



Finance & Performance Committee
Minutes of the meeting held in public on 25.2.21
via Teams

Present:

Mark Polin	BCUHB Chairman / Committee Chair
John Cunliffe	Independent Member / Committee Vice Chair
Eifion Jones	Independent Member
Linda Tomos	Independent Member

In Attendance:

Neil Bradshaw	Assistant Director ~ Capital Planning (<i>part meeting</i>)
Louise Brereton	Board Secretary
Andrew Doughton	Wales Audit representative – to observe (<i>part meeting</i>)
Sue Green	Executive Director Workforce and Organisational Development (OD)
Arpan Guha	Acting Executive Medical Director
Dave Harries	Head of Internal Audit – to observe
Gill Harris	Executive Director Nursing & Midwifery (<i>part meeting</i>)
Sue Hill	Executive Director of Finance
Andrew Kent	Interim Head of Planned Care Improvement (<i>part meeting</i>)
Rob Nolan	Finance Director - Commissioning and Strategy (<i>part meeting</i>)
Dawn Sharp	Deputy Board Secretary (<i>part meeting</i>)
Emma Wilkins	Deputy Director, Financial Delivery Unit (FDU)
Mark Wilkinson	Executive Director Planning and Performance
Jo Whitehead	Chief Executive
Diane Davies	Corporate Governance Manager (Committee Secretariat)

Agenda item	Action by
<p>FP21/25 Welcome and Chair's introductory remarks and apologies for absence</p> <p>None received</p>	
<p>FP21/26 Declarations of Interest</p> <p>None received</p>	
<p>FP21/27 Draft minutes of the previous meeting held on 21.12.20 and summary action log</p> <p>FP21/27.1 It was agreed that the minutes were an accurate record and the summary action log was updated.</p>	

FP21/28 Committee Board Assurance Framework (BAF) Principal and Corporate Risk Report (CRR)

FP21/28.1 The Deputy Board Secretary joined the meeting to present this item as the first iteration of the new BAF and CRR. She advised that the Executive Team had reviewed the BAF risks of the Committee on 11.2.21 and the intention to condense the suite of papers going forward was noted. It was recognised that in a number of risks the target risk score was above the current risk appetite. Given the current pandemic environment, risk leads had set what they believed could realistically be achieved in relation to the target risk. It was noted that further refinement and review would take place at a Board workshop.

FP21/28.2 Considerable discussion took place in regard to risk scores and appetite in which inconsistencies, rationalisation and need for greater clarity were all highlighted as areas which required attention. The Committee stated that the total number of organisational risks need to be driven by the situation and not a pre-defined number. The Executive Director of Workforce and OD shared discussion which had taken place at the Strategy, Partnerships and Population Health Committee (SPPHC) on 23.2.21. It was acknowledged that risks aligned to the Committee structure would require further consideration following the current Committee cycle and the Board Secretary confirmed that she would address consistency comments provided by the Committee at a scheduled meeting to address feedback.

FP21/28.3 The Chairman observed that the current risk averse organisational culture was a challenge which needed to be addressed. The Committee stated that should any BAF risks not be deemed at sufficient high level for the Board, these should be captured on the CRR.

FP21/28.4 A discussion ensued on how Planned Care risks needed to be captured in relation to the split between performance and harm by appropriate Committees.

FP21/28.5 Estate risks were highlighted, especially in respect of condition which could affect BCU's plans for recovery and transformation. The Committee was particularly concerned with business cases arising from deteriorating equipment and sought assurance the risks were being proactively managed. It was noted that the SPPHC would be reviewing the Estates Strategy at the September meeting. Issues in relation to Ysbyty Gwynedd (YG) accommodation were highlighted which were confirmed to be factored into BCU's 2021/22 annual plan. Following further Estate discussion it was agreed that the Executive Director of Planning and Performance would discuss the potential of an asset register/database that could effectively capture details of all BCU estate as well as information and equipment assets with the Chief Information Officer.

It was resolved that the Committee

- **noted** the progress on the Principal Risks as set out in the Board Assurance Framework (BAF); and
- **agreed** there was a need for the Board to review the Risk Appetite Statement in the light of some of the existing target risk scores.

