

**Minutes of the Public Finance and Performance Committee Meeting
Held on 20 March 2024
Via MS Teams**

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
Andrew Gough	AG	Deputy Director of Finance (Strategic)
Abigail Harris	AH	Executive Director of Strategic Planning
Edward Hunt	EH	Programme Director – Strategic Planning
Robert Mahoney	RM	Deputy Director of Finance (Operational)
Catherine Phillips	CP	Executive Director of Finance
Matt Phillips	MP	Director of Corporate Governance
Calum Shaw	CS	Environmental Sustainability Improvement Manager
Secretariat:		
Nathan Saunders	NS	Senior Corporate Governance Officer
Apologies:		
Suzanne Rankin	SR	Chief Executive Officer
Charles Janczewski	CJ	UHB Chair

Item No	Agenda Item	Action
FPC 24/03/001	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
FPC 24/03/002	Apologies for Absence Apologies for Absence were noted. The Finance and Performance Committee resolved that: a) Apologies for Absence were noted.	
FPC 24/03/003	Declarations of Interest No Declarations of Interest were noted.	
FPC 24/03/004	Minutes of the Finance and Performance Meeting held on 21 February 2024 The minutes of the meeting held on 21 February 2024 were received. The Finance Committee resolved that: a) The minutes of the Finance and Performance Committee meeting held on 21 February 2024, were held as a true and accurate record of the meeting.	
FPC 24/03/005	Actions following the Finance and Performance Committee meeting on 21 February 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 24/03/006</p>	<p>Chairs Action since previous meeting</p> <p>There had been no Chair's Actions taken since the last meeting</p>	
<p>FPC 24/03/007</p>	<p>1) Financial Report – Month 11</p> <p>The Financial Report – Month 11 was received.</p> <p>A summary was provided to the Committee which stated:</p> <p><i>At month 11, the Health Board was reporting an overspend of £16.818m. This was comprised of £1.730m unidentified savings/operational overspend and the revised planned deficit of £15.088m (11 twelfths of the revised forecast year end deficit of £16.460m).</i></p> <p>The Deputy Director of Finance (Operational) DDFO advised the Committee that it was very live position as there were only 11 days left until the end of the financial year.</p> <p>He added that the report received by the Committee had been enhanced to include an extended capital review to demonstrate how the programme was being managed and how it would be managed that into the year end for 2023/24.</p> <p>It was noted that the forecast year end position had been amended in line with the revised target control total issued by Welsh Government (WG) on the 20th October 2023 to £16.460m and that the Health Board were just above the control total at month 11 at £16.818m.</p> <p>The Committee were presented with a summary financial table which set out and analysed the £16.818m overspend at Month 11, between Income, Pay and Non-Pay and the Total Variance Forecast (TVF) graph which showed the total operational and savings programme deficits and the impact of the additional savings actions on the total variance.</p> <p>The DDFO advised the Committee that after peaking at month 6, delivery in line with the profile would enable the UHB to hit the £16.460m revised forecast deficit.</p> <p>The Financial Performance of the Clinical Boards were presented to the Committee which noted that budgets had been set to the Clinical Boards in the anticipation that they were sufficient to deliver the Health Boards plan.</p> <p>Covid Expenditure - it was noted that Local Response expenditure was no longer funded by WG and as such was included within the Health Boards Financial Plan with the forecast cost at Month 11 being a reduction of £3.2m against the £34.2m included within the Financial Plan and was included within the Health Boards savings plans.</p> <p>Risks – The Committee were provided with a summary of the Finance Department's Risk Register and the key risk was noted which stated the failure of the Health Board to deliver a breakeven position by 2023-24-year end with a current planned deficit of £16.460m.</p> <p>Savings Programme – The Committee was advised that at month 11, the Health Board had identified £32.590m of green and amber against the £32m savings target and included a Savings Programme variance of £1.082 due to the shortfall in delivery against some of the schemes.</p> <p>The DDFO noted that the progress of the agreed additional actions and focus on operational pressures was expected to cover the month 11 Savings Programme variance by year end, which would enable the Health Board to deliver its revised planned deficit position of £16.640m.</p> <p>He added that Executive Performance Reviews with the Clinical Boards were focussing on the management of operational pressures and progress in identifying and delivering recurrent savings schemes that in turn would de-risk the financial plan.</p> <p>The Committee were presented with a graph which showed the current cumulative profile of identified schemes up to the savings target of £32m.</p> <p>It was noted that further schemes identified in 2023/24 were not expected to deliver savings in year and would be considered as part of the process to identify savings schemes for the 2024/25 Financial Plan.</p>	

Cash Flow Forecast – The Committee was advised that the cash balance at the end of February was £3.881m with a forecast deficit of £16.460m at year end pending confirmation of strategic cash support.

