

**Minutes of the Public Finance and Performance Committee Meeting
Held on 17 January 2024
Via MS Teams**

Chair:		
John Union	JU	Independent Member – Finance
Present:		
Charles Janczewski	CJ	UHB Chair
Ceri Phillips	CP	UHB Vice Chair
In Attendance:		
Paul Bostock	PB	Chief Operating Officer
Abigail Harris	AH	Executive Director of Strategy
Robert Mahoney	RM	Deputy Director of Finance
Catherine Phillips	CP	Executive Director of Finance
Matt Phillips	MP	Director of Corporate Governance (joined at 3pm)
Francesca Thomas	FT	Head of Corporate Governance
Secretariat:		
Nathan Saunders	NS	Senior Corporate Governance Officer
Apologies:		
David Edwards	DE	Independent Member – Information Communication & Technology
Matt Phillips	MP	Director of Corporate Governance
Suzanne Rankin	SR	Chief Executive Officer
Jason Roberts	JR	Executive Nursing Director

Item No	Agenda Item	Action
FPC 24/01/011	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
FPC 24/01/012	Apologies for Absence Apologies for Absence were noted. The Finance and Performance Committee resolved that: a) Apologies for Absence were noted.	
FPC 24/01/013	Declarations of Interest No Declarations of Interest were noted.	
FPC 24/01/014	Minutes of the Finance and Performance Meeting held on 13 December 2023 The minutes of the meeting held on 13 December 2023 were received. The Finance Committee resolved that: a) The minutes of the Finance and Performance Committee meeting held on 13 December 2023, were held as a true and accurate record of the meeting.	
FPC 24/01/015	Actions following the Finance and Performance Committee meeting on 13 December 2023	

	<p>The Action log was received.</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 24/01/016</p>	<p>Chairs Action since previous meeting</p> <p>There had been no Chair's Actions taken since the last meeting</p>	
<p>FPC 24/01/017</p>	<p>Financial Report – Month 9</p> <p>The Financial Report – Month 9 was received.</p> <p>A summary was provided to the Committee which stated:</p> <p><i>At month 9, the Health Board was reporting an overspend of £17.575m. This was comprised of £5.230m unidentified savings/operational overspend and the revised planned deficit of £12.345m (nine twelfths of the revised forecast year end deficit of £16.460m).</i></p> <p>The Deputy Director of Finance (DDF) advised the Committee that he would pick out key points from the report which included:</p> <ul style="list-style-type: none"> • As at month 9, the shortfall on the savings plan was £2.181m and the operational overspend in delegated budgets was £3.049m. <p>It was noted that the total overspend at month 9 was £17.575m with an aim to get back to the target of £16.460m by year end.</p> <ul style="list-style-type: none"> • The Financial Plan Approved by Board and submitted to Welsh Government outlined the planned 2023-24 deficit of £88.4m <p>It was noted that the changes in allocation from Welsh Government (WG) at the midpoint of the year gave the Health Board some additional funding and stretched it with an additional savings target of going further 10% which meant that WG had set an anticipated target of £16.460m at year end.</p> <ul style="list-style-type: none"> • An analysis of the £17.575m overspend at Month 9, between Income, Pay and Non-Pay – The Committee were provided with a table that outlined the Summary Financial Position for the period ended 31st December 2023 where it was noted that delivery of the revised forecast deficit of £16.460m would require continuing focus and downward pressure on the Health Boards cost base, the achievement of the full £32m savings programme and restoration of operational financial balance. <p>The UHB Chair asked if the DDF could contextualise the total operational and savings programme deficits and the profile of the additional savings actions on the total variance and how the Health Board compared to other Health Boards across Wales.</p> <p>The DDF responded that a number of other Organisations across Wales increased their deficits during the year significantly and materially and that whilst they were online to deliver against the revised deficit forecast, those were outside what had previously been reported to WG.</p> <ul style="list-style-type: none"> • Total Variance Forecast – The Committee received a graph which outlined the Total Variance Forecast and showed the total operational and savings programme deficits and the profile of the additional savings actions on the total variance. <p>It was noted that if schemes delivered in line with the profile after peaking at month 6 the reported deficit would continue on a trajectory to hit the £16.460m revised forecast deficit.</p> <p>The DDF advised the Committee that the graph received was a good representation of how various multiple programmes, both in terms of cost restrictions, enhanced run rate focus and the continued delivery of the savings programme that had been set out during the year had all contributed to get the trend back online.</p>	

