

**Minutes of the Public Finance and Performance Committee Meeting  
Held on 23<sup>rd</sup> August 2023 at 2 pm  
Via MS Teams**

<b>Chair:</b>		
Michael Imperato	MI	Independent Member – Legal
<b>Present:</b>		
John Union	JU	Independent Member – Finance
David Edwards	DE	Independent Member - ICT
Keith Harding	KH	Independent Member – University
<b>In Attendance:</b>		
Catherine Phillips	CP	Executive Director of Finance
Andrew Gough	AG	Deputy Director of Finance (Strategy)
Paul Bostock	PB	Chief Operating Officer
Matt Philips	MP	Director of Corporate Governance
Rebecca Aylward	RA	Deputy Executive Nurse Director
Abigail Harris	AH	Executive Director of Strategic Planning
Charles Janczewski	CJ	UHB Chair
<b>Observers:</b>		
<b>Secretariat:</b>		
Sarah Mohamed	SM	Corporate Governance Officer
<b>Apologies:</b>		
Robert Mahoney	RM	Deputy Director of Finance (Operational)
Jason Roberts	JR	Executive Nurse Director
Ceri Phillips	CP	UHB Vice Chair
Suzanne Rankin	SR	Chief Executive Officer

Item No	Agenda Item	Action
<b>FPC 23/08/001</b>	<b>Welcome &amp; Introduction</b>  The Committee Chair (CC) welcomed everyone to the meeting.	
<b>FPC 23/08/002</b>	<b>Apologies for Absence</b>  Apologies for Absence were noted.  <b>The Finance and Performance Committee resolved that:</b>  a) Apologies for Absence were noted.	
<b>FPC 23/08/003</b>	<b>Declarations of Interest</b>  No Declarations of Interest were noted.	
<b>FPC 23/08/004</b>	<b>Minutes of the Finance and Performance Meeting held on 19 July 2023</b>  The minutes of the meeting held on 19 July 2023 were received.	

	<p><b>The Finance Committee resolved that:</b></p> <p>a) The minutes of the Finance and Performance Committee meeting held on 19 July 2023, were held as a true and accurate record of the meeting.</p>	
<p><b>FPC 23/08/005</b></p>	<p><b>Action Log following the Finance and Performance Committee meeting on 19 July 2023</b></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>	
<p><b>FPC 23/08/006</b></p>	<p><b>Chairs Action since previous meeting</b></p> <p>There had been no Chair's Actions taken since the last meeting.</p>	
<p><b>Items for Review and Assurance</b></p>		
<p><b>FPC 23/08/007</b></p>	<p><b>Financial Report – Month 4</b></p> <p>The Deputy Director of Finance for Strategy (DDFS) presented the Financial Report – month 4 and highlighted the following:</p> <ul style="list-style-type: none"> <li>• At month 4, the Cardiff and Vale University Health Board (the Health Board) was reporting an overspend of £34.354m.</li> <li>• This comprised of £4.055m unidentified savings, £0.832m of operational overspend and the planned deficit of £29.467m (four twelfths of the annual planned deficit of £88.4m set out in 2023/24 financial plan).</li> </ul> <p><u>Operational Position</u></p> <ul style="list-style-type: none"> <li>• The operational surplus deteriorated in month from a £0.170m deficit at month 3 to a £0.832m cumulative operational deficit at month 4.</li> <li>• The key driver of the operational deficit was the WHSCC joint committee decision to return to extant contracts for 2023-24.</li> <li>• This has had a £3m net impact on the Health Boards contract income position.</li> </ul> <p>The UHB Chair queried when would the WHSCC mitigations be expected to take place.</p> <p>The DDFS responded that a list of further actions had been agreed totalling £16m to address the savings shortfall and the operational pressures being experienced.</p> <p>The Executive Director of Finance (EDF) responded that here was a table in the papers which showed the deficit and mitigations were now needed to be built in.</p>	

The DDFS advised that the Health Board were also experiencing pressure within the Mental Health Clinical Board. This would be picked up in a deep dive later on in the meeting. The Health Board were also experiencing pressures in estates and facilities.

#### Savings Programme

The month 4 position included a Savings Programme variance of £4.055m relating to a four month share of red and unidentified schemes.

The Committee was advised that the Health Board expects to be able to manage the balance of savings plans required to deliver the forecast deficit of £88.4m with the risk of non-delivery of savings shown in Graph 1 and the progress of reducing the risk via identification of schemes in Graph 2.

The DDFS advised that even if all the red schemes were progressed to amber and green, there would still be a shortfall against the £32m target.

It was noted that further schemes had been identified totalling £16m to date to de-risk the financial plan. The additional schemes were currently being implemented and progress on delivery would be monitored by a dashboard on a weekly basis through escalation meetings. Each of the schemes would be led by the executive and theme leads.

It was agreed that a detailed savings tracker would be brought to next month's committee meeting.

#### Table 3 - Key Performance Indicator Dashboard at July 2023

It was noted that the Health Board expects to remain within its Capital Resource Limit which was £29.597m at month 4.