LB

MW

LB

<p>FP21/29 Quarter 3&4 2020/21 monitoring report</p> <p>FP21/29.1 The Executive Director of Planning and Performance presented the report, highlighting business case progress relating to Stroke services, Eye Care, Ablett Unit and Royal Alexandra hospital. In response to the Committee's concern regarding stroke services, the Chief Executive stated the importance of ensuring progress and clarification of these important deteriorating services within the priorities of the developing annual plan. She acknowledged that there was a finite amount of resource available and that a reduced list of priorities would be shared at the Board's workshop, it was noted that there was potential for more investment opportunities to arise in year.</p> <p>FP21/29.2 In response to the Committee, the Executive Director of Planning and Performance clarified that the Orthopaedic Business case [4.6] had moved to completed status as these plans were now embedded within the Diagnostic Treatment Centre Strategic Outline Case which was due to be discussed at the next Committee meeting. He agreed to ensure narrative was provided on 'superseded' actions moving forward and provide a briefing note in respect of [6.10] Essential services and safe planned care which had moved from red to achieved.</p> <p>FP21/29.3 The Committee acknowledged that the Ablett unit alternative site would be advised in the Capital report of the agenda.</p> <p>It was resolved that the Committee noted the report</p>	<p>MW MW</p>
<p>FP21/30 Quality and Performance report</p> <p>FP21/30.1 The Executive Director of Planning and Performance stated that more planned care was taking place, given the slight easing of Covid 19 pressures, as fast as was safely possible. He highlighted the strong performance in 62 day cancer referrals which was the highest in Wales. It was also noted that diagnostic performance had improved.</p> <p>FP21/30.2 The Committee requested that the Board's thanks be passed to the Vaccination Programme Team at all levels for continued extremely positive performance in vaccinating the population of North Wales.</p> <p>FP21/30.3 Discussion ensued on the Covid19 outbreak at Ysbyty Gwynedd which had an historically low number of Covid 19 patients. It was understood that this would be the subject of detailed discussion taking place in the Board briefing that afternoon. However, the Committee was assured that root cause and lessons learned were currently being explored. It was understood that elective activity had ceased on the site however, urgent activity was being provided at other sites for patients in the West where possible.</p> <p>FP21/30.4 The Executive Director of Planning and Performance undertook to arrange accurate correlation between performance reported in the Executive summary and trend charts regarding 36 week waits.</p>	<p>GH MW</p>

<p>FP21/30.5 The Chairman emphasised the need to action business cases, whilst appreciating the current pressures the organisation was dealing with. The Chief Executive stated that there would be clarity on priorities of service transformation and efficiency within the final plan. This would also include work within ED on different staff modelling.</p> <p>It was resolved that the Committee noted the report</p>	
<p><i>The Interim Head of Planned Care Improvement joined for this item</i></p> <p>FP21/31 Planned Care update</p> <p>FP21/31.1 The Interim Head of Planned Care Improvement presented this item, highlighting the number of long waiters whom were currently paused for their treatment during the pandemic at a potential year-end forecast of 46,700 over 52 week waiters, which had dipped slightly and was being closely monitored. He reported that there had been a significant decline in theatre activity however, East and Central was increasing and would take up some activity from the West due to the present circumstances.</p> <p>FP21/31.2 In terms of insourcing and capacity (point 6 of the planned care recovery plan) the £1m Single tender waiver (STW) had been deployed between 2 companies from the performance funds of £10.3m with permission from Welsh Government to undertake end of financial year activity. Discussion ensued on the types and volume of activity being undertaken, the Interim Head of Planned Care Improvement undertook to provide further details on the longest waiting patients within the next report whilst acknowledging that some of these were the subject of ongoing validation processes. It was also understood that whilst initially the external companies were undertaking non-complex forms of theatre activity, there would be a blended approach to introducing more complex cases. The Interim Head of Planned Care Improvement emphasised the partnership approach being moved forward in this joint model of care. In response to the Committee's questions regarding performance, he agreed to provide a member briefing on Endoscopy services.</p> <p>FP21/31.3 The Committee questioned Point 2 of the six point recovery plan regarding patient communication and noted the progress being made however, the importance of this work was stressed.</p> <p>FP21/31.4 The Deputy Director FDU observed that there were only £4m plans in place to enable activity to be undertaken by year end in respect of the £10m WG additional funding provided and questioned how the gap would be addressed. Discussion ensued which highlighted the effect that the YG outbreak had on site activity, noting that daily meetings were taking place to address this concern. Following concerns raised by the Committee, the Chief Executive advised that she would be in discussion with the WG Regional Programme Director to explore flexibility on the resources outlined in order that BCU could do the right thing for the people of North Wales. She also highlighted the well constructed plans that were in place in respect of Ophthalmology and Urology.</p>	<p>AK</p> <p>AK</p>

