

**Confirmed Minutes of the Public Finance and Performance Committee Meeting
Held On 19th April 2023 at 2 pm
Via MS Teams**

Chair:		
Michael Imperato	MI	Independent Member – Legal
Present:		
John Union	JU	Independent Member – Finance
Keith Harding	KH	Independent Member – University
Ceri Phillips	CP	UHB Vice Chair
In Attendance:		
Charles Janczewski	CJ	UHB Chair
Abigail Harris	AH	Executive Director of Strategic Planning
Catherine Phillips	CP	Executive Director of Finance
Robert Mahoney	RM	Deputy Director of Finance (Operational)
Andrew Gough	AG	Deputy Director of Finance (Strategy)
Paul Bostock	PB	Chief Operating Officer
Jason Roberts	JR	Executive Nurse Director
James Quance	JQ	Interim Director of Corporate Governance
Observers:		
Urvisha Perez	UP	Audit Wales
Secretariat:		
Sarah Mohamed	SM	Corporate Governance Officer
Apologies:		
David Edwards	DE	Independent Member – ICT
Suzanne Rankin	SR	Chief Executive Officer
Meriel Jenney	MJ	Executive Medical Director

Item No	Agenda Item	Action
FC 19/04/001	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
FC 19/04/002	Apologies for Absence The Finance Committee resolved that: a) Apologies were noted.	
FC 19/04/003	Declarations of Interest The Finance Committee resolved that: a) No Declarations of Interest were noted.	

<p>FC 19/04/004</p>	<p>Minutes of the Strategy and Delivery Committee meeting Held on 14 March 2023</p> <p>The minutes of the meeting held on 14 March 2023 were received.</p> <p>The Finance Committee resolved that:</p> <p>a) The minutes of the Strategy and Delivery Committee meeting held on 14 March 2023 were held as a true and accurate record of the meeting.</p>	
<p>FC 19/04/005</p>	<p>Action Log following the Strategy and Delivery Committee meeting held on 14 March 2023</p> <p>The Action Log was received.</p> <p>The Finance Committee resolved that:</p> <p>a) The Action Log for the Strategy and Delivery Committee was up to date.</p>	
<p>FC 19/04/006</p>	<p>Chairs Action since previous meeting</p> <p>There had been no Chair's Actions taken since the last meeting.</p>	
Items for Review and Assurance		
<p>FC 19/04/007</p>	<p>Financial Report – Month 12</p> <p>The Executive Director of Finance (EDF) presented the Financial Report – Month 12.</p> <p>It was noted that the draft Month 12 position had been submitted to Welsh Government (WG). The numbers were draft and subject to the audit process and would go through the annual accounts work programme and timeline.</p> <p>The EDF added that the expected forecast deficit had been met.</p> <p>The UHB Chair congratulated the team on meeting a remarkable achievement of 95% in the public sector payment compliance.</p> <p>The UHB Chair requested clarification on the recommendation which stated “the reported revenue position was broadly in line with the forecast deficit of £26.900m”.</p> <p>The Deputy Director of Finance (Operational) (DDFO) responded that the Finance team was waiting for allocation letters from Welsh Government (WG). Depending on their valuation, the Health Board would be just under the £26.9m forecast deficit.</p>	

	<p>The UHB Vice Chair stated that he was interested in the factors which had contributed to the overspend.</p> <p>The DDFO responded that the next paper would answer that question.</p> <p>The Finance Committee resolved that at Month 12:</p> <ul style="list-style-type: none"> a) The reported year end deficit was broadly in line with £26.900m. b) The financial impact of forecast COVID 19 costs which had been covered by Welsh Government funding of £56.797m had been noted. c) The financial impact of year to date Exceptional Inflationary Pressures which was assessed at £20.123m with assumed Welsh Government funding of £20.123m, was noted. d) The reported revenue position was broadly in line with the forecast deficit of £26.900m, which comprised of the £17.1m planned deficit identified in the Final Financial plan and £9.800m of additional operational pressures recognised by the UHB Board, was noted. 	
<p>FC 19/04/008</p>	<p>Unforeseen Cost Pressures Lessons Learnt Exercise</p> <p>The DDFO presented the Unforeseen Cost Pressures Lessons Learnt Exercise and highlighted the following:</p> <ul style="list-style-type: none"> • The DDFO explained that the Finance team had looked at cost pressures and whether those could be built into the 2022/23 financial plan. <ul style="list-style-type: none"> i) Patient Catering <ul style="list-style-type: none"> – A key driver was the crisis in the Ukraine which had driven a chain reaction through energy costs, production and distribution costs as well as the impact of restricted availability of food products from Ukraine itself. Inflationary pressure was expected to reduce in 2023-24 in line with Bank of England forecasts. – The pressure on the Health Board’s Emergency Unit (EU) was also exacerbated in 2023-24 through front door demand and the failure to discharge elderly patients to residential care settings in the post Covid environment. – The requirement to provide food to those patients who were waiting for extended periods of up to 72 hours in EU settings was a new requirement for the Health Board. That would reduce as actions continued to be delivered to better 	

