

**Confirmed Minutes of the Public Finance and Performance Committee Meeting  
Held on 21 February 2024  
Via MS Teams**

<b>Chair:</b>		
John Union	JU	Independent Member – Finance
<b>Present:</b>		
Charles Janczewski	CJ	UHB Chair
Ceri Phillips	CP	UHB Vice Chair
<b>In Attendance:</b>		
Paul Bostock	PB	Chief Operating Officer
Abigail Harris	AH	Executive Director of Strategic Planning
Robert Mahoney	RM	Deputy Director of Finance
Catherine Phillips	CP	Executive Director of Finance
Matt Phillips	MP	Director of Corporate Governance (joined at 3pm)
Francesca Thomas	FT	Head of Corporate Governance
<b>Secretariat:</b>		
Nathan Saunders	NS	Senior Corporate Governance Officer
<b>Apologies:</b>		
David Edwards	DE	Independent Member – Information Communication & Technology
Matt Phillips	MP	Director of Corporate Governance
Suzanne Rankin	SR	Chief Executive Officer
Jason Roberts	JR	Executive Nursing Director

Item No	Agenda Item	Action
FPC 24/02/011	<b>Welcome &amp; Introduction</b> The Committee Chair (CC) welcomed everyone to the meeting.	
FPC 24/02/012	<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.	
FPC 24/02/013	<b>Declarations of Interest</b> No Declarations of Interest were noted.	
FPC 24/02/014	<b>Minutes of the Finance and Performance Meeting held on 17 January 2024</b> The minutes of the meeting held on 17 January 2024 were received.  <b>The Finance Committee resolved that:</b>  a) The minutes of the Finance and Performance Committee meeting held on 17 January 2024, were held as a true and accurate record of the meeting.	
FPC 24/02/015	<b>Actions following the Finance and Performance Committee meeting on 17 January 2024</b> The Action log was received.  <b>The Finance and Performance Committee resolved that:</b>  a) The Action Log for the Finance and Performance Committee was noted.	

<p><b>FPC</b> <b>24/02/016</b></p>	<p><b>Chairs Action since previous meeting</b></p> <p>There had been no Chair's Actions taken since the last meeting</p>	
<p><b>FPC</b> <b>24/02/017</b></p>	<p><b>Progress with development of IMTP (verbal)</b></p> <p>The verbal update on the progress with development of IMTP was received.</p> <p>The Executive Director of Strategic Planning (EDSP) advised the Committee that everything was on track with the plan and noted that the Board Development members would be discussing the plan in detail at their next meeting the following week and would then be submitted to the Board for approval in March 2024.</p> <p>She added that the plan was being developed in alignment with the service, workforce, and financial planning, and the ministerial priorities and planning guidance.</p> <p>It was noted that the plan would include some difficult choices around priorities and the business cases for investment in key aspects of service delivery.</p> <p>The EDSP advised the Committee that the health board had submitted an accountability letter to Welsh Government, confirming that it would meet the control total of £16.460 million deficit by the end of the year.</p> <p>She added that in terms of development of the plan, the Chief Operating Officer's (COO) team colleagues the planning team had been working very closely to bring together the details of the plan that integrated the service planning, the workforce planning and the financial planning.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <p>a) The Progress with development of IMTP was noted.</p>	
<p><b>FPC</b> <b>24/02/018</b></p>	<p><b>Financial Report – Month 10</b></p> <p>The Financial Report – Month 10 was received.</p> <p>A summary was provided to the Committee which stated:</p> <p><i>At month 10, the UHB was reporting an overspend of £17.394m. This is comprised of £3.677m unidentified savings/operational overspend and the revised planned deficit of £13.717m (10 twelfths of the revised forecast year end deficit of £16.460m).</i></p> <p>The Deputy Director of Finance advised the Committee that not a lot had changed in terms of the Health Board trajectory since the previous report in January 2024 and highlighted some key areas which included:</p> <ul style="list-style-type: none"> <li>• The Health Boards performance against the control total of £16.460 million deficit set by Welsh Government. It was noted that the Health Board had overspent in previous months, but had started to turn the curve and reduce the overspend in month 10 and that the Health Board was on track to meet the control total by the end of the year, subject to some risks and uncertainties.</li> </ul> <p>It was forecasted that there would be small underspends both in month 11 and 12, which help to get the Health Board back down to the £16.460 million target set by Welsh Government.</p> <ul style="list-style-type: none"> <li>• Covid-19 Expenditure – it was noted that Local Response expenditure was no longer funded by Welsh Government and as such was included within the Health Boards Financial Plan.</li> </ul> <p>It was noted that the forecast cost at Month 10 was a reduction of £3.2m against the £34.2m included within the Financial Plan and was included within the Health Boards savings plans.</p>	

- Risks – The DDF presented the Committee with a table that summarised the Finance Department’s Risk Register and noted that the key risk which fed into the Health Boards Corporate Risk Register was the failure of the Health Board to deliver a breakeven position by 2023-24-year end with a current planned deficit of £16.46m.

