

**Minutes of the Public Finance and Performance Committee Meeting  
Held on 21 August 2024  
Via MS Teams**

<b>Chair:</b>		
John Union	JU	Independent Member – Finance / Committee Chair
<b>Present:</b>		
David Edwards	DE	Independent Member – ICT
Charles Janczewski	CJ	UHB Chair
<b>In Attendance:</b>		
Paul Bostock	PB	Chief Operating Officer
Marie Davies	MD	Deputy Director of 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
Francesca Thomas	FT	Head of Corporate Governance
<b>Secretariat:</b>		
Rachel Chilcott	RC	Corporate Governance Officer
<b>Apologies:</b>		
Ceri Phillips	CP	UHB Vice Chair
Matt Phillips	MP	Director of Corporate Governance

Item No	Agenda Item	Action
<b>FPC 21/08/001</b>	<p><b>Welcome &amp; Introduction</b></p> <p>To view the minute: <a href="https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=2">https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=2</a></p> <p>The Committee Chair (CC) welcomed everyone to the meeting.</p>	
<b>FPC 21/08/002</b>	<p><b>Apologies for Absence</b></p> <p>To view the minute: <a href="https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=38">https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=38</a></p> <p>Apologies for Absence were noted.</p> <p><b>The Finance and Performance Committee resolved that:</b> a) Apologies for Absence were noted.</p>	
<b>FPC 21/08/003</b>	<p><b>Declarations of Interest</b></p> <p>To view the minute: <a href="https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=56">https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=56</a></p> <p>No Declarations of Interest were noted.</p>	
<b>FPC 21/08/004</b>	<p><b>Minutes of the Finance and Performance Meeting held on 17 July 2024</b></p> <p>To view the minute: <a href="https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=66">https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=66</a></p> <p>The minutes of the meeting held on 17 July 2024 were received.</p> <p><b>The Finance Committee resolved that:</b></p>	

	<p>a) The minutes of the Finance and Performance Committee meeting held on 17<sup>th</sup> July 2024, were held as a true and accurate record of the meeting.</p>	
<b>FPC 21/08/005</b>	<p><b>Actions following the Finance &amp; Performance Meeting on 17 July 2024</b></p> <p>To view the minute:  <a href="https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=124">https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=124</a></p> <p>The Action log was received.</p> <p><b>The Finance and Performance Committee resolved that:</b></p> <p>a) The Action Log for the Finance and Performance Committee was noted.</p>	
<b>FPC 21/08/006</b>	<p><b>Chairs Action since previous meeting</b></p> <p>There had been no Chair's Actions taken since the last meeting</p>	
<b>FPC 21/08/007</b>	<p><b>Financial Report – Month 4 Position &amp; Savings Plan Progress (including Savings Tracker)</b></p> <p>To view the minute:  <a href="https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=185">https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=185</a></p> <p>The Deputy Director of Finance Operational (DDFO) presented the Financial Report and highlighted the following key points:</p> <ul style="list-style-type: none"> <li>• The UHB reported an overspend of £14.163m at Month 4.</li> <li>• The UHB's Financial Plan had been accepted by Welsh Government (WG) as an annual forecast represented a failure of the UHB's statutory requirement to deliver a balanced financial plan over a three-year rolling period.</li> <li>• Table 2 summarised their Financial Position for the period ended 31<sup>st</sup> July 2024 - there had been a slight slowing of the increase in the deficit in Month 4. This change reflected some confirmed financial uncertainties which were favourable, and included additional actions taken by Clinical Boards which had impacted the year-to-date position.</li> <li>• Graph 1 showed the total variance compared to a straight-line projection of the Planned Deficit (£!5.9m) and highlighted the necessity of alignment with the planned deficit.</li> </ul> <p>The UHB Chair suggested the addition of a third line on the graph which predicted their end of month positions.</p> <p>The DDFO responded that this would be discussed at the following Board Development session, and that he anticipated that this information would be incorporated into these reports going forward.</p> <p>The DDFO continued:</p> <ul style="list-style-type: none"> <li>• Graph 2 showed the Monthly Operational &amp; Savings Deficit, which highlighted that the deficit had reduced compared to previous months – however this could be due to technical adjustment reasons.</li> <li>• Long Term Agreements (LTAs) – the anticipated 3.67% uplift for all cross-border arrangements with other Welsh NHS organisations turned out to be more complex than expected. The UHB had to compromise on the nature of some arrangements but felt they had mitigated the risks as best as possible. As a result, they were able to sign off on most of the LTAs and avoided going into arbitration with WG. They had concluded their LTAs for this financial year.</li> </ul> <p>The CC asked if this cost the UHB more than they had anticipated at the start of the year.</p>	

The DDFO responded that they were where they had forecasted to be had it been more straightforward, but that a risk element had been introduced that they had to perform on some of the LTAs to recover some of the 3.67%.

