

**Minutes of the Public Finance and Performance Committee Meeting
Held on 13 December 2023 at 2.45pm
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
David Edwards	DE	Independent Member – Information Communication & Technology
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
Jason Roberts	JR	Executive Nursing Director
Matthew Temby	MT	Director of Planned and Specialist Care
Francesca Thomas	FT	Head of Corporate Governance
Secretariat:		
Nathan Saunders	NS	Senior Corporate Governance Officer
Apologies:		
Andrew Gough	AG	Deputy Director of Finance – Strategy
Suzanne Rankin	SR	Chief Executive Officer

Item No	Agenda Item	Action
FPC 23/11/010	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
FPC 23/11/011	Apologies for Absence Apologies for Absence were noted. The Finance and Performance Committee resolved that: a) Apologies for Absence were noted.	
FPC 23/11/012	Declarations of Interest No Declarations of Interest were noted.	
FPC 23/11/013	Minutes of the Finance and Performance Meeting held on 22 November 2023 The minutes of the meeting held on 22 November 2023 were received. The Finance Committee resolved that: a) The minutes of the Finance and Performance Committee meeting held on 22 November 2023, were held as a true and accurate record of the meeting.	
FPC 23/11/014	Actions following the Finance and Performance Committee meeting on 22 November 2023 The Action log was received. The Chief Operating Officer advised the Committee that the Outpatients Deep Dive action would not be completed until January 2024 and it was agreed that the Committee would receive a report at its next meeting.	

	<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 23/11/015</p>	<p>Chairs Action since previous meeting</p> <p>There had been no Chair's Actions taken since the last meeting</p>	
<p>FPC 23/11/016</p>	<p>Financial Report – Month 8</p> <p>The Financial Report – Month 8 was received.</p> <p>A summary was provided to the Committee which stated:</p> <p>“At month 8, the UHB reported an overspend of £17.393m. This was comprised of £6.419m of unidentified savings/operational overspend and the revised planned deficit of £10.973m (eight twelfths of the revised forecast year end deficit of £16.460m)”.</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"> • There was a shortfall on the savings programme at month 8 of £2.295m and an operational deficit of £4.124m which meant that the Health Board's financial position was at £17.393m against the £10.973m planned deficit. <p>The Committee was advised that the forecast year end position had been amended in line with the revised target control total issued by Welsh Government (WG) on the 20th October 2023 and it was outlined how the control total of £16.460m was set against the movement throughout the year.</p> <ul style="list-style-type: none"> • An analysis of the £17.393m overspend at Month 8, between Income, Pay and Non-Pay had been completed and provided to the Committee and outlined that the Health Board were £6.419m off the target. <p>The DDF added that delivery of the revised forecast deficit of £16.460m would require continuing focus and downward pressure on the Health Boards cost base, achievement of the full £32m savings programme and maintaining operational balance.</p> <p>The UHB Chair asked what assurance could be provided, if any that actions were in place to allow the Health Board to deliver against the revised forecast deficit of £16.460m.</p> <p>The DDF responded that there were 2 original themes that were identified to deliver the £32m which then became a £36m ambition to deliver cost savings which continued to be pushed very hard by the finance teams and it was forecast to deliver towards the end of the financial year.</p> <p>He added that on top of that, the Organisation had started to focus on areas that had pushed out and enhanced controls were put in place in terms of trying to slow down the fill rate on non-essential posts and also focus on the cost of high inputs such as locum costs.</p> <p>The UHB Chair noted that the Actual Total Variance (ATV) had started to move away from the forecast position trajectory and asked if the actions identified had disturbed that trajectory and how confident was the team that it could get back onto track.</p> <p>The DDF responded that there was a high level of risk and noted that the ATV had flat lined on the graph provided because the position held in the Medicine Clinical Board had to be recalibrated due to push outs on spends, mainly around medical locum fees.</p>	

He added that efforts had been taken across the Medicine Clinical Board as well as across the whole Organisation to move the ATV back towards the forecast trajectory but noted that complete assurance could not be provided at that time.

The Executive Director of Finance (EDF) highlighted 2 further points:

- The Finance Team and Executives were working with the Clinical Board who had had pressures placed on their budget that had emerged throughout the financial year and work was ongoing to see how they could get back into a positive run rate.
- The development of the next financial year's savings had begun.

- Financial Performance of Clinical Boards – It was noted that budgets were set in the anticipation that they were sufficient to deliver the Health Board's plan.

- The operational position remained at an overspend of £6.419m in month and continuing pressures within Medicine and PCIC had primarily been offset by improvements reported in the Central position. It was noted that there was a continued focus on actions to address operational pressures which was required as the Health Board moved into the challenging winter months.