He added that the financial impact of the maintaining clinical safety during the Junior Doctors’ industrial action had caused an increase in department register score for delegated positions to adequately manage budget pressures.

- Savings Programme. The Committee were presented with 2 graphs that showed the progress of the savings program for the Health Board.

It was noted that enough green and amber schemes had been identified to deliver the £32 million savings target by year end and that some of the schemes were non-recurrent and would impact the financial plan for next year.

The Committee received the progress of the “going further 10%” savings, which were over and above the £32 million savings target for the Health Board.

The Chief Operating Officer (COO) advised the Committee that there was still some way to go in identifying the final schemes to meet the £8.8 million target, but noted that they had more confidence since the paper was issues.

- Cash Flow Forecast – it was noted that cash had been tight due to late and delayed allocations by the Welsh Government and was likely due to difficulties between Welsh Government departments and the need to find additional funding for the NHS.

The DDF advised the Committee that despite those challenges, the Welsh Government had provided additional support to the NHS and the Health Board, which was appreciated, however due to the delays noted, had caused issues with cash and allocation confirmations.

He added that more recently, there had been greater confidence as more allocations were confirmed and partial cash drawdowns had been allowed, easing the cash squeeze but nevertheless, the situation remained tight and would require careful management in the last six weeks of the financial year to maintain cash flows and creditor payments.

- Public Sector Payment Compliance – the Committee was advised that the public sector compliance had gone down a little in the previous month but still sat above the statutory target set by Welsh Government.
- Capital – it was noted that 22% of the Health Boards approved Capital Resource Limit, was expended at the end of January 2024 and assurance was provided that there were firm plans in place to expand all of the capital resource limit by year end.

The DDF concluded that the overall message was that with the growing confirmation of allocations by Welsh Government, improving forecasts in a number of positions, the cost reduction programs that had been put in place early in the year were starting to see some of the benefits appearing in the in the latter half of the year.

He added that there was a growing confidence that the Health Board would hit the £16.460 million control total whilst noting that it was subject to some of the uncertainty around the costs which related to the industrial action.

The CC asked where the industrial action costs would sit within the Health Board.

The DDF responded that they would sit with one or two of the key Clinical Boards.

**The Finance and Performance Committee resolved that at Month 10:**

- 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.

	<p>b) The reported year to date overspend of £17.394m and the forecast deficit of £16.460m was noted.</p> <p>c) The financial impact of forecast COVID 19 costs which was assessed at £44.064m was noted.</p> <p>d) The month 10 operational overspend against plan of £2.606m with a further £1.071m savings gap was noted.</p> <p>e) The progress against the savings target, with £32.590m (102%) of schemes identified at Month 10 against the £32m target with year to date deficit were noted.</p> <p>f) The delivery of the forecast which was also dependant on the confirmation of all outstanding income streams was noted.</p>	
<p><b>FPC</b> <b>24/02/019</b></p>	<p><b>Operational Performance</b></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"> <li>Urgent Care – it was noted that the Health Board had continued to deliver and had actually exceeded commitments on the IMTP in terms of lost hours from ambulance handovers with around 80% of patients being handed over within 60 minutes and 100% within 120 minutes.</li> </ul> <p>It was noted that 12 hour waits in the Emergency Department was still difficult but the Health Board had been seen an improvement compared to previous years.</p> <p>The COO added that there was a zero-tolerance approach to people waiting in ED more than 24 hours.</p> <ul style="list-style-type: none"> <li>Stroke – it was noted that December 2023 saw a deterioration in compliance against some key SSNAP measures for the Stroke Pathway but did remain significantly above the all Wales average and was a much-improved compliance for the same period in 2022/23.</li> </ul> <p>It was noted that December 2023 saw the thrombolysis rate reduced to 15.2% from 21.8% in November 2023 but remained above the Wales average.</p> <p>The COO added that at the recent Integrated Quality, Planning and Delivery (IQPD) meeting with Welsh Government the Health Board presented actions against the key recommendations from a HEIW review into the stroke pathway, including work on stroke/prevention awareness, the emergency pathway, implementation of AI software improving thrombolysis and thrombectomy rates and improvements to the rehabilitation provision.</p> <p>It was noted that there was a business case being received by the Investment Group in March 2023 to discuss improvements and investment into the stroke service which would help to make stroke performance much most consistent.</p> <ul style="list-style-type: none"> <li>Length of Stay (Los) – it was noted that over the last four months, a reduction in the 21-day length of stay was observed, although it had started to creep up again in January and February 2024.</li> </ul> <p>The COO advised the Committee that he now held a “top 20” delay meeting that met with local authority partners and the integrated discharge team to discuss patients LoS and noted that it was a 3-year project to move the issues forward.</p> <ul style="list-style-type: none"> <li>Cancer performance – it was noted that compliance with the 62-day single cancer pathway standard had improved in December to 70.2% which was the highest compliance achieved since the launch of the Single Cancer Pathway standard.</li> </ul> <p>The COO added that the 75% compliance standard was achieved for Haematology, Skin and Head &amp; Neck tumour sites and that the Health Board had continued to treat the longest waiting patients as a priority and continued the pathway work to improve times to</p>	

first outpatient appointment, diagnostic and diagnosis reporting, as well as definitive treatment.

