

## Finance and Performance Committee Annual report 2020-21

**1. Title of Committee:**

Finance and Performance

**2. Name and role of person submitting this report:**

Sue Hill Executive Director of Finance

**3. Dates covered by this report:**

1 April 2020 to 31 March 2021

**4. Number of times the Committee met during this period:**

The Committee was routinely scheduled to meet ten times and otherwise as the Chair deemed necessary. During the reporting period, it met on nine occasions. A workshop was held on one date. Attendance at meetings is detailed within the table below:

<b>Independent Members</b>									
<b>Members of the Committee</b>	4.6.20	16.7.20	27.8.20	30.9.20	29.10.20	21.12.20	28.1.21	25.2.21	25.3.21
Mark Polin (Chair)	P	P*	P	P	P*	P	P	P	P
John Cunliffe (Vice Chair)	P	P	P	P	P	P	P	P	P
Eifion Jones	P	P	P	P	P	P	P	P	P
Helen Wilkinson	P	P	A	A	A	◆	◆	◆	◆
Linda Tomos	◆	◆	◆	◆	◆	P	P	P	P

Formally in attendance (as per Terms of Reference)	4.6.20	16.7.20	27.8.20	30.9.20	29.10.20	21.12.20	28.1.21	25.2.21	25.3.21
<b>Directors</b>									
Sue Hill Executive Director Finance (Lead Director ) (Acting – to 31.12.20)	P	P	P	P	P	P	P	P	P
Mark Wilkinson Executive Director Planning and Performance	P	P	P	P*	P*	A	P	P	P
Sue Green Executive Director of Workforce and Organisational	P	A	P	P	P*	P	P	P	P
Gill Harris Executive Director Nursing and Midwifery % / Acting Chief Executive (1.9.20-31.12.20) %	P	P	P*				P*	P*	A
Jo Whitehead Chief Executive	◆	◆	◆	◆	◆	◆	A	P	P
David Fearnley Executive Medical Director	P	P	P	◆	◆	◆	◆	◆	◆
Arpan Guha Acting Executive Medical Director	◆	◆	◆	P	P	P	P	P	P

**Key:**

P - Present

P\* - Present for part meeting

A - Apologies submitted

X - Not present

◆ Not a member of the Committee at this time.

% - Formal member with effect from 17.9.20 per TOR approval at Audit Committee

In addition to the above core membership, other Directors and Officers from the Health Board regularly attend meetings of the Committee/Group/Forum. For a full list of attendance, please see the approved minutes which can be accessed on the Health Board's website via the following pages:- <https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/>

**5. Assurances the Committee is designed to provide:**

The **Committee** is designed to provide advice and assurance to the Board on the following key areas as set out in its Terms of Reference as follows:-

**Financial Management**

- seek assurance on the financial planning process and consider Financial Plan proposals;
- monitor financial performance and cash management against revenue budgets and statutory duties;

- consider submissions to be made in respect of revenue or capital funding and the service implications of such changes including screening and review of financial aspects of business cases as appropriate for submission to Board in line with Standing Financial Instructions;
- monitor turnaround and transformation programmes' progress and impact/pace of implementation of organisational savings plans;
- receive quarterly assurance reports arising from performance reviews; including performance and accountability reviews of individual directorates, divisions and sites, and
- to determine any new awards in respect of primary care contracts

### **Performance Management and accountability**

- approve the Health Board's overall Performance Management Framework (to be reviewed on a three yearly basis or sooner if required);
- ensure detailed scrutiny of the performance and resources dimensions of the Quality and Performance Report (QAP);
- monitor performance and quality outcomes against Welsh Government targets including access times, efficiency measures and other performance improvement indicators, including local targets;
- review in year progress in implementing the financial and performance aspects of the Integrated Medium Term Plan (IMTP);
- review and monitor performance against external contracts;
- receive assurance reports arising from Performance and Accountability Reviews of individual teams.
- receive assurance reports in respect of the Shared Services Partnership.

### **Capital Expenditure and Working Capital**

- approve and monitor progress of the Capital Programme.