- Financial Performance of Clinical Boards – It was noted that the report summarised each of the clinical boards as well as some of the central commissioning budgets which demonstrated how the teams effectively slowed the increase in deficit down to the £17.575m.
- Summary of Month 9 COVID 19 Net 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.
- Risk Register - The Finance Department's Risk Register was received and the key risk which fed into 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 £16.46m.

The CC noted that winter pressures were not mentioned within the risk register and asked for further information.

The DDF responded that the plans had been worked up well in advance of the winter period and were communicated clearly and were being transacted at present.

The Chief Operating Officer (COO) added that from a financial perspective a provision had been made in the way that winter funding had been allocated and he reminded the Committee that the Health Board had sought permission to make the £1.5m a recurrent investment into the schemes for 2023/24 which had been done.

- Savings Programme – It was noted that at month 9, the health Board had identified £32.590m of green and amber schemes against the £32m savings target.

The DDF advised the Committee that the month 9 position included a Savings Programme variance of £2.181 due to the shortfall in delivery against some schemes.

He added that the progress of the agreed additional actions and focus on operational pressures was expected to cover the month 9 Savings Programme variance by year end, enabling the Health Board to deliver its revised planned deficit position of £16.640m.

- Going Further by 10% - It was noted that in addition to the Savings target included in the Health Boards initial plan, there was a requirement to reduce in year expenditure by a further £8.8m in order to meet the revised year end deficit control issued by WG in October 2023.

The DDF advised the Committee that the additional 10% Improvement required for the Health Board to meet the WG revised target control was planned to be realised through the review, management and scheduling of specific expenditure programmes and that £4.8m of green and amber opportunities had been identified to date, with an extra £1.7m opportunities being worked on.

- Cash Flow Forecast - The Committee was advised that the cash balance at the end of December 2023 was £6.623m with a forecast deficit of £16.460m at year end pending confirmation of strategic cash support from WG.
- The DDF 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 since the beginning of the year.

He added that there was a concern outlined via the risk table received which noted that the number of outstanding allocations yet to be received from WG could potentially impinge upon the ability to pay suppliers in February and March 2024 but noted that conversations were ongoing with WG.

	<ul style="list-style-type: none"> Public Sector Payment Compliance – It was noted that the Health Boards public sector payment compliance performance was above the target of 95% and performance for the month to the end of December was 97.42% Capital – It was noted that out of the Health Boards Capital Resource Limit, 15% was expended at the end of December 2023. <p>It was noted that two capital schemes were currently classified as medium risk:</p> <ul style="list-style-type: none"> Genomics - forecasted a potential £0.847m overspend which was to be managed through the discretionary programme. Eye Care – discussions were ongoing with Digital Health and Care Wales (DCHW) in relation to the future of the asset and the ongoing service provision. <p>The DDF advised the Committee that WG had published its Draft Budget for 2024-25 on the 19th December 2023 and highlighted some of the key areas which included:</p> <ul style="list-style-type: none"> There was a commitment to invest a further £450m revenue funding into the NHS in 2024-25 through the rescoping of allocations within the Draft Budget bringing the total annual funding for Health and Social Services to £11.004bn. The £450m of funding, which came from reshaping Welsh Government spending plans, was on top of the additional £425m made available in October 2023 and represented an increase of more than 4% in 2024-25. <p>The DDF concluded that the key risk to identify to the Committee as previously stated was that the Financial Plan included a revised forecast deficit of £16.460m.</p> <p>The Finance and Performance Committee resolved that at Month 8:</p> <ol style="list-style-type: none"> 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. The reported year to date overspend of £17.575m and the forecast deficit of £16.460m was noted. The financial impact of forecast COVID 19 costs which was assessed at £44.064m was noted. The month 9 operational overspend against plan of £3.049m with a further £2.181m savings gap was noted. The progress against the savings target, with £32.590m (102%) of schemes identified at Month 9 against the £32m target with year to date deficit was noted. The delivery of the forecast which was also predicated on the confirmation of all outstanding income streams was noted. The initial assessment of the Welsh Government Draft Budget 2024/25 and Health Boards Revenue Allocations 2024/25 was noted. 	
<p>FPC 24/01/018</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> <ul style="list-style-type: none"> Urgent and Emergency Care – it was noted that December 2023 saw a reduction in the average ambulance handover time and that the Health Board continued to meet its commitment on reducing the number of lost hours. 	