	<p>accommodate front door demand, Health Board operational capacity and back door flow.</p> <p>ii) Security at Rockwood and Whitchurch</p> <ul style="list-style-type: none"> – There were plans to dispose of the vacated Rookwood and Whitchurch sites which required extensive planning and consideration of multiple site preparation and marketing options. – That had contributed to an extended timescale to provide adequate security for both sites to prevent harm to individuals who may illegally access the sites and to mitigate risks to the Emergency services that may be required to attend incidents at the vacant sites. – The required timescale for a security presence should have been anticipated and had been built into 2023-24 plans. That would be a non-recurring cost contingent on the timescale for disposal. <p>iii) Footfall impact on Aroma sales / Concourse leases</p> <ul style="list-style-type: none"> – At the height of the pandemic, footfall into the Health Board’s retail/catering sites had reduced to nil which caused a number of leases to be handed back by the commercial lessees. – The loss of income was initially supported by Welsh Government Covid funding prior to the commencement of the 2022-23 financial year. But after the formation of the financial plan, WG confirmed that the loss of income would no longer be eligible for ongoing Covid Response financial support. – The Health Board had seen a progressive improvement in footfall and some re-letting. However, the footfall remained less than the pre Covid period, and had been partly impacted by the difficult economic environment during the financial year. That had been accounted for in budget setting for 2023-24 alongside efforts to improve income. <p>iv) Prescribing costs</p> <ul style="list-style-type: none"> – A new emerging theme in 2022-23 was the shortage of some types of drugs which required Pharmacists to directly source them, outside of the net drugs price agreements, at higher prices on international markets. That trend had increased throughout 2022-23 to levels not experienced before in the prescribing arena. That would need to be monitored in 2023-24. <p>v) Medical and staff nursing staff</p>	
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	<ul style="list-style-type: none"> - A more efficient workforce model needed to be put in place. - The plan in 2022/23 was to reduce reliance on agencies and to reach a more sustainable level. <p>vi) WHSCC LTA performance</p> <ul style="list-style-type: none"> - The principle under performance against WHSCC LTAs concerned Cardiac surgery which had been moved to UHL during the pandemic. That supported ongoing urgent surgery but reduced overall capacity. - The ability to re-establish capacity was dependent on a return to UHW and a reconfiguration of the Covid operational footprint. - That was delayed in 2022-23 and had contributed to unplanned under performance. There were now advanced plans to return Cardiac surgery to UHW during 2023-24. <p>vii) Children’s CHC Placements</p> <ul style="list-style-type: none"> - Two complex cases saw an extended length of stay within Children and Women’s Clinical Board in 2022-23. - The complexity caused difficulty with arranging out of hospital care packages and had caused the Health Board to incur significant additional premium staffing costs. - Following enhanced liaison between the Health Board and Cardiff Local Authority, packages of care were arranged and ongoing meetings explored better ways of managing similar cases in the future. <p>The UHB Chair suggested that this paper was brought to the Committee quarterly. He also queried how central reserves were created to address potential cost pressures in the 2022/23 plan.</p> <p>The DDFO responded that was with reference to the non-pay inflation. The Finance team had recognised that there would be a level of inflation and had allocated that into reserves.</p> <p>The UHB Chair queried whether the cost implications of the national strategies that formed part of the Health Board’s overall strategy were being considered.</p> <p>The EDF responded that the Finance team had requested money under the Executive Director of Strategic Planning (EDSP) leadership. The Head of Procurement was also tackling the decarbonisation and supply chain aspect on behalf of NHS Wales. It was not targeted with an investment except for capital currently. The overriding assumption was that doing things closer to the environment where the product was needed should not cost more money.</p>	<p>EDF</p>
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	<p>The Independent Member – Finance (IMF) queried what the approach was for 2023/24 in terms of building in unforeseen costs.</p> <p>The Deputy Director of Finance (Strategy) (DDFS) responded that the Finance team had tried to be realistic in relation to the unforeseen costs in 2023/24. The team would need to address the cost pressures seen in 2022/23. The Health Board was a large organisation and there would be items that would come up. The Finance team had submitted a very realistic plan which addressed that.</p> <p>The EDF added that the Finance team had not accounted for a specific contingency but national estimates on inflation had been helpful. A consistent approach meant less organisational differences in how estimates would “play out”. The Finance team had reviewed other organisations’ plans and had noted that only one other Health Board had put in a contingency of £1m.</p> <p>The Chief Operating Officer (COO) was grateful to the Finance team with regards to how budgets had been set.</p> <p>The Finance Committee resolved that at Month 13:</p> <p>a) The reasons which had contributed to unforeseen costs pressures in 2022-23 were noted and the learning would be carried into 2023-24.</p>	
<p>FC 19/04/009</p>	<p>Finance Committee Self Effectiveness Survey</p> <p>The Interim Director of Governance (IDCG) presented the Finance Committee Self Effectiveness Survey.</p> <p>It was noted that there were lots of positive comments and results.</p> <p>He added that question 8 was a mixture of strong and adequate and was similar to other Committees’ responses.</p> <p>The CC stated that the previous Director of Corporate Governance had 1-1s with Independent Members which was a valuable process.</p> <p>The Finance Committee resolved that</p> <p>a) The results of the Annual Board Effectiveness Survey 2022-2023 relating to the Finance Committee were noted.</p>	
<p>FC 19/04/010</p>	<p>Key Operational Performance Indicators</p>	