### **Workforce**

- monitor performance against key workforce indicators as part of the QAP;
- monitor the financial aspects of workforce planning to meet service needs in line with agreed strategic plans;
- receive assurance reports in relation to workforce, to include job planning under Medical and Dental contracts for Consultants and Specialist and Associate Specialist (SAS) doctors and the application of rota management for junior doctors, and
- to consider and determine any proposals from the Primary Care Panel (via the Executive Team) in relation to whether the Health Board should take on responsibility for certain GP Practices.

During the period that this annual report covers, the Committee operated in accordance with its terms of reference which were in effect for the whole of the term this Annual Report covers. The Terms of Reference are appended at Appendices 1a and 1b (with effect from 17.9.20).

The work programmes, cycles of business and overall performance of each Committee/Group/Forum are reviewed by the Committee Business Management Group (CBMG) which meets quarterly. The CBMG oversees effective communication between Committees, avoiding duplication and ensuring all appropriate business is managed effectively and efficiently through the Health Board’s Governance framework.

Furthermore a fundamental review of the governance structures has been undertaken by the Interim Director and Governance. This work is being finalised at the point of producing this Annual Report.

The Committee is required to publish its agenda and papers 7 days ahead of the meeting, and a breach log is maintained by the Office of the Board Secretary where there are exceptions to this requirement. During the reporting period there were six breaches of this nature in terms of individual papers not being available 7 days before the meeting.

**6. Overall \*RAG status against Committee’s annual objectives / plan: Amber**

The summary below reflects the Committee’s assessment of the degree to which it has met these objectives. The supporting narrative included alongside the assessment below describes this in more detail.

<b>Objective as set out in Terms of Reference</b>	<b>Assurance Status (RAG)*</b>	<b>Supporting narrative</b> <i>(Please provide narrative against all red and amber including the rationale for the assurance status)</i>	<b>Committee assessment of the quality of the assurance provided</b> <i>(please provide in narrative format)</i>
Seek assurance on the financial planning process and consider Financial Plan proposals	Amber	The Committee approved the budget setting methodology and financial planning assumptions; reviewed performance against the financial plan and, in line with Welsh Government guidance approved the submission of the	The Committee receive regular updates around the underlying planning principles and iterations of the draft plan; and performance against the plan once set.

		draft financial plan for 2020/21	
Monitor financial performance and cash management against revenue budgets and statutory duties	Green	The Committee monitor performance against statutory duties at each meeting	The finance report is reviewed at each meeting and the content and format were the subject of a Committee workshop
Consider submissions to be made in respect of revenue or capital funding and the service implications of such changes including screening and review of financial aspects of business cases as appropriate for submission to Board in line with Standing Financial Instructions (SFIs)	Green	The Committee regularly reviews reports on capital and revenue expenditure and all business cases are reviewed and approved in line with SFIs	Capital reports and business cases are standing items on the agenda and are debated by the Committee
Monitor turnaround and transformation programmes' progress and impact/pace of implementation of organisational savings plans	Green	Financial year 2020/21 was an exceptional year due to the Covid 19 pandemic, but delivery against savings plans was monitored on a regular basis and the Health Board achieved the revised level of forecasted savings	The savings reports are standing items on the agenda and actions are updated for the Committee in a timely manner – there is read across between this item and any audit recommendations
Receive quarterly assurance reports arising from performance reviews, including performance and accountability reviews of individual directorates, divisions and sites	Amber	The accountability reviews were paused during the pandemic but the Committee received an update when the accountability reviews were reconvened	The accountability reviews were paused during the pandemic but are part of the governance review and updates will be reinstated to the Committee
Determine any new awards in respect of primary care contracts	Green	The Committee regularly reviewed and approved the	The reports on primary care contracts are provided in

