the report be noted, including the actions to:</p> <ul style="list-style-type: none"> <li>• continuously update the Health Board's Financial Policies and related procedures; and</li> <li>• make these accessible to relevant Health Board staff.</li> </ul>

<b>Health Board's Well-being Objectives</b> <i>(Indicate how this paper proposes alignment with the Health Board's Well Being objectives. Tick all that apply and expand within main report)</i>	✓	<b>WFGA Sustainable Development Principle</b> <i>(Indicate how the paper/proposal has embedded and prioritised the sustainable development principle in its development. Describe how within the main body of the report or if not indicate the reasons for this.)</i>	✓
1.To improve physical, emotional and mental health and well-being for all		1.Balancing short term need with long term planning for the future	✓
2.To target our resources to those with the greatest needs and reduce inequalities	✓	2.Working together with other partners to deliver objectives	
3.To support children to have the best start in life		3. those with an interest and seeking their views	
4.To work in partnership to support people – individuals, families, carers, communities - to achieve their own well-being		4.Putting resources into preventing problems occurring or getting worse	✓
5.To improve the safety and quality of all services		5.Considering impact on all well-being goals together and on other bodies	
6.To respect people and their dignity			
7.To listen to people and learn from their			

experiences		
<p><b>Special Measures Improvement Framework Theme/Expectation addressed by this paper</b></p> <p>It is fundamental that all staff meet the expectations defined by the Health Board for effective financial management. These are set out and maintained through a suite of controlled policies and other documents and processes that are targeted at specific staff groups and financial management aspects, and are communicated to relevant staff in various ways.</p>		
<p><b>Equality Impact Assessment</b></p> <p>Not applicable as no impact.</p>		

## **Executive Summary**

This report outlines the Health Board's framework of financial policies and related processes, and the current status of these.

### **OVERALL FINANCIAL GOVERNANCE**

#### ***Standing Orders***

The Health Board's Standing Orders define how the Board will function. The all-Wales model is currently under review by Welsh Government and the updated model is anticipated in the next couple of months.

#### ***Standing Financial Instructions***

The Health Board's Standing Financial Instructions (SFIs) are part of its Standing Orders and set out the "financial rules" that all staff must follow. These tend to follow a national all-Wales layout, tailored locally as required by each NHS organisation.

An all-Wales review is currently underway, with Health Board representation, and this will also consider the wider suite of financial policies and supporting processes that could support SFIs and best practice. This may result in proposals to update our financial governance framework in future. Early indications from mapping the Health Board's suite of documents against other bodies are that there are no fundamental gaps relative to those other bodies.

#### ***Scheme of Reservation and Delegation of Powers***

The Scheme of Reservation and Delegation of Powers (SORD) is part of the SFIs. This defines where powers and authorities lie in our organisation, and where they are delegated to specific post-holders.

These post-holders may sub-delegate authority within their respective business areas through individual Operational Schemes of Delegation (OSDs). A good OSD will effectively deploy authorities and responsibilities to best achieve a local area's business objectives.

### **POLICIES AND PROCEDURES**

In accordance with the Health Board's OBS-01 Policy on Policies, the Health Board has developed a number of controlled policies and other documents that address various aspects of financial management.

A general refresh of all controlled documents is currently underway. This is being coordinated by the Office of the Board Secretary and will position all the Health Board's controlled documents well for transition to updated internet and intranet sites in due course.

Some financial documents are detailed technical procedures that will typically apply only to finance professional staff. Others are applicable to all Health Board staff, whether within finance or not, typically because these documents address aspects that any staff can affect through the decisions and actions they take.

This is particularly the case as the Health Board operates a devolved budget management system where decisions and actions are taken within individual divisions. The role of the controlled documents is to set common corporate standards in how those local decisions and actions are taken.

The refreshment of finance-related policies and procedures is being prioritised on the basis of financial impact and risk. The reach of policies and procedures across the whole organisation is one consideration in relation to this, as is the direct subject matter covered by the related documents.

As part of the refreshment of finance policies and procedures, we are also considering whether additional conformance, audit and other monitoring activity is required. For example we are currently reviewing expenses to identify themes and trends for further compliance checking.

## **OTHER RELATED MATERIAL**

In addition to the above, the Health Board promotes a range of guidance and other material relating to aspects of financial management.

For example our shared services partner is involved in training staff on aspects of procurement and the purchase to pay cycle. Guidance and newsletters produced by NWSSP are also available to the Health Board's staff and are published on our intranet site.

In addition to reviewing the content of intranet pages intended for the Health Board's controlled documents, we have recently refreshed the finance series of intranet pages, with a focus on pan-BCU Financial Management and Recovery.

