

**Confirmed Minutes of the Public Finance and Performance Committee Meeting
Held On 21st June 2023 at 2 pm
Via MS Teams**

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

Item No	Agenda Item	Action
FPC 21/06/001	Welcome & Introduction The Committee Chair (CC) welcomed everyone to the meeting.	
FPC 21/06/002	Apologies for Absence Apologies for Absence were noted. The Finance Committee resolved that: a) Apologies for Absence were noted.	
FPC 21/06/003	Declarations of Interest No Declarations of Interest were noted.	
FPC 21/06/004	Minutes of the Finance and Performance Meeting held on 17 May 2023 The minutes of the meeting held on 17 May 2023 were received. The Executive Director of Finance (EDF) advised that she had sent amendments to the Corporate Governance team.	

	<p>The Finance Committee resolved that:</p> <p>a) Pending the amendments made by the EDF, the minutes of the Finance and Performance Committee meeting held on 17 May 2023, were held as a true and accurate record of the meeting.</p>	
<p>FPC 21/06/005</p>	<p>Action Log following the Finance and Performance Committee meeting on 17 May 2023</p> <p>The Action Log was received.</p> <p>The Finance Committee resolved that:</p> <p>a) The Action Log for the Finance and Performance Committee was noted.</p>	
<p>FPC 21/6/006</p>	<p>Chairs Action since previous meeting</p> <p>There had been no Chair's Actions taken since the last meeting.</p>	
	<p>Items for Review and Assurance</p>	
<p>FPC 21/6/007</p>	<p>Financial Report – Month 2</p> <p>The Deputy Director of Finance (Strategy) (DDFS) presented the Financial Report – Month 2 and highlighted the following:</p> <ul style="list-style-type: none"> • The Health Board was reporting an overspend of £17.183m at Month 2. • That comprised of £2.524m deficit on the Savings Programme, (£0.075m) of operational underspend and the planned deficit of £14.733m (two months of the annual planned deficit of £88.4m set out in 2023/24 financial plan). • In Month 1 there was an operational deficit of £83,000. • Following early intervention, that position had moved into a surplus position of £75,000 and would need to be maintained. Any emerging pressures would need to be managed. <p>The UHB Chair congratulated the efforts made on the early endeavours to correct the Month 1 operational deficit.</p> <p><u>Table 4: Financial Performance for the period ended 31st May 2023</u></p> <ul style="list-style-type: none"> • The majority of the Clinical Boards were in slight surplus or deficit against their positions. • It was noted that should give confidence that the Health Board's financial plan was managing key issues that were reported on in the last financial year. <p><u>Savings position</u></p> <ul style="list-style-type: none"> • At Month 2, the Health Board had identified £27,714m of green, amber and red savings against the £32m savings target, which had left a further £4,286m (13%) schemes to be identified. 	

- The Month 2 position included a Savings Programme variance of £2.524m relating to a two month share of red schemes and unidentified schemes (£2.505m) and slippage against the green and amber schemes identified (£0.019m).
- The Health Board expected to manage the balance of savings plans required to deliver the forecast deficit of £88.4m with the risk of non-delivery of savings shown in Graph 1 and the progress of reducing the risk via identification of schemes in Graph 2 in the papers.
- Whilst the savings programme was still not on track, it had moved significantly from Month 1.
- Meetings had taken place with the theme leads to discuss what support could be provided to crystallise the red pipeline savings into amber or green. There were also discussions about what further schemes could be identified to further close the £4m gap.

The Independent Member for Finance (IMF) queried information on the red savings becoming amber and/or green.

The DDFS responded that the red pipeline was full of ideas that were achievable. The biggest challenge was the pace of delivery.

The EDF added that savings needed to be identified in quarter 1 and delivered in quarter 2. Quarter 3 and quarter 4 would involve looking at next year's plans.

Public Sector Payment Compliance

It was noted that the Health Board's public sector payment compliance performance was above the 95% target.

Cash Flow Forecast

It was noted that the closing cash balance at the end of May 2023, was £3.019m.