		award of primary care contracts	sufficient detail for scrutiny by the Committee
Approve the Health Board's overall Performance Management Framework (to be reviewed on a three yearly basis or sooner if required)	Green	The Committee reviewed and approved the revised Performance Management Framework	The performance management framework was reviewed and approved by the Committee in 2020/21
Ensure detailed scrutiny of the performance and resources dimensions of the QAP	Amber	The QAP is regularly monitored and discussed: the report is being revised to improve relevance of metrics and assurance level	The QAP content and format has been reviewed and is being revised, in line with Committee feedback.
Monitor performance and quality outcomes against Welsh Government targets including access times, efficiency measures and other performance improvement indicators, including local targets	Green	All key national and local targets are included in the QAP, although submission of some measures to WG was paused during the pandemic.	The QAP reports on all national and locally agreed targets in a detailed and comprehensive report, to which additional narrative has been requested by the Committee.
Review in year progress in implementing the financial and performance aspects of the IMTP	Amber	The Health Board is currently reporting to WG on an annual basis in line with all other NHS organisations in Wales, however the Committee does consider as part of its regular reporting, the relevant aspects required in an IMTP	The Committee is monitoring progressing towards an approvable IMTP and all required elements are reported on to the Committee on a regular basis, as part of the Annual plan.
Review and monitor performance against external contracts	Green	The Committee receives regular updates on	The external contracts report is a detailed and

		external healthcare contracts	comprehensive review of the Health Board's commissioning arrangements, received on a quarterly basis
Receive assurance reports arising from Performance and Accountability Reviews of individual teams	Amber	The committee receives regular and adhoc reports relating to specific functions or domains, but this is not on a systematic basis	There will be an improved the level of reporting on individual teams submitted to the Committee going forward
Approve and monitor progress of the Capital Programme	Green	The committee receives regular updates on the overall capital programme and specific projects as required	Capital reports and business cases are standing items on the agenda and are debated by the Committee
Monitor performance against key workforce indicators as part of the QAP	Green	The QAP includes workforce metrics and additional detail is provided when requested.	The workforce KPIs are part of the QAP and there are also regular additional reports to the Committee
Monitor the financial aspects of workforce planning to meet service needs in line with agreed strategic plans	Amber	The pandemic paused some of the more strategic workforce plans, but this will restart in 2021/22	As the Health Board progresses its transformation agenda, any workforce reports will be clearly triangulated with the financial impact
Receive assurance reports in relation to workforce, to include job planning under medical and dental contracts for Consultants and Specialist and Associate Specialist (SAS) doctors and the application of rota management for junior doctors	Amber	The Committee considered workforce performance reports, but much of the activity around medical recruitment and job planning was pasued during the pandemic	There are specific workforce projects progressing in 2021/22 which will provide further assurance around job planning and rota management

To consider and determine any proposals from the Primary Care Panel (via the Executive Team) in relation to whether the Health Board should take on responsibility for certain GP Practices	Green	The Committee considered and decided upon all proposals in year to take on the management of any additional GP practices	The reports on primary care contracts are provided in sufficient detail for scrutiny of recommendations to take on additional managed practices.
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**\*Key:**

<b>Red</b>	= the Committee did not receive assurance against the objective
<b>Amber</b>	= the Committee received assurance but it was not positive or the Committee were partly assured but further action is needed
<b>Green</b>	= the Committee received adequate assurance against the objective

**7. Main tasks completed / evidence considered by the Committee during this reporting period:**

The following items were regularly discussed:

- Annual plan 2019/20 monitoring report
- Operational plan 2020/21 quarterly monitoring reports
- Quality and performance reports
- Planned care updates
- Unscheduled care and building better care updates
- Monthly finance reports
- Savings programme reports
- Monthly monitoring reports
- External contract update reports
- Capital programme reports
- Corporate risks assigned to the Committee
- Quarterly NHS Wales Shared Services Partnership summary performance reports

The following items were also considered:

- Primary and community Services report - sustainability and transformation
- Annual plan 2019/20 reconciliation
- Approval of BCU Interim discretionary capital programme 2020/21
- Annual review Terms of Reference and approval of the cycle of business 2020/21
- PWC recommendations update
- Interim report on Covid 19 financial governance



