

**CYFARFOD BWRDD IECHYD PRIFYSGOLN
ANEURIN BEVAN/ANEURIN BEVAN UNIVERSITY
HEALTH BOARD MEETING**

MINUTES OF THE FINANCE AND PERFORMANCE COMMITTEE

DATE OF MEETING	Thursday 14th March 2024 9.30-12.30
VENUE	Microsoft Teams

PRESENT	Richard Clark - Independent Member (Chair)
	Dafydd Vaughan - Independent Member Digital
	Iwan Jones - Independent Member
IN ATTENDANCE	Robert Holcombe - Director of Finance and Procurement
	Nicola Prygodzicz - Chief Executive
	Hannah Evans – Director of Strategy, Planning and Partnerships
	Rani Dash – Director of Corporate Governance
	Michelle Jones – Head of Board Business
	Jamie Marchant – Divisional Director of Estates and Facilities
	Mark Ross - Assistant Finance Director
	Gregg Bowen – Assistant Finance Director
	Alex Curley - NWSSP Procurement Sourcing
	Stephen Chaney - NWSSP
	Emma Guscott– Governance Support Officer
	Thomas Jaynes – Governance Support Officer
APOLOGIES	Leanne Watkins – Director of Operations

	Preliminary Matters
FPC 1403/1.1	Welcome and Introductions The Chair welcomed everyone to the meeting.
FPC 1403/1.2	Apologies for Absence Apologies for absence were noted.
FPC 1403/1.3	Declarations of Interest There were no declarations of interest to record.
FPC 1403/1.4	Draft Minutes of the meeting held on Thursday 21st December 2023 The minutes of the meeting held on Thursday 21 st December were AGREED as a true and accurate record.



<p>FPC 1403/1.5</p>	<p>Committee Action Log</p> <p>Robert Holcombe (RH), Director of Finance and Procurement, updated that there was a challenge in receiving the specialist enhanced nursing data from other Health Boards for unknown reasons. RH advised that he would seek the information one more time and report this data to the next Committee meeting</p> <p><i>The Committee NOTED the action log.</i></p>
<p>FPC 1403/2</p>	<p>Items for Approval/Ratification/Decision</p>
<p>FPC 1403/2.1</p>	<p>Review of Committee Programme of Business – Committee Self-Assessment</p> <p>Michelle Jones (MJ), Head of Board Business, presented the Committee Self-Assessment Report for information.</p> <p>MJ thanked members for contributing to the self-assessment process and noted that five responses were received to the questionnaire which were then analysed to provide a summary of responses and recommendations for the improvement of Committee business.</p> <p>MJ advised that the outcome of the assessment confirmed that the Committee was effective and that the Committee was meeting standards of performance</p> <p>Shelley Bosson (SB) Independent Member, commented five responses was disappointing. SB queried a specific action regarding the delivery of training on report writing and whether this would be delivered within the current financial year.</p> <p>Rani Dash (RD), Director of Corporate Governance, responded this would be implemented in the new financial year across the breadth of the Board’s business.</p> <p>RD added that the feedback would inform the development of the Committee’s forward work plan.</p> <p><i>The Committee NOTED the performance information contained within the report and NOTED that the improvement actions would be included within the Committee Forward Plan 2024/2025 and wider Board Business Improvement Plan.</i></p>
<p>FPC 1403/2.2</p>	<p>Committee Strategic Risk Report</p>



Rani Dash (RD), Director of Corporate Governance, presented the report for decision and noted that the report provided a summary of the strategic risks that had been delegated to the Committee for monitoring on behalf of the Board.

RD noted the report also informed the Committee of any significant operational risks identified by the Executive Committee on the Corporate Risk Register that have the potential to impact service delivery.

The Committee noted that no new risks had been added since the Board received its last report at the end of January 2024 and the fwp for this committee when developed would provide sufficient assurance on Risks managed by the Committee.

Iwan Jones (IJ), Independent Member, queried the risk on financial sustainability and whether this is still a risk as it is now financial reality.

RD noted this would be considered by the Executive Committee Meeting on Thursday 14th March when the Strategic Risk Register would be reviewed.

*The Committee **NOTED** the report.*

FPC 1403/2.3

Committee Annual Report

Michelle Jones (MJ), Head of Board Business, presented the report which summarised the Committee's business during 2023/24.

MJ noted that the report specifically included enhanced information in respect of the financial challenges ABUHB had faced over the past year and demonstrated assurance of the work the Committee.

