

**Confirmed Minutes of the Public Finance and Performance Committee Meeting  
Held On 17<sup>th</sup> May 2023 at 2 pm  
Via MS Teams**

<b>Chair:</b>		
Michael Imperato	MI	Independent Member – Legal
<b>Present:</b>		
John Union	JU	Independent Member – Finance
David Edwards	DE	Independent Member - ICT
<b>In Attendance:</b>		
Charles Janczewski	CJ	UHB Chair ( <i>left the meeting at 15:10</i> )
Abigail Harris	AH	Executive Director of Strategic Planning
Angela Hughes	AHu	Assistant Director of Patient Experience
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
James Quance	JQ	Interim Director of Corporate Governance
Suzanne Rankin	SR	Chief Executive Officer
<b>Observers:</b>		
Ashley Moturi	AM	Finance Management Trainee
<b>Secretariat:</b>		
Nathan Saunders	NS	Senior Corporate Governance Officer
<b>Apologies:</b>		
Ceri Phillips	CP	UHB Vice Chair
Keith Harding	KH	Independent Member – University

Item No	Agenda Item	Action
<b>FPC 23/05/001</b>	<b>Welcome &amp; Introduction</b>  The Committee Chair (CC) welcomed everyone to the meeting.	
<b>FPC 23/05/002</b>	<b>Apologies for Absence</b>  Apologies for Absence were noted.  <b>The Finance Committee resolved that:</b>  a) Apologies for Absence were noted.	
<b>FPC 23/05/003</b>	<b>Declarations of Interest</b>  No Declarations of Interest were noted.	
<b>FPC 23/05/004</b>	<b>Minutes of the Finance and Performance Meetings held on 22.03.2023 and 19.04.2023</b>	

	<p>The minutes of the meetings held on 22.03.2023 and 19.04.2023 were received.</p> <p><b>The Finance Committee resolved that:</b></p> <p>a) The minutes of the Finance and Performance Committee meetings held on 22.03.2023 and 19.04.2023 were held as a true and accurate record of the meeting.</p>	
<b>FPC 23/05/005</b>	<p><b>Action Log following the Finance and Performance Committee meeting on 19<sup>th</sup> April 2023.</b></p> <p>The Action Log was received.</p> <p><b>The Finance Committee resolved that:</b></p> <p>a) The Action Log for the Finance and Performance Committee was noted</p>	
<b>FPC 23/05/006</b>	<p><b>Chairs Action since previous meeting</b></p> <p>There had been no Chair's Actions taken since the last meeting.</p>	
	<b>Items for Review and Assurance</b>	
<b>FPC 23/05/007</b>	<p><b>Financial Report – Month 1</b></p> <p>The Financial Report – Month 1 was received.</p> <p>The Operational Deputy Director of Finance (ODDDF) presented the Financial Report – Month 1 to the Committee.</p> <p>It was noted that the Health Board was reporting a £8.896m overspend in Month 1 and that the financial plan had forecast an £88.4m deficit at year end, once £32m of savings had been achieved.</p> <p>The DDDF added that at Month 1, there were still unidentified savings components to the saving programme for the year and one twelfth of the unidentified savings components represented £1.446m.</p> <p>It was noted that there was a small operational deficit that had funded last year's outturn broadly in terms of delegated positions to address unforeseen cost pressures.</p> <p>It was noted that the Health Board was holding reserves for inflation and some Covid costs, as well as other components of the plan and additional spend. Therefore an operational deficit was not expected to be seen at this point in the year.</p> <p>The DDDF advised the Committee that the more concerning figure presented was the £1.446m which meant that there was still a lot of work to be done to identify savings programmes and that the Welsh Government (WG) had asked the Health Board to firm up some of those plans to demonstrate the credibility of the £32m of savings.</p>	

