

**Minutes of the Public Finance & Performance Committee Meeting  
21.05.2025  
Via MS Teams**

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<b>Chair:</b>		
John Union	JU	Independent Member – Finance / Committee Chair
<b>Present:</b>		
Claire Beynon	CB	Executive Director of Public Health
Paul Bostock	PB	Chief Operating Officer
Charles Janczewski	CJ	CAV UHB Chair
Ceri Phillips	CP	CAV UHB Vice Chair
Meredith Gardiner	MG	Programme Manager Health & Social Care
Mike Jones	MJ	Independent Member – Trade Union
Susan Lloyd-Selby	SL	Independent Member – Local Authority
Robert Mahoney	RM	Deputy Director of Finance (Operational)
Chris Markall	CM	Assistant Director of Finance
Sara Moseley	SM	Independent Member – Third Sector
Catherine Phillips	CP	Executive Director of Finance
Matt Phillips	MP	Director of Corporate Governance
Suzanne Rankin	SR	Chief Executive Officer
Rhian Thomas	RT	Independent Member – Capital & Estates
Rachna Upadhya	RU	Independent Member - General
Andrew Gough	AG	Deputy Director of Finance (Strategic)
<b>Observers:</b>		
Bevan Howells	BH	Management Graduate Trainee
Michael Imperato	MI	Independent Member – Legal (Hywel Dda University Health Board)
<b>Secretariat:</b>		
Nathan Saunders	NS	Senior Corporate Governance Officer
<b>Apologies:</b>		
Steve Riley	SR	Independent Member – University

Ref:	Agenda Item:	Action:
<b>FPC 21/05/001</b>	<b>Welcome &amp; Introduction</b>  The Committee Chair (CC) welcomed everyone to the meeting.	
<b>FPC 21/05/002</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 21/05/003</b>	<b>Declarations of Interest</b>  No Declarations of Interest were noted.	
<b>FPC 21/05/004</b>	<b>Minutes of the Finance and Performance Meeting held on 16 April 2025</b>  The minutes of the meeting held on 16 March 2025 were received and confirmed as a true and accurate record.  <b>The Finance Committee resolved that:</b> a) The minutes of the Finance and Performance Committee meeting held on 16 April 2025 were held as a true and accurate record of the meeting.	

<p><b>FPC</b> <b>21/05/005</b></p>	<p><b>Actions following the Finance &amp; Performance Meeting on 16 April 2025</b></p> <p>The Action log had no actions outstanding.</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</b> <b>21/05/006</b></p>	<p><b>Chairs Action since previous meeting</b></p> <p>There were no Chair's Actions taken since the last meeting</p>	
<p><b>FPC</b> <b>21/05/007</b></p>	<p><b>Financial Report – Month 1 Position (including Savings Tracker)</b></p> <p>The Financial Report – Month 1 Position (including Savings Tracker) was received.</p> <p>The Deputy Director of Finance – Strategic (DDFS) advised the Committee that he would take the report as read and highlight key points for noting which included:</p> <ul style="list-style-type: none"> <li>• The financial report for month one measured the position against the £58.2 million annual plan deficit submitted by the Health Board on March 31<sup>st</sup></li> </ul> <p>It was noted that following discussions with Welsh Government (WG), steps had been outlined to de-risk the plan and achieve a sustainable financial balance over three years.</p> <ul style="list-style-type: none"> <li>• The month one deficit stood at £6.096 million, which was £420,000 over the planned deficit of £5.676 million and it was noted that the deficit was broken down into a savings programme deficit of £432,000 and a small operational surplus of £12,000</li> </ul> <p>The UHB Chair raised their hand and noted that the report claimed that the Board had approved the planned deficit at a Board meeting which was not the case.</p> <p>He added that the plan had been supported but not approved.</p> <ul style="list-style-type: none"> <li>• <b>Savings Programme</b> - £24.8 million worth of green and amber schemes had been identified against the £30 million target, leaving a shortfall of £5.2 million.</li> </ul> <p>It was noted that the savings programme deficit was profiled equally across the year, with larger savings schemes expected to show in later months.</p> <p>The Independent Member – Local Authority (IMLA) raised a concern about the reliance on savings to be achieved later in the year, highlighting the risk that posed. She requested detailed information on the level of savings expected at different points in the year to avoid being in a challenging position if those savings could not be achieved.</p> <p>The DDFS responded and emphasised the importance of having a plan in place and ensuring delivery against that plan.</p> <ul style="list-style-type: none"> <li>• <b>Workforce and Non-Pay costs</b> - Workforce expenditure had grown over the last 12 months, with significant elements being pay awards and non-pay costs had also increased, particularly in secondary care medicines, continuing healthcare, and commissioned services.</li> <li>• <b>Operational Pressures:</b> The DDFS stressed the importance to maintain the operational surplus and manage pressures throughout the year to avoid additional challenges.</li> </ul>	