These pages include finance material for non-finance managers. They highlight the training, support and advice that can be accessed within the Finance team from around the Health Board.

We are currently considering the development and promotion of cases studies as an effective means of conveying the value of applying the Health Board's policies and procedures in practice. We have a number of potential cases studies which could be used covering issues that have arisen for example from our Counter Fraud work and our conformance monitoring (eg use of waivers).

## **CURRENT STATUS OF DOCUMENTS**

Details of relevant policies and related processes, together with their respective status, are shown in the Appendix.

A number of documents have been reviewed recently or are currently being reviewed. These will be reformatted in line with corporate requirements prior to the Committee being updated further.

A number of areas have also been identified where there are no existing Health Board controlled documents, and where it may be appropriate for new ones to be developed; or where documents do exist but would benefit from supplementation. These include:

- Business cases – The Health Board follows Welsh Government requirements for capital investment. The Health Board's controlled documents for both capital and revenue investment are currently under review in conjunction with the development of an overarching framework document that explains the various business case scenarios and the respective approaches.
- Overseas visitors – The Health Board has produced A Guide for Overseas Visitor (dated 5/2013). This is currently being reviewed, and the need for additional policy and procedure being considered to strengthen the Health Board's approach to ensuring that only those entitled receive free healthcare.

- Consideration of establishing new Policies on Budgetary management and Establishment Control, in order to elevate the significance of current processes in these areas.

In addition a number of areas have been identified within finance operations that would benefit from additional internal procedures, and these are currently being progressed.

Following the annual audit and lessons learned exercise we are progressing potential procedural changes and targeted staff training within specific technical areas of finance.

We have also been developing our approaches to monthly financial reporting in 19/20. Following the establishment of the new financial plan we will be aligning our approaches to reporting and related procedures in order to support delivery.

## APPENDIX: DETAILED REVIEW OF FINANCIAL POLICIES AND PROCEDURES

### Standing Orders

	Last reviewed/approved	Status Comments
Standing Orders	4/18 ( <i>Note below</i> )	Held on external internet site
Standing Financial Instructions	9/16	
Scheme of Delegation	3/19	
<b>Held on intranet only:</b>		
Operational Schemes of Delegation	Subject to annual review by the Governance team	Recently updated versions are currently being loaded onto the corporate policies intranet page, and will form the basis of promotion across the organisation – Q2.

**Note:** Review has been deferred pending Welsh Government's review of model Standing Orders (as reported to the Audit Committee).

### Financial Policies and other Procedures

	Last reviewed/approved	Next review date	Comments
No PO No Pay Policy	Based on all Wales policy		
F02 Lease Car Policy	1/19	1/21	Link from finance intranet page to overall lease scheme page available to staff
BCUHB Lease Car Scheme Q&A	n/a	n/a	Content moved from Finance page to separate scheme page for staff – link on Finance page to be updated (Q2).
Expenditure Guidelines	4/10	n/a	These are old guidelines which no longer apply (areas covered through grip and control) - to be removed from the intranet (Q2).
F03 Local Anti Fraud Bribery and Corruption Policy	5/18	4/21	Aligned with national requirements set out in Standards.
Policy for Banking Arrangements	4/10	n/a	These are old transitional arrangements which no longer apply - to be removed from the intranet (Q2).
F01 Patient Property Procedure	n/a	n/a	This is currently under review by Finance/Nursing following an Internal Audit of the Health Board's arrangements (Q2).
F015 Patient property and monies – general office	10/18	10/20	Deals just with general office aspects – to be re-considered in conjunction with F01 above.

Patient Property Forms and Investigation Process	n/a	n/a	To be re-considered in conjunction with F01 and F015 above.
TUI Policy and Procedure for Top-up Payments	9/12	5/17	This relates to Medicines Management – we are currently confirming appropriate intranet location and review approach (Q2).
F04 Cash Collection and Banking Procedure	2/15	7/19	Currently being reviewed (Q2).
F05 Income and Debt Recovery Procedure	2/17	2/19	Review completed – minor changes reflected. Currently being re-formatted in line with corporate requirements (Q2).
F14 Salary overpayment and underpayment procedure	7/17	6/22	Recently reviewed and updated to strengthen certain aspects – new version currently being formatted in line with corporate requirements (Q2).
F06 Losses and Special Payments	2/17	2/19	Review completed – minor changes reflected. Currently being re-formatted in line with corporate requirements (Q2).
F07 Petty Cash Procedure	7/17	7/19	Currently being reviewed (Q2).
F08 Purchasing Card Procedure	2/17	2/19	Review completed – minor changes reflected. Currently being re-formatted in line with corporate requirements (Q2).
F09 Reimbursement of Travel to Hospital Costs	2/17	2/19	Review completed – minor changes reflected. Currently being re-formatted in line with corporate requirements (Q2).
F10 Retention and disposal of property found on Health Board premises	3/17	3/20	None.
F011 Debit and Credit Card Payment	9/17	9/19	Review coming up soon – Q2.
F012 Debit and Credit Card refund procedure	9/17	9/19	Review coming up soon – Q2.
F013 Request to waive SFIs	3/18	1/20	Typically used where standard procurement approaches cannot be followed eg single tenders (process recently automated).
F016 Arranging a hospital funeral	12/18	12/20	None.
Reimbursement of expenses	n/a	n/a	Currently being reviewed (Q2).

