



**Finance & Performance Committee
Minutes of the meeting held in public on 24.4.19
in Carlton Court, St Asaph**

Present:

Mr Mark Polin	BCUHB Chairman
Mr John Cunliffe	Independent Member
Mrs Lyn Meadows	Independent Member
Ms Helen Wilkinson	Independent Member

In Attendance:

Mr Neil Bradshaw	Assistant Director Strategy- Capital (<i>part meeting</i>)
Ms Deborah Carter	Acting Executive Director Nursing and Midwifery (<i>part meeting</i>)
Mr Russell Favager	Executive Director Finance
Mrs Sue Green	Executive Director Workforce and Organisational Development (OD)
Mr Michael Hearty	Independent Finance Advisor
Ms Sue Hill	Finance Director – Operational Finance
Mr Geoff Lang	Turnaround Director
Dr Evan Moore	Executive Medical Director
Dr Jill Newman	Performance Director
Mr Lawrence Osgood	Associate Director Workforce &OD – Performance
Mr Mark Wilkinson	Executive Director of Planning & Performance
Ms Diane Davies	Corporate Governance Manager

Agenda Item Discussed	Action By
<p>FP19/69 Apologies for absence</p> <p>No apologies for absence were received</p>	
<p>FP19/70 Declaration of Interests</p> <p>None declared.</p>	
<p>FP19/71 Draft minutes of the previous meeting held on 26.3.19 and summary action plan</p> <p>FP19/57.1 The minutes were agreed as an accurate record.</p> <p>The closed actions were accepted. Updates and matters arising were discussed as follows:</p> <p>FP19/57 In agreement to close the action, the Executive Medical Director advised that the Endoscopy Task and Finish Group had met on a number of occasions and took on</p>	

<p>board the need to ensure that clinical staff within the service at Wrexham Maelor were effectively engaged with.</p> <p>FP19/64 In response to the Chairman’s question regarding the closed action, the Performance Director confirmed that there were no current breaches within Cardiology diagnostic services.</p> <p>FP19/31.2 RTT Taskforce Terms of Reference (ToRs). It was agreed that the ToRs would be amended to strengthen the third bullet point, include a reference to ensuring clarity on data quality (which had hampered previous performance monitoring) and that Mr Lawrence Osgood had been identified as the Workforce Lead and a Finance Lead would be identified by the Executive Director of Finance. It was noted that the group had commenced activity.</p>	<p>MW</p>
<p>FP19/72 Update on Savings Programme Group (SPG) meeting held on 24.4.19</p> <p>FP19/72.1 The Committee Vice Chair reported that the inaugural meeting had taken place immediately prior to commencement of the Finance and Performance Committee meeting and provided a verbal update.</p> <p>FP19/72.2 He advised that the priority focus of the meeting had been to examine the previous savings schemes and identify any patterns going forward. He reported that there was concern on how to achieve triangulation between quality, performance and finance. The Committee Vice Chair also highlighted that the Group’s concern with being able to identify and monitor cost improvement programme schemes that had not previously been delivered and brought forward to the current year in order to ensure that lessons could be effectively learned. He also emphasised the need to improve on documentation evidence in respect of year on year savings going forward.</p> <p>FP19/72.3 The Committee Vice Chair reported that there was further work necessary to improve credibility in respect of Amber and Green ‘RAG’ status and delivery within month 1. It was noted that there was much planning work outstanding within the organisation to address the £20.65m savings schemes that had been submitted to date. He advised that Wrexham Maelor site representatives had presented their plans at the meeting and highlighted various obstacles to be addressed such as human resource capacity and change management of existing working practices as well as highlighting the disconnect between Area and Secondary Care.</p> <p>FP19/72.4 The utilisation of PwC resource to address the transformational resource was raised. The Independent Finance Advisor highlighted the SPG’s timeline challenge in addressing the savings required. A discussion ensued on the achievability of the £25m in year WG target set, in which the Chairman commented that the PwC work would also provide an external opinion on this. He emphasised the need for the organisation to do its best to achieve this from the outset of the current financial year. The Executive Director of Workforce and OD commented that opportunities would also be provided to examine more radical changes.</p> <p>FP19/72.5 The Chairman emphasised the need for the Executive Team to focus as much attention on Finances as Performance, as in the case of other organisations. A discussion ensued on the paradigm shift required to achieve transformational change in which the Executive Director of Planning and Performance reminded that the developing Service Strategy would be discussed at the next Board meeting.</p> <p>FP19/72.6 It was noted that Independent Member Mrs Lyn Meadows had agreed to</p>	