It was noted that the Health Board had relayed an accountable officer's letter, on the 22nd November 2023, to formally request the strategic cash assistance in line with the revised forecast outturn and that in addition, the Health Board urgently required confirmation and action of outstanding cash allocations that had been included in WG monthly monitoring returns since the beginning of the year.

Capital – The Committee was advised that £18.68m of additional capital schemes had been approved by WG during 2023/24, increasing the CRL from the original allocation of £20.102m to £38.784m (as of 29th February CRL).

The DDFO noted that £9.6m of new schemes had been approved since December 2023, weighting the delivery of the 23/24 capital programme heavily to the last quarter.

He added that to ensure the delivery of the 23/24 capital programme, all schemes had been reviewed and potential slippage identified which was presented to the Committee.

The CC thanked the DDFO and the Finance Team for the sterling job done on bringing all of the month 11 data together for the Committee.

The UHB Vice Chair noted that the valuation Whitchurch Hospital asset that was due to be transferred to Velindre was £7.804m and asked how realistic that figure was and when it had been provided.

The DDFO responded that the transfer of the asset to Velindre would be at book value, as it was an NHS to NHS transaction, and that there was some uncertainty about whether it would happen in 2023/24 or 2024/25 and was dependent on WG approval.

The Executive Director of Finance (EDF) added that the Health Board had agreed to transfer the Whitchurch Hospital asset to Velindre at book value, as a way of enabling the Velindre Cancer Centre to proceed with their development plans.

She added that the Health Board would receive the land where the current Velindre Cancer Centre was located, once it was remediated and cleared and explained that it was a sensible middle ground to facilitate the transfer of land and to alleviate the Health Board of the running costs and security of the Whitchurch site.

The DDFO continued to present the Financial Report – Month 11.

Key Performance Indicators (KPIs) – The Committee was advised that the Finance Team had delivered against the KPIs for 2023/24 and the DDFO advised that he would review the KPIs for 2024/25 which would be reported back to the Committee in the next Financial Report.

The DDFO concluded that the Health Board had delivered its Cost Reduction Programme (CRP) and he was confident that the Health Board would deliver against the £16.460m control total to WG however absolute assurance could not be given until the month 12 reporting which would be received by the Committee at its next meeting.

The Finance and Performance Committee resolved:

- a) The revised the forecast deficit of £16.460m following the confirmation of additional Welsh Government Support and the requirement to further reduce planned expenditure was noted.
- b) The reported year to date overspend of £16.818m and the forecast deficit of £16.460m was noted.
- c) The financial impact of forecast COVID 19 costs which was assessed at £44.064m was noted.

	<p>d) The month 11 operational overspend against plan of £0.648m with a further £1.082m savings gap was noted.</p> <p>e) The progress against the savings target, with £32.590m (102%) of schemes identified at Month 11 against the £32m target with year to date deficit was noted.</p> <p>f) The delivery of the forecast which was also dependant on the confirmation of all outstanding income streams was noted.</p>	
<p>FPC 24/03/008</p>	<p>Financial Plan and Savings Tracker 2024/25</p> <p>The Financial Plan and Savings Tracker 2024/25 was received.</p> <p>The Deputy Director of Finance – Strategic (DDFS) advised the Committee that the tracker had been discussed in detail at a Board Development session and raised some key points which included:</p> <ul style="list-style-type: none"> • The plan aimed to stabilise the financial position with a goal to deliver a £15.9m deficit which was an improvement from the previous year’s deficit. • The organisation planned to retain the £45.4 million WG allocation made in 2023/24 to support both COVID consequential costs and exceptional inflationary pressures. • The delivery of the plan would require an ambitious savings program totalling £47.2m, which included a core £32m target and the delivery of non-recurrent savings from 2023/24. • The plan would continue to drive savings on a themed approach that aligned with the national value and Sustainability Board. • The draft plan was a deficit of £15.9 and achieving a break-even position in 2024/25 could impact patient care and the ability to deliver core services, which included a reduction in bed base and a slowdown of planned care activity and community services development. • The plan had a clear trajectory to financial balance sustainability over the next two years, starting with the delivery of the 2024/25 draft planned deficit of £15.9m <p>The UHB Vice Chair noted that at the Board Development session, a discussion had taken place around the relatively minor amount that the deficit would be in terms of £15.9m as an overall percentage.</p> <p>He added that a meeting had been held with all Vice Chairs with the Minister where she had emphasised that no more money would be available and the £15.9m was predicated on the Health Board getting so some resources from Welsh government and asked if the DDFS had any further information because to achieve a zero position for 2025/26, the Health Board would need to go through the difficult plan in 2024/25.</p> <p>The DDFS responded that from discussions held with colleagues in WG and within the Financial Planning Directorate there was an expectation that an improving position on the 2023/24 control total deficit should secure the £45.4 million funding that was received from WG in 2023/24 and that was how the Health Board was positioning its plan for 2024/25.</p> <p>The EDF added that WG would be aiming to balance the overall Health spend and in addition, a very strong steer had been given that £15.9m would be marginal, but an improved deficit.</p> <p>The DDFS advised the Committee that:</p> <ul style="list-style-type: none"> • An ambitious savings program was in place to deliver a deficit of £15.9m next year. • The savings program totalled £47.2m and at the time the papers were published, £16.4m worth of savings had been identified with £18.4m having been identified at the time of the meeting, an increase of £2m • Just over £5m of the identified savings were categorised as green and amber, providing assurance of delivery. There were also £13m of red pipeline schemes. • There was still a significant gap in the savings program to close and provide assurance of delivery, however, the current position was better than what had been seen over the last three years. • Continuous progress was expected over the next few weeks, with significant improvement anticipated by the time the plan was submitted to WG and as focus shifted entirely to 2024/25. 	

