

**Minutes of the Public Finance and Performance Committee Meeting
Held on 22 May 2024
Via MS Teams**

Link to YouTube recording – [click here](#)

Chair:		
John Union	JU	Independent Member – Finance
Present:		
David Edwards	DE	Independent Member – Information Communication & Technology
Ceri Phillips	CP	UHB Vice Chair
In Attendance:		
Paul Bostock	PB	Chief Operating Officer
Marie Davies	MD	Interim Executive Director of Strategic Planning
Andrew Gough	AG	Deputy Director of Finance (Strategic)
Robert Mahoney	RM	Deputy Director of Finance (Operational)
Catherine Phillips	CP	Executive Director of Finance
Suzanne Rankin	SR	Chief Executive Officer
Jason Roberts	JR	Executive Nurse Director
Andrew Partridge	AP	Corporate Archivist & Records Management Manager
Secretariat:		
Nikki Regan	NR	Corporate Governance Officer
Apologies:		
Matt Phillips	CP	Director of Corporate Governance
Charles Janczewski	CJ	UHB Chair

Item No	Agenda Item	Action
FPC 22/05/001	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
FPC 22/05/002	Apologies for Absence Apologies for Absence were noted. The Finance and Performance Committee resolved that: a) Apologies for Absence were noted.	
FPC 22/05/003	Declarations of Interest No Declarations of Interest were noted.	
FPC 22/05/004	Minutes of the Finance and Performance Meeting held on 17 April 2024 The minutes of the meeting held on 17 April 2024 were received. The Finance Committee resolved that: a) The minutes of the Finance and Performance Committee meeting held on 17 April 2024, were held as a true and accurate record of the meeting.	
FPC 22/05/005	Actions following the Finance and Performance Committee meeting on 17 April 2024 The Action log was received. The Finance and Performance Committee resolved that: a) The Action Log for the Finance and Performance Committee was noted.	

<p>FPC 22/05/006</p>	<p>Chairs Action since previous meeting</p> <p>There had been no Chair's Actions taken since the last meeting</p>	
<p>FPC 22/05/007</p>	<p>1) Financial Report – Month 1</p> <p>The Financial Report – Month 1 was received.</p> <p>The ODDF gave a summary of the Financial Report for Month 1 and highlighted the following:</p> <ul style="list-style-type: none"> • A deficit in month 1 of £1.325m, which was 1/12th of the £15.9m planned deficit • An over spend of £4.267m at the end of the month 1 • Due to the projected deficit, CAV would continue to fail the 3 year rolling performance requirements and therefore would not receive Ministerial approval for the UHB financial plan. • LHBS are obliged to confirm with WG that all inter NHS contracting arrangements have been concluded and agreed by 30 June 2024. Due to the approach of other health boards in Wales in not applying uplift funding to contracts in line with the 3.67% uplift provided by WG in Allocation Letters, this is unlikely to happen and may preclude the requirement to enter arbitration processes with commissioning organisations. This represents a £5.274m risk to the CAV financial plan which assumes a 3.67% baseline uplift to all Long-Term Agreements and Service Level Agreements within NHS Wales. Most commissioners have offered a far lower uplift with the balance being offered in return for additional service delivery by CAV. <p>The CE noted a discussion took place at the NHS Leadership Board regarding the Executive Finance Director being clear in his expectation that uplifts on LTA's should be 3.67% in 2024-25.</p> <p>She questioned what the proposal was to ensure CAV receive the 3.67% of additional services. The ODDF explained that, as an example some commissioners have calculated non pay inflation as being 1.1% for 2024-25. CAV's position is that similar amounts have been added in previous years when non pay inflation was running at 11% or above. . He added that £5.2m was a risk but he believed this to be slightly lower since one LHB had changed its position since the report was written.</p> <p>The VC stated his perception that CAV didn't recover funding well through the LTAs and the position of commissioners offering 1.1% with the expectation that CAV does more was unfair. He thought WG has clearly stated their expectation that commissioners were committed to the 3.67% and CAV would need to stick to this line, and if necessary we may need to renegotiate the LTA downwards in terms of what could be provided for them even if this puts pressure on waiting lists targets.</p> <p>The ODDF noted the following points following VC's observations:</p> <ul style="list-style-type: none"> • There was no previous debate over uplift rates which had followed WG uplifts to allocations • CAV expect the 3.67% per the clear guidance issued by WG • Updating the LTAs, some of which dated back more than 20 years would require joint agreement between parties, and wouldn't necessarily generate extra funding for CAV <p>The ODDF noted the report and reflected on the different categories:</p> <ul style="list-style-type: none"> • Table 2 reflected on the different pay income, non-pay categories and how CAV reached £4.26m overspend at Month1 • Table 3 displayed the same variance by clinical board • Additional funding offsetting variances will be allocated but hadn't been completed in month 1 so had been displayed separately in the table. • • The £47.2m Cost Reduction target underpins the plan and remains high risk. • As the year 2 develops the ability of CAV to 'remain within the cash limit will come under pressure. At present the working assumption is that WG will support the £15.9m deficit set out in the draft plan. • CAV continued to work with NWSSP, Workforce and Operational Leads to try to minimise overpayments and act appropriately to reclaim salary overpayments. • Month 1 position was a cause for concern especially as CAV has yet to identify large parts of the £47.2m savings target. 	

