

**Minutes of the Public Finance and Performance Committee Meeting
Held on 18 October 2023 at 2.30pm
Via MS Teams**

Chair:		
John Union	JU	Independent Member – Finance
Present:		
Charles Janczewski	CJ	UHB Chair (left at 3.30pm)
Ceri Phillips	CP	UHB Vice Chair (left at 3.30pm)
In Attendance:		
Paul Bostock	PB	Chief Operating Officer
Andrew Gough	AG	Deputy Director of Finance – Strategy
Angela Hughes	AH	Assistant Director of Patient Experience
Rob Mahoney	RM	Deputy Director of Finance – Operational
Catherine Phillips	CP	Executive Director of Finance
Matt Phillips	MP	Director of Corporate Governance
Francesca Thomas	FT	Head of Corporate Governance
Secretariat:		
Nathan Saunders	NS	Senior Corporate Governance Officer
Apologies:		
David Edwards	DE	Independent Member – Information Communication & Technology
Keith Harding	KH	Independent Member – University
Abigail Harris	AH	Executive Director of Strategic Planning
Suzanne Rankin	SR	Chief Executive Officer
Jason Roberts	JR	Executive Nursing Director

Item No	Agenda Item	Action
FPC 23/10/001	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
FPC 23/10/002	Apologies for Absence Apologies for Absence were noted. The Finance and Performance Committee resolved that: a) Apologies for Absence were noted.	
FPC 23/10/003	Declarations of Interest No Declarations of Interest were noted.	
FPC 23/10/004	Minutes of the Finance and Performance Meeting held on 20 September 2023 The minutes of the meeting held on 20 September 2023 were received. The Finance Committee resolved that: a) The minutes of the Finance and Performance Committee meeting held on 20 September 2023, were held as a true and accurate record of the meeting.	

<p>FPC 23/10/005</p>	<p>Action Log following the Finance and Performance Committee meeting on 20 September 2023</p> <p>The Executive Director of Finance advised the Committee on Action FPC 23/09/13 and noted that the benefits realisation piece of work would go through the Investment Group (IG) but not until later in the winter period.</p> <p>The Finance and Performance Committee resolved that:</p> <p>a) The Action Log for the Finance and Performance Committee was noted.</p>	
<p>FPC 23/10/006</p>	<p>Chairs Action since previous meeting</p> <p>There had been no Chair's Actions taken since the last meeting.</p>	
<p>Items for Review and Assurance</p>		
<p>FPC 23/10/007</p>	<p>Financial Report – Month 6</p> <p>The Deputy Director of Finance for Operational (DDFO) presented the Financial Report – month 6 and highlighted the following:</p> <ul style="list-style-type: none"> • At month 6, the Health Board was reporting an overspend of £51.3m which comprised of £5.747m in unidentified savings, £1.352m of operational overspend and the planned deficit of £44.2m. • The annual planned deficit of £88.4m remained the same as set out in 2023/24 financial plan. • The total operational and savings programme deficits and the profile of the additional savings actions on the total variance. It was noted that if schemes were delivered in line with the profile, the reported deficit would peak at month 6 before turning the curve on a trajectory to hit the £88.4m planned deficit. • COVID 19 Expenditure – it was noted that the forecast cost at Month 6 was a reduction of £3.0m against the £34.2m included within the Financial Plan and was included within the Health Boards savings plans. • Risks – it was noted that the risks had not changed and the key risk which fed the Corporate Risk Register was the failure of the Health Board to deliver a breakeven position by 2023-24-year end with a current planned deficit of £88.4m. • Savings Programme – it was noted that at month 6, the Health Board had identified £36.046m of green, amber and red savings against the £32m savings target, however £6.707m were classified as red schemes. <p>It was noted that the month 6 Savings Programme deficit was expected to be recovered, supported by a number of additional actions as the year progressed, enabling the Health Board to deliver its planned deficit position of £88.4m.</p> <ul style="list-style-type: none"> • Profile of Savings Delivery – The Committee was presented with 2 graphs which showed the cumulative forecast impact of the additional actions and the monthly impact and it was noted that a number of the additional actions 	

were still in red and that progress was being closely monitored through the Sustainability Board.

The CC asked how often red schemes were converted into savings.

The Deputy Director of Finance – Strategy (DDFS) responded that by looking at data from the previous years, a 50% translation was observed from red, to amber and then green but noted it would be harder to compare 2023/24 data because a different approach was being taken around the sustainability Board and groups set up during the financial year but noted they would expect a greater translation given the focus put on the schemes by the groups.