	<ul style="list-style-type: none"> • A themed approach to savings was still being used and was continuing to develop which worked well in 2023/24 and would continue into 2024/25. • There would be a better engagement and alignment with clinical boards on how savings were being delivered, with more work across clinical boards on corporate themes. <p>The DDFS summarised the discussion and noted that it was the final draft plan for the Committee to support for recommendation to the Board for approval.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The Financial Plan and Savings Tracker 2024/25 was noted and recommended to the Board for approval at its May 2024 meeting.</p>	
<p>FPC 24/03/009</p>	<p>Operational Performance</p> <p>The Operational Performance update was received.</p> <p>The Chief Operating Officer (COO) advised the Committee that he would take the report as read but would highlight points where appropriate which included:</p> <ul style="list-style-type: none"> • Urgent Care – it was noted that January and February had seen a notable increase in operational pressures across Wales and the average ambulance handover time remained higher than it had in December 2023. • Stroke - There had been a slight dip in stroke performance, but it had been anticipated. An investment case for additional consultant cover was presented to the investment group in March 2023 and was well received and if approved, a more sustained performance in stroke would be expected over the next few months as consultant cover was increased to seven days a week from 8:00 AM to 11:00 PM. • Cancer Services - Progress had been made in cancer care, with a reduction in the backlog of patients waiting over 62 days. As of the end of March 2023, there were 139 patients waiting over 62 days, nearly 100 patients fewer than the original trajectory of 234 and the number of patients waiting over 104 days had been reduced to 45. <p>It was noted that the reduction in the backlog was largely due to decreased endoscopy waiting times and it was noted that despite a likely drop in performance in February there was confidence that 75% single cancer performance would be delivered in Q1.</p> <p>The COO advised the Committee that Industrial action posed some risk, but it had been managed well so far, however, it had resulted in the displacement of many other patients to accommodate the cancer patients displaced by the industrial action.</p> <ul style="list-style-type: none"> • Planned Care – It was noted that the 99% standard set by the Minister for patients to start their definitive treatment within two years of referral would not be met by the end of March 2023 with the delivery expected to be around 98.2%, with about 1,000 patients short. <p>The COO advised the Committee that there were 2800 patients waiting over two years, which was about 1000 more than expected, largely due to the industrial action.</p> <p>He added that the ambition was to clear all four-year waits by the end of April.</p> <ul style="list-style-type: none"> • Primary Care - The current state of Primary Care was described as fairly stable and the levels of GP practices in escalation remained in the 30s, and there had been no significant fallout following the conclusion of contract negotiations. <p>The COO advised the Committee that despite concerns raised over the past few weeks, there was no expectation of contract handbacks or discontinuation of some of the enhanced services provided by GPs</p> <p>Deep Dive on Mental Health:</p>	

The COO reminded the Committee that a deep dive on Mental Health had been requested by the Committee and noted that the purpose of the presentation received was to provide an update on the challenges within Mental Health operational performance for both Adults and CAMHS

He added that the deep dive did not give a solution to all the issues but set out what work was ongoing.