<p>become a member of the SPG and the Terms of Reference would be changed to reflect this.</p> <p>It was resolved that the Committee</p> <ul style="list-style-type: none"> • Noted the verbal report 	<p>GL</p>
<p>FP19/73 Savings Programme Update 2019/20</p> <p>FP19/73.1 The Turnaround Director presented this item. He reminded that the Board had set out a savings target of £34.5m of which a need for £25m in cash releasing savings had been clearly identified. He referred the Committee to the Savings Schemes identified summary as at 15.4.19 within the report. It was noted that a further number of schemes had been identified and were under development by Executive Directors these included medicines supply, procurement savings, premium medical and nurse staffing costs, corporate services and escalation capacity.</p> <p>FP19/73.2 The Turnaround Director outlined the risk of delivery and the new RAG assessment framework developed by WG which was being implemented, highlighting the Programme Management Office (PMO) assessments made to date. He believed that there was further work to do in respect of tightening up documentation which was being worked through. The Turnaround Director also advised that £2.99m of cost avoidance had been identified which would not contribute to the £25m cash releasing savings requirement.</p> <p>FP19/73.3 The Turnaround Director highlighted the additional schemes under development that directly linked to longer term transformational change and wider strategic focus as outlined in the report. These included medicines supply, corporate support functions / patient contact centres, digital dictation & speech recognition, repatriation of services: mental health, clinical pathway review of chronic conditions management: diabetes, CHC commissioning arrangements, estates rationalisation, agile working approaches and Community Resource Teams: benefits realisation. It was noted that fortnightly meetings were taking place which involved the Chief Executive and Senior Hospital Management Teams / Area Directors to improve direct grip. He advised that all the savings work developed to date had been shared with the Financial Review Team which had been recently commissioned and expected to report in June 2019.</p> <p>FP19/73.4 In discussion on the reporting of savings progress to the committee, it was agreed that the turnaround director would circulate weekly updates to members. With regards to financial and service planning for 2020/21, the Finance Director – Operational Finance and the Executive Director of Planning and Performance would work together to agree milestones and a timetable. It was noted that work had taken place to put together the building blocks of a governance structure to drive through change. The Independent financial advisor emphasised the need to pick up pace at the beginning of the financial year.</p> <p>In conclusion the Chairman reminded the Committee of the importance of enabling a paradigm shift that would achieve the £25m control total set by WG sooner rather than later.</p> <p>It was resolved that the Committee</p> <ul style="list-style-type: none"> • Noted the report 	<p>GL SH/MW</p>
<p>FP19/74 Draft unaudited Financial report Month 12 2018/19</p>	

<p>FP19/74.1 The Finance Director ~ Operational Finance presented this item. She advised the draft unaudited position for the Health Board to be £41.3m overspend which was greater than the £40.3m overspend detailed within the report provided. She advised that the key reasons for the month 12 overspend were under delivery against savings plans across most divisions (£0.9m), over spends on Continuing Health Care (£1m) & Pay (£0.4m) and also reported that there had been offsetting underspends within contracts (£0.6m). She advised that the RTT clawback position had been received since the draft accounts were produced and the unaudited accounts would be submitted to WG on 26.4.19. In respect of the Balance sheet, the Capital Resource Limit of £49.4m had been achieved and the required WG target of 95% had been met in relation to the payment of non-NHS invoices within 30 days of a valid invoice.</p> <p>FP19/74.2 In discussion of the performance presented, the Committee were advised that the deterioration in the forecast outturn in November 2018 was predominantly due to non-delivery of savings schemes which the Independent Finance Advisor commented was a risk in loading delivery of savings into the last 6 months of the year. The Chairman questioned what had effected the resultant performance delivery in March 2019. The Executive Director of Finance advised that savings under delivery, CHC costs, and various pay related cost pressures had occurred, however he believed that the establishment control process which had been introduced would assist in this area. The Committee discussed various control areas which required strengthening. The Chairman also raised concern regarding the management of Winter pressure monies and RTT. In the discussion that followed the Finance Director - Operational Finance recommended the use of business case management approach with WG sign up, it was agreed that this would be considered by the Executive team and a decision moved forward for consideration by the Chairman and Committee before the end of the month.</p> <p>FP19/74.3 The Committee questioned agency usage, requesting that vacancy rates and pay bandings be included and the Executive Director of Planning and Performance agreed to look further into the bed establishment system in order to attain grip on understanding surge and escalation pressures. The Chairman raised particular concern on the level of budget lockdown in place in respect of the overspends reported such as training costs (£0.8m) which the Executive Director of Workforce & OD also agreed to look into. It was agreed that the Finance Director - Operational Finance would provide an analysis of discretionary non-pay costs.</p> <p>It was resolved that the Committee</p> <ul style="list-style-type: none"> noted the report, including the forecast outturn of £42.0m and recognised the risks to the financial position 	<p>SH</p> <p>MW</p> <p>SG SH</p>
<p>FP19/75 Turnaround Programme Savings report – Month 11 2018/19</p> <p>FP19/75.1 The Turnaround Director highlighted the lessons learned from 2018/19 advising that a number of savings schemes had not delivered the full value anticipated, with some falling significantly short. A review of performance in 2018/19 had identified a number of issues which required to be addressed in 2019/20, including</p> <ul style="list-style-type: none"> Clearly differentiating between savings delivery and efficiency improvement is essential. This lack of distinction caused the major in year shortfall in 2018/19 Savings delivery must be more evenly profiled through the year to avoid the significant escalation in savings requirement in quarters 3 and 4 of the financial year. This presented a significant challenge in 2018/19 Savings programme development should identify savings schemes to a value greater 	