He added that there some risk to the compliance around industrial action.

- Planned Care – it was noted that the numbers of patients waiting on an Referral to Treatment (RTT) waiting list had increased in February 2024 and that the teams had continued to focus on long-waiting cohorts and Cancer pathways with weekly scrutiny against the national standards and ministerial ambitions.

The COO added that the Health Board had eliminated 3-year Outpatient waits in September 2023 and had maintained that position.

- Diagnostics – it was noted that the waiting list position for Diagnostics had deteriorated in recent months, with particular challenges in Radiology and Endoscopy and that it was anticipated that the upcoming development of a Community Diagnostic Hub, and interim use of mobile facilities would address radiological backlogs.

The COO added that a separate deep dive into diagnostics was being presented to Committee at the meeting.

- Mental Health – it was noted that demand for adult and children’s Mental Health services remained significantly above pre-Covid levels, which included an increased presentation of patients with complex mental health and behavioural needs.

It was noted that Part 1a compliance for adults fell to below 50% in April 2023 following an exceptionally high number of referrals in March 2023 however the teams had managed to recover their waiting list position and June’s reported compliance with the 28-day standard returned to 100%, and had remained at over the 80% standard each month since.

The COO added that the teams would be looking at benchmarking against other Health Boards and a deep dive on Mental Health services would be received by the Committee at its March meeting.

- Industrial Action – it was noted that there were mixed views about primary care following the recent announcement about the GPs negotiations.

It was noted that some GPs were relieved that an outcome had been reached, while the Local Medical Committee (LMC) and the Medical Advisory group were more concerned about the future of primary care.

The COO advised the Committee that the Health Board had offered support and explained that the industrial action by junior doctors could affect patients and the services commissioned.

He added that the second round of junior doctor industrial action had started that day for a 72-hour period and that about 1000 shifts needed to be filled, and almost all of them had been and so the service was safe at the moment but noted his concern about the industrial action planned for March 2024, which was a four-day period that would run into the first week of Easter.

#### **Deep Dive on Diagnostics:**

The COO advised the Committee that he would take the detailed paper as read and reminded the Committee that a deep dive on diagnostics had been requested by the Committee and noted that the purpose of the paper received was to provide an update on current performance in diagnostics and the approach to its improvement as it was clear that improvement in diagnostic services, in terms of productivity, efficiency and meeting standards for patients, needed an enhanced focus.

	<p>He added that the operational team overlooked diagnostics for quite some time and that the waiting list had grown by over 8000 patients since April 2023 due to a number of factors such as:</p> <ul style="list-style-type: none"> <li>• The stopping of outsourcing contracts,</li> <li>• Shifting capacity to inpatients and cancer</li> <li>• Delays in recurrent solutions and community hubs</li> <li>• Procurement challenges.</li> </ul> <p>The Committee was advised that multiple outsourcing contracts were in place last financial year, but proper demand and capacity work was not done before they were switched off.</p> <p>It was noted that there had also been delays in recurrent solutions, such as the opening of two new rooms for endoscopy at University Hospital Llandough (UHL) and the recruitment of overseas nursing to support that.</p> <p>The COO advised the Committee that there were 8 key hotspots which included cardiac CT and MRI.</p> <p>He added that previously, data had not been received in a timely way and that now, a weekly report was received and reviewed by the relevant teams.</p> <p>It was noted that improvements would be made on Diagnostics but that it would take some time.</p> <p>The COO concluded that he would bring more detail back the Committee once trajectories had been calculated.</p> <p>The CC asked if the Diagnostics data could be highlighted within the Integrated Performance Report for future meetings.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <ul style="list-style-type: none"> <li>a) The year to date position against key organisational performance indicators for 2023-24 and the update against the Operational Plan programmes were noted.</li> <li>b) The current and projected performance for diagnostic modalities was noted.</li> <li>c) The requirement for further improvement against a number of key specialties was noted.</li> </ul>	
<p><b>FPC 24/02/020</b></p>	<p><b>Monthly Monitoring Returns – Month 10</b></p> <p>The month 10 monitoring returns were received.</p> <p><b>The Finance and Performance Committee resolved:</b></p> <ul style="list-style-type: none"> <li>a) The month 10 monitoring returns were noted.</li> </ul>	
<p><b>FPC 24/02/021</b></p>	<p><b>Any Other Business</b></p> <p>No other business was raised.</p>	
	<p><b>Date &amp; time of next Meeting</b></p> <p>Wednesday 20 March 2024 via Teams</p>	