The Health Board also continues to achieve the NHS creditor payment compliance of 97.42%.

It was noted that there was also a positive cash balance of £3.498m.

The UHB Chair queried what was being done to make sure income generation, procurement and Aroma café were not drifting from their proposed savings.

The DDSFS responded that there were a number of saving schemes which were not delivering to the value forecasted at the start of the year. They were taking stock of the maximum that could be delivered from the schemes by 31 March and the additional schemes would back fill any gaps.

The UHB Chair requested that assurance was given to the Committee that the Health Board could catch up and make good the gaps.

#### **The Finance and Performance Committee resolved that at Month**

- a) The reported year to date overspend of £34.353m and the forecast deficit of £88.400m was noted.

AG

	<p>b) The financial impact of forecast COVID 19 costs which was assessed at £44.664m was noted.</p> <p>c) The month 4 operational overspend against plan of £0.832m was noted.</p> <p>d) The progress against the savings target, with £30.764m (96%) of schemes identified at Month 4 against the £32m target was noted.</p>	
<p><b>FPC</b> <b>23/08/008</b></p>	<p><b>Operational Performance Report</b></p> <p>The Chief Operating Officer (COO) presented the Operational Performance Report and highlighted the following:</p> <ul style="list-style-type: none"> <li>• The biggest issue at the moment was the length of stay which was affecting the ability to flow patients through the hospital.</li> <li>• There had been good progress in cancer.</li> <li>• 76% of stroke patients had gotten to the ward within 4 hours in June. The focus being put into the stroke pathways was starting to have an impact.</li> <li>• There was good progress being made in hip fractures.</li> <li>• Mental Health services were still under pressure on all levels. There was a summit planned for September, together with Primary Care, CAHMS and Adult Mental Health.</li> </ul> <p>The UHB Chair queried how robust the data was on measuring dental performance and requested that this was shared at the next meeting. The UHB Chair also requested an update on the CAHMS trajectory.</p> <p><b>The Finance and Performance Committee resolved:</b></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><b>PB</b></p>
<p><b>FPC</b> <b>23/08/009</b></p>	<p><b>Planned Care Update</b></p> <p>The COO presented slides on Planned Care and highlighted the following:</p> <ul style="list-style-type: none"> <li>• On the 25th of July, Cardiff and Vale Health Board received a letter in respect of the allocation of the £50m planned care fund and the expected deliverables associated with the allocation.</li> <li>• The Health Board were on track to deliver the Ministerial ambitions.</li> <li>• To ensure delivery of the additional schemes as well as the challenging milestones, the governance within planned care had been revised and strengthened to include dedicated project and programme groups linked to the allocations and deliverables.</li> <li>• Each Clinical Board had developed additional activity plans on a non-recurrent basis to target improvements against the 104 week and 156 week which in turn had been developed as an overall trajectory for delivery to December and March.</li> </ul> <p><b>The Finance and Performance Committee resolved that:</b></p>	

	<p>a) The contents of the report and the additional detail within the presentation on the requirement, governance and plan of delivery were noted.</p>	
<p><b>FPC 23/08/010</b></p>	<p><b>Mental Health Financial Position Deep Dive</b></p> <p>The COO presented slides on the Mental Health Financial Position and highlighted the following:</p> <ul style="list-style-type: none"> <li>• The Mental Health Clinical Board was under a significant amount of pressure and extra support was being provided to them.</li> <li>• The biggest increase in expenses was the psychiatric intensive care unit which included a £1.1 m forecast overspend.</li> <li>• There are also vacancies within the workforce.</li> <li>• There are also regional and national capacity constraints.</li> </ul> <p>The UHB Chair requested a benchmarking exercise to be completed since the Health Board were a massive outlier.</p> <p><b>The Finance and Performance Committee resolved that:</b></p> <p>a) The Mental Health Financial Position Deep Dive was noted.</p>	<p><b>PB</b></p>
	<p><b>Items for Approval/Ratification</b></p>	
<p><b>FPC 23/08/011</b></p>	<p><i>No items</i></p>	
	<p><b>Items for Information and Noting</b></p>	
<p><b>FPC 23/08/012</b></p>	<p><b>Monthly Monitoring Returns</b></p> <p>The Month 4 Monitoring Return was received.</p> <p><b>The Finance and Performance Committee resolved that:</b></p> <p>a) The extract from the UHB's draft Monthly Financial Monitoring Return for Month 4 was noted.</p>	
<p><b>FPC 23/08/013</b></p>	<p><b>Any Other Business</b></p> <p>No Other Business was discussed.</p>	
	<p><b>Review and Final Closure</b></p>	
<p><b>FPC 23/08/014</b></p>	<p><b>Items to be referred to Board / Committee</b></p> <p>No Items to be referred to Board / Committee.</p>	
	<p><b>Date &amp; time of next Meeting</b></p> <p>Wednesday 20<sup>th</sup> September 2023 at 2pm via MS Teams</p>	