than the in-year requirement to enable mitigation and management of risk. Risks which emerged in 2018/19 could not be managed and impacted significantly upon out-turn

- The detail and rigour underpinning schemes need to be enhanced to give greater certainty over deliverability and risk, including for transactional budget savings. The adoption of a new risk framework for 2019/20 will assist in this
- Greater consistency in reporting of savings achieved in year is required. This has been identified as an area for improvement by internal audit
- The arrangements for driving the savings programme across the Health Board must be enhanced, with active engagement from across the organisation
- Savings development needs to be an ongoing process; pipeline development must be a continual process and not subject to an annual cycle.
- Setting savings targets and confirming the savings programme needs to take place earlier in the financial year

FP19/75.2 The Turnaround Director reported that actions to address a number of the issues were already in place as part of the savings programme development for 2019/20, however there was more to do in order to ensure a robust plan was in place. He advised that the Committee's Savings Sub Group would be reviewing these lessons and actions taken in detail to ensure that they have the right impact, along with overseeing further actions to improve savings identification and delivery with progress reported to the Committee in future meetings. A review of reasons for under-delivery in specific schemes was underway at Divisional level to ensure that these issues do not arise in 2019/20. In addition, savings schemes which did not deliver were being reviewed to ensure that where delivery could be achieved in 2019/20 this was reflected in the plan.

It was resolved that the Committee

- Noted the outturn 2018/19 position for Health Board savings schemes which was £38.3m.
- Noted the key movements in delivery during the month and those areas where annual savings delivery was significantly adrift of plans
- Noted the identification of lessons learned and the role of the Savings Sub-Group in ensuring that robust action is taken in 2019/20 to address these points.

FP19/76 Partnership Project - Satellite Hospice at Ysbyty Penrhos Stanley – Position Paper & Way Forward

The Committee considered the formal ratification of the lease arrangements and running cost recharge in relation to the development of a Satellite Hospice in Ysbyty Penrhos Stanley (YPS). It was noted that the paper outlined the background of the project and its aim to establish 4 inpatient hospice beds in a 'Hospice in Hospital' unit in YPS, Holyhead. The unit would be run independently by St David's Hospice in terms of staffing, referrals, admission, discharge and community liaison with the utilisation of space identified in the vacant Fali Ward in YPS and provide a hub for current community palliative care teams as well as the existing Hospice at Home Team.

It was resolved that the Committee

- noted the progress made by the YPS Satellite Hospice Project Board to date
- noted the approval by Executive Management of the outlined paper on 17 Oct 2018
- ratified the proposed lease heads of terms and running costs / recharge