- Nuclear Medicine Consolidation Strategic Outline Business Case
- Staff Lottery – from charitable funds
- Committee annual report 2019/20
- Winter resilience plan 2020/21
- Covid19 financial governance cell report
- Financial plan and budget setting 2021/22
- Cross border block contracts update
- Revised Performance Management Framework and update on accountability reviews
- Combined Post Project Evaluation of the Integrated Health, Social Care and Third Sector Centres in Blaenau Ffestiniog, Flint and Llangollen
- Business case tracker for revenue and capital business cases
- Transparency in supply chains consultation Government response
- Committee Board Assurance Framework Principles and Corporate Risk Report
- Forecasting update
- Workforce performance reports
- Planned care update on Option 5 Ophthalmology – Eye Care Collaborative Programme update
- Transfer of Flint Community Hospital Site to Flintshire County Council
- Health Board Revenue and Discretionary Capital Allocation for 2021-22
- Capital Programme 2021 – 2024
- Development of the 2021/24 Plan
- Planning for 2021/2

Business cases:

- Diagnostic and Treatment Centre (DTC) pre-strategic outline business case
- Robotic surgery business case
- Orthopaedics business case update
- BCU Symphony/Welsh Emergency Department System revenue business case (agreed submission for Board approval)
- North Denbighshire Community Hospital business case (agreed submission for Board approval)
- Development of Diagnostic and Treatment Services at Betsi Cadwaladr University Health Board: Strategic Outline Case
- Stroke Improvement Plan Phase 1
- Ysbyty Gwynedd Hospital – Fire Safety and Infrastructure Compliance Programme Business Case

An additional meeting was held on 30.9.20 to address:

- Planned Care update including DTC development
- Finance report
- Savings report

In private session the Committee considered

- Recovery programme report and recommendations updates
- Approval of the new contractor to take over a GP contract and merge provision of GMS services

- Monthly financial position report – month 2 2020/21
- Mental Health Rehabilitation Business Case update
- Approval of Wrexham Maelor Hospital Continuity Programme– procurement of external support
- Covid19 ventilation essential equipment
- Proposed third party development business case at GP practice
- Digital dictation progress update
- Programme Management Office capacity report
- Pooled budgets report
- Automated blood sciences managed service contract (agreed submission for Chair’s approval on behalf of the Board)
- Approval of mobile telephony tender
- Residential Accommodation Strategic Outline Case
- Contract awards:
  - Water Hygiene Compliance Services
  - Recyclable, Domestic & General Waste Collection
  - IT System Renewal for Urgent Primary Care and Contact/Phone First
  - GP Practice
- Commencement of tender process: Flow Cytometry
- WG Strategic Financial Support report
- Procurement contracting briefing paper - North Wales Dental Academy
- Business Justification cases - Interventional Radiology Replacement, Gamma Camera Replacement and Radiotherapy CT Simulator
- Managed Service Contract - Haematology and Coagulation
- Diagnostic Treatment Centre progress update - Model of Care
- Novation of Dentistry Services
- Draft annual plan 2021/22 Medical and Dental Agency Locum monthly reports at each meeting.

Chair’s action was undertaken in respect of:

- Full business case for Digital Health Record
- Revenue business case for defibrillator replacements
- Lease of GP Premises in Prestatyn to the Health Board
- A revised Full Business Case for the Royal Alexander Hospital was resubmitted to Welsh Government in response to a request for additional information

Full details of the issues considered and discussed by the Committee are documented within the agenda and minutes which are available on the Health Board’s website and can be accessed from the following pages

<https://bcuhb.nhs.wales/about-us/committees-and-advisory-groups/finance-and-performance-committee/>

**8. Key risks and concerns identified by this Committee in-year which have been highlighted and addressed as part of the Chair's reports to the Board:**

