

Minutes of the Public Finance & Performance Committee Meeting

20 November 2024

Via MS Teams

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Chair:		
John Union	JU	Independent Member – Finance / Committee Chair
Present:		
David Edwards	DE	Independent Member - Digital
In Attendance:		
Marie Davies	MD	Interim Executive Director of Strategic Planning
Andrew Gough	AG	Deputy Director of Finance (Strategic)
Robert Mahoney	RM	Deputy Director of Finance (Operational)
Catherine Phillips	CP	Executive Director of Finance
Matt Phillips	MP	Director of Corporate Governance
Meredith Gardiner	MG	Programme Manager - IHSC
Catherine Wood	CW	Director of Operations – Children & Women
Secretariat:		
Nikki Regan	NR	Corporate Governance Officer
Apologies:		
Ceri Phillips	CP	Independent Member – Vice Chair
Jason Roberts	JR	Executive Nurse Director
Charles Janczewski	CJ	CAV UHB Chair
Paul Bostock	PB	Chief Operating Officer

Ref:	Agenda Item:	Action:
FPC 20/11/001	Welcome & Introduction (click to view) The Committee Chair (CC) welcomed everyone to the meeting.	
FPC 20/11/002	Apologies for Absence (click to view) Apologies for Absence were noted. The Finance and Performance Committee resolved that: a) Apologies for Absence were noted.	
FPC 20/11/003	Declarations of Interest (click to view) No Declarations of Interest were noted.	
FPC 20/11/004	Minutes of the Finance and Performance Meeting held on 23rd October 2024 (click to view) The minutes of the meeting held on 23 rd October 2024 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 23 rd October 2024 were held as a true and accurate record of the meeting.	
FPC 20/11/005	Actions following the Finance & Performance Meeting on 23rd October 2024 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	Chairs Action since previous meeting (click to view)	

20/11/006	There were no Chair's Actions taken since the last meeting	
FPC 20/11/007	<p>Financial Report – Month 7 Position & Savings Plan Progress (including Savings Tracker) – (click to view)</p> <p>The Deputy Director of Finance - Operational (DDFO) presented the Financial Report for Month 7 and highlighted the following:</p> <ul style="list-style-type: none"> • CAV UHB reported a year to date overspend of £22.4m • The planned deficit for the year was £15.9m with a proportionate year to date planned deficit of £9.275m • The financial plan was approved by the CAV UHB Board • The growth and demand were back to pre-pandemic level • Cost reduction programme delivered £11.2m less than anticipated • Expected a deficit of £38m prior to the delivery of any actions • Children & Women clinical board increased variable medical pay along with additional costs of planned care, along with pressures from sickness within the workforce • Surgery saw higher than expected theatre consumable costs due to increased activity • Primary care was impacted from a previous year's error in payments to Pharmacists, resulting in a non-recurrent payment of approx. £400k • Hafan-y-Coed had ongoing issues with floor defects, leading to out of area patient placements • CAV have a target of £47.2m savings with £36m of savings identified (76%) • The delivery of savings was below the required trajectory which contributed to the overspend • The underlying deficit going into the next Financial year was estimated at £63.9m, including operational pressures, recurrent savings shortfall and the planned deficit • The UHB anticipated pressure on cash flow due to additional pay awards and the need for adequate allocation from WG • CAV UHB was on course to utilise the capital resource limits allocated by WG <p>The Independent Member - Digital (IMD) questioned the additional demand and how much of that was impacting the Health Boards ability to achieve some of the savings targets?</p> <p>The DDFO noted that the demand hadn't come through evenly and there was a management focus on the schemes and bed management.</p> <p>The Director of Operations – Children & Women (DOCW) explained that there were daily operational pressures, and the teams were managing the demands in the best way they could.</p> <p>The Finance and Performance Committee resolved:</p> <ol style="list-style-type: none"> a) The reported year to date overspend of £22.4m and the forecast deficit of £15.900m was noted and; b) The month 7 operational overspend against plan of £5.298m with a further £7.671m savings gap was noted and; c) The progress against the savings target, with £35.944m (76%) of green and amber schemes identified at Month 7 against the £47.2m target was noted and; d) The delivery of the forecast is predicated on the confirmation of all expected income streams including Welsh Government anticipated allocations and LTA performance income was noted. 	
FPC 20/11/008	<p>Operational Performance Update (click to view)</p> <p>The DOCW presented the Operational Performance update and highlighted the following key points:</p> <ul style="list-style-type: none"> • Significant pressures were observed on urgent and emergency care, with October 2024 seeing increased one and two-hour ambulance delays. Nearly half of the two-hour delays occurred over a 12-hour period. • A robust winter plan was in place, constructed across the healthcare system and partner agencies. 	

