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Bwrdd Iechyd Prifysgol
Betsi Cadwaladr
University Health Board

Response to information request by the
Health, Social Care and Sport
Committee

Mental Health

The Health Board's structure includes a Mental Health and Learning Disability Division for adult services with Child and Adolescent Mental Health Services delivered separately. In addition, the Health Board incurs expenditure of circa £33.1m via the Welsh Health Specialised Service Committee and other providers for a number of additional services and specific additional primary care expenditure of £0.6m. The expenditure below excludes any additional costs incurred within non mental health settings relating to support given to patients with a mental health or learning disability (e.g. additional one to one care on an acute ward).

The budget and expenditure for the last financial year and 2017/18 year to date are provided below:

	2016/17		2017/18		
	Budget £'m	Actual £'m	Annual budget £'m	Month 4 budget £'m	Month 4 Actual £'m
Mental Health and Learning Disability Division	103.9	112.3	107.1	35.7	38.9
Child and Adolescent Mental Health Services	8.9	8.6	8.8	2.9	3
Total	112.8	120.9	116.9	38.7	41.9

The 2016/17 figures include £0.2m in respect of the development of the mental health strategy and delivery plan.

The Health Board received additional funding of £4m in 2017/18 to support delivery although pressures remain. Significant expenditure pressures are being experienced within the MHLD division due to out of area placements, activity and costs associated with continuing healthcare placements for learning disability placements and delivery of required savings.

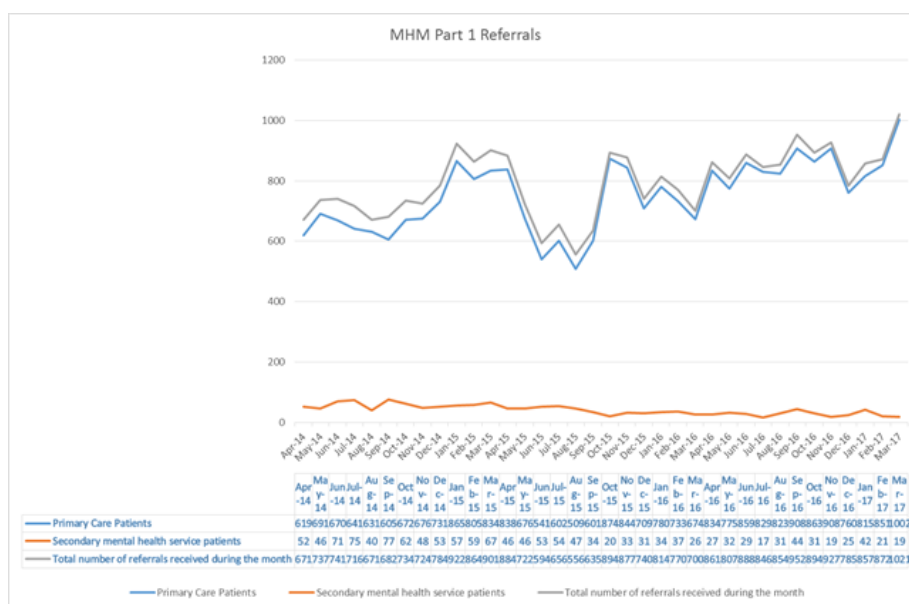
HMP Berwyn prison became operational late in the 2016/17 and the Health Board is providing and commissioning a range of healthcare services. For 2017/18 this includes £0.9m for mental health services.

North Wales is reflective of most health systems in that demands on mental health services are increasing due to a growing and ageing population and the wider determinants and social factors also impact. Increases in demand are experienced in all aspects of mental health services including primary care, demand for services for older people and specialist mental health services.

Benchmarking data shows that the Health Board has significantly more mental health inpatient beds when compared with other providers across the UK and the Health Board is working on moving care away from being provided in hospital to care delivered in the community and in people's homes.

Our strategy for mental health services recognises that people have medical, psychological and social needs and we are increasingly aware of complex patterns of co morbidities. Our strategy also recognises that our services need to deliver integrated, holistic care which focuses on recovery and emphasising active rehabilitation.

