

**Minutes of the Public Finance & Performance Committee Meeting
16 April 2025
Via MS Teams**

To view a recording of this meeting, please [click here](#).

Chair:		
John Union	JU	Independent Member – Finance / Committee Chair
Present:		
Ceri Phillips	CP	CAV UHB Vice Chair
Charles Janczewski	CJ	CAV UHB Chair
Sara Moseley	SM	Independent Member – Third Sector
Mike Jones	MJ	Independent Member – Trade Union
Rachna Upadhya	RU	Independent Member - General
David Edwards	DE	Independent Member - Digital
In Attendance:		
Andrew Gough	AG	Deputy Director of Finance (Strategic)
Paul Bostock	PB	Chief Operating Officer
Adam Wright	AW	Director of Operational Planning & Performance
Francesca Thomas	FT	Head of Corporate Governance
Observer:		
Joel Tofton	JT	Senior Clinical Board Accountant
Secretariat:		
Nikki Regan	NR	Corporate Governance Officer
Apologies:		
Catherine Phillips	CP	Executive Director of Finance
Matt Phillips	MP	Director of Corporate Governance
Rhian Thomas	RT	Independent Member – Capital & Estates

Ref:	Agenda Item:	Action:
FPC 16/04/001	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
FPC 16/04/002	Apologies for Absence Apologies for Absence were noted. The Finance and Performance Committee resolved that: a) Apologies for Absence were noted.	
FPC 16/04/003	Declarations of Interest No Declarations of Interest were noted.	
FPC 16/04/004	Minutes of the Finance and Performance Meeting held on 19th March 2025 The minutes of the meeting held on 19 th March 2025 were received and confirmed as a true and accurate record. The Finance Committee resolved that: a) The minutes of the Finance and Performance Committee meeting held on 19 th March 2025 were held as a true and accurate record of the meeting.	
FPC 16/04/005	Actions following the Finance & Performance Meeting on 19th March 2025 The Action log had no actions outstanding. The Finance and Performance Committee resolved that: a) The Action Log for the Finance and Performance Committee was noted.	
FPC 16/04/006	Chairs Action since previous meeting	

	There were no Chair's Actions taken since the last meeting	
FPC 16/04/007	<p>Financial Report – Month 11 New <u>Format</u></p> <p>The DDFO gave an update on the Financial Report New Format and highlighted the following:</p> <ul style="list-style-type: none"> • The report included detailed information on variations from the financial plan and the corrective actions being taken • A clear statement of performance against the savings programme was included • The report featured key workforce and other expenditure cost drivers, along with trend analysis across these drivers. • A clear assessment of risks and opportunities was provided • The report highlighted the underlying deficit position and the recurring impact on the following financial year • Key financial KPIs were prominently featured in the report. • The risk register – whilst our key risks remain constant, we want them to be focused for our committee members • CAV will monitor the risks that are carried within the plan • CAV have enhanced scrutiny across clinical boards, so mitigating actions would be displayed against that position • Key drivers <p>The UHB Chair expressed his overall impression of the new Finance Report format, stating that it is visually much easier to read, and the figures are a lot clearer compared to the old-style report. He highlighted the importance of being able to pick out the actions proposed to correct the financial situation and noted a notable gap in the report regarding this aspect. The UHB Chair suggested that there might need to be some comments at the end of each table about the actions taken and their success or what is intended for the next month. He also emphasized the importance of documenting lessons learned from the years' experience and implementing them in the next financial year.</p> <p>The CEO noted that the new format was clearer and appreciated the presentation, emphasizing the importance of incorporating points raised by the National Review for assurance.</p> <p>The VC noted that the new Finance Report format was a welcomed development and thanked the Finance team for their work. He emphasized the importance of more detail and understanding the consequences of expenditure increases. He suggested that appreciating the granularity of the data might help in understanding the financial situation better.</p> <p>The CEO questioned whether the productivity measure or indicator was being picked up in the QIEP dashboard, suggesting it would be useful to have it in both the Finance Report and the performance report.</p> <p>The UHB Chair agreed with the CEO on the need to ensure that the report captures as many recommendations as possible from the financial delivery unit review. He emphasized the importance of incorporating best practices across Wales into the report to gain maximum advantage.</p> <p>The Finance and Performance Committee resolved that:</p> <ol style="list-style-type: none"> a) The updated finance report format was noted and, b) Any further recommendations would be feedback and, c) The updated finance report from month 1 2025/26 was approved. 	
FPC 16/04/008	<p>Financial Report – Month 12 Position (including Savings Tracker)</p> <p>The DDFO gave an update on the Financial Report – Month 12 Position and highlighted the following:</p> <ul style="list-style-type: none"> • The draft year-end position was in line with the revised forecast deficit of £27.7m, with a draft final position of £27.6m • This position was £18.6m over the target deficit control total set by Welsh Government. • CAV UHB operated within its capital resource limit of £58.4m, with a small surplus of £244k • The health board met the 95% creditor payments compliance target, achieving 97.1% at the end of March. 	