	<ul style="list-style-type: none"> • Improvements in the rapid fracture pathway led to decreased median times to get patients to the ward • Performance remained static for the Stroke pathway at 51.9%, above the All Wales average. The SNAP audit grade improved to a level A in 2023 but recently dropped to a Grade B. • Fluctuations in the number of beds occupied by long-stay patients, with delays dropped to their lowest level this year in September and October • Length of stay improvements allowed the closure of approximately 55 beds, but increased demand from EU had mitigated the benefits. • October performance was the highest ever recorded at just under 71%. Backlogs in pathology reduced, supporting this improvement. • Several tumor sites, including haematology, lung, brain, sarcoma, and skin, exceeded the single cancer pathway target • As of August, nearly 4000 patients were waiting two years for treatment, which was an increase but ahead of the forecast trajectory for Welsh Government • The 4-year wait was eliminated since September, with a commitment to eliminate three-year waits by the end of December, though there was some risk in delivering this, particularly within urology • The waiting list position for diagnostics had deteriorated, particularly in radiology and endoscopy • Endoscopy focused on urgent cancer cases and long-waiting surveillance patients, with a robust improvement plan in place. Significant investment was required for core capacity • Plans were in place with locums regarding the non-obstetric ultra sound, which would commence at the end of the month, with solutions expected towards the end of quarter 4 • Performance was low for adult mental health but plans were in place to recover compliance starting in quarter 4 • Part 1A compliance dropped below 80% for Children and young people due to workforce challenges and complex cases but recovered to 91%. Part 1B compliance improved to around 85% • Several GP practices were in high escalation levels which reflected system-wide pressures • Urgent Primary Care Centres saw high utilization, with around 3100 appointments booked per month • Community Teams saw significant activity, with 17,000 district nursing visits in September, supporting patients out of the hospital. <p>The Finance and Performance Committee resolved:</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 20/11/009</p>	<p><u>CVUHB Escalation Framework: Planning Maturity Matrix Initial Assessment</u></p> <p>The Interim Executive Director of Strategic Planning (IDSP) presented the CVUHB Escalation Framework and highlighted the following:</p> <ul style="list-style-type: none"> • WG required an assessment against the planning maturity matrix as part of the de-escalation criteria for Finance & Planning, with CAV UHB currently under enhanced monitoring • The matrix included several domains such as strategy development, alignment of strategy and IMTP, dynamic and engaged planning, operational planning and others • CAV UHB achieved a level 3 for strategy & development, which indicated a reasonable level of development • The UHB scored low on the alignment with the IMTP, but planned to address this through the establishment of portfolio arrangements and strategic plans • Good practices were identified regarding operational planning but overall assessed at a basic level 2 • Emphasis on a whole system approach to improve strategic and operational planning along with population health improvement planning • The UHB need to allocate executive leadership across portfolios to ensure collective responsibility for delivery 	