	<ul style="list-style-type: none"> <li>• <b>Risk Register:</b> The key risks noted within the report included delivering the £9.1 million deficit control target, managing operational pressures, and remaining within the cash limit.</li> </ul> <p>It was noted that the risk against the plan delivery would be monitored throughout the year.</p> <ul style="list-style-type: none"> <li>• <b>Cash Position</b> - Strategic cash support from WG would be required to cover the planned deficit and it was noted that further cash allocations totalling £139 million needed to be received from WG to avoid significant issues.</li> <li>• <b>Public Sector Payment Compliance:</b> The DDFS advised the Committee that The Health Board continued to deliver against the public sector payment compliance target of 95%, with performance at 96.5% at the end of April 2025.</li> <li>• <b>Capital Resource Limit:</b> The capital resource limit stood at £34.387 million, comprising discretionary funding and specific project allocations.</li> </ul> <p>The UHB Chair asked for a table to be presented in future reports that outlined actions being undertaken that would help to deliver the outcomes.</p> <p>The DDFS agreed and noted it would be added.</p> <p>The CC noted that it would be useful to include an assumptions column on the table that summarised 2024/25 &amp; 2025/26 Pay expenditure run rates.</p> <p>The DDFS agreed and noted it would be added.</p> <p>The UHB Chair reminded the Committee of the DDFS's comments around the goal of moving away from the £58.2 million forecast deficit with the aim to improve the financial position to a deficit of £27.7 million and eventually to the £9.1 million deficit control total set by WG.</p> <p>He added that to achieve that would involve making difficult and important decisions about the service levels offered in different parts of the organisation which was important to note.</p> <p><b>The Finance and Performance Committee resolved that:</b></p> <ol style="list-style-type: none"> <li>a) The reported year to date overspend of £6.096m and the forecast deficit of £58.2m was noted</li> <li>b) The month 1 operational overspend against plan of £0.012m and the £0.432m savings deficit was noted.</li> <li>c) The progress against the savings target, with £25m (83%) of green and amber schemes identified at Month 1 against the £30m target was noted.</li> <li>d) Delivery of the forecast which was also predicated on the confirmation of all expected income streams was noted.</li> </ol>	
<p><b>FPC</b> <b>21/05/008</b></p>	<p><b>Operational Performance Update</b></p> <p>The Operational Performance Update was received.</p> <p>The Chief Operating Officer (COO) advised the Committee that he would take the report as read and would highlight any key areas for noting.</p> <ul style="list-style-type: none"> <li>• <b>Emergency Care Demand</b> – it was noted that April 2025 saw similar attendance numbers to April 2024, with slightly reduced admissions through major streams. This stabilisation was seen as potentially good news, allowing for refreshed plans.</li> </ul>	

The Committee was advised that 12-hour waits were down, but there was a slight deterioration in ambulance performance during the Easter period. This was attributed to the increased medical patients needing to be placed in surgical beds, which caused a dip in overall performance. However, efforts were being made to get back on track and improve emergency care.