<p>FP21/31.5 The Committee emphasised the need to ensure expectations were managed with partners and acknowledged the fatigue of staff in dealing with the continuing pressures of the pandemic.</p> <p>FP21/31.6 In response to the Committee, the Interim Head of Planned Care Improvement advised that the deterioration in activity had been as a result of the outbreaks, he also confirmed that orthopaedic surgeons were being utilised to their best potential whilst theatre activity had been reduced. Clarity was also provided that the STW activity was based on volume.</p> <p>FP21/31.7 Discussion ensued on progress of the Diagnostic Treatment Centre (DTC) development in which the Executive Director of Nursing & Midwifery emphasised the different model of service and staffing being evolved for maximum benefit to patients. It was noted that the Executive Director of Planning and Performance would present the DTC Strategic Outline Case to March F&P Committee. The Chief Executive highlighted the importance of ensuring connectivity with the Board's other strategies which included clinical, estate and hospital site utilisation. The DTC case would also need to encompass other capacity challenges across north Wales.</p> <p>It was resolved that the Committee noted</p> <ul style="list-style-type: none"> • the deployment of the £1million single tender waiver as of 5.2.21 with approval of Welsh government and the Executive team • the progress to date of on-going plan and activities for the new financial year 21/22 • the continual pause of stage 4 activity and the end of year over 52 week forecast 	MW
<p>FP21/32 Unscheduled Care (USC) update</p> <p>FP21/32.1 The Interim Chief Operating Officer presented the report highlighting the continued challenges of working within a Covid19 environment.</p> <p>FP21/32.2 A series of actions being undertaken were outlined to address pre-hospital demand, demand & capacity in ED and flow & discharge which included alignment of Kendal Bluck findings, capacity and also value based healthcare work. Progress regarding Phone First and 111 implementation rollout was also noted within the report. In respect of the Stephen HARRY report it was noted that there had been positive clinician engagement and that additional WAST support would be available over a 9 week period to gain more traction in moving the improvements forward. The Board Secretary confirmed that progress of the 111 Service rollout was scheduled to take place at the Board's briefing session in March.</p> <p>FP21/32.3 In response to the Committee query regarding a potential rising cost pressures, it was noted that the cost per contact in relation to SICAT was being worked through. The Committee emphasised the need for unscheduled care to move to a more sustainable service.</p> <p>It was resolved that the Committee</p>	

<p>noted the unscheduled care performance for January 2021 across BCUHB and for each health community</p>	
<p>FP21/33 Capital Programme report Month 9</p> <p>FP21/33.1 The Assistant Director ~ Capital Planning joined the meeting to present this item. He provided background to the paused progress of the replacement Ablett Unit and advised that an alternative location was being explored on site, following refusal of the outline planning permission. In response to questions as to whether there was potential learning to be gained from public engagement, it was understood that the refusal was on account of local residents' perceptions of a mental health unit being sited close to their homes and therefore resubmission would not resolve their concerns, albeit that the planning submission process had been robust. It was noted that the housing of medical records, which were the subject of health & safety concerns, were continuing to be stored at the Tawel Fan building.</p> <p>FP21/33.2 In response to the Committee, the Assistant Director ~ Capital Planning gave assurance that the Capital Resource Limit would be achieved at year end and agreed to include capital spend as a cumulative graph to future reports.</p> <p>It was resolved that the Committee noted the report</p>	<p>NB</p>
<p>FP21/34 Finance report months 9 and 10</p> <p>FP21/34.1 The Executive Director of Finance presented and advised the key assurances to be:</p> <ul style="list-style-type: none"> ▪ Current month nil deficit reported and YTD small surplus position. ▪ Nil deficit position forecast for the year. ▪ Key financial targets for cash, capital and PSPP all being met. ▪ Savings delivery forecast increased by £0.7m. ▪ Continual rigorous reviews of forecasts being undertaken. <p>and areas for action as:</p> <ul style="list-style-type: none"> ▪ 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. ▪ £3.1m of COVID-19 funding required a detailed plan to be agreed, due to slippage on timing of the original forecast. ▪ Some English NHS providers were under performing on activity levels, which might result in contract clawbacks – this was being closely monitored. <p>FP21/34.2 The Month 10 position was £3.4m favourable variance to the £3.4m deficit plan, the year to date position was £30.2m favourable to the £30m deficit plan and the year-end forecast was to deliver a favourable balanced total against a £40m deficit plan. The Executive Director of Finance highlighted Income at a £10m adverse position against the budget of £106.6m and also drew particular attention to the increased £22.1m shortfall against £11.6m year to date savings target. There had been steady savings delivery and whilst behind plan BCU remained successful in comparison with other Health Boards in Wales.</p>	