Mental Health Measure referrals (and source) have been tracked from 1st April 2014 and the chart below shows an upward trend. This confirms that increases in demand are being experienced which reflects a growing awareness of mental health issues including conditions such as Attention Deficit Hyperactivity Disorder (ADHD). The Health Board also provides a range of specialist services including perinatal mental health, dementia and Huntington's.



The Health Board has taken action to implement the Mental Health Measure but does not track specific costs associated with this. The Health Board considers that the measures provide a framework for ensuring that services are planned to meet the needs of the population and highlights areas of unmet need.

There is a significant emphasis on patient and carer experience and this information is being used to develop systems of care. The full implementation of the Mental Health Strategy work in North Wales will provide further opportunity to fully implement the principles of the Measure into services.

Primary Care Services

The provision of mental health and learning disability services within Primary Care is included within the GMS contract. This is supplemented through enhanced service provision (expenditure £0.2m in 2016/17). Further expenditure of £0.4m is incurred with Primary Care practitioners via the Quality Outcomes Framework. These payments include the development of registers within primary care setting as an important building block in providing better quality and more appropriate services for the patient population.

Ring fence allocation

The ring fenced allocations for Mental Health and Learning Disability services are based on historic Programme Budgeting returns submitted by the former North Wales NHS Trusts before the integration of NHS Wales.

The methodology adopted across Wales includes total recorded costs for patients with a primary diagnosis of a mental health condition. This approach, therefore, will include all healthcare costs irrespective of whether the costs relate to the mental health condition or otherwise. For example, if a patient with a mental health primary diagnosis presents with a fractured hip the costs of treating the hip will be captured within the mental health ring-fence. The ring fence allocation also includes overheads which are not reported by the Health Board at a service level.

Whilst the importance of maintaining and developing services is recognised the ring fence has significant drawbacks as described above.

The most recent calculation is based on 2015/16, as this represents the latest actual data available. The calculation excludes Learning Disabilities services. The value of the ring fence based on the 2015/16 Welsh Government Allocation letter is £132.32m. The actual cost is calculated as £146m, which shows that the Health Board is spending circa £13.7m above the ring fence. The next submission is due in October 2017.

Financial Performance

Historical Financial Context

The Health Board has two statutory duties to achieve:

1. To ensure that its revenue and capital expenditure does not exceed the aggregate of the funding allocated to it over a rolling period of 3 financial years, and
2. To prepare a plan to secure compliance with the above duty, providing healthcare and improving the health of the population, and for that plan to be submitted to, and approved by the Cabinet Secretary. This was first required in 2014/15.

The Health Board was placed in Special Measures in June 2015 and, in agreement with Welsh Government, has not submitted a three-year plan. As a result of this, the Health Board has been operating under Annual Operating Plan arrangements.

The table below sets out the Health Board's revenue performance against the first rolling three year period. On the 16 March, the Board approved the 2017/18 budget of a deficit of £26m.

Year	14/15	15/16	16/17	Total
Deficit £'m	26.6	19.5	29.8	75.9

The Minister for Health and Social Services placed the Health Board in Special Measures in June 2015. The implementation of the Special Measures Improvement Framework has resulted in additional costs for the Health Board, necessitated to address longstanding areas of concern. The Health Board received a specific allocation in 2015/16 and 2016/17 to support the additional costs of special measures.

2017/2018 financial year

The Board approved the 2017/18 budget in March 2017 which confirmed a planned in year deficit of £26m. The key elements are outlined in the table below which confirm that to achieve the forecast deficit of £26m savings of £35.4m (3.5%) were required. During the budget setting process it was recognised that it contained inherent risks including the non-delivery of savings plans and demand growth.

	£'m	£'m
Discretionary income uplift		(19.3)
Opening financial challenge		
Health Board underlying financial gap	35.0	
Total Health Board inefficiency		35.0
Unavoidable cost pressures		19.7
Discretionary savings requirement		
Cash releasing	(30.4)	
Cost avoidance	(5.0)	
Total discretionary savings		(35.4)
Net position before Health Board funding decisions		0.0
Expected cost pressures		17.5
Board pre-commitments to meet underlying demand and service commitments/compliance		8.5
Net budget deficit before new development proposals		26.0

At Month 4, the Health Board has over spent by £17.2m. Of this, £8.8m relates to the Health Board's planned budget deficit and £8.4m represents an adverse variance against the financial plan. The adverse variance reflects under delivery of savings across the Health Board and activity and cost pressures within the divisions of Secondary Care and Mental Health and Learning Disabilities in particular. A Financial recovery plan has been approved by the Board.