- **Delayed Pathways of Care:** The number of delayed patients decreased to 150, which was 35 fewer than the previous year. However, the number of patients in hospital beds for 7 or 21 days remained similar to last year. More work was needed to address the length of stay.

The COO advised the Committee that the Exemplar Ward program aimed to address those issues, with an update expected the following month.

**Cancer Treatment** – it was noted that March 2025 ended with a 68.7% performance rate, but April 2025 was expected to be more challenging due to a spike in referrals and issues with the prostate pathway in urology.

It was noted that efforts were underway to improve the urology cancer and prostate pathways, with updates expected the following month.

**Planned Care:** The COO advised the Committee that the focus was on delivering the Q1 position, ensuring the number of patients waiting over two years did not exceed the March 2025 numbers. The target was 1595 patients waiting over two years.

It was noted that plans for Q2 to Q4 would be presented at the special board in June 2025, which would be aiming for no patients waiting over two years by March 2026.

The COO highlighted that Ophthalmology, and spinal surgery were the main areas with three-year waits and that Ophthalmology issues were expected to be resolved by July 2025, and spines by the end of September 2025.

**Diagnostics:** Non-obstetric ultrasound was slightly behind trajectory due to Easter, but recovery was expected by the end of May 2025. Additional capacity was planned for September 2025.

It was noted that CT and MRI faced significant downtime due to equipment issues which had impacted patient slots. Efforts were underway to catch up on lost activity.

The UHB advised the COO that it would be good to log the significant losses in capacity due to failure or equipment and infrastructure.

The COO responded that the teams had been logging the theatre cancellations and that the data would be put that into the Integrated Performance Report slides moving forward.

He added that the data around theatre cancellations would also be included in the Integrated Quality and Performance Dashboard (IQPD) going forward which would ensure that the impact of such cancellations was clearly reported and understood.

Additionally, there was an intention to push for more data and up-to-date information to be shared through the IQPD to reflect the extensive work happening outside of secondary care.

**The Committee resolved that:**

- 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><b>FPC</b> <b>21/05/009</b></p>	<p><b>2025/26 Draft Capital Plan</b></p> <p>The 2025/26 Draft Capital Plan was received.</p> <p>The Executive Director of Finance (EDF) advised the Committee that she would take the report as read and highlight key areas to note.</p> <ul style="list-style-type: none"> <li>• The discretionary capital allocation for 2025-26 had been increased to £17 million. This funding was crucial for addressing backlog maintenance and other essential schemes.</li> <li>• <b>Targeted Estates Investment Fund:</b> it was noted that an additional allocation of £7.8 million over two years had been awarded for specific schemes, with the Health Board required to provide 30% of the funding. This totalled £11 million for targeted estates investments.</li> </ul> <p>The EDF added that due to limited discretionary allocation, not all desired schemes could be funded, and some would be deferred to next year's slippage bids.</p> <ul style="list-style-type: none"> <li>• <b>All Wales Prioritisation:</b> it was noted that several business cases had been prioritised and included: <ul style="list-style-type: none"> <li>- ITU expansion and refurbishment</li> <li>- Hybrid Theatres</li> <li>- Review of Bone Marrow Transplant services.</li> </ul> <p>It was noted that those combined schemes were initially rejected due to high costs, but efforts were ongoing to create a more affordable combined scheme.</p> </li> <li>• <b>Pre-existing Schemes:</b> The Committee was advised that existing Commitments included lift and electrical infrastructure refurbishment, digital schemes, and decarbonisation projects.</li> <li>• <b>Clinical Board Priorities:</b> it was noted that the plan included priorities identified by clinical boards and the Health Board to advance strategic goals and that digital elements were also integrated into the plan.</li> <li>• <b>Operational Schemes:</b> it was noted that a pre-committed project involved moving the cardiology ward, completing the repatriation of cardiothoracic surgery from University Hospital Llandough (UHL), which began in Summer 2024.</li> <li>• <b>Governance and Monitoring:</b> The EDF advised the Committee that the Capital Management Group would closely monitor the reported over-commitment and address it as needed.</li> </ul> <p><b>The Committee resolved that:</b></p> <ol style="list-style-type: none"> <li>a) The content of the paper and in particular the prioritisation process undertaken was noted.</li> <li>b) The draft capital plan 2025/26 was supported.</li> <li>c) The plan would be recommended to Board for approval, recognising that the reported overcommitment would be closely monitored and addressed by the Capital Management Group</li> </ol>	
<p><b>FPC</b> <b>21/05/010</b></p>	<p><b>RPB Quarterly Update</b></p> <p>The RPB Quarterly Update was received.</p>	