- A deterioration of £ 1.300m was reported in month for the Medicine Clinical Board, which followed a deterioration of £0.998m in the previous month. It was noted that a continuation of the current level of overspend would significantly impair the Health Board's ability to meet its forecast year end outturn position and so as a consequence, further support was being focussed on the Medicine Clinical Board with an emphasis on actions which would enable the service to reduce its expenditure run rate and work within delegated budgets.

The UHB Vice Chair noted that the narrative within the report also mentioned the PCIC Clinical Board and asked that given the pressures seen within PCIC, to what extent could the Health Board address the PCIC overspend.

The DDF responded that PCIC was particularly complex because it was made up of a number of contractors and the budget of the Clinical Board was larger than others.

He added that the finance team were working with PCIC to see how a reduction in the cost of providing out of hours support with could be achieved as well as a number of other key areas being looked at.

- COVID 19 Expenditure – The Committee received a month 8 summary on Covid-19 expenditure and it was noted that Local Response expenditure was no longer funded by WG and as such was included within the Health Boards Financial Plan.

The forecast cost at Month 8 for Covid expenditure was a reduction of £3.0m against the £34.2m included within the Financial Plan and was also included within the Health Boards savings plans.

- Finance Department's Risk Register – It was noted that 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 the current planned deficit of £88.4m.

- Additional Actions – The DDF advised the Committee of additional actions that were progressing to recover the month 8 operational & CRP deficit to enable the Health Board to deliver the revised forecast £16.460m deficit and included:
 - Limit catalogue for non-clinical pay expenditure
 - Elimination of non-clinical overtime
 - Waiting list initiative management following Health Board rate card
 - Rationalise study leave to the minimum required to meet regulatory requirements.

He added that reducing premium pay expenditure across all staff groups was a large component of the additional actions and it was noted that significant actions were taken during August 2023 to ensure that opportunities were realised.

The CC asked if a figure against each of the additional actions could be received by the Committee as it moved into the final quarter of the financial year.

The DDF responded that he would look at that to ensure further transparency.

The UHB Chair added that it would also highlight the hard work undertaken by all of the relevant teams.

- The Committee received a graph which outlined the Profile of Savings Delivery
- The Committee received a graph which outlined the Progress of Identification of Schemes
- 2023-24 Savings Summary – The Committee was provided with a table which showed where the Health Board had distributed the £32m savings plans and demonstrated over the different themes and Clinical Board where savings would be delivered.

The DDF advised the Committee that in addition to the savings target included in the Health Boards initial plan the Health Board was required 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.

He added that the additional 10% Improvement required was planned to be realised through the review, management and scheduling of specific expenditure programmes and it was noted that £5.4m of green and amber opportunities had been identified to date against the £8.8m target.

- Cash Flow Forecast – It was noted that the cash balance at the end of November 2023 was £6.632m with a forecast deficit of £16.460m at year end pending confirmation of strategic cash support. The DDF advised the Committee that the Health Board were still outstanding around £75m to £100m of the allocation and discussions with WG were ongoing.
- Capital (as at Month 7) – The DDF advised the Committee the Health Board were on track with Capital plans as all schemes were currently in line with the revised forecasts with the exception of UHL infrastructure, Endoscopy, Genomics, and Park View which were slightly behind plan year to date, however those were still expected to deliver in 2023/24.

The DDF concluded that the Financial Plan included a revised forecast deficit of £16.460m and that the revised forecast deficit was based on the receipt of an additional £63.100m funding from WG and additional Health Board action to reduce its expenditure base by £8.840m.

He added that the further reduction in expenditure represented an increase in risk which the Health Board needed to manage.

The UHB Chair asked if expenditure was expected if Junior Doctors decided to take industrial action.

The Chief Operating Officer (COO) responded that it was inevitable that there would be industrial action taken and that it would most likely lead to Consultants being paid to “act down” which would come at a significant cost to the Health Board.

The UHB Chair added that it would be important to provide the relevant communications around that and to manage patient expectations.