- Forecast Additional Savings – The Committee were presented with the current cumulative profile of identified and red schemes up to the savings target of £32m and it was noted that the impact of successfully delivering the agreed £16m additional actions would meet the £32m target in month 10 and allow additional savings of £4.046m to address the operational deficit to deliver a breakeven position.
- Savings Schemes – The Committee were presented with the overall progress in the identification of savings schemes.

The DDFO concluded the section of the Financial Report noting that whilst the Financial Team had hoped to be in a slightly better place on the profile towards the savings against the deficit of £88.4m, the Health Board were not far off and enhanced discussions were taking place between the Chief Operating Officer (COO) and Clinical Boards.

The CC asked if the reduction in use on agency staff had continued to reduce.

The DDFO responded that it had continued and had started to be reflected in the delegated Clinical Board position.

The Assistant Director of Patient Experience (ADPE) noted that caution would be required around the reduction in nursing costs because the impact on quality and safety could not be compromised.

The Executive Director of Finance (EDF) noted that full assurance could not be provided to the Board or the Finance & Performance Committee that the Health Board would deliver on the £88.4 deficit and noted that there was a lot of work to get there and that work would continue on that.

- Cashflow Forecast – The DDFO advised the Committee that they had received an extended report on the cashflow forecast for month 6 and noted that the cash balance at the end of September 2023 was £4.998m with a forecast deficit of £100.888m at year end pending confirmation of cash support.

It was noted that due to the significant requirement for strategic cash support in 2023/24, combined with the timing of pay award cash flows and the level of outstanding allocation, the Health Board would review the schedule of payments to suppliers from November 2023 onwards if additional cash support was not confirmed which would impact the Public sector Payment Policy (PSPP) performance and from December 2023 onwards the Health Boards cashflow would be severely impaired.

	<p>The DDFO advised the Committee that Welsh Government (WG) had been engaged in a review of public sector finances since summer 2023, in light of the challenging financial environment.</p> <p>He added that WG had expected to confirm further funding to the Health Board later in the week which should hopefully address the immediate cash flow concerns identified.</p> <p>The DDFO summarised that the Health Board maintained its £88.4m forecast deficit, had identified £36m of savings which was over the original £32m target and some of those savings had to be converted from red and amber schemes into green to give confidence of savings on the tracker.</p> <p>He added that the Health Board increasingly required confirmation of strategic cash support and outstanding allocations to maintain its cash position and performance.</p> <p>The Finance and Performance Committee resolved that at Month 6:</p> <ul style="list-style-type: none"> a) The reported year to date overspend of £51.300m and the forecast deficit of £88.400m was noted b) The financial impact of forecast COVID 19 costs which was assessed at £44.264m was noted. c) The month 6 operational overspend against plan of £1.352m was noted. d) The progress against the savings target, with £36.046m (113%) of schemes identified at Month 6 against the £32m target was noted. e) The request to Finance Committee for recommendation to Board for approval of the Health Boards application to Welsh Government for Strategic Cash Support in support of its 2023/24 forecast deficit was noted. 	
<p>FPC 23/10/008</p>	<p>Welsh Government Strategic Cash Support Request</p> <p>The Welsh Government Strategic Cash Support Request information was received.</p> <p>The DDFO advised the Committee that a Technical update note issued by WG on the 8th November 2022 confirmed that the cash implications of the Health Boards operational deficit were a separate issue to the annual movement of working balances cash exercise.</p> <p>He added that Health Boards were required to submit an Accountable Officer letter (once requirements were established) in support of a request for Strategic Cash Support.</p> <p>It was noted that WG were expected to confirm that application requests should be submitted by close of play Monday 20th November 2023 and the Committee was advised that the Health Board intended to submit a formal request for strategic cash support in line with its forecast deficit through an Accountable Officer Letter in line with the Welsh Government timetable against the reported forecast deficit of £88.4m.</p> <p>The DDFO concluded that the request would need to be received by the Board.</p> <p>The Finance Committee noted that:</p> <ul style="list-style-type: none"> a) The Health Boards working cash balance requirement of £12.487m identified in the September 2023 Welsh Government Monitoring return was noted. 	

