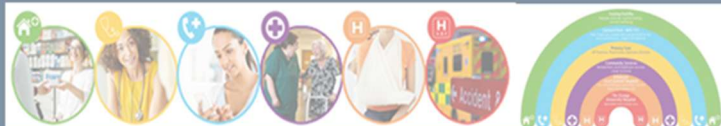


MINUTES OF FINANCE AND PERFORMANCE COMMITTEE

DATE OF MEETING	31 July 2025 09.30-12.30
VENUE	Microsoft Teams
PRESENT	Richard Clark, Chair Neil Patrick, Independent Member Dafydd Vaughan, Independent Member Akmal Hanuk, Independent Member
IN ATTENDANCE	Robert Holcombe, Director of Finance and Procurement Hannah Evans, Director of Strategy, Planning and Partnerships Rani Dash, Director of Governance Paul Solloway, Director of Digital Sara Utley, Audit Wales Richard Morgan-Evans, Deputy Chief Operating Officer Hattie Aston, Senior Programme Manager Suzanne Jones, Assistant Director of Finance Naomi Murtagh, Board Business Manager Gavin Thomas, Governance Support Officer
Apologies	Iwan Jones, Independent Member

Preliminary Items	
FPC/0731/01	Welcome and Introductions Richard Clark (RC), Chair, welcomed everyone to the meeting.
FPC/0731/02	Apologies for Absence Richard Clark (RC), Chair, NOTED that there were apologies received from Iwan Jones, Independent Member.
FPC/0731/03	Declarations of Interest There were no Declarations of Interest to record.
FPC/0731/04	Draft Minutes of the last Meeting held on 17th June 2025



	The Committee received and reviewed the previous draft minutes, and these were AGREED as a true and accurate record of the meeting.
FPC/0731/05	Committee Action Log The Committee received the Committee action log and were content with the progress made in relation to completed actions. Richard Clark (RC), Chair, NOTED that there were no outstanding actions.
Items for APPROVAL/RATIFICATION/DECISION	
	There were no items for discussion during this section.
ITEMS FOR DISCUSSION	
FPC/0731/06	Review of Committee Programme of Business 2025/26 Rani Dash (RD), Director of Corporate Governance, presented the report to the Committee and highlighted the updates made to the Programme of Business since the previous meeting. The Committee NOTED the updated Committee Programme of Business for 2025/26.
ASSURANCE IN RESPECT OF ORGANISATIONAL PERFORMANCE MANAGEMENT	
FPC/0731/07	Performance Management & Escalation Report Hannah Evans (HE), Director of Strategy, Planning and Partnerships, presented the report to the Committee. HE provided an update on the recent changes to both national and local escalation frameworks, and provided a summary of current performance and financial escalation positions. HE informed the Committee that the Mental Health Division had been de-escalated from Enhanced Monitoring for Operational Delivery to normal arrangements, following sustained improvements, particularly in the delivery of Mental Health Act measures. However, the division remained under Enhanced Monitoring for Quality and Safety due to ongoing concerns, which included recent incidents and a contravention notice issued by the Health and Safety Executive. HE explained that internal escalation reviews were conducted biannually with flexibility to review and amend escalation status at any point in response to emerging issues.



In relation to financial escalation, HE reported that the Division remained under Enhanced Monitoring due to financial triggers and further confirmed that special budgetary reviews were in place to address these issues. Based on the Month 3 position, only the Facilities & Estates and Urgent Care Divisions were currently under normal arrangements, with all other divisions subject to Enhanced Monitoring for financial performance.

HE further advised that the Health Board's National Escalation level for Strategy and Planning had been de-escalated from Level 4 (Targeted Intervention) to Level 3 (Enhanced Monitoring), which reflected progress against the delivery of the plan and the approval of a balanced financial plan.

Neil Patrick (NP), Independent Member, sought clarification on the practical implications of targeted intervention for the Health Board, and HE outlined the Targeted Intervention process, which included meeting defined de-escalation criteria, tracking improvements, and holding regular monthly meetings with Welsh Government.

HE cited Urgent and Emergency Care as an example, where progress was monitored through weekly internal meetings and monthly escalation meetings with Welsh Government. To strengthen leadership focus, the Chief Executive now chaired one of the weekly internal meetings each month.

Robert Holcombe (RH), Director of Finance, provided an update on the financial challenges facing the Health Board. RH highlighted the significant scrutiny and governance testing that was undertaken by the Financial Delivery Unit (FDU), (now known as NHS Wales Performance and Improvement) which included responding to detailed queries and providing evidence of financial management.