	<ul style="list-style-type: none"> Challenges in the operational environment were recognised, with a need for a better balance across performance and financial perspectives An integrated planning group was integrated at deputy executive level, which supported engagement across workforce, operations, planning and finance CAV UHB was ahead in strategy development but similar or slightly worse in other domains when compared to other HB's in NHS Wales <p>The IMD was supportive of the ideas of how to take the areas outlined forward. He was pleased to hear that this was required across the UHB and not just one area and asked what the plan was for raising maturity across the UHB.</p> <p>The IDSP emphasised that planning was everyone's responsibility, not just the planning teams. She highlighted the risk of people assuming that planning was solely the planning team's job, which could lead to challenges.</p> <p>She added that the Executive Team had worked hard to allocate Executive leadership across portfolios to ensure collective responsibility for delivery. That approach aimed to strengthen accountability and collaboration in the strategic environment.</p> <p>The Finance and Performance Committee resolved:</p> <ol style="list-style-type: none"> The initial baseline assessment against our Planning Maturity Matrix was noted and; The areas of improvement identified were noted and; The recommendation to undertake an annual review against the matrix, the results of which will be reported to Finance and Performance Committee and Board were supported and; The Integrated Planning Group to develop and implement a more detailed action plan to monitor improvement were endorsed. 	
	<p>2024/25 Additional Capital Funding (click to view)</p> <p>The Executive Director of Finance (EDF) discussed the 2024/25 additional capital funding and highlighted the following:</p> <ul style="list-style-type: none"> In July 2024 CAV UHB were awarded £4.34m from WG for several schemes, mainly for a backlog of maintenance, with many tendered and in the process of sign off During the review of capital at month six, the overspend totalled at £2.862m were identified across four schemes CAV UHB received an additional £7.4m from WG in October 2024 which allowed for the reallocation of £4.752m back in to the discretionary capital program Part of the funding was planned for enabling works for ITU, Cardiology, which included converting Lakeside Wing from a field hospital to a more compliant inpatient area Over £2m was to be allocated for roof replacements and repairs at UHW & UHL £1m would be used for the closure of old accommodation blocks Approval was sought for awarding a contract to Lorne Stewart for £1m for the replacement of the HSDU ventilation chiller plant Approval was sought for awarding a contract to FP Hurley for £1m for the replacement of the UHB main chiller plant <p>The Finance and Performance Committee resolved:</p> <ol style="list-style-type: none"> The content of the paper and the various sources of additional funding being managed by the Health Board was noted and; The confirmation of the additional funding of £7.4m approved by Welsh Government for the ringfenced schemes shown in Fig.3 and the Estate Rationalisation was noted and; The recommendation of the CMG Sub Group for the allocation of the £4.752m for schemes to be completed in 2024/25 was supported and; That the BOARD APPROVE the adjustments made to the capital programme, recognising the additional funding provided by WG was recommended and; The committee recommended that the Board approve the awarding of the contract to Lorne Stewart at the value of £1,015,029 inclusive of VAT for the Replacement of the HSDU Ventilation and Chiller Plant, to be delivered within the current financial year and; The committee recommended that the Board approve the awarding of the contract to FP Hurley at the value of £1,091,115 inclusive of VAT for the Replacement of the UHW Main Chiller Plant which is to be delivered in the current financial year. 	

	<p>Research & Development Grant from NIHR (click to view)</p> <p>The Deputy Director of Finance - Strategic (DDFS) highlighted the following points regarding the research & development grant from NIHR:</p> <ul style="list-style-type: none"> • CAV UHB received a grant of £1.513m (over 5 years) from the National Institute for Health and Care Research for a project to examine antibiotics for illustrated skin cancer surgical excisions, which will be led by Dr. Rachel Abbot • The grant will involve collaboration with Cardiff University, Holyoke Medical School, University of York, University of Oxford, University of Nottingham and Swansea University • Although grant funding was exempt from public contract regulations, internal procurement compliance was required due to the value of the outgoing payments exceeding £1m • The recommendation is for the committee to endorse the grant and recommend board approval for the exemption from public contract regulations and the payment to the collaborating organizations <p>The Director of Corporate Governance (DCG) advised the Committee that the item had been received by the Board, and it reflected the increase in grant figures.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The Committee approved the exemption of PCR and the payment to the organisations involved in the grant scheme</p>	
	<p>JCC Major Trauma Case (click to view)</p> <p>The DOCW highlighted the following points regarding the JCC Major Trauma Case:</p> <ul style="list-style-type: none"> • The major trauma service at Cardiff and Vale UHB went live in 2020. The observed level of activity has significantly exceeded predicted levels • The business case aims to address two main issues: <ol style="list-style-type: none"> 1. Right-sizing the service to match the higher-than-expected activity levels. 2. Addressing gaps identified in peer reviews and NHS Wales Gateway reviews, including areas such as plastics, radiology, paediatric pain, etc. <ul style="list-style-type: none"> • The business case had been ratified through the internal investment group. 1:11:15 • The committee was asked to endorse the business case and recommend board approval for submission to the NHS Wales Joint Commissioning Committee (JCC) for revenue funding support. The JCC has recognized the need for this funding within their prioritization process. <p>The CC noted that the money would flow through as part of the major trauma service project.</p> <p>The Finance and Performance Committee resolved:</p> <ul style="list-style-type: none"> • The Committee recommended to endorse the major trauma services business case to NHS Wales JCC for revenue support 	
	<p>2024-25 Strategic Cash Request Submission (click to review)</p> <p>The DDFO highlighted the following points regarding the 2024-25 Strategic Cash Request Submission:</p> <ul style="list-style-type: none"> • CAV UHB needed to notify Welsh Government of any additional cash requirements over and above the confirmed allocations for the year, which was a standard process at this time of year. 	