	<p>b) The ongoing work to assess any requirement working cash associated with the Health Boards Capital expenditure programme was noted.</p> <p>c) It was recommended that the Board approve the Health Boards application to Welsh Government for Strategic Cash Support in support of its 2023/24 forecast deficit of £88.4m</p>	
<p>FPC 23/10/009</p>	<p>Operational Performance</p> <p>The Operational Performance update was received.</p> <p>The COO advised the Committee that he would take the report as read but would highlight points where appropriate which included:</p> <p>Urgent & Emergency Care.</p> <p>It was noted that pressures in all areas had started to ease following ward moves and reconfiguration of the University Hospital Wales site over the summer period and the relevant teams continued to analyse breaches to better understand and improve patient flow processes.</p> <p>The Committee was advised that the focussed work on ambulance handovers through the year had led to significant reductions in the number of patients waiting more than 1 hour on an ambulance outside our Emergency Department, in addition to an overall reduction in the average handover time, surpassing Health Board commitments.</p> <p>It was noted that August 2023 saw an improvement in Health Board compliance against the Sentinel Stroke National Audit Programme (SSNAP) measures for the Stroke Pathway with the percentage of patients directly admitted to the stroke unit within 4-hours increasing to 65% and remained significantly above the all Wales average.</p> <p>The COO added that the Health Boards SSNAP grade had improved to B for the period April-June 2023, which was a significant 8-point improvement from the previous quarter and a reflection of the hard work undertaken by the teams but noted that there were still a number of challenges in increasing the number of patients thrombolysed which remained an area of continued focus, whilst working with colleagues from the NHS Executive.</p> <p>The Committee was advised that a large Health Board wide piece of work would be undertaken around Length of Stay (LoS) because the Health Board's LoS data was not where it needed to be and the COO noted that the delay in the work starting was due to the need to ensure that the communication and language around it was correct.</p> <p>The COO added that there would be a particular focus on 7-day and 21- day LoS and noted that an improvement had been observed in October 2023 and noted that a summary would be provided at the November meeting.</p> <p>Planned Care</p> <p>It was noted that more focus was required on the 52 week waits as there were still too many patients waiting for a year or more for an outpatient appointment.</p> <p>The COO noted it was not a Health Board wide issue and that the operational team were working with specialties, particularly in Paediatrics and Medicine, to reduce to or maintain their outpatient waits below 52 weeks.</p>	

The Committee was advised that as of October 2023 there were 348 patients who had waited over 3 years for an outpatient appointment and of those, 18 had waited over 4 years.

The COO noted that the Delivery Unit (DU) had requested that those 18 patients be given a date and an update would be provided to the DU the following Friday.

It was noted that an Outpatient Improvement plan would be launched and that the use of See on Symptoms (SOS) and Patient Initiated Follow-up (PIFU) pathways would be an important tool in the management of follow-up services and the Health Board would continue to develop their use across services.

Diagnostics

It was noted that the waiting list position for Diagnostics had deteriorated in recent months, with particular challenges in Radiology and Endoscopy however it was hoped that the upcoming development of a Community Diagnostic Hub, and interim use of mobile facilities would address radiological backlogs.

The COO advised the Committee that in relation to Endoscopy, the service had an improvement plan in place, with additional theatre and insourcing capacity, aligned to a longer-term workforce plan to further address the deterioration in the length of wait.

The UHB Chair asked if the COO was confident that waiting lists were validated.

The COO responded that he was not confident that they were accurately validated but added that there was a plan in place to ensure validity of waiting lists by March 2024.

Dental

The Committee was advised that the Health Board were undertaking a deep dive into the provision of General Dental Services within Cardiff and the Vale and it was noted that Dental services were going through a period of reform as Welsh Government assessed the impact of contract reforms on the provision of services and access to primary care dentistry.

The COO advised the Committee that the deep dive would be received at the next meeting in November.

Mental Health Services Update

The COO advised the Committee that a Mental Health Community Summit had been held on September 6th 2023 with over 40 participants from Primary Care, Children & Women's and Mental Health Clinical Boards in attendance.

It was noted that the summit included:

- Broad discussion on the pathways of care across the system which resulted in a conversation around requirement of excellent alignment in the need to simplify pathways for patients and utilise primary care more appropriately.
- A review of the current model and pathways undertaken by patients
- A preferred model for Adult services which would streamline the service and would make it clearer which patients see who and when.