	<p>The Programme Manager Health &amp; Social Care (PMHSC) presented to the Committee.</p> <p>It was noted that the Regional Partnership Board (RPB) oversaw various funding streams totalling just over £21 million, with the Health Board acting as the banker on behalf of the region, which included the Health Board footprint, two local authorities, and third sector providers.</p> <ul style="list-style-type: none"> <li>• <b>Performance Reports:</b> it was noted that The RPB was required to submit performance reports to WG across these funding streams. The reports for 2024-25 indicated that the RPB came in on budget with strong performances across various community services.</li> <li>• <b>Financial Intentions for 2025-26:</b> it was noted that the budget for 2025-26 was slightly reduced to just over £19 million and that there was an agreed over-allocation of £330,000, which had been scrutinised and approved by the Strategic Leadership Group (SLG). This over-commitment would be managed across the partners, with anticipated slippage expected to cover that variance.</li> <li>• <b>Regional Integration Fund (RIF):</b> The Committee was advised that The RIF was the largest fund within the RPB, with a five-year lifespan, two years of which remained. It was noted that there was significant work underway to ensure effective performance and to inform plans for the end of that funding stream.</li> </ul> <p>The PMHSC advised the Committee that discussions were ongoing within WG regarding the future of the RIF post-March 2027, highlighting the substantial risk to services supported by the fund if it was withdrawn.</p> <p><b>Third Sector Funding:</b> it was noted that a substantial amount of funding from the RIF went to third sector services and that the current funding level was intended to remain the same for the next two years.</p> <p>The PMHSC advised the Committee that The RPB was supposed to support third sector services to around 20% of the overall fund, but that target was not currently met, and it was noted that the shortfall was a concern for the SLG.</p> <p>The Independent Member – Third Sector advised the PMHSC that she was not aware that the target was not being met and asked for an offline conversation to understand more of why that was and the impact it had.</p> <p>The UHB Chair asked if the RPB Quarterly Update was being received by the right Committee as it felt like it could be a potential item for the Audit &amp; Assurance Committee.</p> <p>The Director of Corporate Governance (DCG) was advised to check.</p> <p>The PMHSC concluded that a further update would be provided in 6 months' time either by the Finance &amp; Performance Committee or the Audit &amp; Assurance Committee pending the outcome of the checks.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <ol style="list-style-type: none"> <li>a) The report was noted.</li> <li>b) The Q4 report for RPB funding in 2024-25 was noted.</li> <li>c) The agreed RPB budget allocations for 2025-26 were noted.</li> </ol>	
<p><b>FPC</b> <b>21/05/011</b></p>	<p><b>Annual CHC uplift paper</b></p> <p>The Annual CHC uplift paper was received.</p>	