	<ul style="list-style-type: none"> • The UHB has a planned deficit of £15.9 million for the year, which necessitates a request for an equivalent amount of strategic cash support. • In addition to the planned deficit, there was a working capital movement of approximately £10 million that also needed to be covered. • There were additional risks related to pay-outs from the Welsh risk pool and capital expenditure from the previous year, which may require further cash support. • The initial request to Welsh Government would be for the £15.9 million planned deficit and the £10 million working capital movement. If the financial outlook worsens, an additional request will be submitted. <p>The CC asked if the specific request now was for £15.9 million and whether there would be other requests and another letter at a future date</p> <p>The DDFO clarified that the initial request to Welsh Government would be for the £15.9 million strategic cash support, along with the notification of the £10 million working capital movement.</p> <p>He added that if the financial outlook changed, an additional letter would be submitted.</p> <p>The Finance and Performance Committee resolved:</p> <ol style="list-style-type: none"> a) The UHBs minimum working cash balance requirement of £10.541m was noted and; b) The ongoing work to assess any requirement working cash associated with the UHBs Capital expenditure programme was noted and; c) The committee recommended that the UHB's Board approves the UHB's application to Welsh Government for £15.900m Strategic Cash Support in support of its revised 2024/25 forecast deficit and; d) The committee noted that if the month 7 financial forecast is not delivered the UHB will need to seek additional approval from Board to submit a further application to Welsh Government for supplementary strategic cash support. 	
	<p>Mortuary Refurbishment Project Update</p> <p>The EDF noted that it was recognised that the Mortuary Refurbishment Project demonstrated an overspend (£930k) and were grateful for WG support by fully funding the project. She commended this to the CAV UHB Board for awareness.</p> <p>The Finance and Performance Committee resolved:</p> <ol style="list-style-type: none"> a) The anticipated construction completion is currently reported at 28th February 2025, which is circa 19 weeks behind the original programme was noted and; b) The additional £924k of funding which is required to address the unforeseen issues identified throughout the scheme, recognising the significant difficulties the original construction detail has impacted on the buildability of the scheme was noted and; c) The additional funding has been provided by Welsh Government as confirmed in their correspondence dated 23rd October 2024 was noted. 	
<p>FPC 20/11/010</p>	<p>Monthly Monitoring Return – Month 6 (click to view)</p> <p>The monthly monitoring return for month 6 was noted.</p> <p>The Finance and Performance Committee resolved:</p> <ol style="list-style-type: none"> a) The extracts from the UHBs Monthly Financial Monitoring Returns were noted. 	
	<p>RPB Quarterly Update (click to view)</p> <p>The PMIHSC highlighted the following regarding the RPB Quarterly Update:</p> <ul style="list-style-type: none"> • The report provided a quarterly update to Welsh Government on all funding streams managed through the Regional Partnership Board (RPB). The Health Board acts as the banker for the partnership. • The total funding amounts to just under £20 million, supporting various established programs. • Delays in recruitment for key posts have impacted progress, but recent recruitment has brought the program back on track. 	

	<ul style="list-style-type: none"> • A change in contractor for unpaid carers led to initial delays, but new providers are now in place, and progress is improving. • A small underspend was predicted for the end of the year, which would be used to manage cost pressures, particularly related to the Welsh Community Care Information System (WCCIS) funding, which was not yet been confirmed by Welsh Government. • Plans were being made for the 2025-26 financial year, including a proposal for a slightly over-committed budget to manage anticipated slippage. 53:58 • The RPB was yet to receive feedback on the quarter 2 reports. Welsh Government has requested light touch reports for quarter 2 onwards, indicating satisfaction with the current reporting processes <p>The Finance & Performance Committee Resolved:</p> <ul style="list-style-type: none"> a) The Q2 report for RPB funding in 2024-25 was noted and; b) The end of year financial forecast for 2024-25 and recommendations for management of an anticipated underspend was noted and; c) The initial Financial Forecast for 2025-26 was noted. 	
<p>FPC 20/11/011</p>	<p><u>Any Other Business</u></p> <p>No other business was raised.</p>	
	<p>Date & time of next Meeting</p> <p>Wednesday 22nd January 2025 at 2.30pm via MS Teams</p>	