## Business cases

	Last reviewed/approved	Next review date	Comments
Capital: <ul style="list-style-type: none"> <li>• CAP01 Capital Accounting Principles</li> <li>• CAP02 Capital Management Procedure</li> <li>• CAP03 Capital Financial Procedure</li> </ul> Business case template			Based on mandated national accounting framework requirements – <b>we are improving linkages to NHS Wales website, and also linking to review work underway on overall business case framework (Q2).</b>  Welsh Government template.
Revenue			<b>Currently being reviewed (Q2).</b>

## Other material

	Last reviewed/approved	Next review date	Comments
Procurement Guidelines	7/17	n/a	Based on all Wales guidelines
Procurement Newsletters	Various periodical editions	n/a	All Wales

Finance and Performance Committee  29.7.19	 <b>GIG CYMRU NHS WALES</b>	Bwrdd Iechyd Prifysgol Betsi Cadwaladr University Health Board
To improve health and provide excellent care		

<b>Report Title:</b>	Summary of In-Committee business to be reported in public
<b>Report Author:</b>	Diane Davies, Corporate Governance Manager
<b>Responsible Director:</b>	Sue Hill, Acting Executive Director Finance
<b>Public or In Committee</b>	Public
<b>Purpose of Report:</b>	<p>To report in public session that the following items were considered at the Finance and Performance Committee held in private session on 25.6.19</p> <ul style="list-style-type: none"> <li>• PWC report</li> <li>• Financial Plan 2019/20</li> <li>• Musculoskeletal and Orthopaedic Service plan update</li> <li>• Outline Business Case (OBC) for delivering an Acute Digital Health Record (DHR)</li> <li>• Medical and Dental Agency Locum Report</li> <li>• 2019/20 WG monthly monitoring return</li> <li>• Previous minutes Savings Programme Group meeting held on 23.5.19 and 24.4.19</li> </ul>
<b>Approval / Scrutiny Route Prior to Presentation:</b>	The issues were considered by the Committee at its private in-committee meeting
<b>Governance issues / risks:</b>	Standing Order 6.5.3 requires the Board to formally report any decisions taken in private session to the next meeting of the Board in public session. This principle is also applied to Committee meetings.
<b>Financial Implications:</b>	The financial implications were discussed at the meetings
<b>Recommendation:</b>	The Committee is asked to note the report

<b>Health Board's Well-being Objectives</b> <i>(indicate how this paper proposes alignment with the Health Board's Well Being objectives. Tick all that apply and expand within main report)</i>	√	<b>WFGA Sustainable Development Principle</b> <i>(Indicate how the paper/proposal has embedded and prioritised the sustainable development principle in its development. Describe how within the main body of the report or if not indicate the reasons for this.)</i>	√
1.To improve physical, emotional and mental	✓	1.Balancing short term need with long	✓

health and well-being for all		term planning for the future	
2.To target our resources to those with the greatest needs and reduce inequalities	✓	2.Working together with other partners to deliver objectives	✓
3.To support children to have the best start in life		3. Involving those with an interest and seeking their views	
4.To work in partnership to support people – individuals, families, carers, communities - to achieve their own well-being		4.Putting resources into preventing problems occurring or getting worse	✓
5.To improve the safety and quality of all services	✓	5.Considering impact on all well-being goals together and on other bodies	
6.To respect people and their dignity			
7.To listen to people and learn from their experiences			
<b>Special Measures Improvement Framework Theme/Expectation addressed by this paper</b>			
<ul style="list-style-type: none"> <li>• Leadership and governance</li> <li>• Strategic and service planning</li> </ul>			
<b>Equality Impact Assessment</b>			
Not applicable for a paper of this nature			

*Disclosure:*

*Betsi Cadwaladr University Health Board is the operational name of Betsi Cadwaladr University Local Health Board*