Meeting date	Key risks including mitigating actions and milestones
4.6.20	<ul style="list-style-type: none"> <li>• Concerns regarding the Corporate Risk Register were discussed, including the lack of alignment to the organisation's plan. A Board workshop session was agreed to be scheduled for further discussion and inclusion of all Board members and to incorporate the impact of COVID19 on the corporate risks</li> <li>• Noting that the executive review had not taken place regarding the assessment of the Annual Plan monitoring report, it was agreed that an update be prepared for the next meeting</li> <li>• Concern with capacity planning and availability of resources was agreed to be addressed at a future Board workshop</li> <li>• Concerns regarding staff testing and mental health were agreed to be explored further in COVID19 board briefing session</li> <li>• Whilst the Q1 operational plan had not involved approval by all the Board members, the Chair advised plans would be put in place for scrutiny of the Quarter 2 Operational Plan prior to Welsh Government submission</li> <li>• Backlog appointments were increasing at the rate of 4,000 patients per month, however actions were outlined to mitigate harm in a staged approach</li> <li>• Potential implications of 14 day isolation policies on services were highlighted as well as COVID19 testing and staff protection.</li> <li>• Significant risk to the financial plan regarding unknown WG funding response to COVID19 pandemic</li> <li>• Month 1 savings requirement £3.7m was not delivered due to organisation's focus on response to COVID19 pandemic. Further work to ascertain achievability of identified schemes, given pandemic conditions, was requested to be undertaken</li> <li>• As a consequence of the refocusing of management capacity and the redeployment of the Programme Management Office (PMO) resource to support the Covid19 response, work on savings was halted in March 2020. A briefing on PMO capacity was requested</li> </ul>
16.7.20	<ul style="list-style-type: none"> <li>• Significant risk to the financial plan regarding unknown WG funding response to Covid19 pandemic</li> <li>• Primary care services sustainability issues were being managed via a risk based approach - set out within a 5 domains risk assessment matrix</li> <li>• Endoscopy service issues were in the process of being addressed, including the introduction of a more effective way of listing patients across North Wales</li> <li>• Potential financial implications needed to be addressed in respect of the requirement to test patients prior to care home discharge.</li> <li>• Capacity and capability concerns within the Programme Management Office were highlighted. It was agreed that a report be provided to the August meeting to address this</li> </ul>

	<ul style="list-style-type: none"> <li>• Covid19 was impacting the Health Board's savings programme, however the Acting Executive Director of Finance was addressing this, along with Executive Team colleagues, with an action plan and was mindful of internal resourcing availability</li> </ul>
27.8.20	<ul style="list-style-type: none"> <li>• The Committee emphasised the need to ensure that contingency was built into Q 3 &amp; 4 planning</li> <li>• Further briefings were requested on bookings processes and outpatient transformation to enable a greater understanding of the current position</li> <li>• Planned and unscheduled care along with winter protection planning was of significant concern</li> <li>• Emergency Department (ED) potential investment was being explored with Kendal Bluck</li> <li>• The customary availability of contractual English providers to draw on during the Winter period would be significantly reduced due to the national Covid19 response. The usual scheduled reduction in planned care activity would not be an option in the current climate</li> <li>• A process of re-stratification was taking place with waiting lists over 36 weeks on the incline. Risk and mitigation work was taking place alongside the introduction of new measurements introduced on RTT</li> <li>• Orthopaedic alternative ways of providing surgical interventions were requested to be explored and presented at the next meeting, along with detail of a potential diagnostic and treatment centre development</li> <li>• Delays in capital projects and additional measures put in place due to Covid19 were expected to result in potentially increased out-turn costs and extended programme. The Royal Alexandra Hospital and Ablett new build business cases were expected to be presented at the next meeting</li> <li>• £3.3m in month deficit / £13.3m year to date deficit was in line with month 4 plan- assuming all Covid19 costs incurred by the Health Board would be fully funded, however this had not yet been confirmed and therefore was a significant risk</li> <li>• Savings plans had been severely impacted by the Covid19 response currently forecast to under deliver by £30.8m against the £45m target</li> <li>• It was reported that up to Month 4, the Health Board had reported Covid19 related costs of £56m, with a forecast of £122m, across a number of key Revenue, Capital and Charitable Funds elements. It was noted that the Covid19 specific Finance Risk (ID 3152) – 'Covid19 expenditure may exceed funding available from WG' was logged in the Finance Directorate's risk log. Further detail and lessons learned would be presented to the October meeting</li> <li>• The Staff Lottery – from Charitable Funds proposal would be resubmitted to the October meeting, addressing the various governance concerns raised and gauge potential staff support</li> </ul>
30.9.20 and 29.10.20	<ul style="list-style-type: none"> <li>• Support for the robotic surgery business case being submitted for Board approval moves forward risk mitigation within urology and other specialty services for the future</li> </ul>