	<p>The UHB Chair advised the Committee that it was a disappointing start for Month 1 and noted that although the overspend of £0.083m did not sound like a lot of money, it did not bode well for future months.</p> <p>He asked that a tracking graph be provided for the next meeting to show how much the Health Board's finances were drifting off course each month so that the Committee could keep track.</p> <p>The DDDF noted that the Health Board's Key Performance Indicators (KPIs) would probably remain similar throughout the year but that it would be monitored and the £32m savings were expected to be delivered.</p> <p>He added that it was planned to remain within the Capital Resource limit and noted that the Health Board had been successful in achieving that in previous years.</p> <p>The CC asked if decisions or ideas would be made for the following month which would produce further savings and could be reported to the Committee.</p> <p>The ODDDF responded that further on in the received report, a table could be found which outlined the request on the progress on the savings summary.</p> <p>The Strategic Deputy Director of Finance (SDDDF) responded that the savings tracker was a live position, updated daily across all Clinical Boards and that a "red pipeline" was maintained within the tracker of live ideas that would progress to "amber and/or green pipelines".</p> <p>He added that it was important for that red pipeline to be brimming with ideas from the Clinical Boards.</p> <p>The UHB Chair noted that he was hopeful that the Health Board would not stay in the modus operandi of broad comments like those seen at the top of the received report and added that broad comments were unhelpful statements because the Committee needed to understand how money would be recovered and in what timeframe.</p> <p>The SDDDF responded that a monthly operational finance meeting was held with all of the Clinical Boards to discuss the operational variants and noted that the disappointment with the Month 1 position was highlighted to each of the Clinical Boards.</p> <p>The CEO added that the first Sustainability Programme Board meeting was being held that week and consisted of cross organisational leadership teams reviewing all of the financial data, in particular around the 3% operational grip and control savings programme alongside the corporate savings programme.</p> <p>The Independent Member – ICT (IMICT) advised the Committee that in relation to savings programme, it appeared that the total amount of</p>	<b>CP/RM</b>
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	<p>savings had been divided by 12 to create a monthly figure and noted that he would prefer to see a genuine profile of the monthly savings in line with the comment from the UHB Chair regarding receiving accurate data.</p> <p>The Executive Director of Finance (EDT) advised the Committee that where savings had been identified they had been profiled in line with the plan however where there were no savings a position of monthly phasing had been taken to ensure the full risk to the financial position was shown within the finances.</p> <p>She added that in future meetings, additional information showing the planned savings delivery in comparison to the current profile would be provided to make the information easier to understand and clearer.</p> <p>The ODDDF presented the Committee with the remainder of the Financial Report which included:</p> <ul style="list-style-type: none"> <li>• Table 3 - Financial Performance for the period ended 30th April 2023</li> </ul> <p>It was noted that the Health Board planned to recover the adverse operational variance of £0.083m at Month 1 as the year progressed.</p> <p>The ODDDF added that the forecast assumed that the Health Board would successfully identify and deliver further savings schemes to cover the planning assumptions detailed in the financial plan.</p> <ul style="list-style-type: none"> <li>• Table 4 - COVID 19 Expenditure</li> </ul> <p>It was noted that Health Protection, Local Response, Dental Income and PPE were no longer funded by WG and, as such, were included in the Health Board's Financial Plan.</p> <ul style="list-style-type: none"> <li>• Table 5 - Summary Financial Position for the period ended 30th April 2023</li> </ul> <p>The ODDDF advised the Committee that the position outlined £8.896m overspend at Month 1, between Income, Pay and Non Pay.</p> <ul style="list-style-type: none"> <li>• Table 6 – Risks</li> </ul> <p>It was noted that the key risk which fed into the Health Board's 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 £88.4m.</p> <ul style="list-style-type: none"> <li>• Table 7 - Savings Schemes</li> </ul> <p>The Committee was advised that at Month 1, the Health Board was forecasting £14.495m of savings to deliver against the £32m savings target which left a further £17.505m (55%) schemes to identify.</p>	<b>CP/RM</b>
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	<p>The ODDDF noted that the Health Board was expected to manage the balance of savings plans required to deliver the forecast deficit of £88.4m</p> <ul style="list-style-type: none"> <li>Public Sector Payment Compliance</li> </ul> <p>It was noted that the Health Board's Public Sector payment compliance performance was above the target of 95% and performance for the month to the end of April 2023 was 97.45%.</p> <p>The UHB Chair noted that the Finance team had worked incredibly hard and congratulated the whole team on its strong performance.</p> <p><b>The Finance Committee resolved at Month 1:</b></p> <ol style="list-style-type: none"> <li>The reported year to date overspend of £8.896m and the forecast deficit of £88.400m was noted</li> <li>The year to date financial impact of forecast COVID 19 costs which was assessed at £46.420m was noted</li> <li>The Month 1 operational overspend against plan of £0.083m was noted; and</li> <li>The progress against the savings target with £14.495m (45%) of schemes identified at Month 1 against the £32.000m target was noted.</li> </ol>	
<p><b>FPC 23/05/008</b></p>	<p><b>Operational Performance Report</b></p> <p>The Operational Performance Report was received.</p> <p>The Chief Operating Officer advised the Committee that the report received would be last time it would be received in that current format.</p> <p>He added that the new look report for the following month would report:</p> <ul style="list-style-type: none"> <li>The progress against the 16 Ministerial Priorities</li> <li>Monitoring on quadruple aims that were set out as part of the NHS Performance Framework</li> </ul> <p>It was noted that the report contained data from both February 2023 and March 2023 and that it was as up to date as it could have been given the publishing schedule.</p> <p>The COO identified areas for noting which included:</p> <ul style="list-style-type: none"> <li>The Emergency Unit (EU) had become busier in March 2023 by 12% more than previous months which had continued into April and May 2023 and as a result of some of the pressure, the Health Board were still doing well against 12 hour waits and ambulance handovers but a dip had been observed against the data from February 2023.</li> <li>There had been significant improvement in ambulance handover times which had led to an improvement in the total number of lost</li> </ul>	