Shelley Bosson (SB) Independent Member, commented that it would be useful if the Committee focused on a deep dive approach to provide further assurance.

Action:

- **Director of Corporate Governance, to add deep dive approaches within the Committee's forward work plan**



	<i>The Committee NOTED the report.</i>
FPC 1403/3	ITEMS FOR DISCUSSION
	Assurance In Respect of Organisational Performance Management
FPC 1403/3.1	<p>Estates Compliance Report, including Internal Audit Review of Estates and Facilities <i>Jamie Marchant joined the meeting.</i></p> <p>Jamie Marchant (JM), Divisional Director of Estates and Facilities, presented the Estates Condition report for discussion focused on the Health Board's:</p> <ul style="list-style-type: none"> • Processes for reporting • Conditions of estates <p>JM noted that the Internal Audit report provided limited assurance. The Committee was advised that this was due to the availability of all Wales capital and the availability of the Health Board's capital to fund and manage the estate that in turn had resulted in a backlog of estate work.</p> <p>JM reassured the Committee that the report noted significant matters that required management attention and advised that the Planning Department and Estates Team were addressing these actions along with developing a consistent approach across Wales as to how conditions were to be reported to aid better comparisons.</p> <p>Hannah Evans (HE), Director of Strategy, Planning and Partnerships, assured the Committee that the Planning and Estates Teams were cognisant of the report's findings when the Capital Programme was signed off by the Board in January 2024.</p> <p>Richard Clark (RC), Independent Member, asked whether the Estates Strategy needed to be refreshed in respect of the findings of the report and was advised that the Estates Strategy and Capital Prioritisation influence each other.</p> <p>The Committee NOTED the report.</p> <p>Internal Audit Review of Estates and Facilities</p> <p>JM presented the Facilities Internal Audit Report for discussion which advised that reasonable assurance was provided in relation to bank process and rostering.</p>



JM stated the report provided unsatisfactory assurance was provided regarding Stock Management with a large number of key matters arising and high priority recommendations.

JM assured the Committee that an action plan would be developed to resolve the issues by the end of April 2024.

Stephen Chaney (SC), Deputy Head of Internal Audit, reflected the Health Board had good policies and procedures but noted that the issue to address was in relation to staff following procedures.

*The Committee **NOTED** the report.*

FPC1403/3.2

Performance Overview Report with Exception Reporting

Hannah Evans (HE), Director of Strategy, Planning and Partnerships, presented the Integrated Medium-Term Plan 2023/26 Quarter 3 Progress Report for discussion.

HE updated the Committee on the progress made on Outcomes and Performance Framework and noted that:

- 22 of the 31 measures had either improved or were statistically similar with 9 indicators deteriorated
- Outcome measures for 'Every child has the best start in life' demonstrates good progress, with all indicators either reporting an improvement or sustaining performance levels.
- There was mixed progress across the adult life course outcomes.
- 5 out of the 7 outcome indicators for Older People had improved or were similar. The two deteriorating indicators were in relation to an increase in older people being free from limiting long term illness and an increase in accepted referrals to Rapid Response Services.
- Across the Dying well as part of life priority area good progress was evidence in sustaining all indicator measures.

The Committee also noted the progress in relation to the Ministerial Priorities and Clinical Futures Programmes that included:



- Variable progress continued to be made across the Ministerial priorities and priority programmes with some notable achievements that deliver system change as well as some service areas with persistent challenges. The Committee noted that the current financial context had limited progression of service developments in some areas.
- High demand continues for services that included Primary Care (NHS Dental) and NHS Optometry. Both areas within quarter 3 were exceeding forecasted levels.
- Cancer demand continues to increase, and despite prioritisation of capacity, performance against the reduction in backlog of cancer patients waiting over 62 days and percentage of patients starting definitive cancer treatment within 62 days from point of suspicion had not been achieved.
- The Health Board was ahead of trajectory in eliminating waits of over 156 weeks for treatment. Improvements had also been made to wait times for treatments with a reduction in patient wait times although the Health Board remains off track to achieve Quarter 3 target.
- The growth in total waiting list remains an area of concern largely driven by the outpatient (stage 1) component. Mixed progress was noted across specialities with ENT, Orthopaedics and Ophthalmology currently behind trajectory.
- Challenges remain in the timely provision of mental health assessment and interventions and the Committee was reminded that performance was monitored by Executive Committee.
- The performance of Urgent & Emergency Care system remains a priority due to its fragility. During the period ambulance handovers over one hour increased during the winter period and peaked in January 2024, although this position had improved in February. Good progress continued to be made against milestones including the implementation of a new Falls Pathway, eTriage and Stroke reconfiguration.