Underlying Causes of the Deficit

As with the rest of Health organisations across the United Kingdom the Health Board is facing financial pressures arising from increased costs and/or rising demand due to a number of factors. An ageing population with materially more people over the age of 65 than five years ago has increased demand for both emergency and planned health care across the whole system - North Wales has a higher elderly population than the average for Wales. This has

been compounded by population increases in the prevalence of long term illnesses/conditions such as diabetes, obesity, mental health etc.

Problems in relation to staff recruitment and retention have seen shortages of GPs and Clinical staff, specifically Medical and Nursing leading to increases in the use of locum and agency staff whilst also putting pressure on our waiting times.

New drugs and other new treatments have increased the number of conditions the NHS is able to treat, it have enabled us to provide treatment in circumstances where previously we could not. Modern clinical practice requires far higher level of diagnostic tests and has seen the introduction of multiple disciplinary team decision making which results in better decisions but is far more costly in terms of the resource required.

The use of benchmarking data always needs to be treated with some caution but based upon the current service configuration benchmarking suggests there are significant opportunities for productivity improvements and cost reduction for the Health Board. From this analysis the Health Board is clear on the causes of the current underlying £35m deficit and the nature of the scale of opportunities over the medium term which will require culture of the organisation, at and across all levels, to be one that challenges all aspects of service delivery.

Action on Reducing the Deficit

The Health Board considers that effective budget management is key to achieving financial forecasts. All budgets are delegated with Accountability Agreements in place to reinforce roles and responsibilities. A framework of support has been developed which includes both written handbooks, access to learning resources and a professional finance support. The aim is to embed a culture of appropriate control and challenge underpinned through professional approaches to procurement and contract management, use of technology and capital planning.

The value driven agenda

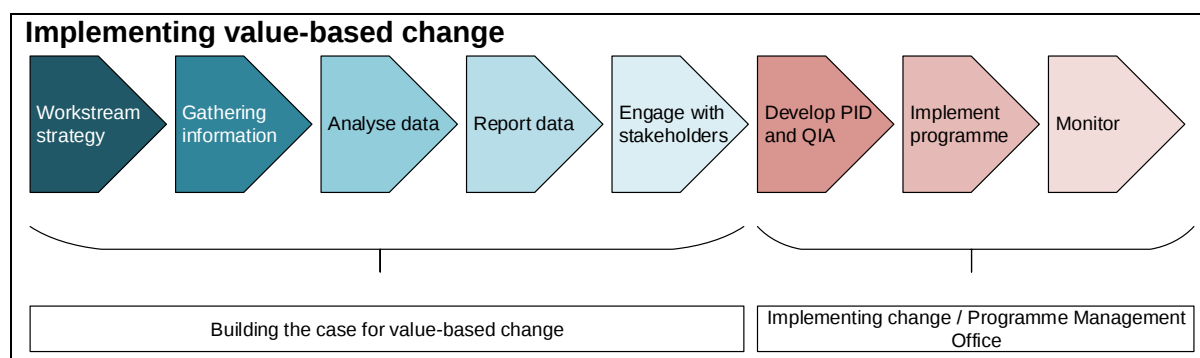
A focus on cost management will not totally address the underlying deficit and during 2017/18 the Health Board is developing a value driven approach.

This will encompass four work streams, as follows:

1. Allocation of resources (Allocative value)
2. Service usage (Allocative value)
3. Secondary care productivity (Technical value)
4. Outcomes (Personalised value)

A further important development is embedding the principles of Prudent Healthcare. These principles have been mapped to the Health Board's Strategic Goals, and a wide range of projects are being implemented as a result.

It is expected that this will result in the development of cases for value-based change. These will then be implemented through the existing Programme Management Office framework.