arrangements being offered by the Health Board to the Hospice	
<p>FP19/77 Hafan Wen Substance Misuse Service DETOX Contract</p> <p>The paper informed that a twenty year contract for providing inpatient detoxification service at Hafan Wen with CAIS had expired, and a recent independent report had been completed assessing the clinical effectiveness of the unit, its fitness for purpose and value for money. The report was positive, and supported the continued use of Hafan Wen. There was no other similar service in North Wales. It was noted that procurement support was required as the annual spend was just over £1m a year. In consideration, the Chairman emphasised the importance of ensuring that the 'break' clause was included in order to provide opportunities for review within the period stipulated.</p> <p>It was resolved that the Committee</p> <p>supported submission to the Health Board to approve a renewal of the detoxification service from CAIS at Hafan Wen, for a contract term of 5 years (3 years plus 2 x 12 month extensions) and ensure that Estates put in place a 'nil / notional rent' lease agreement for use of the building, for 10 years with a break at 5 years.</p>	
<p>FP19/78 Capital Programme month 12 <i>The Assistant Director Strategy-Capital joined the meeting for this item.</i></p> <p>The Committee noted the year end 2018/19 position in respect of the expenditure against the Capital Resource Limit as being £15,000 underspent subject to audit. The Committee considered that the report format going forward would benefit from improved read across to BCU's annual plan and priorities being approved by the Board on 2.5.19, especially in the area of the Digital Strategy.</p> <p>It was resolved that the Committee noted the report</p>	NB
<p>FP19/79 Discretionary Capital Programme 2019/20</p> <p>It was noted that, WG discussion was ongoing in regard to Orthopaedics, Endoscopy and Urology. The Assistant Director Strategy-Planning also advised that £1.25m 'Spend to Save' monies had also been set aside with invitations extended for bids to be considered. The Executive Director of Planning and Performance confirmed to the Chairman that these would be considered by the Executive Team in order to ensure alignment and avoidance of issues with BCU's overall plans. The Chairman questioned why the high risk backlog maintenance expenditure levels outlined were different across BCU's Areas.</p> <p>It was resolved that the Committee noted the discretionary capital resources available for 2019/20 and the development of the programme and supported the proposed programme.</p> <p><i>The Assistant Director Strategy-Capital left the meeting</i></p>	
<p>FP19/80 Integrated Quality and Performance report Month 10</p> <p>FP19/80.1 The Executive Director of Planning and Performance presented this item. The</p>	

Committee was advised that work would continue to drive the quality of the narrative presented. He drew the Committee's attention to the overall summary of performance provided in the report's Executive Summary which identified that the comparative performance for March 2019 with the previous month, demonstrated improvement in 18 and worsened position for 15 of the Indicators reported to the Finance and Performance Committee. However, the comparison of end of March 2019 and March 2018 positions demonstrated that of the 32 Measures covered in the comparison, performance had improved on 22 measures, and worsened for 10 noting that the improvement did not necessarily deliver the target. He highlighted that the activity versus plan performance on planned care within the report had demonstrated a significant growth in demand/patient presentation which had increased pressure on BCU's services.

FP19/80.2 The Executive Director of Planning and Performance highlighted issues that had been outlined within the endoscopy service, advising that 90% of diagnostic waits involved an endoscopic procedure. He advised that an action plan had been set out which included actions to address management capacity, Vanguard and additional capacity by the end of May 2019. In respect of the outpatient follow up performance indicated, it was noted that the issues were being monitored by the Quality, Safety and Experience Committee. In discussion of CT scanning performance within stroke care, the Financial Advisor queried whether any trend might indicate upstream implications. The Executive Director of Planning and Performance advised that a business case would be the subject of Board consideration within the next few months.

FP19/80.3 The Committee discussed orthopaedic performance which was 50% of the RTT challenge. The Chairman shared a discussion that had taken place with WG regarding BCU's orthopaedic plan and the investment support required. He requested that the Executive Director of Planning and Performance advise him should a WG decision not have been received before his next scheduled meeting with the Minister. It was noted that a meeting to discuss the RTT/orthopaedic position would be held on 3.5.19 and the Chairman requested that BCU's response be advised at the next In-Committee meeting. It was noted that the final RTT 36 Week position at end of March 2019 was 6,004 (290 higher than planned) waiting over 36 weeks for treatment. The Welsh reportable RTT performance was 5,918 which was 255 worse than the previous year.

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FP19/80.4 In respect of cancer services performance it was noted that performance for patients 'treated within 62 days of referral' would be affected due to the issues indicated within the endoscopy service however, this was now improving with return to two week waits for unscheduled care endoscopy following action to prioritise urgent suspected cancer and clinically urgent review patients. The Committee reflected that including trajectories would be helpful for monitoring purposes within the report format. However, it was noted that 98.9% performance rate had been achieved for patients newly diagnosed with cancer not via the USC pathway treated within 31 days of diagnosis. The Committee questioned the reason for an 8% decrease in comparison of March 2018 and March 2019 GP Out of Hours service calls.