hours and the volume of crews waiting greater than 4 hours to handover.

It was noted that the number of ambulance handovers waiting 4 hours had reduced from 230 in September 2022 to 0 in February and 2 in March 2023.

The COO added that the teams were now giving the same focus to patients waiting 2-hours for an ambulance handover.

- Performance against the standards within the National Falls and Fragility Fracture Audit Programme (FFFAP) had shown some improvement and in February 2023 2.6% of patients with a nerve block were admitted to a specialist ward within 4 hours, with a significant reduction in the median time patients were waiting to move to the ward.

The COO added that in February, 63.6% of patients had received surgery within 36 hours, which was reflective of the general trend during 2022, but a small reduction when compared to October 2021 performance (64.6%). It was noted that the Health Board's performance was above the national average of 56% over the last 12 months.

- Stroke performance remained below the standards set out in the Acute Stroke Quality Improvement Measures and The Sentinel Stroke National Audit Programme (SSNAP), but February 2023 saw an improvement in the thrombolysis rate and door to ward performance.
- There continued to be an improvement against the Single Cancer Pathway and the backlog trajectories agreed with the Delivery Unit.

The COO added that the Health Board was not delivering against the 75% single Cancer pathway standard, but noted that the Health Board had not said that it would be delivering against it and that actually the end of quarter one was what the Health Board had signed up to do as part of the Integrated Medium-Term Plan (IMTP).

It was noted that February 2023 saw another improvement of 6% compared with January with 61.5% of patients receiving treatments within 62 days.

- The total number of patients waiting for planned care and treatment, the Referral to Treatment (RTT) waiting list was 122,708 as of March 2023.

The COO added that the Ministerial expectations had changed in terms of absolute numbers or percentage of compliance at certain dates of the year.

	<p>He added that the Health Board was not expecting, at the moment, to deliver the 30 specialties measured against and it was not expecting to deliver the planned care standards. The Health Board had been asked to revise some of the trajectories and to explain what it would cost to make a further improvement.</p> <p>It was noted that the volume of greater than eight-week Diagnostic waits had increased to 4,782 at the end of March 2023 from 4,421 in February, largely driven by increased waits in Radiology.</p> <p>The COO added that greater than eight-week waits for a diagnostic endoscopy had increased and remained high.</p> <ul style="list-style-type: none"> <li>• The Health Board’s community teams continued to provide valuable services to the residents of Cardiff and the Vale and the teams worked to care for patients in the community and also to provide timely and supportive discharges from secondary care.</li> <li>• Demand for adult and children’s Mental Health services remained significantly above pre-Covid levels, with referrals for the Local Primary Mental Health Support Service (LPMHSS) at 1523 referrals in March 2023.</li> </ul> <p>The COO noted that the demand increase included an increased presentation of patients with complex mental health and behavioural needs and noted that significant work had been undertaken to improve access times to adult primary mental health and Child and Adolescent Mental Health Services (CAMHS).</p> <p>The UHB Chair asked why the CAMHS performance figures on Part 1B of the Mental Health Measure were not available within the report.</p> <p>The COO responded that it was an oversight and that they would be included in future reports.</p> <p>The UHB Chair advised the Committee that the COO had referred to new asks from the Minister and noted that they were forming part of a letter which he had received from the Minister.</p> <p>He added that he would share those with Independent Member colleagues and that they would be discussed at the May 2023 Board in line with the Health Board’s Annual Plan revisions</p> <p><b>The Finance Committee resolved:</b></p> <ol style="list-style-type: none"> <li>a) The year to date position against key organisational performance indicators for 2022-23 and the update against the Operational Plan programmes were noted.</li> </ol>	
	<b>Items for Approval / Ratification</b>	
FPC 23/05/009	<b>Regional Cataracts Expansion – Cardiff Implications Business Case</b>	

The Regional Cataracts Expansion – Cardiff Implications Business Case was received.