	<ul style="list-style-type: none"> • A review of the current pathway for Children, Young People and Family (CYPF) • Next steps for CYPF and a number of pathways. <p>The COO concluded that a repeat summit would be held approximately 6 to 8 weeks after the first one with the following actions completed:</p> <ul style="list-style-type: none"> • Pathway redesign across primary care and mental health services which would aim to achieve a single point of access • Review the best pathway for ADHD service • Review the policy of the services the Health does and does not provide <p>He added that the above actions would be underpinned by:</p> <ul style="list-style-type: none"> • Standardised demand and capacity assessment • Redistribution of the workforce to new pathways • Improved communications for patients and referrers <p>The COO concluded that a detailed outlook on Mental Health services would be provided to the Committee in 2024.</p> <p>The Finance Committee noted that:</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>	
<p>FPC 23/10/010</p>	<p>Cancer Deep Dive</p> <p>The Cancer Deep Dive was received.</p> <p>The COO advised the Committee he would take the report as read and noted that the report forewarned the Committee that performance would dip and get worst before it got better and that he would explain to the Committee the reasoning for that.</p> <p>He added that the plan developed with Clinical Boards was to see continuous improvement in the percentage of patients treated within the standard and an aim to exceed 75% by the end of September 2023 in line with the 62-day single cancer pathway.</p> <p>The Committee was provided with the aims for the service which included:</p> <ul style="list-style-type: none"> • 90% of patients to have had their first contact within 14 days. • 85% of patients to have had their diagnosis by day 28 <p>The COO advised the Committee that at the end of August 2023, the confirmed cancer performance was 66.4%, and the September 2023 performance, which would be confirmed at the end of October 2023, was likely to see a deterioration as mentioned.</p> <p>The Committee were provided with the 2 main reasons for the deterioration which included:</p> <ul style="list-style-type: none"> • The endoscopy waiting list where 30% of patients on the single cancer pathway were waiting for endoscopy. 	

	<ul style="list-style-type: none"> An increase in referrals. It was noted that colorectal and skin referrals had increased exponentially. <p>The COO concluded that whilst it was disappointing that cancer services were not where they should be, the issues had been identified and the teams knew what would be needed to address the demand.</p> <p>The CC thanked the COO and noted it was reassuring to see the actions outlined within the report and the relatively short timescales identified.</p> <p>The Finance Committee noted:</p> <ol style="list-style-type: none"> The reasons for the performance not reaching the standard including endoscopy, demand increases and challenges within the urology pathway were noted. The approach to setting upper limits for the longest waiting patients for each tumour site was noted. The likely outcome of performance not reaching the standard before March 2024 was noted. 	
Items for Approval/Ratification		
<p>FPC 23/10/011</p>	<p>Electronic Prescribing and Medicines Administration</p> <p>The Electronic Prescribing and Medicines Administration was received.</p> <p>The EDF advised the Committee that the case had been through the Investment Group and the relevant other forums.</p> <p>She added that the capital was being covered by WG and that the revenue was being covered in the short but that the Health Board would need to cover it in the future.</p> <p>It was noted that a lot of work had been undertaken around benefit realisation and that the case needed to be prepared for WG funding.</p> <p>The EDF concluded that the case would not progress if the WG funding was not agreed.</p> <p>The COO provided assurance to the Committee that a strong conversation had been held around the case at various forums and highlighted that there had been a little bit of nervousness around the digital capability of the Health Board to support it and so a sense check around digital would be required.</p> <p>The Finance Committee noted that:</p> <ol style="list-style-type: none"> The Electronic Prescribing and Medicines Administration was approved for recommendation to the Board. 	
<p>FPC 23/10/012</p>	<p>Paediatrics Infectious Diseases case</p> <p>The Paediatrics Infectious Diseases business case was received.</p> <p>The COO advised the Committee that the case was supported by WHSSC however conversations had been held around priorities and so various iterations of the case had been seen with the relevant updates.</p>	

	<p>He added that the case was something the Health Board would want to support to help sustain the current services and to be able to offer the service to the rest of Wales.</p> <p>The DDFS advised the Committee that the case came with a £678k revenue consequence which meant that the Health Board would need to pick up its commissioner share which would be circa 33% across paediatric specialised services.</p> <p>The EDF asked if the DDFS could confirm that the case was in the planned investments for 2023/24 or if it was in addition to those.</p> <p>The DDFS responded that the in-year cost was held at just over £300k which was part of the approved WHSSC Integrated Commissioning Plan (ICP) for 2023/24.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The Paediatrics Infectious Diseases business case was approved for recommendation to the Board following circulation of papers to relevant Independent Members</p>	
	Items for Information and Noting	
FPC 23/10/013	<p>Monthly Monitoring Returns – Month 6</p> <p>The Month 6 Monitoring Returns were received.</p> <p>The Finance and Performance Committee resolved that:</p>	
FPC 23/10/014	<p>Any Other Business</p> <p>No Other Business was discussed.</p>	
	Review and Final Closure	
FPC 23/09/015	Items to be referred to Board / Committee	
	<p>Date & time of next Meeting</p> <p>Wednesday 22 November 2023 at 2pm via Teams</p>	