FP19/80.5 In respect of workforce performance, the Executive Director Workforce &OD advised that sickness absence and mandatory training required further significant work to enable improvement, whilst also acknowledging the improvement achieved in the undertaking of staff Performance Appraisal Development Reviews (PADR). In discussion of Primary Care measures it was noted that local measures as well as prevention measures would be developed into future reports. The Committee asked that measure of access be included. In addition the inclusion of trajectories, including recovery, was requested within future IQP reports.

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<p>It was resolved that the Committee noted the report</p>	
<p>FP19/81 Referral to Treatment (RTT)</p> <p>This was discussed within FP19/80.</p> <p>FP19/82 Unscheduled Care and Building Better Care report</p> <p>FP19/82.1 The Acting Executive Director of Nursing and Midwifery joined the meeting to present this item. She drew attention to improvement in March 2019 against both the same period the previous year and also the previous month however, this was below the agreed performance trajectory. The overall combined 4 hour performance for March 2019 was 71.1% against an agreed trajectory of 77% which compared to 70% for March 2018. She advised that due to non-achievement of the trajectories and meeting all of the KPIs during phase 1 of the Building Better Care programme, work continued to define the trajectories and align them to the milestones within the plan. The target was set as 85% by March 2020. A discussion ensued on the trajectories, especially in respect of Delayed Transfers of Care (DToCs) and long stayers in which attention was drawn to work with local authority partners.</p> <p>FP19/82.2 In discussion of the SICAT performance, the Committee expressed their interest in learning more about this pilot scheme especially in respect of benefits realisation and cost. The Chairman reminded that should the service move into BCU's budget then a full evaluation would be required.</p> <p>FP19/82.3 The Chairman questioned whether further work was required, other than that which had been planned for. In the discussion which ensued the Acting Executive Director of Nursing and Midwifery referred to differences between the sites, local issues such as recruitment and also enduring cultural and workforce issues which would need to be addressed.</p> <p>FP19/82.4 The Chairman requested that further consideration take place on the USC Improvement Plan within the Executive Team, to include the allocation of Executive Leads, in order that discussion could take place at the June Board Development session.</p> <p>It was resolved that the Committee noted:</p> <ul style="list-style-type: none"> • the achievement against the 90 day measures and how use of the 90 day plan methodology is driving improvement and change. • the ongoing focus to improve the partnership working relating to the Health Board's Unscheduled Care Improvement journey. • the ongoing risks associated with delivery of the Building Better Care programme and continuing challenges with flow and ED • the changes to the structure of the report with narrative from Managing Directors to address the challenges in performance 	<p>DC</p>
<p>FP19/83 Draft Finance and Performance Committee annual report 2018/19</p> <p>FP19/83.1 The Committee discussed the draft report and provided the following</p>	

<p>comments and feedback:</p> <ul style="list-style-type: none"> • The Chairman agreed to provide details of some typographical amendments following the meeting. • The following RAG rating changes were agreed: <ul style="list-style-type: none"> • ie to RED for positive assurance on : <ul style="list-style-type: none"> • Financial planning process and financial plan proposals • Monitoring financial performance and cash management..... • ie to GREEN for positive assurance on : <ul style="list-style-type: none"> • Determine any new awards in respect of primary care contracts • ie to RED for sufficient assurance provided on: <ul style="list-style-type: none"> • receive assurance reports arising from performance and accountability reviews.... • It was agreed the last point needed to be actioned. • The attendance record was agreed to be updated to include note regarding the 25.9.18 meeting – “Apology submitted due to clash with QSE meeting previously scheduled” • Provide further explanation regarding supporting narrative re RAG status of objective. Monitor the financial aspects of workforce planning to meet service needs in line with agreed strategic plans <p>FP19/83.2 It was noted that the Committee’s Cycle of Business 2019/20 would be considered at the next meeting</p> <p>It was resolved that the Committee</p> <ul style="list-style-type: none"> • reviewed the draft Annual Report for 2018/19 • approved that Chair’s Action could be taken to agree the final version for submission to Audit Committee 	<p>MW DD</p> <p>SG</p> <p>DD</p>
<p>FP19/84 Issues of significance to inform the Chair's assurance report</p> <p>To be completed outside of the meeting.</p>	
<p>FP19/85 Summary of In Committee business to be reported in public</p> <p>It was resolved that the Committee note report.</p>	
<p>FP19/86 Date of Next Meeting</p> <p>Thursday 23.5.19 11.00am Boardroom, Carlton Court</p>	