The presentation included a large amount of detail on Mental Health Performance and included:

- Mental Health Measure (MHM):
 - Part 1 sought to ensure more mental health services were available within primary care.
 - Part 2 gave all people who received secondary mental health services the right to have a Care and Treatment Plan
 - Part 3 gave all adults who were discharged from secondary mental health services the right to refer themselves back to those services
 - Part 4 offered every in-patient access to the help of an independent mental health advocate

It was noted that Part 1 and 2 both featured as part of the NHS Performance Framework and were the two measures that the Health Board were most closely monitored on.

- Part 1a performance - 80% assessments within 28 days of referral (adult):
 - Performance for Part 1a in adults had been above the 80% standard for 9 of the last 11 months
 - Performance was above the All Wales Average
 - Performance recently dropped due to a spike in referrals
 - There was a 10.5% increase in referrals year on year
 - Demand and capacity planning shows a gap of 3 WTE clinician shortage to achieve balance.
- Part 1b - 80% interventions (treatments) within 28 days of assessment (adult):
 - Performance for Part 1b in adults was consistently at 100%
 - Evidence based interventions included 1:1 treatment, Group sessions, Self-help materials, Open access courses and Online CBT.
- Part 2 - 90% in receipt of secondary mental health services who have a valid care and treatment plan (adult):
 - Performance reduced following recalculation from 80.2% in March 2023 to 50.3% in April 2023
 - Recovery and Maintenance Programme (RAMP) was awaiting ratification at Mental Health Act Legislation Committee which aimed to adjust the coding of 'stable severe' patients within CMHT caseloads as Part 1.
- Psychological Therapies - 80% waiting less than 26 weeks to start a psychological therapy:
 - December 2023 - 63% compliance with 26-week assessment to treatment standard
 - Patients over 26 weeks reduced from 898 in August 2023 to 561 in December 2023
 - The volume of referrals was cut significantly in September 2023 following a dedicated focus on reducing counselling referrals through the single point of access in PMHSS
 - The Longest wait – 28 months for the Traumatic Stress Service but this service had reduced overall waiting list volume
 - Increasing numbers in Eating Disorder Specialist Outpatient Treatment Team (EDSOTT)
- Psychological Therapies – Eating Disorders:
 - There were two Eating Disorder services - Eating Disorder Specialist Outpatient Treatment Team (EDSOTT) and Severe High-Risk Eating Disorders Team (SHED).
 - EDSOTT worked across Part 1 & 2 and offered high intensity treatment for a range of eating disorder presentations
 - Referrals increased by 42% in 2022

- Investment through Service Improvement Funding and work with Children's services for transition – challenges were expected to continue
- Neurodevelopment - adults (focus on ADHD):
 - There had been a 400% increase in referrals
 - There had been a 32% increase in prescribing since 2015
 - Adult referrals were higher than children for the first time
 - Co-ordinated action would be required
 - The Mental Health team were engaged in national work
 - Financial challenges would require investment
- Part 1a - 80% assessments within 28 days of referral (children):
 - Performance for Part 1a in children had been above the 80% standard for 10 of the last 11 months
 - Performance was above the All Wales Average
 - Performance recently dropped to 78% due to sickness, complex cases and cancellations over Christmas
- Part 1b - 80% interventions (treatments) within 28 days of assessment (children):
 - Performance against the Part 1b standard reduced to 0% in April 24 following a re-calculation of the standard and integration of IT systems.
 - Underachievement was largely due to a backlog following previous increases in assessments, staff sickness and vacancies within the service.
 - The median wait for an intervention appointment was approximately 10-weeks
 - A trajectory was being developed which aims to return to standard by Q3 2024/25 through recruitment, job planning, agency use and outsourcing
- Part 2 - 90% in receipt of secondary mental health services who have a valid care and treatment plan (children):
 - Part 2 compliance was generally above or extremely close to standard.
 - Seasonal variation and prioritisation of intervention could impact performance.
 - Part 2 training had been provided to the intervention team alongside the launch of the new clinical pathways.
- Neurodevelopment – children:
 - The waiting list continued to grow as a result of a continued demand and capacity mismatch - demand outstripped capacity by approximately 350%.
 - The longest wait reduced down to 150 weeks but 81% children and young people were waiting over the expected 26 weeks. The Health Boards performance was broadly in line with the rest of Wales.
 - Continued work was underway as part of the WG Improvement Programme, the 3 main areas of focus were: Triage and referral Joint assessments and fast track triage assessment clinic, ADHD medication follow up.

The CC inquired about the performance relating to part 1B for children, which pertains to the initiation of interventions or treatments within 28 days of assessment and asked what the implications from WG were when they are told of the Health Boards performance on it.

The COO responded that WG were supportive of the Health Board because it was open and honest about the Mental Health figures.