As part of this work, the key service lines which are inefficient for the Health Board will be reviewed, and plans developed to address these will be incorporated into the integrated medium term plan.

NHS Finances (Wales) Act 2014

The Health Board acknowledges the useful contribution made by the Wales Audit Office in its report on the implementation of the Act and fully concurs with the responses made by the Welsh Government to this report.

The requirement for NHS organisations to develop financially balanced three-year integrated plans provides the NHS with a clear framework to encourage longer term planning. This ensures that there is a focus on developing longer term solutions and actions in order to address the long-term challenges facing the NHS.

Aligned to the Act, we welcome the research based approach which WG is increasingly adopting in financial policy development, such as the Institute of Fiscal Studies report into Welsh budgetary trade-offs; the Health Foundation's report on the financial sustainability of the NHS in Wales or the Nuffield Trust's 'Decade of austerity in Wales' report. Such evidence is focusing on the longer term resource requirements of the NHS and will serve to ensure that Wales is well placed to adopt best practice in resource allocation.

Consequently, it is important that there is stability and consistency in the overall NHS budget alongside a recognition of the growing pressures facing the system.

We welcome the fact that over the last budget cycle, the funding allocation to the NHS has broadly followed the recommendations in the Nuffield Trust and Health Foundation reports.

It is important to recognise that healthy lives are determined, not just by spending directly on health, but through communities which are prosperous, secure, active, well-educated and well-connected. The broader policy framework from Welsh Government has become increasingly consistent. Linking the NHS Finances (Wales) Act with the Wellbeing of Future Generations Act, for instance, has increased the focus on long term planning and collaboration

with public sector partners. Likewise, prudent healthcare and the development of the value agenda helps to provide a longer term solution to address the issues facing the NHS.

However, organisations have faced significant challenges in preparing for the 2017/18 financial year, despite additional resource allocations. The planning cycle has seen three organisations being placed in Welsh Government's targeted intervention status as a result of their financial positions; and other organisations are also reporting deficits in-year. While the reasons for each organisation will be somewhat different, there are consistent issues across the NHS in Wales, in common with the rest of the United Kingdom. The WG escalation process enables a bespoke response to the issues facing NHS organisations in difficulty, utilising external experts to provide an independent assessment of the issues facing each organisation and the appropriate solutions.

The Health Board was placed in Special Measures in June 2015 and has not submitted a three-year plan. As a result of this, the Health Board has been operating under Annual Operating Plan arrangements. Coupled with the significant underlying deficit the Health Board has not been in a position to consider the flexibilities that the Act provides. However, the underlying principle of developing three year plans provides a clear framework to support longer term planning which is to be encouraged.

The pace of change

Organisations have faced significant challenges in preparing for the 2017/18 financial year, despite additional resource allocations. However, the policy framework in Wales does allow an appropriate focus on the issues in planning for future years:

1. The Wellbeing of Future Generations Act requires NHS organisations to work in partnership with other public and thirds sector organisations. This will be a key enabler to deliver system wide change.
2. The Value Framework alongside the strategic alliance with the International Consortium for Health Outcomes Measurement, advocated by Welsh Government, provides an opportunity for the NHS to embed the principles of Prudent Healthcare. Importantly, this moves the NHS from its historic focus on technical value (doing more for less) to allocative value (allocating resources to maximise outcomes) and personalised value (as measured through health outcomes). Such an approach encourages careful consideration of preventative spend, and close working with colleagues in Public Health Wales.
3. The WG escalation process enables a bespoke response to the issues facing NHS organisations in difficulty, utilising external experts to provide an independent assessment of the issues facing each organisation and the appropriate solutions.

The policies above provide a clear framework which the Health Board fully supports and is striving to deliver. The value driven agenda adopted by the Health Board will promote a focus on both preventative service delivery and transformation change. Whilst the financial constraints invariably impact on the pace of this change we recognise that Welsh Government face significant challenges in determining budgetary trade-offs.