	<ul style="list-style-type: none"> • The position is provisional as draught accounts have yet to be finalized and will be subject to the Audit Wales scrutiny process. • The accounts are expected to be signed off by the 30th of June, with an audit workshop on the 20th of May and final board sign-off on the 26th of June. • Performance against the three-year statutory rolling break-even duty shows a three-year relative deficit of £70.8m. To meet this duty next year, the health board would need to spend against its delegated resource by £43m • The year-end deficit position over and above plan is driven by an £11.2m shortfall against the £47.2m savings target and an operational deficit of £7.4m • Enhanced control actions over quarter 4 supported the achievement of the £27.7m forecast deficit, supplemented by further funding confirmation from Welsh Government across several schemes. • The enhanced controls delivered a reduction in the run rate of c£2.5m over the final quarter, including reductions in agency use, overtime, and close monitoring of bank and locum staff. • The health board is entering 2025/26 with an underlying deficit of £59.9m, driven by the recurrent impact of the savings shortfall and operational pressures. • The closing cash balance at the end of March was £1.6m, including strategic cash assistance from Welsh Government of £9.1m linked to the target deficit control total. <p>The CC asked about the three key drivers of the going over the planned deficit target figure, specifically mentioning the 80 beds opened and the failure to meet the planned savings program.</p> <p>The DDFO explained that the increased bed capacity, driven by the rise in demand, is built into the underlying deficit position for 2025-2026. He also mentioned that the planned care initiatives and the shortfall in the savings plan are contributing factors. He added that the cost reduction program deficit and the non-recurrent nature of some savings schemes are also impacting the underlying deficit.</p> <p>The UHB Chair expressed concern about the ability to record and monitor productivity and efficiency gains to ensure they provide assurance to the committee and the board. He emphasized the need to capture these gains sufficiently to avoid operational overspend and potentially achieve underspend.</p> <p>The DDFO explained that the new format of the Quality Improvement and Efficiency Programme (QIEP) will monitor productivity and efficiency gains, including key performance indicators such as theatre productivity and length of stay. He acknowledged the need for urgency in delivering these gains early in the financial year to have the desired impact. He mentioned that the QIEP will continue to develop and improve as they move forward.</p> <p>The VC queried whether the Quality Improvement and Efficiency Programme (QIEP) was covering all parts of the system, including non-hospital productivity and efficiency issues. They emphasized the importance of capturing efficiencies in areas outside the hospital, such as in-home care, to improve outcomes and reduce costs.</p> <p>The DDFO explained that himself and the DOPP had met with all CB's covering all parts of the system.</p> <p>The Finance and Performance Committee resolved that:</p> <ol style="list-style-type: none"> a) The draft reported the year end deficit of £27.625m which was £18.525m more than the £9.100m control total was noted and, b) The UHB had met the annual public sector payment compliance performance target of 95% was noted and, c) The UHB remained within its capital resource limit with a draft underspend of £0.244m against an allocation of £58.481m was noted. 	
<p>FPC 16/04/009</p>	<p>Operational Performance Update</p> <p>The COO discussed the Operational Performance Update and highlighted the following points:</p> <ul style="list-style-type: none"> • Urgent & Emergency Care was impacted due to the outbreak of norovirus in March which led to the closure of 260 beds, which affected the performance within CAV UHB. • CAV UHB managed to hold their position through the winter. Improvements were noted in compliance with hip fracture standards and stroke performance, although challenges remain at the front door and with thrombolysis rates. 	