The Finance and Performance Committee resolved that at Month 8:

	<ul style="list-style-type: none"> a) 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. b) The reported year to date overspend of £17.393m and the forecast deficit of £16.460m was noted c) The financial impact of forecast COVID 19 costs which were assessed at £44.264m was noted d) The month 8 operational overspend against plan of £4.124m with a further £2.295m savings gap was noted e) The progress against the savings target, with £34.462m (108%) of schemes identified at Month 8 against the £32m target with year to date deficit was noted f) It was noted that delivery of the forecast was also predicated on the confirmation of all outstanding income streams. 	
<p>FPC 23/11/017</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"> • Despite operational pressures, the Health Board were still holding onto its Ambulance handovers performance and compared well with English Health Boards in terms of ability. It was noted that there was still more to do but that the Health Board were delivering better than originally forecast. • Cancer Performance – The COO advised the Committee that the best cancer performance had been observed in 2023/24 and whilst compliance with the 62-day single cancer pathway standard, in September 2023 reduced to 56.6% as the Health Board worked through its longest waiting patients, the Health Board was on track to hit the 75% target by March 2024. • October 2023 saw further improvement in Health Board compliance against some key Sentinel Stroke National Audit Programme (SSNAP) measures for the Stroke Pathway. <p>The COO advised the Committee that in 2022, the Health Board had achieved a D rating from SSNAP and that in November 2023, the Health Board had been awarded with an A rating which highlighted all of the great work undertaken by the stroke team to improve the position in 12 months.</p> <ul style="list-style-type: none"> • Planned Care - Through the Health Boards planned care programme, the team was increasing the visibility of productivity and efficiency data. Outpatient, diagnostic and theatre productivity were central to reducing waiting times for patients and delivery of the Ministerial ambitions. <p>The COO advised the Committee that the Health Board would deliver the ministerial expectation on 104 weeks by 31st December 2023 and noted that the Health Boards September and October 2023 Referral to Treatment Times (RTT) positions showed that no more than 3% of the total waiting list was waiting over 2 years.</p> <p>He added that there was approximately 122,000 on a waiting list at any one time and of those there were just over 4000 waiting longer than 2 years and of those, just under 300 waiting over 3 years and 20 over 4 years. It was noted that for those longest waiters it was unacceptable and work was being undertaken to reduce those waits.</p> <ul style="list-style-type: none"> • Length of Stay (LoS) – It was noted that reducing the time patients spent in hospital was a current operational focus and that the ongoing work focussed on patients and family, clinicians, integrated discharge service, hub and flow teams. <p>The COO advised the Committee that it was anticipated that the ongoing work around LoS would result in an improved experience and shorter length of stay for</p>	

	<p>patients, and deliver operation benefits such as improved flow and taking some pressures out of the Emergency Unit (EU).</p> <p>The CC asked for further information around Endoscopy and the increased capacity.</p> <p>The COO responded that the 2 new Endoscopy rooms were completed and due to opened from January 2024 with an official opening in February 2024.</p> <p>He added that an insourcing arrangement was in place to make up any shortfall of capacity.</p> <p>The UHB Vice Chair noted that the report had identified that the demand for adult and children's Mental Health services remained significantly above pre Covid levels, including an increased presentation of patients with complex mental health and behavioural needs.</p> <p>He added that whilst performance was not where it needed to be in terms of target, the downward trajectory observed was important to note and noted that the teams had initiated actions to continue that downward trajectory which could provide the assurance required.</p> <p>The Finance and Performance Committee resolved:</p> <p>a) The year to date position against key organisational performance indicators for 2023-24 and the update against the Operational Plan programmes were noted.</p>	
<p>FPC 23/11/018</p>	<p>Decarbonisation Update</p> <p>The Decarbonisation Update was received.</p> <p>The Executive Director of Strategic Planning advised the Committee that she would take the paper as read and reminded the Committee that they had received a Decarbonisation update in 2022.</p> <p>She added that the report provided assurance that the Health Board had completed all actions identified in the plan, except two, which had been completed by the end of the quarter.</p> <p>It was noted that outstanding actions were in relation to formally signing the Level 2 Healthy Travel Charter (under Transport theme) which was completed in October 2023 and embedding Decarbonisation into Quality and Safety.</p> <p>The Committee was advised that there was a lot of work to be undertaken over the next 2 quarters and noted that work had started on the 2024/25 plan with stretching targets up to 2027 which provided a clear indication on the steps needed to reach the 16% national target and the 40% target set by the Health Board beyond the nationally set target.</p> <p>The Finance Committee noted:</p> <p>a) The content of the report and appendices was noted.</p>	
<p>FPC 23/11/019</p>	<p>Monthly Monitoring Returns – Month 8</p> <p>The Month 8 Monitoring Returns was not received due to the short turn around in signing off of returns.</p> <p>The EDF advised the Committee that the Monthly Monitoring Returns – Month 8 would be received at the January 2024 Committee meeting.</p>	
<p>FPC 23/11/020</p>	<p>Any Other Business</p> <p>No Other Business was discussed.</p>	

	Date & time of next Meeting Wednesday 13 December 2023 via Teams	
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