He added that they were clearly concerned about the level of performance, but had confidence that the Health Board knew why it had that level of performance and what was being done about it we're doing about it.

The COO advised the Committee that a further update on progress would be provided to the Committee in 6 months' time.

The Finance and Performance Committee resolved:

- a) The year to date position against key organisational performance indicators for 2023-24 and the update against the Operational Plan programmes were noted.

	<p>b) The Mental Health Deep Dive was noted.</p>	
<p>FPC 24/03/010</p>	<p>Decarbonisation Plan & Q3 Decarbonisation Action Plan Update</p> <p>The Decarbonisation Plan & Q3 Decarbonisation Action Plan Update was received.</p> <p>Decarbonisation Action Plan</p> <p>The Executive Director of Strategic Planning (EDSP) introduced the Decarbonisation Plan and noted that the plan had been through several variations over the last few years and every year it had been updated to reflect any changes, anything new or anything the Health Board had learned in terms of how best to tackle the climate emergency and take its responsibility seriously as an organisation.</p> <p>She added that the report received was the 2025/26 Decarbonisation Plan on its journey towards the Board the following week for approval.</p> <p>The Environmental Sustainability Improvement Manager (ESIM) presented to the Committee:</p> <p>Key Points included:</p> <ul style="list-style-type: none"> • Climate Emergency - A climate emergency was declared in 2020 by the Health Board demonstrating their commitment to taking climate change seriously. • The NHS Wales Strategic Delivery Plan: Published in 2021, contained actions and initiatives aimed at reducing emissions and achieving emission reduction targets. It also required that NHS organisations must have decarbonisation action plans. • Shaping Our Future Wellbeing Strategy: The strategy outlines ambitions to reduce emissions within the Health Boards control. Targets included a 16% reduction by 2025 and a 34% reduction by 2030, against a 2018 baseline. • Emissions Increase: Emissions have risen both within Cardiff and Vale and across the wider NHS in Wales. Around 80% of emissions come from procurement. This increase was due to more accurate data measurement and increased spending, amongst other factors. • Emissions Reduction: Emissions that the Health Board controlled, such as energy, had collectively reduced by around 7% against the baseline. • Future Ambitions: The strategy sets a 40% target by 2027, a 60% target by 2035, and aimed to achieve carbon neutrality as a health service by 2035. • New Areas in the Current Plan: The plan focussed on prevention, recognising that the most effective and low carbon form of healthcare was that which did not need to be delivered. It also focussed on operational priorities, recognising the carbon benefits created by operational and financial efficiency programs. It also focused on adaptation, acknowledging the need to adapt states and services to deal with the impacts of climate change. • Impact of the Plan: The estimated impact of the plan would be around 8000 tonnes or 4% of the footprint. <p>The ESIM advised the Committee that within the plan, three categories had been set out for Health Board actions around:</p> <ul style="list-style-type: none"> • Strategic aims, departmental actions and personal values that staff were being asked to uphold. • There were 49 actions in total which sat across the Strategic and departmental levels, but everyone across the organisation needed to play their part within the agenda. 	

	<p>It was noted that specific actions for staff had been sent out in the plan which included:</p> <ul style="list-style-type: none"> • Reducing energy • Correctly disposing of waste. • Staff taking more sustainable modes of transport. • How staff could apply the sustainable practices in their day to day roles. <p>The ESIM advised the Committee that following approval of the plan, the messaging would be publicised widely across the Health Board.</p> <p>Q3 Decarbonisation Action Plan Update</p> <p>The EDSP advised the Committee that a huge amount of reporting on the Action Plan had been provided to WG and noted that the plan was brought to the Committee periodically to give assurance that the Health Board were doing everything it said it would do.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The 2024/25 Decarbonisation Action Plan was approved for recommendation to the Board.</p>	
<p>FPC 24/03/011</p>	<p>Water Safety Control Measure</p> <p>The Water Safety Control Measure was received.</p> <p>The EDF advised the Committee that it was being received as per process on the way to the Board meeting for approval.</p> <p>She added that 2 organisations had bid for the contract and the incumbent was due to be rewarded on the basis of quality and price.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The award of the contract for Provision of Water Safety Control Measures and recommend to the Board for approval at its meeting held on 28.03.2024 was approved.</p>	
<p>FPC 24/03/012</p>	<p>Monthly Monitoring Returns – Month 10</p> <p>The month 10 monitoring returns were received.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The month 10 monitoring returns were noted.</p>	
<p>FPC 24/03/013</p>	<p>Any Other Business</p> <p>No other business was raised.</p>	
	<p>Date & time of next Meeting</p> <p>Wednesday 17 April 2024 via Teams</p>	