- The improvements in stroke pathway compliance saw a B on SSNAP data (Sentinel Stroke National Audit Programme) which is a UK wide way of capturing stroke performance.
- March saw 163 delayed pathways, which was lower than expected. The need for a whole system summit was highlighted to review models of care post-acute phase, involving adult social care partners.
- February's Cancer performance was 64.4%, with March expected to be around 68%. Urology and complex lower GI patients remain hotspots, while breast cancer performance is improving. Skin cancer referrals are increasing, posing a new challenge.
- Adult Mental Health remained challenging, but an improvement trajectory was agreed with Welsh Government. Children's mental health standards were met, with ongoing discussions about non-reportable standards like neurodevelopment
- Negotiations with GPs have started, with an aim to conclude before the pre-election period.
- CAV UHB were looking to develop Barry Hospital as an urgent care centre, with WG supporting our vision

The UHB VC mentioned visiting the Safe @ Home team and was impressed by the service. He highlighted the significant impact of community nursing in supporting patients to remain at home, noting that 3571 patients were supported in this way. He emphasized the importance of measuring the outcomes rather than just the metrics we are typically measured against.

The UHB Chair raised a question about the productivity benefits realized by the Safe @ Home initiative, specifically how much productivity gain was achieved and whether it was harder to measure the actual gain in financial terms.

The IMLA inquired about the financial impact of bed closures, particularly in the context of the norovirus outbreak that led to the closure of a significant number of beds. She wanted to understand whether there were any cost implications down the line, such as the consequences of delayed care and worsened conditions for patients.

The COO explained about bed closures in the context of the impact of a norovirus outbreak in March, which led to the closure of 260 beds, including 40 empty beds. He highlighted that this affected operational performance, particularly in terms of ambulance handovers and patient flow in A&E. He mentioned that while the beds were closed, it did not necessarily mean additional costs were incurred from opening new capacity, but it did impact operational efficiency. He also noted the increase in staff sickness and the associated costs due to the outbreak.

The IMU discussed professional education in detail during the meeting, specifically mentioning the integration of students from various healthcare disciplines into care delivery. He highlighted the example of dental students in Plymouth who treat 100 patients a day at a dental primary care facility, suggesting a similar approach could be valuable for Barry Hospital. He expressed his willingness to be involved in discussions to incorporate students into care delivery, which could provide cost savings and enhance professional education.

The COO noted the stroke targets were demanding but we need to work out how we are going to achieve the targets. He mentioned that the thrombectomy service will be expanding further in June. He emphasized the need for Cardiff and Vale UHB to take stock and come back with a measured view on how to achieve the new exacting standards, comparing their current performance to what is being asked.

The UHB Chair asked if there was an updated figure on diagnostics?

The COO provided an update on diagnostics highlighting the following points:

- The diagnostic position for March 2025 was 13,825, which was the lowest since November 2023.
- There was an intention to buy out 50,000 diagnostic examinations as part of additional capacity.
- Conversations were ongoing with Welsh Government regarding revenue support for Llantrisant Health Park to do additional work for endoscopy.
- There was optimism regarding reducing eight-week waits this year, with plans for Llantrisant Health Park to deliver recurrent performance against the standard.
- £20m has been allocated across NHS Wales

	<ul style="list-style-type: none"> • CAV UHB will need an additional £2.9m of support from Welsh Government and if we cannot secure the funding, we may have to turn some services off • Funding hadn't been allocated but teams were instructed to commence work • Insourcing will mean the independent sectors will come and use CAV UHB clinic rooms / theatres in evenings / weekends <p>The UHB Chair noted the risk around the £2.9m during the discussion about going at risk to hold the position until the end of June. He expressed concern about the financial situation and emphasized the need for the committee to support the COO's recommendation to go at risk for £2.9m to ensure progress is made.</p> <p>The COO clarified that the commitment was not to spend £2.9m at risk but rather to start the process of allowing patients to be booked. He emphasized that it was about giving permission to get on with it, and if necessary, they could turn it off later. He mentioned that they hadn't spent the money yet but had given the intent to spend it if the funding was confirmed.</p> <p>The CEO asked about the capacity the private sector is committing to for quarter 1, specifically in relation to achieving the target number of 1598 patients. She expressed concern about whether the private sector would be able to fulfil the capacity required, recognizing that most of it is likely outpatient work.</p> <p>The COO confirmed the teams were confident and wouldn't normally support but most of the providers would be using our own consultants.</p> <p>The COO noted that the Cabinet Secretary was very clear that there will be no additional investment or support unless there is good progress with enabling actions. This incentivises the organization to do the right thing and claim money for additional activity. He noted there was an intention to buy out 50k diagnostic examinations and were in conversations to get additional support from Llantrisant health park.</p> <p>The Committee resolved that:</p> <p>a) The year-to-date position against key organisational performance indicators for 2024-25 and the update against the Operational Plan programmes was noted.</p>	
<p>FPC 16/04/010</p>	<p>Quality Improvement and Effectiveness Plan (QIEP)</p> <p>The DOPP presented on the Quality Improvement and Efficiency Plan (QIEP) during the meeting. He explained the purpose of the QIEP, which combines traditional savings plans with productivity and efficiency ambitions:</p> <ul style="list-style-type: none"> • Each clinical board will have its own QIEP, and these will be aggregated into an overall health board report. • The QIEP will be monitored and reported at both the health board and clinical board levels. • The importance of aligning financial savings with quality drivers were highlighted and mentioned that the QIEP report will include detailed measures such as length of stay, outpatient efficiency, and workforce productivity. • The challenges of quantifying productivity and efficiency values and the need for a manual and time-consuming approach initially. • CAV UHB were trying to equate £15m financial benefit. • A strong outcome of the rapid planning event and ensure CAV UHB focused on quality. • Clinicians wanted to own the financial plan, and each Clinical Board has their own QIEP. • Not all improvements were cash releasing but need to show the benefits. • The QIEP will be an addition to the integrated performance report. • The first report will be brought to the May F&P committee. • CAV UHB were keen we have the right measures in place, and we may need to be selective with the information we put in there. • This was a unique approach we are trying to take, and the approach may change as we move forward. <p>The CEO suggested having some time offline as she hadn't previously seen the QIEP. Overall, we have too many, so she suggested selecting a few. We need to use this dashboard to help drive and measure our strategic intent of delivery.</p> <p>The UHB Chair raised his concerns about the annual plan commitment to delivering £15m during the discussion on the quality improvement and efficiency plan reporting. He emphasized the importance of firming up on key areas and ensuring that the board is clear on what can be expected, as the board signed up to the £15m as the minimum expectation.</p>	