The DDFO continued:

- Table 3 summarised the financial performance by Clinical Board. The most significant pressures driving the operational spend were outlined in the report.
- Table 4 summarised the WG COVID-19 allocations and expenditure - the UHB effectively utilised these allocations on a recurrent basis, albeit they were only released each year by WG.

The CC asked if there was any risk that the recurrent funding would cease.

The DDFO was not able to provide assurance but noted that they were hopeful that the funding would be made recurrent. He added that WG would be aware of the implications of pulling/reducing the funding, and that they were in discussions yearly with WG about converting it into their recurrent allocation.

The Deputy Director of Finance – Strategic (DDFS) informed the Committee that they hoped to have confirmation over the following quarter.

The DDFO presented the Financial Risk Register and highlighted that:

- The risk around the UHB's submitted Financial Plan's planned deficit and failure to meet their statutory targets remained broadly the same.
- The capital breakeven duty had been successfully managed through a tightly controlled programme to meet the capital resource limit, but it was not without risk
- The key risks were the failure to adequately manage budget pressures in line with the £15.9m, and the delivery of the cost improvement programme: -
  - They had introduced enhanced meetings and activities with Clinical Boards to find additional actions above the existing Cost Reduction Programme (CRP) schemes and to RAG rate some additional deliveries.
  - A Quality Impact Assessment (QIA) process had been implemented to ensure there was a limited impact on patient safety and the delivery of services.
  - A deep dive was due to be presented to Board the following week which outlined the anticipated scenarios.

The UHB Chair suggested that they might have to take unpalatable actions.

The Chief Operating Officer (COO) provided assurance that everybody understood the size of the financial problem but highlighted that any actions would have a massive detriment to planned care.

The DDFO noted that the savings programme continued with the goal of achieving £47m in savings. Despite the progress made (shown in Graph 3), there was still uncertainty whether the progress was fast enough to meet the year-end targets.

The Executive Director of Finance (EDF) highlighted the need to persist with the £47m savings programme, despite the slippage. In addition, recovery actions were essential to address operational pressures that lacked immediate cost solutions.

The UHB Chair suggested the inclusion of another graph in the report to monitor the savings plan for 2025-26.

The DDFO continued:

- Graph 3 illustrated the progress made on the main CRP scheme, and table 6 summarised the savings schemes, which illustrated that they were closing on £33m

	<p>for green and amber schemes, and that they needed to find £14-15m more to close the red unidentified gap.</p> <ul style="list-style-type: none"> <li>• Any deficit / failure to meet targets had an impact on the following year, particularly the level of recurrent savings made within the £47.2m savings target - at month 4, the UHB identified £18m of recurrent schemes. They hoped for an increase in the number of recurrent schemes delivered by the end of the year.</li> <li>• The cash flow forecast was closely linked to the anticipated year-end position. It was important to manage the financial position and stay within the cash flow limits to meet statutory obligations and cash liabilities. Graph 5 highlighted the revenue capital drawing limits and how they had spent their cash to date.</li> <li>• Public sector payment compliance remained strong at 97.8% for the year.</li> <li>• The UHB had a £41.4m Capital Resource Limit (CRL) allocated by WG, which they planned to fully utilise by year end.</li> <li>• Table 7 summarised the £29m unconfirmed anticipated allocations, which had been shared with WG through their monthly monitoring returns. Since March 2024, they had received some confirmation of allocations from WG.</li> <li>• Table 8 summarised the Key Performance Indicators which fed into the Board reports.</li> </ul> <p>The CC suggested that the table of Unconfirmed Anticipated Allocations remain in the report as a live document to monitor the confirmed allocations by WG throughout the year, and to include any potential risks to the UHB.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <ul style="list-style-type: none"> <li>• The reported year to date overspend of £14.163m and the forecast deficit of £15.9m was noted</li> <li>• The month 4 operational overspend against plan of £3.370m with a further £5.493m savings gap was noted</li> <li>• The progress against the savings target, with £32.708m (69%) of green and amber schemes identified at Month 4 against the £47.2m target was noted</li> <li>• Delivery of the forecast is predicated on the confirmation of all expected income streams including WG anticipated allocations and LTA performance income was noted.</li> </ul>	
<p><b>FPC 21/08/009</b></p>	<p><b>Operational Performance Update</b></p> <p>To view the minute:  <a href="https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=2857">https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=2857</a></p> <p>The COO presented the Operational Performance update and highlighted the following key points:</p> <ul style="list-style-type: none"> <li>• <u>Urgent and Emergency Care</u> – the UHB struggled to maintain gains made the previous year. The EU saw a 12% increase in major patients compared to the previous month, which equated to 550 extra patients monthly.</li> <li>• <u>Hospital Flow and Discharge</u> – the UHB had closed 55 beds compared to the previous year, including the Winter Ward and Glan Ely in St Davids. Despite this, the benefits were negated by the increased patient numbers. They were planning for winter and Q3, but there was a lack of additional funds this year. There had been a widespread increase in demand in EU across Wales and England, which required further analysis.</li> <li>• <u>Cancer</u> – they consistently achieved around 60-64%, although their target was 75%. Since December 2023, they had not fallen below 60%. Despite issues with pathology backlogs and challenges in urology and lower GI pathways, they maintained steady performance.</li> </ul>	