RH emphasised the importance of robust financial reporting, including Day 5 reporting for Board meetings and regular updates to Welsh Government. In addition, RH also outlined the need for effective cost management, including grip and control measures, recruitment reviews, and the identification of savings through thematic groups.

Akmal Hanuk (AH), Independent Member, congratulated the Executive Team on the de-escalation achievements and stressed the importance of ensuring sustainability of improvements and suggested triangulating progress through patient, staff, and community surveys.



The Committee **NOTED** the Divisional Escalation levels. The Committee **NOTED** the Health Boards National Escalation Status.

FPC/0731/08

Integrated Performance Report, including performance against Ministerial Priorities

Hannah Evans (HE), Director of Strategy, Planning and Partnerships, presented the Integrated Performance Report to the Committee, and provided an overview of current performance against the 2025/26 IMTP Key Performance Metrics.

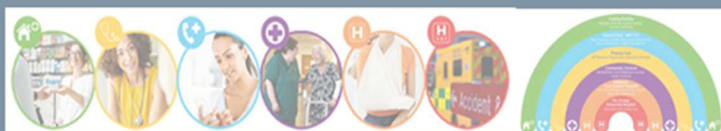
HE highlighted a number of positive developments, which included:

- **Pathway of Care Delays:** A reduction in both the number of delayed patients and total delay days, indicating progress in improving patient flow.
- **Mental Health Performance:** Sustained improvements were noted, particularly in the delivery of Mental Health Act measures, which contributed to the de-escalation of the Mental Health Division from Enhanced Monitoring for Operational Delivery.
- **Planned Care Delivery:** Quarter one performance exceeded expectations for 104-week waits, demonstrating effective management of planned care services.

HE acknowledged ongoing challenges in Urgent and Emergency Care, where performance metrics showed fluctuations, with continued focus required on ambulance waits and 12-hour breaches. The ongoing challenges in Psychological Therapy Services were acknowledged as they remained under pressure, HE advised that an improvement plan was in place and progress was anticipated in the coming months.

HE updated the Committee on the National Planned Care Outpatient Insourcing initiative, confirming that Welsh Government had approved a contract to deliver 33,000 outpatient appointments through an insourcing company.

HE informed that whilst funding had been identified to support the initiative, HE highlighted several associated risks. These included a financial risk, with potential costs exceeding £1



million and concerns regarding insufficient funding for diagnostics and infrastructure. HE also outlined clinical and operational risks, noting the importance of maintaining quality and safety in the insourced services, alongside the potential for increased pressure on existing staff and resources.

HE emphasised the importance of robust monitoring and tracking to manage these risks and to ensure the initiative delivered its intended benefits without creating additional strain.

Neil Patrick (NP), Independent Member, advised the Committee that he had met with the Director of Finance and the Health Board Chair, and it was agreed that whilst the Health Board would proceed with the insourcing contract, it was agreed to quantify and notify Welsh Government of the consequences and risks of the decision.

RH informed the Committee that in respect of the insourcing of outpatients' appointments, Welsh Government had indicated that early engagement with the successful bidder should be made, and as a consequence of this, the Deputy Chief Operating Officer had been in a number of meetings with them ahead of the launch on 23rd August with ENT appointments.

RH further informed the Committee that the Medical Director had developed a checklist, which senior clinicians were expected to use when reviewing the doctors responsible for patient care.

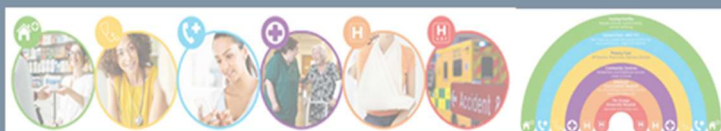
The Committee **NOTED** the performance of the Health Board including performance against Ministerial Priorities.

ASSURANCE IN RESPECT OF FINANCIAL MANAGEMENT & PERFORMANCE

FPC/0731/09 Monthly Finance Report and Monitoring Returns

Robert Holcombe (RH), Director of Finance, presented the report to the Committee and reported a year-to-date deficit of £7million, with additional cost pressures and the need to find £40 million in savings.

RH advised that the Month 3 financial position was approximately £1.5 million worse than forecast, which placed the Health Board behind its planned trajectory for the year.



RH noted that the current financial plan was not delivering the expected position, attributing part of the variance to the continued operation of the 'winter wards' for two months longer than originally anticipated.

RH further informed the Committee that a cost pressure of £2 million had arisen in relation to the National Insurance increase despite Welsh Government providing £14 million in funding, the actual cost to the Health Board was £16 million.