HE also updated the Committee on IMTP planning scenario and the following progress was noted:

- The planning scenarios had largely followed as predicted and was in line with the pressures on the availability of capacity due to delayed discharges and length of stay.



- Outpatient and inpatient treatments were ahead of projections as of Quarter 3, reflecting the priority placed in addressing the longest waiting patients and managing demand. Progress had been made in reducing the number of the longest waiting patients for planned care treatments.
- The Quarter 3 forecasts were in line with the actual activity for ED attendances with a total of 46,065 attendances during the quarter across all sites. The bed plan had continued to follow the overall expected occupancy levels and demand patterns with Medicine Division running at 99% occupancy against their bed plan and the Community Division at 107%.

Iwan Jones (IJ), Independent Member, commented on neuro-developmental progress and how ADHD was diagnosed.

HE responded there had had been a significant increase in demands on this service with waiting list substantially being increased when compared to pre-Covid levels.

Action:

- **Director of Strategic Planning and Partnerships to confirm the ratio of demand and conversion to ADHD diagnosis**

Nicola Prygodciz (NP), Chief Executive, commented this was a significant area of concern and was a priority area and any opportunities to reduce waiting times further in this service would be considered by the Board.

*The Committee **NOTED** the position against IMTP 2023/24 commitments as at Quarter 3 and the mitigating and improvement actions in place.*

FPC1403/3.3

Quarterly Update on Implementation of the Performance Management Framework

Hannah Evans (HE), Director of Strategy, Planning and Partnerships, provided an update on changes and the following was noted:



- The Performance Management Framework was agreed by Board in September 2024 and was introduced as part of the Escalation Status
- 2 Divisions in accordance with the Escalation Framework had been placed into escalation. These were the Mental Health & Learning Disabilities Division and Urgent Care Division.
- In February 2024, Welsh Government escalated the Health Board's escalation level from enhanced monitoring to targeted intervention. The committee noted that once the rescheduled inception meeting takes place the Committee would be formally updated.
- Corporate teams have completed corporate reviews and findings would be brought back to the Committee.

*The Committee **NOTED** the oral update.*

FPC 1403/3.4

Monthly Finance Report & Monitoring

Robert Holcombe (RH), Director of Finance and Procurement, presented the report to assure the Committee of the financial performance of the Health Board as of 31st January 2024 month 10.

The Committee noted

- The financial performance as at the end of January 2024 and forecast position against the statutory revenue and capital resource limits that reported performance of £48.259m and noted that the adverse variance was impacted by energy costs
- The savings position for 2023/24 with an overall forecast achievement was £43.3m
- The Health Board's underlying financial position was a brought forward value of £89.6m
- The capital position as at the end of January was breakeven

RH updated the committee that:

- The revised Health Board forecast was £52.9m which assumed Welsh Government funding of £88.4m;
- A forecast deficit range of best-case scenario of £50m to worse case of £58m subject to delivery risk
- Reported capital position was break even with a balanced forecast on the assumption that payment policy was not exceeded



- Income includes anticipated funding of £33m including the remaining outstanding elements of the pay award
- Pay Spend was at a similar level compared with month 9. Month 10 included £0.8m for industrial action cover.
- Substantive Pay costs of £58.9m and variable pay costs of £6.7M with Non-Pay Spend (excluding capital adjustments) – was £91.6m in m10 that was an increase of c.£5.1m. This increase was due to regional ophthalmology costs, funding and spend for RIF, WHSSC, and 6 goals.
- £43.3 m of savings was forecast with £42.3m identified as green (achievable)

RH concluded that the report demonstrated the step progress made in addressing the deficit.

*The Committee **NOTED** the report for assurance.*

FPC1403/3.5

Draft Annual Plan 2024, including Financial Plan 2025

Robert Holcombe (RH) Director of Finance and Procurement, provided an overview of the Health Board's draft Financial Plan 2024/25.

RH advised that the financial plan was predicated on an income assumption of £1,716m. RH noted that the plan aims to improve the revenue outturn; improve the underlying deficit identifies savings in excess of 2% noting that this was the minimum set by Welsh Government and also identifies medium and long-term opportunities to achieve a 3- year financial balance.