Workforce pressures

Recruitment challenges: There are substantial areas of shortage within the registered nursing workforce which is a significant challenge for the Health Board and across the National Health Service both nationally and in Wales; the ability to attract potential Nurse Candidates is one of the biggest challenges for the organisation. On average 85 per cent of rosters are filled in hospitals across North Wales, and gaps are presently filled by bank and agency staff, the ability therefore to attract and retain qualified staff through continued recruitment initiatives will be crucial.

As with Health Organisations across the UK, north Wales experiences challenges in recruitment of medics across hospital and primary care sectors. There are examples of positive successes such as the appointment of the senior clinical fellows in pre-hospital emergency medicine at the Emergency department at Ysbyty Gwynedd, the appointment of additional Consultant Obstetricians to help sustain Obstetric services across North Wales and the appointment of salaried General Practitioners to the Healthy Prestatyn model.

Actions being taken:

Medical - The Health Board supplements normal recruitment activity with bespoke initiatives such as its Medics North Wales website which provides a portal for potential applicants – including a spot light on individuals, information on different aspects of clinical work, a flavour of educational activities and research and development opportunities. As part of this, the Health Board operates an Outstanding GP programme aimed at providing additional development opportunities to those who wish to further their training and experience. It targets those who wish to work and live in one of the most spectacular areas of the UK, providing a flexible scheme where each GP appointed creates a bespoke solution by adding 2 options to core programme. The duration of scheme between 1 and 3 years. The Health Board continues to look at how a wider range of professional groups might contribute to work which has previously been undertaken by doctors. One such initiative being supported by the Health Board is the development of a Physicians Associate programme at Bangor University, which commences this September with 6 participants per year. The Health Board is fully committed to the all-Wales marketing and recruitment campaign. It has participated in both the all-Wales commitment to the BMJ Careers Fair in London and the Royal College of General Practitioners Conference in Harrogate.

Registered Nursing and Midwifery – the Health Board held a number of registered nursing recruitment events, with 67 individuals being offered posts. It is anticipated that the majority of those successfully appointed will commence in September 2017 on completion of their pre-registration nursing degree. Areas appointed to include mental health, East, Central, West and paediatrics. International recruitment to India took place in March 2017 with 56 applicants appointed to posts within acute, community and mental health services. The expected start date for the international recruits will be September 2017 to November 2017 pending Certificate of Sponsorship, Visa and NMC requirements. The Return to Practice course at Bangor and Glyndwr Universities remains popular, with 28 RTP students on the course and new cohorts commencing in May and June 2017. Figures have not been finalised for the new cohorts as additional applicants are currently being interviewed jointly by the universities and BCUHB education team. Work continues jointly with Bangor University to maximise clinical

learning placements and opportunities and identify additional clinical placement areas for students. Secondary Care establishment reviews have commenced led by the Secondary Care Nurse Director (Interim), with the agreed process including triangulation of all Wales acuity and dependency data, nurse sensitive indicators, professional judgement, roster requirements and financial information. Speciality areas have been agreed and similar speciality wards aligned across the three acute hospitals. Additionally work is underway to review shifts patterns within secondary care, supported by the implementation of the Safe Care Module. A continued focus on effective rostering of substantive staffing through the e-rostering system, with enhanced scrutiny of rosters, key performance indicators and holding to account through agreed performance management frameworks. Work continues with the informatics team to include e-rostering KPIs and bank and agency usage within the newly developed quality and safety dashboard.

Other and General - The BCU Health Care Support Worker Development Group is progressing the development of HCSW roles in line with workforce plans, ensuring role development is maximised for HCSW that have completed level 4 qualifications. Over the next 3 years we will develop a more flexible, sustainable and skilled workforce who will support the delivery of transformational change. There will be a move towards more generic, interchangeable professional roles which reflect the demand for more efficient and effective, patient-centred clinical care pathways, which are underpinned by the 'Prudent Healthcare' principles. New ways of working and workforce modernisation will be crucial for the next three years and the ability to attract potential candidates is one of the biggest challenges for the organisation. The following are key workforce themes have been identified by the Service Areas in their 2017/18 operational plans:

- Efficiencies in bank, agency, locum use
- Skill mix changes
- Shifting of the workforce from acute to community
- Reducing sickness
- Focus on Consultant productivity
- Development of localities - new models of delivery and employment models being developed
- Centralisation of fragile services and pathway redesign
- Efficiency – "Prudent Healthcare"
- Medical workforce recruitment risk
- Development of Advanced Practitioners to support the Medical workforce shortages
- Primary Care team development
- Diagnostics – Imaging , Pathology – service redesign and modernisation
- Administrative & Clerical – Digitisation and new ways of working

Bank and Agency - The Nurse Bank continues to actively recruit with 612 HCSW and 35 registered nurses successfully recruited to the bank during the last 12 months. The Nurse Bank opening hours have been extended to meet the increased demand from divisions with the service now provided until 08.30 - 20:00 Monday to Friday, with a half day service during weekends and bank holidays. A review of pay rates for substantive staff on the bank has been completed. Where there is difference between substantive pay point and the pay point in line

with their bank role, this has been rectified in April 2017 pay return. In line with the all Wales directive to reduce and ultimately stop off contract agency usage, a BCU wide strengthened agency control process has been implemented. The introduction of the new all Wales Agency contract in April 2017 has resulted in a number of additional contract agencies providing temporary staffing for North Wales.

Initiatives with the local community: The North Wales Skills and Employment plan recognises that the health and social care sector in North Wales faces significant skills and staffing issues in the coming years. As the largest employer within in North Wales BCHUB is proactively developing new ways of attracting local staff to the organisation. The Step into Work programme is one such approach, and provides a systematic programme of volunteer work placements for a range of people, for example, those who are furthest from the job market, young people who are not in employment or training, those in BME groups, those who have a learning disability and those currently claiming job seekers allowance. Offering structured volunteer work placements is a valuable way of providing the local population with work experience that can potentially lead to employment. All volunteer work opportunities offer a six week placement of a minimum of 16 hours a week for 6 weeks in their chosen job role. Job roles in the NHS include, for example, porters, domestics, administration services, laboratories and health care support workers. Volunteers who successfully achieve all the required training and competencies and meet the essential criteria of the post that they are applying for are guaranteed interviews. Several have already been successful in securing temporary, permanent or apprentice posts in the organisation. Significant work has taken place with several departments in the organisation to raise the potential of developing apprentices in the organisation. A range of resources have been developed to support managers to understand the process of employing an apprentice as part of their workforce, and work to raise the profile and potential of apprentice pathways is underway.

Staff Engagement - BCU Board approved the Staff Engagement Strategy in August 2016. A tri-partite Staff Engagement Working Group oversees progress on the staff engagement work programme. A progress update was considered by the Board at its January 2017 meeting. Key highlights:

- Significant staff engagement activities including launch of the *Discover, Debate, Deliver* (3D) listening and engagement process to support staff involvement and contribution to service improvement
- Positive re-enforcement of values and launch of Proud to Lead Leadership behaviours framework with implementation through orientation, PADR and development programmes
- Engagement through Engagement ambassadors and Listening Leads
- Improved communications and re-launch of team briefing
- Increased focus on staff recognition- introduction of Gwobr Seren Betsi Star Award
- Proud of campaign with photo-boards and Ward staffing information
- Refreshed communication of Raising Concerns Policy, Safehaven process and Speak Out Safely pledge.

The 2016 Staff Survey results showed a marked improvement on nearly all measures and an increase in the Engagement index score from 3.35 to 3.51. Improved scores in advocacy statements, job satisfaction, satisfaction with care given, line manager support. Strong improvement in staff views on learning/training and appraisal effectiveness. Areas for improvement identified by staff: further improvements in communication and change management, involving staff in problem-solving and decision-making at team level, increased recognition and feedback for staff, improving mental wellbeing and dignity at work and reducing violence against staff.

Impact of Brexit

Approximately 37% of BCUHB staff declare a nationality other than British. This amounts to some 5,200 WTEs. The challenges to the future will not relate solely to Brexit but to the wider UK immigration policies and regulations – as these are determined. The Health Board continues to share information with NHS Employers and the Cavendish Coalition, which is a group of health and social care organisations. Any impediments to recruitment and drivers of increased turnover will pose increased recruitment challenges; the costs of which have not been calculated.