Neil Patrick (NP), Independent Member, expressed concern about the volume of work required to complete the balanced plan between now and September, and questioned whether this remained achievable. RH acknowledged the very real risk of not achieving a balanced plan but added that budget holders would be able to clarify their individual positions.

Richard Clark (RC), Chair, proposed bringing the budget holders to the Committee and asking them to explain their positions.

Akmal Hanuk (AH), Independent Member, sought clarification on the governance arrangements within teams regarding their financial responsibilities. RH summarised the financial accountability structures in place across the Health Board, which included how budget holders are held to account. RH also outlined the governance arrangements established by the Health Board to support these processes.

The Committee **NOTED** the report of monthly finances and monitoring returns.

FPC/0731/10

Value and Sustainability Assurance Reporting

Robert Holcombe, (RH) Director of Finance, presented the report to the Committee. RH outlined the actions taken and the structure of the thematic groups within the VSB, which identified opportunities for savings and emphasising the need to focus on future opportunities and implementation.

The Committee **NOTED** the report and was **ASSURED** by its contents.

FPC/0731/11

Efficiency Opportunities and Update Report.

Robert Holcombe, (RH) Director of Finance, welcomed Suzanne Jones, (SJ) Assistant Director of Finance, to the meeting who presented the report to the Committee.



SJ informed the committee that the report is based on the 2024/25 annual review and showed £28.6 million worth of opportunities, compared to £20 million in 2023/24. SJ provided an update of the opportunities identified to date:

- £1.5 million in outpatient slots
- £7.2 million in theatres
- £2.6 million in GP referrals
- £17.2 million in bed gains

SJ highlighted that this was an improvement value and not necessarily always a cash releasing saving for each category. In addition, SJ advised that staff from across the Health Board were invited to contribute their ideas to help reduce expenditure which resulted in 72 ideas being submitted:

- 15 ideas related to Behavioural Change that would form the content of an ongoing communications campaign
- 47 ideas related to action plans which were already being taken forward by the Health Board
- 12 ideas received a positive response and were being taken forward for further investigation
- 43 ideas continued to be reviewed for potential opportunities
- 55 ideas warranted no further action

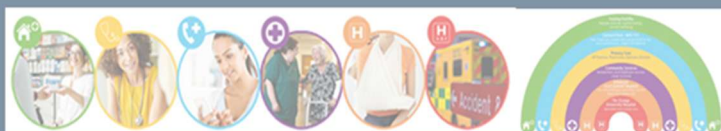
SJ informed the Committee that the biggest area of challenge was the service re-design work along with the reduction of beds. RH explained that opportunities remained within theatres through the theatre's efficiency work as well as opportunities within estates.

The Committee **NOTED** the report and **NOTED** the areas highlighted as improvement opportunities.

FPC/0731/12

Theatres Efficiency Report

Hannah Evans (HE), Director of Strategy, Planning and Partnerships, introduced Hattie Aston (HA), Senior Programme Manager, and Richard Morgan-Evans (RME), Deputy Chief Operating Officer, to the Committee, who presented the report.



	<p>RME provided the Committee with a detailed overview of the theatre efficiency report. RME highlighted the current landscape, Welsh Government measures, local measures, and improvement initiatives, emphasising the complexity and importance of maximising theatre utilisation.</p> <p>Neil Patrick (NP), Independent Member, queried if a similar piece of work could be replicated with other services across the Health Board. HE explained that work was underway to see if the 642 approach which had been adopted in Theatres could be adopted in the outpatient's department to increase productivity and efficiency. RME explained that he believes that there was scope to develop and utilise across the Health Board.</p> <p>The Committee NOTED the progress achieved against the theatre efficiency metrics and further NOTED the transformational work being undertaken across the Health Board.</p>
ITEMS FOR INFORMATION	
FPC/0731/13	<p>Assurance reports from the Digital, Data and Technology Group.</p> <p>Paul Solloway (PS), Director of Digital, presented the report to the Committee and provided an update on the progress of various digital programmes, including the implementation of open eyes ophthalmology system, digital dictation procurement, and the care flow connect pilot, highlighting the benefits and challenges faced.</p> <p>The Committee NOTED the report.</p>
OTHER MATTERS	
FPC/0731/14	<p>Items to be Brought to the Attention of the Board and Other Committees</p> <p>The Committee AGREED there were no items to be brought to the attention of the Board or other Committees.</p>
FPC/0731/15	<p>Any Other Urgent Business</p> <p>There was no other Urgent Business.</p>
FPC/0731/16	<p>Date of the Next Meeting</p> <p>29 September 2025</p>