The Committee noted that the draft 2024/25 forecast identified the following:

- £81.4m deficit at the start of 2024/25, that was an improvement of £89m in 2024
- New discretionary funding of £51.8m was included
- 2024/2025 target for savings was included of £29.1m
- Therefore, a worst-case position for 2024/25 position was £61.9m.

RH noted that the opportunities existed to secure further savings and these included amber opportunities valued at £6.9m and red savings opportunities of £5.4m. RH concluded that if these opportunities and savings were realised, the best-case financial plan 2024/25 was £ 49.5m



Iwan Jones (IJ), Independent Member, commented that the Board was under a statutory duty to balance the budget over three years and sought assurance as to whether there was an opportunity to balance the budget next financial year and what steps need to be taken to bring the finances into balance.

RH advised that work needs to be undertaken in the early part of 2024/25 to progress these medium-term plans.

The Committee **SUPPORTED** the draft financial plan being submitted to the Board for approval.

Draft Annual Plan 2024/2025

Hannah Evans (HE) Director of Strategy, Planning and Partnerships, presented the Draft Annual Plan 2024/25. In particular the Committee noted:

- Three-year intent to achieve sustainable services by 2027
- System change areas and priorities that included embedding prevention and population health into work; progressing place-based models of care and suitability in primary and community services; improving urgent and emergency care systems focusing on experience, access and discharge pathways; continuing to prioritise cancer, urgent and the longest waiting patients for planned care and improving.
- To ensure that no patient waited over 156 weeks for treatment for all specialities and noted that a significant challenge was to secure waiting lists of less than 104 weeks.
- Three surgical specialities were not currently forecasted to deliver. The Committee noted that this would impact upon performance in achieving 52 weeks,
- Quantified efficiencies within the Plan as well as other opportunities that had not been quantified and reflected in the plan
- Increasing productivity through service models was quantified in the plan with other opportunities not yet quantified and reflected in plan.

The Committee **SUPPORTED** the draft financial plan being submitted to the Board for approval.



Gregg Bowen joined the meeting

Greg Bowen (GB), Assistant Director of Finance, presented the Governance and Control Escalation – Operational Control Checklist 2024 report. The report detailed progress made in assessment scores of each division, their compliance and RAG rating. GB provided the Committee with an overall summary of the current reported situation as at the end of January 2024.

The Committee noted that:

- Divisional budget holders had been completing a Governance Operational Control Checklist for their respective areas since October 2023 and since its inception progress at Divisional level was noted

GB advised that the Finance Team had developed an internal assessment checklist to improve financial control and governance that in turn would improve financial sustainability. The Committee noted the assessment scores for each department and the associated movements since October 2023.

*The Committee **NOTED** the report*

FPC 1403/3.7

An Approach to Reporting Benefits Realisation

Hannah Evans (HE), Director of Strategy, Planning and Partnerships, presented the approach to the realisation of Benefits form Business Case and Investment Reports for information.

HE noted that:

- The Health Board's approach to benefits realisation process was completed through the multi- divisional Pre-Investment Panel (PIP) which scrutinises business cases prior to Executive Committee.
- The PIP process scrutinises Business Cases against a set criterion to ensure projects were suitable for investment and noted that benefits realisation was a key element of this process.

In terms of benefits realisation processes the following was noted:



	<ul style="list-style-type: none"> • Digital, Data and Technology Directorate operates a benefits and business change process as part of its programmes • Value in Health Projects and Investments; reporting and evaluation was required nationally • The Regional Partnership Board evaluates Regional Investment Fund schemes • Post Project evaluations were part of the HM Treasury approach • Ad hoc requests from Welsh Government in respect of reporting against ringfenced monies were also received. <p>Richard Clarke (RC) Independent Member, queried whether savings plans go through the PIP process and was advised that the PIP process was used for investments at present.</p> <p>The Committee NOTED the report and next steps.</p>
FPC1403/4	OTHER MATTERS
FPC1403/4.1	<p>Items to be brought to the Attention of the Board and Other Committees</p> <p>No items were brought to the attention of the Board.</p>
FPC1403/4.2	<p>Any Other Urgent Business</p> <p>No urgent business was raised.</p>
FPC14/4.3	<p>Date of Next Meeting:</p> <p>17th June 2024 09:30 – 12:30</p>