	<p>The DOPP explained this was about potential savings in the future.</p> <p>The DDFO confirmed CAV UHB were able to quantify several of the high impact productivity and efficiency schemes.</p> <p>The CEO noted that at the rapid planning event, they agreed to articulate a metric that would help drive the organization. She mentioned that they might want to use a trend line to show more people showing up in same-day emergency care and fewer people at the front door and out of hours. She also suggested that they could reduce the overall cost per bed day in a hospital bed by being more efficient, using different kinds of work, and that these are some thoughts they need to think through.</p> <p>The Committee resolved that:</p> <p>a) The Quality Improvement and Effectiveness Plan was discussed and noted.</p>	
FPC 16/04/011	<p>2025-26 Savings Plan</p> <p>The DDFO gave an update on the 2025-26 Savings Plan and highlighted the following:</p> <ul style="list-style-type: none"> • The current position shows firm Green and Amber plans totalling £7.8m, with further ideas in the red pipeline amounting to £14.3m • Green and Amber schemes have increased to £9.4m, but only £3m of these are classified as recurrent. • Emphasized the need for a finance summit at the end of April to drive progress and consider further options to improve the £58.2m draft plan submitted to Welsh Government. • CAV UHB agreed for a 2-day Finance summit to drive progress against the savings plan <p>The COO emphasized the need for a finance summit to drive progress against the savings plan and mentioned that the current identified savings were insufficient. He highlighted the necessity of reducing the pay bill, which might involve a reduction in the number of employed posts. The COO stressed that the summit would be transactional, focusing on identifying specific posts to be removed and exploring digital opportunities to support these reductions.</p> <p>The CEO noted that there were a number of steps to address the financial challenges, including:</p> <ul style="list-style-type: none"> • Filling the £30m commitment that has already been made in the existing plan. • Delivering the £15m productivity measures. • Articulating how to go further to address the financial deficit, which may involve reducing the pay bill. <p>The UHB Chair felt frustrated that CAV UHB were in the position where next year's savings plan has yet to be finalised. He suggested earlier planning in September to set out the following years savings plan. He added that the COO would have the support of the board and highlighted that unpopular decisions would need to be made in order to achieve savings.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The 2025-26 savings plan was noted.</p>	
FPC 16/04/012	<p>Monthly Monitoring Return – Month 12</p> <p>The monthly monitoring return was noted.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The extracts from the UHBs Monthly Financial Monitoring Returns for Month 11 was noted</p>	
FPC 16/04/013	<p>Planning, Performance and Finance (PPF) Highlight Report JCC</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The Planning, Performance and Finance (PPF) Highlight Report JCC was noted.</p>	
FPC 16/04/014	<p>Any Other Business</p> <p>No further business was raised.</p>	
FPC 16/04/015	<p>To note the date, time and venue of the next Committee meeting:</p> <p>Wednesday 21st May 2025 via MS Teams</p>	