	<p>The COO presented the Key Operational Performance Indicators and highlighted the following:</p> <ul style="list-style-type: none"> • The report was a “work in progress” and would be improved as the COO’s team continued to refresh the information. • The Health Board had continued to do well in Urgent and Emergency Care in the context of where it had started. • The Health Board had made improvements this Winter. • There were no ambulance holds over 4 hours in February 2023. The ambition was to reach ambulance holds of 2 hours and 60 minutes. • The number of patients waiting over 12 hours in the Emergency Unit had reduced. • Femur was not where it should be. There had been lots of organisational focus on that. Seventy-five per cent (75%) of patients should be admitted to ward on arrival at hospital and the Health Board had not reached that target yet. A summit was held in March and another summit would take place next week. • The COO’s teams had been focused on improving the Stroke services and there had been improvements in that service. <p>The Independent Member – University (IMU) stated that he was concerned that femur KPIs were input measures and there were no output measures recorded. In speaking to one of the Consultants on the Stroke Unit, it was apparent that the mortality rate had reduced by 17%. That was a very important outcome.</p> <p>The COO responded that the mortality rates for Stroke were recorded in the Quality reports.</p> <p>The IMU queried whether it would be better to have objective data outcomes.</p> <p>The COO responded that he would provide an update on the other measures and not just the “front end” of the pathway at the next meeting.</p> <p>The COO added that a significant improvement had been made in Cancer services. In September, 870 patients were waiting over 62 days to be told or to commence their treatment. That had reduced to 200 at the end of March. By the end of June, the aim was to be closer to 75 patients.</p> <p>The COO added that in terms of Planned Care, the ambition this year was to reduce the number of people waiting over 52 weeks for their first outpatient appointment to zero by the end of June. That would be possible for some specialities but not all specialities. By the end of March 2024, there should be no patients waiting over 104</p>	<p>COO</p>
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	<p>weeks or two years for their treatment to commence. The COO added that he did not think that the Health Board would achieve those targets by March 2024 because there was no additional funding and not enough capacity.</p> <p>The UHB Vice-Chair queried whether waiting times for children could be looked into.</p> <p>The COO responded that his team was looking into that. There was unusual commissioning in Paediatrics and WHSSC did not facilitate it all. The challenge was that children should not be waiting over 2 years.</p> <p>The Finance Committee resolved that</p> <p>a) The year to date position against key organisational performance indicators for 2022-23 and the update against the Operational Plan programmes were noted.</p>	
<p>FC 19/04/011</p>	<p>Integrated Performance Report</p> <p>The UHB Chair suggested that this paper was not required by the Finance and Performance Committee. Instead the Committee should look at any areas causing concern by exception and not the routine items considered by the Committee.</p> <p>The CC stated that the Committee would receive and consider “deep dives” to explore certain areas of concern.</p> <p>The Finance Committee resolved that</p> <p>a) The contents of the report were noted.</p>	
<p>Items for Approval / Ratification</p>		
<p>FC 19/04/012</p>	<p>Finance and Performance Committee Terms of Reference and Workplan 2023-24</p> <p>The IDCG presented the Finance and Performance Committee Terms of Reference and Workplan 2023-24.</p> <p>The IDCG advised that the finance section continued to be largely unchanged. It was a regular cycle of reporting as expected. The performance section provided assurance on operational elements to the Board. There would also be various deep dives. There was also reference to Ministerial priorities and objectives set by the Board.</p> <p>The CC advised that it was important that “nothing fell in between the cracks”.</p>	

	<p>The IDCG advised that delivery plans would be discussed in the Board Development sessions.</p> <p>The UHB Chair advised that it was a good first attempt at the Terms of Reference. It would need further clarity in terms of delivery.</p> <p>The UHB Vice Chair stated that the Terms of Reference should be fluid and flexible in terms of which indicators were used.</p> <p>The EDF advised that the work plan needed to be developed alongside the Terms of Reference.</p> <p>The Finance Committee resolved that:</p> <ul style="list-style-type: none"> a) The Terms of Reference and work plan 2023/24 for the Finance and Performance Committee were reviewed. b) The Terms of Reference and work plan 2023/24 for the F&P Committee were ratified. c) The changes were recommended to the Board for approval on 25th May 2023. 	
	Items for Information and Noting	
	Agenda for Private Finance Committee Meeting	
FC 19/04/013	<ul style="list-style-type: none"> i. Approval of Private Strategy and Delivery Committee Minutes – 14.3.2023 	
FC 19/04/014	<p>Any Other Business</p> <p>No Other Business was discussed.</p>	
	Review and Final Closure	
FC 19/04/015	<p>Items to be referred to Board / Committee</p> <p>No Items to be referred to Board / Committee.</p>	
	<p>Date & time of next Meeting</p> <p>Wednesday 17th May 2023 at 2pm via MS Teams</p>	