	<ul style="list-style-type: none"> <li>• Mitigation of risks around the orthopaedic services is being provided through a revised service model, as impacted by the development of the DTC. The Committee sought to move forward the DTC business case at pace to improve patient outcomes</li> <li>• In respect of financial position at Month 6; <ul style="list-style-type: none"> <li>○ Year to date was a £0.2m favourable variance</li> <li>○ Full year forecast to be at a balanced position i.e. £40m deficit</li> </ul> </li> <li>• This has been achieved through the confirmation of the additional £83.1m of WG funding for the Health Board</li> <li>• Planned and unscheduled care monitoring and potential improvements remain priority areas to be addressed at each meeting</li> </ul>
21.12.20	<ul style="list-style-type: none"> <li>• Operational Plan concern re red action 17.7 Digital Health: Phase 3 of Welsh Patient Administration System re-focus on West implementation. A briefing is to be prepared on resourcing. The Committee was concerned with how national system development issues affected BCU operations</li> <li>• Inaccurate performance data was affecting the Committee's ability to monitor the Operational Plan and performance effectively. This was agreed to be addressed by the Acting Chief Executive</li> <li>• In Planned Care, the number of unbooked patients (47k) was of concern and that the considerable number of patients waiting over 52 weeks was increasing month on month</li> <li>• Following reflections on trends within sickness absence reporting, data in respect of homeworking would be included in the next report to enable the Committee to monitor any potential impact</li> <li>• Ensuring safe separation of Covid19 (Red) patient contact from Non-Covid19 (Green) in Emergency Departments had resulted in a reduced capacity of almost 40% - and had also necessitated reduced capacity on wards</li> <li>• Orthopaedics and ophthalmology appointments were falling behind whilst other specialties improved their levels of activity - most notably general surgery. Clinicians from orthopaedics and ophthalmology were invited to the meeting to discuss the situation</li> <li>• The Planned Care 6 point plan and timelines were noted, including provision of the DTC Strategic Outline Case to the Committee and Health Board in January 2021</li> <li>• Following the Committee's concern in respect of the length of time patients' were waiting, it was agreed comparative data with other Health Boards in Wales would be provided in the next report to evaluate whether BCU waiting times were deteriorating more rapidly than other organisations</li> <li>• In respect of robotic surgery, national procurement had moved forward and a decision had been taken to accept the first robot purchased via national procurement for use in North Wales. It was advised that this would involve risk mitigation for 4-6 months. The Committee expressed disappointment at the delay as any slippage could result in BCU patients being adversely affected. An explanatory</li> </ul>

	<p>briefing was requested on why the Board’s publicised decision had been changed.</p> <ul style="list-style-type: none"> <li>• Following submission of the Royal Alex Business Case, WG was seeking further clarification on increased costs and details on the economic option, sustainability and design solution</li> </ul> <p>Areas for action or note in regard to the Finance report:</p> <ul style="list-style-type: none"> <li>▪ Review of Covid19 expenditure forecasts, in line with the revised and evolving plans for managing the pandemic</li> <li>▪ Conversion of £2.5m of savings schemes in pipeline into green/amber schemes</li> <li>▪ Move into delivery plans for unscheduled care, planned care and schemes from the Quarter 3 / 4 plan</li> <li>▪ Continue discussions with WG on potential annual leave carry over and cost implications</li> <li>• Volatility around estimates involving TTP, Covid19, vaccination programme and field hospitals</li> <li>• Considerable £18.6m shortfall against £25.8m year to date savings target however, this was good in comparison to other Health Boards given the present climate</li> <li>• In respect of the development of the 2021-24 plan it was important to ensure strategic join up within the organisation and this would be a priority for the next 3 months</li> </ul>
<p>28.1.21 25.2.21</p>	<p>The Committee raised concern regarding:</p> <ul style="list-style-type: none"> <li>• progress of the 2021/22 annual plan, further Board workshops would be taking place to address the concerns highlighted by Committees including affordability and maturity of integration between financial and operational elements of the plan</li> <li>• a timetable for F&amp;P and SPPH Committee submissions earlier in the financial year for 2022/23 plan (and future plans) was requested</li> <li>• the BAF and CRR will be subject to further work in order to take into account feedback from all Committees. This would need to encompass a Board discussion on risk appetite and also address: agility whilst working within a pandemic, risk alignment with appropriate Committee and consistency of language</li> <li>• the Covid19 outbreak at Ysbyty Gwynedd was being managed and some urgent work scheduled to be undertaken was now being progressed at other hospital sites</li> <li>• whilst the number of patients waiting was very high, the end of year forecast position had reduced to 46,700 - however this was subject to the volatility of Covid19</li> <li>• communication with patients waiting – whilst recognising work was being progressed to systematically address this, the Committee emphasised the importance of moving this forward</li> <li>• seeking flexibility that the additional resource allocated by WG prior to year-end would be utilised for the benefit of North Wales patients was the subject of ongoing discussion with WG</li> </ul>