It was noted that the ongoing focus and work undertaken by the Emergency Unit (EU) and patient flow teams had led to a significant reduction in average handover time and 1-hour handovers, in the context of a very challenging national picture.

The COO advised the Committee that considerable improvement had been made on patients waiting 12 hours in the EU and that whilst October 2023 saw periods of sustained pressure and an increase from September 2023 in the number of patients waiting 12 and 24 hours in the EU, the more recently picture had seen a significant reduction in the number of 12-hour breaches which was reflected in the November and December 2023 data.

- Stroke Performance – it was noted that November 2023 saw further improvement in the Health Boards compliance against some key Sentinel Stroke National Audit Programme (SSNAP) measures and the percentage of patients directly admitted to the stroke unit within 4-hours had increased to 63% and remained significantly above the all Wales average.
- Hip/Fracture Performance – it was noted that performance against the standards within the National Falls and Fragility Fracture Audit Programme (FFFAP) had shown some improvement and that rapid fracture pathway improvements had led to a significant reduction in the median time taken for patients to get to the ward.

It was noted that compliance with the KPI for Admission to a Specialist Ward and Prompt Surgery remained well above the NHFD average.

- Cancer Update – The COO advised the Committee that performance in October 2023 had increased to 64.7% as the teams continued to work through the longest waiting patients.

He added that performance had dipped in November 2023 due to particular challenges with endoscopy which had impacted the upper and lower GI pathways but noted that performance was expected to improve to 62% by the next reporting period.

It was noted that there would be a disruption to the cancer pathway due to the Industrial Action being taken by Junior Doctors and the impact of that disruption was being assessed.

- Planned Care – it was noted that the Health Board had delivered the 104-week waiting standard at the end of December 2023. 3970 patients waiting over 2 years.

The COO noted that in terms of patients waiting over 3 years, 176 patients were waiting across 2 specialities (spinal and urology) and 22 patients were currently waiting over 4 years which were complex spinal patients.

He added that the focus was to have those patients cleared by the end of March 2024.

- Diagnostics – It was noted that the waiting list position for Diagnostics had deteriorated, with particular challenges in Radiology and Endoscopy.

It was noted that the upcoming development of a Community Diagnostic Hub, and interim use of mobile facilities would hopefully address radiological backlogs.

The COO advised the Committee that a deep dive on diagnostics would be received at its February meeting.

- Delayed pathways of care and acute ward length of stay – It was noted that the metrics were included in the productivity and efficiency section of the Integrated Performance Report with trending of the delayed pathways of care and the monthly snapshot of patients in acute beds with a length of stay greater than 7 and 21 days.

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The COO advised the Committee that reducing the time patients spent in hospital was a current operational focus and was the subject of the most recent 'Ask Suzanne' CEO session.

He added that the ongoing work focused on patients and family, clinicians, integrated discharge service, hub and flow teams and that it was anticipated that the work would result in an improved experience and shorter length of stay for patients, and deliver operation benefits such as improved flow, taking some pressure out of the Emergency Unit.

The COO concluded that the area of most concern for him in terms of operational performance was in the Mental Health position which remained incredibly pressured.

He added that the demand for adult and children's Mental Health services remained significantly above pre-Covid levels, which included an increased presentation of patients with complex mental health and behavioural needs.