The DDFS added that Welsh Government (WG) required submission of a detailed monthly cashflow forecast commencing in Month 3 following the external audit of the 2022-23 draft financial accounts and confirmation of the balances brought forward.

He added that additional cash coverage would be required to cover the deficit of £88.4m and a further cash coverage for the pay award 2022/23 and 2023/24.

The UHB Chair thanked the team for the way in which information was presented and commented that it was important to keep a close eye on the savings programme.

The UHB Vice Chair stated that one of the areas with a deficit was the Mental Health Clinical Board. The demands on mental health were unprecedented and continued to increase at expedient rates. The UHB Vice Chair queried

	<p>whether it would be difficult to achieve a surplus and queried whether there could be any mitigations for that Clinical Board.</p> <p>The Chief Operating Officer (COO) advised that there had been a few long stay, high cost patients. A deep dive into the high costs in the Mental Health Clinical Board would need to be completed. The COO advised that there was more that could be done on recovering the costs due.</p> <p>The EDF added that it would be useful to bring in next year's saving plans as those were developed.</p> <p>The IMF queried when the excess cash would be requested from WG.</p> <p>The DDFS responded that WG had confirmed that it was too early in the year to make the request.</p> <p>The CC queried the Covid cost expenditure.</p> <p>The DDS responded that the Covid consequential costs were funded by WG in full last year. The Health Board was continuing to monitor Covid consequential costs separately.</p> <p>The Finance Committee resolved that at Month 2:</p> <ul style="list-style-type: none"> a) The reported year to date overspend of £17.183m and the forecast deficit of £88.400m, was noted; b) The year to date financial impact of forecast COVID 19 costs which was assessed at £44.664m, was noted; c) The Month 2 operational underspend against plan of (£0.075m) was noted, and. d) The progress against the savings target with £27.714m (87%) of schemes identified at Month 2 against the £32m target, was noted. 	COO
<p>FPC 21/6/008</p>	<p>Operational Performance Report</p> <p>The Operational Performance Report was received.</p> <p>The Chief Operating Officer (COO) advised the Committee that the report provided was the new version of the integrated performance report and it was still in a draft format. The aim was to have one report that served Board and the Committees. The relevant Executive lead would then speak to their section of the report.</p> <p>The UHB Chair stated that he had concerns about the hyperlinks. However, he liked the idea of one report being taken to Board and Committee meetings.</p> <p>The UHB Vice Chair stated that the report was a significant step in the right direction. He suggested that bench marking data should be included in the report.</p> <p><u>Planned care</u></p>	

It was noted that at end of June, the Health Board was almost where it should be in terms of planned care. The Health Board should have been at a level of 10,000 outpatients waiting no more than a year for their first appointment. It was expected that a level of 10,300 would be achieved in June.

It was also noted that there have been new Ministerial expectations. The Health Board had requested additional funding to support those aims.

Emergency position

A zero tolerance of no more than 2 hours had been set for ambulance handovers.

The UHB Chair advised the Committee that there was a very strong message from the Minister that the Health Board could not miss the expectations that were set for planned care. The Chair would monitor that closely. The Health Board had been highlighted as an exemplar for ambulance handover.

The CC queried how informed the Ministerial priorities were.

The COO responded that the Ministerial priorities were the minimum level of service in priority areas that should be delivered by the Health Board. The Health Board would try to do better than the minimum standards set and that had been reflected in the IMTP.

Pathways of care

It was noted that pathways of care continued to be a challenge. There was now a new way of measuring medically fit for discharge patients which was called “delayed pathways of care”. Those would be measured using monthly sensors.

It was noted that Same Day Emergency Care (SDEC) had continued to increase. Medical SDEC had seen a significant number of patients that previously would have gone to the Emergency Department. It was noted that the Health Board wanted to commit to a 10% increase in Quarter 1.

Outpatient

The UHB Chair queried whether there was a successful culture of not putting people onto the outpatients waiting list unnecessarily.

The COO responded that the Health Board had moved away from that approach. A patient initiated follow up appointment and see on symptom approach had been taken as alternative approaches. The Planned Care Improvement Board also contained six delivery groups, one of which is outpatients.