	<ul style="list-style-type: none"> <li>• in respect of unplanned care issues, a series of actions were outlined to take improve pre-hospital demand, demand &amp; capacity in ED and flow &amp; discharge. Progress regarding Phone First, 111 and the Stephen HARRY report was provided</li> <li>• an alternative location for the replacement Ablett Unit was being explored on site, following refusal of the outline planning permission</li> <li>• areas for action or note in regard to the Finance report: <ul style="list-style-type: none"> <li>▪ Planned Care and Diagnostic performance activity had been delayed by the impact of Covid 19 activity in Q3/4 and required an agreed plan in place</li> <li>▪ £3.1m of Covid19 funding required a detailed plan to be agreed, due to slippage on timing of the original forecast</li> <li>▪ Some English NHS providers were under performing on activity levels, which may result in contract clawbacks – this was being closely monitored</li> </ul> </li> <li>• consequential losses and surge requirements in respect of field hospitals were being actively addressed through the Executive Team</li> </ul>
25.3.21	<ul style="list-style-type: none"> <li>• The effectiveness of primary care monitoring was discussed and agreed to be further considered at the Board workshop being held on 23.4.21 to address performance reporting.</li> <li>• The Finance report key areas for action were <ul style="list-style-type: none"> <li>▪ Risk of under spending against Welsh Government funding. Opportunities to accelerate plans and progress on performance improvement have been identified and need to be rapidly progressed.</li> <li>▪ Some English NHS providers were under performing on activity levels, which might result in contract clawbacks – activity levels were being closely monitored.</li> </ul> </li> <li>• The sustained high level of Covid19 infection rates across North Wales over the winter months had impacted on delivery of the planned care activity set out in the Health Board’s Quarter 3 &amp; 4 submission to Welsh Government.</li> <li>• An Accountable Officer letter has been submitted to Welsh Government to notify the risk of under spending against Covid19 funding received.</li> <li>• Key impacts affecting divisional positions in the year to date continue to be overspends on Prescribing (£4.9m), undelivered savings (£25.4m) and lost income due to the pandemic (£10.0m).</li> <li>• The Committee requested that arrangements be put in place to effectively monitor Performance Funding spend and recurrent revenue costs going forward.</li> <li>• Whilst assurance had been given that the Estate had undergone risk assessment in respect of fire safety and infrastructure compliance, WG would be contacted regarding prioritisation whilst the organisation operated at risk.</li> <li>• Whilst a draft annual plan was approved for submission to the Board, it was noted that in terms of financial governance, discussion</li> </ul>

	around improved processes had taken place, strengthened by improved financial reporting and greater levels of detail.
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## **9. Committee Chair's review of effectiveness**

In recognising the impact of the Covid pandemic on the organisation and services and in keeping with the Good Governance Principles published by WG during this period, the Committee has maintained a focus on its key responsibilities in a balanced manner. Providing support, challenge and encouragement as necessary.

## **10. Focus for the year ahead:**

The primary focus of the Committee over the next twelve months will remain on financial and clinical performance as described in the key objectives in the draft annual plan, which includes the use and effectiveness of the additional funding provided by Welsh Government for Covid-19 response, strategic support and performance recovery, in order to prioritise the health of the population in North Wales.

The Committee has established a Cycle of Business for the year ahead covering the breadth of its work, and primarily focussing on its key areas of risk, as defined in the Board Assurance Framework. This is attached as Appendix 2.

V1.0