- Planned Care – they faced significant capacity and backlog challenges. As of June 2024, 3300 patients had been waiting over two years, the number of patients waiting over four years had reduced to 1 patient (with a treatment date set), and around 100 patients had been waiting over three years, mainly in spines, neurology and ophthalmology. They aimed to treat these patients by November but faced funding shortages. Despite meeting the set trajectories, achieving 0 patients waiting over two years remained difficult.

The CC asked whether the Clinical Boards checked in with the patients who were on the waiting lists for long periods of time.

The COO responded that they were in the process of validating the waiting lists, and that he was quite confident that they had overstated their position. The Orthopaedics department had a good system for keeping patients well whilst waiting, which included prehabilitation. The COO highlighted that the focus was on improving the waiting list management, which required significant resource and training, but they had sought funding from WG to support a more robust validation team.

The COO continued:

- Diagnostics – there was a total waiting list of around 26,500 patients, with nearly half awaiting non-obstetric ultrasounds. Currently 16,000 patients were waiting over 8 weeks, meeting less than 40% of the 8-week standard. There were plans for MRI and non-obstetric ultrasound improvements, but endoscopy remained a significant challenge. Plans for cancer, urgent and surveillance patients were in place, but routine patients required substantial investment. They were working on a regional solution and a workforce plan, but it would not be a quick fix.
- Mental Health – adult standards were being met, but children’s services were behind. They hoped that by September 2024, waiting times and the number of people on the paediatric waiting list would decrease. They expected to meet the 70-80% standard for starting treatment within 28 days, despite current appearances.
- Primary and Community Care – England had reduced the amount of daily GP appointments to 25 per day, whilst this was currently in consultation in Wales. If similar actions occurred in Wales, it could disrupt services and push more work to secondary care. Morale amongst primary care staff was low.

The CC asked how many patients GP’s saw per day on average.

The COO responded that GPs likely saw between 30-35 patients per day.

**The Finance and Performance Committee resolved:**

- a) The year-to-date position against key organisational performance indicators for 2024-25 and the update against the Operational Plan programmes was noted.

**FPC  
21/08/010**

**Business Cases:**

Provision of Chimeric Antigen Receptor T Cell (CAR-T) Therapy Service – Phase 2

To view the minute:

<https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&t=4009>

The COO provided the following summary:

- This was a WG funded service, accessed via the NHS Wales Joint Commissioning Committee (JCC), which was currently in Phase 2 and reviewing the Phase 1

	<p>assumptions around providing this specialist service provided to 80% of the Welsh population.</p> <ul style="list-style-type: none"> <li>• The focus was on right-sizing the department for future therapies and inputs.</li> <li>• There was no financial risk as it was fully funded by WG. The only concern was infrastructure, with a South Wales Blood and Marrow Transplant (SWBMT) business case submitted to WG</li> <li>• They sought approval to take this forward to the JCC and then to WG.</li> </ul> <p>The CC noted his support.</p> <p>The UHB Chair asked whether the service agreements with other health boards ensured their costs were fully recovered for patients from outside CAVUHB.</p> <p>The DDFS explained that this was funded directly by WG, which meant that they did not bear the financial risk as a commissioner, and there were no financial agreements with other health boards for this service.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <p>a) The CAR-T phase 2 business case was endorsed, with a recommendation to Board to approve the CAR-T phase 2 business case for submission to NHS Wales Joint Commissioning Committee.</p>	
<p><b>FPC 21/08/011</b></p>	<p><b>Monthly Monitoring Return – Month 3</b></p> <p>To view the minute:  <a href="https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=4356">https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=4356</a></p> <p>The 2024-25 Month 3 Monthly Financial Monitoring Return report was provided to the Committee for noting and information.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <p>a) The extracts from the UHBs Monthly Financial Monitoring Returns were noted.</p>	
<p><b>FPC 21/08/012</b></p>	<p><b>Any Other Business</b></p> <p>To view the minute:  <a href="https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=4403">https://youtu.be/v5Aw41SZV5o?list=PLLVdfcKNzmAA7B9IVZC6mznqn8msCNnOV&amp;t=4403</a></p> <p>No other business was raised.</p>	
	<p><b>Date &amp; time of next Meeting</b></p> <p>Wednesday 18 September 2024 via Teams</p>	