Cancer

There have been improvements in the Cancer pathway. The number of patients waiting over 62 days had been reduced. It was noted that 270 patients were currently waiting over that time period and that needed to be

	<p>reduced to 100 patients. Excellent conversations had taken place recently about when each tumour group would reach a sustainable level.</p> <p><u>Mental health</u></p> <p>The demand on Mental Health services has been phenomenal. The COO advised that he was committed to bringing the Primary Care, Mental Health and CAHMS teams together to work through the options to address the challenges.</p> <p>The Finance 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 was noted.</p>	
<p>FPC 21/6/009</p>	<p>Business Cases with No Funding Options</p> <p>The DDFS presented the Business Cases with No Funding Options Paper and highlighted the following:</p> <ul style="list-style-type: none"> • At the Finance Committee in March there were discussions about the submission and funding status of capital cases to WG. The Committee had requested oversight against that position. • The papers included the draft Capital Plan previously discussed at SLB and Capital Management Group. • The paper summarised the Health Board’s Capital Programme including the submission of capital bids to WG that were awaiting approval. • The Capital Resource Limit (CRL), for 2023/24 was £20.086m in total, with £9.0666m allocated to Major Capital schemes and £11.020m Discretionary Capital. • There were 9 schemes submitted to WG and the Health Board were still awaiting funding approval. • The Committee could take assurance that the Health Board would remain within the capital resource limit. <p>The UHB Chair advised that it would be a good idea to feature a summary in the main financial report. It would also be useful to include the dates of when the schemes were submitted to WG.</p> <p>The IMF queried why WG were not approving the schemes.</p> <p>The DDFS responded that it was due to lack of resources and competing priorities across Wales.</p> <p>The Finance Committee resolved:</p> <p>a) The usefulness of the attached report to the Finance and Performance Committee was considered.</p>	<p>EDF</p>
<p>FPC 21/6/010</p>	<p>Board Assurance Framework</p> <p>The Interim Director of Corporate Governance (IDCG) presented the Board Assurance Framework (BAF).</p>	

	<p>It was noted that the risks within the full BAF were last reported to the Board at the end of May 2023 and were confirmed to be the risks to the Strategic Objectives.</p> <p>The CC queried how would they would ensure it was a “living document.”</p> <p>The IDCG responded that a process was undertaken by the Corporate Governance Directorate to ensure that every action was captured and updated. The BAF would then be presented to each Committee. The risks were also assessed all the time.</p> <p>The Finance Committee resolved:</p> <p>a) That the attached risks in relation to Capital Assets and Financial Sustainability to enable the Committee to provide further assurance to the Board when the Board Assurance Framework were reviewed in its entirety, were noted.</p>	
FPC 21/6/011	<p>Q4 report of the Regional Integration Fund</p> <p>The Executive Director of Strategic Planning (EDSP) presented the Q4 report of the Regional Integration Fund and highlighted the following:</p> <ul style="list-style-type: none"> • The paper detailed the funding allocation, what it had been used for, together with the outcomes required. • The EDSP stated that she was happy for Committee members to take it offline and ask questions or comments once they had the chance to digest the information. • Quarter 1 2023/24 would come to the next Finance Committee in July. <p>The Finance Committee resolved:</p> <p>a) The information in the Q4 report was noted.</p>	
	Items for Approval / Ratification	
FPC 21/6/012	No items	
	Items for Information and Noting	
FPC 21/6/013	<p>Monthly Monitoring Returns</p> <p>The Month 1 and Month 2 Monitoring Returns were received.</p> <p>The Finance Committee resolved that:</p> <p>a) The extract from the UHB’s draft Monthly Financial Monitoring Return for Month 1 and Month 2 were noted.</p>	
FPC 21/6/014	<p>Any Other Business</p> <p>No Other Business was discussed.</p>	
	Review and Final Closure	

FPC 21/6/015	Items to be referred to Board / Committee No Items to be referred to Board / Committee.	
	Date & time of next Meeting Wednesday 19 th July 2023 at 2pm via MS Teams	