	<p>The Assistant Director of Finance (ADF) reminded the Committee that the Health Board provided an annual uplift to Continuing Healthcare (CHC) packages of care, which were legislatively required. The total expenditure for CHC packages was around £100 million.</p> <p>He added that the uplift considered inflationary pressures on providers, including employer costs, WG policy on real living wage, pay inflation, and non-pay costs.</p> <ul style="list-style-type: none"> <li>• <b>Proposed Uplift:</b> it was noted that the the proposed uplift for 2025-26 would 6.4%, assessed to impact the budget by £6.1 million, which was fully provided for in the current financial plan.</li> </ul> <p>The Committee were advised that the rate aligned with the local authority rates already communicated to providers for April 2025.</p> <p><b>Risks and Implications:</b> it was noted that without the uplift, there could be disputes over care packages, difficulties in placing patients, and increased spot purchase arrangements to ensure patient flow</p> <p>The ADF advised the Committee that there was ongoing work to manage demand and decrease the overall CHC cost base, running in parallel with the uplift and included quality, efficiency, and improvement plans across clinical boards.</p> <p>The COO highlighted the financial risk of signing up to a 6.4% uplift when the Health Board's allocation increase was less than 2% and noted that it added significant cost pressures outside of the Health Board's control.</p> <p>The CEO emphasised the need to manage demand for care to apply downward pressure on costs, recognising the statutory duty to meet the payments.</p> <p>The ADF acknowledged the challenges and noted ongoing national work to achieve consistency in fee setting and negotiation with care homes.</p> <p>The Independent Member – Capital &amp; Estates (IMCE) noted that payment on time was crucial and asked what the Health Boards performance was like in that arena.</p> <p>The ADF responded that he did not have the stats to hand but noted that the Health Board made every effort to comply with 28 days when invoiced.</p> <p>It was noted that a further update on CHC uplifts would be provided in March 2026.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <ol style="list-style-type: none"> <li>The 2025/26 annual uplift that should be offered to care providers at 6.4%, noting this was within the growth provisions of the current financial plan. This would then be presented to Board for final approval was supported.</li> <li>The fact that joint packages of care could vary in line with Local Authority increases already offered, to be risk managed against growth provisions was noted.</li> <li>The risk that providers may not accept the new rates and/or that negotiation by exception may be required subject to market forces, benchmarking and VFM tests was noted.</li> </ol>	
<p><b>FPC</b> <b>21/05/012</b></p>	<p><b>Monthly Monitoring Return – Month 12</b></p> <p>The monthly monitoring return was received.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <ol style="list-style-type: none"> <li>The extracts from the UHBs Monthly Financial Monitoring Returns for Month 12 was noted</li> </ol>	

<p><b>FPC</b> <b>21/05/013</b></p>	<p><b>Planning, Performance and Finance (PPF) Highlight Report JCC</b></p> <p>The Planning, Performance and Finance (PPF) Highlight Report JCC was received.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <p>a) The Planning, Performance and Finance (PPF) Highlight Report JCC was noted.</p>	
<p><b>FPC</b> <b>21/05/014</b></p>	<p><b>Annual Committee Report</b></p> <p>The Annual Committee Report was received.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <p>a) The Annual Committee Report was noted.</p>	
<p><b>FPC</b> <b>21/05/015</b></p>	<p><b>Urgent &amp; Emergency Care: Flow out of Hospital – Audit Wales Report</b></p> <p>The Urgent &amp; Emergency Care: Flow out of Hospital – Audit Wales Report was received.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <p>a) The Urgent &amp; Emergency Care: Flow out of Hospital – Audit Wales Report was noted.</p>	
<p><b>FPC</b> <b>21/05/016</b></p>	<p><b>Any Other Business</b></p> <p>The UHB Chair concluded the meeting by emphasising the importance of conducting the meeting in public to help the conversation and ensure transparency.</p> <p>He noted that he had appreciated the powerful and appropriate questioning during the meeting and highlighted the Health Board's genuine concern about the current financial position and performance issues.</p>	
<p><b>FPC</b> <b>21/05/017</b></p>	<p>To note the date, time and venue of the next Committee meeting: <b>Wednesday 18 June 2025 via MS Teams</b></p>	