It was noted that Part 2 compliance remained challenging and that an improvement trajectory was shared with NHS Executive colleagues, with Part 1 service developments supporting improvements to Part 2 compliance.

The CC asked if it was a similar position on Mental Health in other Health Boards.

The COO responded that the whole of the UK was seeing a large demand on Mental Health services.

The UHB Chair expressed his concern on the Mental Health situation and noted that the Health Boards ability to deal with the level of demand fluctuated.

He asked if it was down to a lack of resource or capacity issues, demand or a combination of both.

The COO responded that the biggest thing was the increase in demand and that work was required to understand what the capacity was to meet that demand.

The UHB Chair asked if there was any opportunity to transform Mental Health services.

The COO responded that a large review would be undertaken and that whilst a lot of focus was put on Hafan Y Coed, a lot of the issues were raised in the Community and so that was being looked at and would be reported to a Mental Health Summit taking place in September 2024.

Deep Dive Outpatients:

The COO reminded the Committee that a deep dive on Outpatients had been requested by the Committee and noted that the purpose of the paper received was to provide an update on the current performance in outpatient services and the approach to improvement.

He added that it was clear that the progress of improvement in outpatient services in terms of productivity, efficiency and meeting standards for patients needed enhanced focus.

It was noted that the organisation set the aim of having no more than 9000 patients waiting longer than 52 weeks by the end of the 2023/24 financial year and the COO advised the Committee that organisation remained on trajectory to achieve that aim.

The COO added that the progress on the numbers of patients waiting longer than they should for follow up appointments had not made the progress required and noted that the planned care programme as part of the overall refresh had reset both ambitions for the next three years as well as improvement actions for standards, productivity and efficiency.

This paper will cover the current performance as well as the aims the programme has with associated timelines.

	<p>It was noted that through the 2023/24 financial year the focus had been on the delivery of the revised ministerial ambitions of reaching 97% of patients treated in 104 weeks or less by December and 99% by March 2024.</p> <p>The COO advised the Committee that the specialties remained on trajectory to meet the less than 9000 ambition by March 2024, however it would be dependent on factors such as junior doctors' industrial action.</p> <p>He added that work had been undertaken to review the patients within the follow up cycle and noted that within Cardiff and Vale there were 61844 patients that had their follow up delayed, of which 35021 were more than 100% delayed beyond their target date set.</p> <p>The Committee was advised that whilst the volume outlined was significant there had been some improvement through validation over the last 2 months as demonstrated within the data presented.</p> <p>The COO noted that he was not expecting the Health Board to reduce capacity over the next 12 to 18 months, but it was expected to be able to reduce the waiting times.</p> <p>The CC asked for the deep dive on outpatients to be received by the Committee quarterly to assess progress.</p> <p>The Executive Director of Strategic Planning (EDSP) advised the Committee that it was recognised that there was further improvement required within outpatients in order to have a sustainable planned care programme for the organisation.</p> <p>She added that a programme of work focused on sustainable improvement was underway and the success of that approach would be improvements to waiting times standards, but importantly the creation of sustainable capacity from productivity and efficiency improvements.</p> <p>The Finance and Performance Committee resolved:</p> <ul style="list-style-type: none"> a) The current performance, productivity and efficiency for outpatients was noted b) The approach to improvement for DNA rates and specialty improvement programme was noted. c) The improvement ambitions over the next 2 financial years were noted. 	PB
<p>FPC 24/01/019</p>	<p>Monthly Monitoring Returns – Month 8 & 9</p> <p>The month 8 and month 9 monitoring returns were received.</p> <p>The Finance and Performance Committee resolved:</p> <ul style="list-style-type: none"> a) The month 8 and month 9 monitoring returns were noted. 	
<p>FPC 24/01/020</p>	<p>Any Other Business</p> <p>The UHB Chair expressed his congratulations to Executive colleagues and their teams for all of the hard work which helped to continue great quality of care towards patients.</p>	
	<p>Date & time of next Meeting</p> <p>Wednesday 21 February 2023 via Teams</p>	