	<p>The SDDF noted the following points:</p> <ul style="list-style-type: none"> • CAV were more progressed compared to last year but noted it was against a bigger target • Progress was being made but more work was needed by the organisation and needed to be identified by the end of Q1 to have any meaningful impact in the financial year. <p>The ODDF further highlighted the following points:</p> <ul style="list-style-type: none"> • Expect some of the Red CRP schemes to convert to Amber or Green during the year. • CAV's cash flow would be monitored • CAV are further advanced in identifying savings than in to 2023-24 and have a governance structure is in place with Exec / Clinical Board staff members, with a focus on the workforce reshaping. • CAV have put in place more enhanced recruitment controls from month 1, but there was still scope to reduce agency expenditure. <p>The CC requested to have specific targets if this continued by next month. The ODDF explained that without knowing what the figure would be, the ability to pull it back in the short term would be challenging. The focus was on each clinical board and to see what costs could be avoided.</p> <p>The CE reassured the committee that the Sustainability Programme Board owned the savings plan and monitored the achievement. The escalation policy and scheme of delegation was reviewed for agency staff and also put a complete freeze on all new unfunded vacancies with effect from 16.05.24.</p> <p>The IMICT asked when would we see the line change on the trajectory.</p> <p>The EDF noted CAV didn't conclude the budget setting in the time set out and there was confusion in the clinical boards and wanted to ensure we had a clean position. Some assumptions were made and she was keen not to bring the problems here at this point in the year but would bring back later in the year</p> <p>The VC noted CAV need to be careful not to assume that by cutting costs in each clinical board that we will deliver overall savings. We may spend more money in one area that may generate savings in other areas.</p> <p>The Finance and Performance Committee resolved:</p> <ol style="list-style-type: none"> a) The reported year to date over spend of £4.267m and the forecast deficit of £15.900m was noted and; b) Within this, the month 1 operational overspend against plan of £0.497m with a further £2.445m savings gap was noted and; c) The progress against the savings target, with £18.181m (39%) of green and amber schemes identified at Month 1 against the £47.2m target was noted and; d) That delivery of the forecast is also predicated on the confirmation of all expected income streams was noted. 	
<p>FPC 22/05/008</p>	<p>Operational Performance</p> <p>The COO presented the Operational Performance and highlighted the following:</p> <ul style="list-style-type: none"> • New outpatient waiting list currently has 12k waiting for their first outpatient appointment • Some patients suffered waits of over 2 / 3 years particularly in Ophthalmology • CAV will meet the standard for Cancer but unable to meet the 75% • Concerns with Diagnostics as CAV was recorded of having wait times of over 8 weeks • Mental Health Clinical Board have a trajectory and currently tracking to where it should be with an expectation of 80% by September • Mental Health summit planned for June 2024 • CAV were required to reduce the 12 hr wait time in A&E <p>The CC asked if the diagnostics wait was due to staff or equipment? The COO confirmed it was due to staffing issues. With non-Obstetrics ultrasound CAV were sending patients to a private hospital but stopped this in 2023 and plan to grow our own people & resources. He added there was no criteria for going on to the waiting list for ultrasound.</p> <p>The VC noted the demand continued for MH Clinical Board. He added that he had discussed using on line facilities more, which could be useful to reduce some of the demand within the MH Clinical Board, which had been done in Powys THB.</p>	

	<p>The COO noted a solution was looked at for ADHD which would help give a diagnosis and help reduce waiting times.</p> <p>The CC asked who planned to attend the MH summit in September 2024? The COO explained the clinical summits were internal but attended by multi-disciplined teams.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The year to date position against key organisational performance indicators for 2023-24 and the update against the Operational Plan programmes was noted.</p>	
FPC 22/05/009	<p>Monthly Monitoring Return – Month 12 & Month 1 (24/25)</p> <p>The Monthly Monitoring Return for month 12 and 1 were for information and noting.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The monthly monitoring return for month 12 and month 1 (24/25) were noted.</p>	
FPC 22/05/010	<p>Any Other Business</p> <p>No other business was raised.</p>	
	<p>Date & time of next Meeting</p> <p>Wednesday 19th June 2024 via Teams</p>	