The COO advised the Committee that he would take the paper as read and noted that the Business Case had been through a number of internal processes before being received by the Committee.

He added that the Business Case was a test of regional working and the opportunity to work regionally with the Cataract business case.

It was noted that there was no real financial risk to the Health Board as it was to be funded from the £50m recovery fund and that other Health Boards had agreed their allocation of the capacity.

It was noted that it would be an extension of the Vanguard Theatres that were already located at the University Hospital of Wales (UHW). The benefits of retaining the Vanguard Unit included the stability of staff and retaining the well trained and experienced staffing group, the ability to treat more complex patients, the training opportunities available across the region would increase and would also provide a solid foundation for the second sustainable phase of the Cataracts expansion.

The COO advised the Committee that there was a potential risk that Cardiff and Vale patients could wait a little longer for surgery, but noted that it was likely that the outpatient waiting times would be lower than the predicted 78 weeks and whilst not achieving 52 weeks the volumes would be significantly lower.

The CC noted that the business case outlined an estimated financial commitment of £2.3m and asked if that came out of the fund mentioned.

The COO responded that it was the Health Board's share of the regional fund.

The EDF added that the Health Board was bidding for the money centrally and that should it be awarded, the £15m had been allocated and so should Cardiff and Vale have more patients and another Health Board had less or vice versa, no individual Health Board should hold that financial risk.

**The Finance Committee resolved that:**

It was recommended that the Board:

- a) Approve the Regional Cataracts Expansion Case subject to sign off of formal Memorandum of Understanding between the 3 Health Boards which mitigates Cardiff and Vale financial risk (to be agreed through the Regional Oversight Board);
- b) Note the benefits and risks associated with the Regional Cataracts Expansion Business Case; and

	<p>c) Note the implications specific to Cardiff and Vale University Health Board.</p>	
<p><b>FPC 23/05/010</b></p>	<p><b>Development of Replacement Orthopaedic Theatres at UHL Business Case</b></p> <p>The Development of Replacement Orthopaedic Theatres at UHL Business Case was received.</p> <p>The COO advised the Committee that the business case had been through a number of internal processes and that the existing theatres were in a poor state and that approval of the case would replace those theatres and offer improvement.</p> <p>The EDF added that the replaced theatre would allow the facility to be more productive as a result as well as deliver a fuller range of activity at the University Hospital Llandough (UHL).</p> <p>The CC asked what the bottom line was in terms of extra cost.</p> <p>The EDF responded that that this was due to a slightly increased footprint and maintenance requirements on the upgraded theatre facilities.</p> <p>She added that the Health Board would be looking to the service to provide increased productivity to more than cover the cost.</p> <p>It was noted that the work and analysis had been undertaken at the Outline Business Case stage and that the teams were satisfied to send the case to WG on the basis that it would be achieved.</p> <p><b>The Finance Committee resolved that:</b></p> <ul style="list-style-type: none"> <li>a) The contents of the OBC were noted.</li> <li>b) It was recommended that the Board approve the submission of the OBC to Welsh Government with a recommendation for approval to progress to the next stage - Full Business Case.</li> </ul>	
<b>Items for Information and Noting</b>		
<p><b>FPC 23/05/011</b></p>	<p><b>Month 12 2022/23 Monitoring Returns</b></p> <p>The Month 12 2022/23 Monitoring Returns were received.</p> <p>The EDF advised the Committee that the returns were received as a way of ensuring that they were consistent with the reports received by the Committee and that Committee members had the opportunity to scrutinise and comment if required.</p> <p><b>The Finance Committee resolved that:</b></p> <ul style="list-style-type: none"> <li>a) The extract from the UHB's draft Monthly Financial Monitoring Return was noted.</li> </ul>	

	<b>Agenda for Private Finance Committee Meeting</b>	
	<i>i. Approval of Private Finance Committee Minutes – 22.3.2023</i> <i>ii. Approval of Private Finance Committee Minutes – 19.4.2023</i> <i>iii. Radiology Informatics System Procurement Business Case (Commercially Sensitive)</i>	
<b>FPC 23/05/012</b>	<b>Any Other Business</b>  No Other Business was discussed.	
	<b>Review and Final Closure</b>	
<b>FPC 23/05/013</b>	<b>Items to be referred to Board / Committee</b>  No Items to be referred to Board / Committee.	
	<b>Date &amp; time of next Meeting</b>  Wednesday 21 <sup>st</sup> June 2023 at 2pm via MS Teams	