<p>FP21/34.3 The Executive Director of Finance drew attention to the additional WG £10m allocation for which £6m improvements to Planned and Unscheduled care expenditure plans needed to be identified as well as the Covid19 position which would need to be clarified with WG. It was noted that reductions in pay costs were due to reduced planned care activity due to Covid 19.</p> <p>FP21/34.4 In discussion of the divisional positions, the Executive Director of Finance agreed to feedback regarding discrepancy on 500k variance change within Central division and the +ve/-ve fluctuating monthly performance of 'other North Wales' within the next finance report. She advised that expected clawback in relation to Covid19 funding would also be reported then.</p> <p>FP21/34.5 A discussion ensued on potential consequential losses regarding field hospitals and it was agreed that an update would be provided along with landlord positions, recognising the need for Mass Vaccination Centres would need to be addressed going forward. The Chief Executive advised that decommissioning, vaccination needs and surge would be explored further at Board level, having already been discussed with the Executive Team.</p> <p>FP21/34.6 In discussion of savings, the Executive Director of Finance asserted confidence in end of year delivery and highlighted BCU's encouraging savings performance in relation to other Health Boards. She reflected that the PMO and service improvement teams had been redeployed to support the Covid19 response which had been 'the right thing to do' even though it had affected delivery. It would be necessary to ensure next year's savings plans became woven into financial planning as dealing with Covid 19 became an integral part of healthcare services. More support for budget holders would also be required. The Executive Director of Finance stated it was an important message to emphasise that any activity which improved quality, improved cost.</p> <p>FP21/34.7 Discussion also ensued on Pay and volatility around Non-Pay costs. It was agreed that further detail would be provided in respect of additional £6m clinical supply costs. The Committee questioned whether there was any risk in respect of holiday pay and also whether there were opportunities to write down the deficit.</p> <p>FP21/34.8 The Committee requested that future reports include previous forecast position against latest forecast for comparison purposes. The Chairman requested that the Executive Director of Workforce and OD provide a report on Interim appointments to the next Remuneration and Terms of Service Committee.</p> <p>It was resolved that the Committee noted the report</p>	<p>SH</p> <p>SH</p> <p>SH</p> <p>SH</p> <p>SH</p> <p>SG</p>
<p>FP21/34.1 Forecasting update</p> <p>FP21/34.1.1 In response to the Chairman, the Executive Director of Finance advised that the effect of the new forecasting process would be noted at the end of the first quarter of the next financial year.</p>	

<p>FP21/34.1.2 The Deputy Director FDU agreed to share a format of detailed monthly dashboards which she believed could be useful in future monitoring.</p> <p>It was resolved that the Committee noted the report</p>	
<p>FP21/35 Savings Programme Update – Month 10 20/21</p> <p>FP21/35.1 The Executive Director of Finance advised that discussion was ongoing on the 2021 savings proposals and would be the subject of discussion at a Board workshop in March. The Committee questioned the level of benchmarking for opportunities that had taken place, in the discussion which followed it was noted this was being progressed and that the FDU were very supportive of the value based healthcare approach being undertaken. The Committee also questioned whether all of the Deloitte's opportunities had been considered. Potential savings on reduced numbers of units on sites would require much more discussion and understanding of the services.</p> <p>FP21/35.2 The Chairman reflected on BCU's current position, recognising the challenges that Covid19 had introduced and the timing of the commencement of a new Chief Executive to lead the organisation. However, he emphasised the need for coherent planning in preparation of the next operating plan. He requested a robust timetable be provided to both F&P and SPPHC on the submission dates of a fully integrated plan for consideration by both Committees in order to meet the Board and WG expectations for 2022/23/24 plans which would include consideration by F&PC before 21.1.22.</p> <p>It was resolved that the Committee noted</p> <ul style="list-style-type: none"> • the increase in savings programme value to £14.6m, with £14m (95%) assessed as amber or green risk. • savings delivered to date of £13.7m with a full year forecast of £17.3m • the forecast shortfall of £27.7m against the Board's target of £45m savings in year, with a recurrent shortfall of £34m • the ongoing work to develop the initial tranche of 2021/22 savings proposals, totalling £5.7m , submitted by Divisions and the methodology and timescale for the allocation of further savings requirements, as outlined in the Financial Plan. 	MW
<p>FP21/36 Workforce Performance report</p> <p>FP21/36.1 The Executive Director of Workforce and OD presented this report which set out the overall position in relation to workforce performance up to 31st January 2021 in relation to budgeted establishment, vacancy rates, sickness absence and other "unavailability", Covid19 staff cases and the staff vaccination position.</p> <p>FP21/36.2 The Executive Director of Workforce and OD referenced the need for the organisation's workforce strategy to be addressed as continuing at the same high volume rates would result in the same issues and challenges continuing. Recognising</p>	

<p>that even when the Covid19 pressure fell, indirect impacts would need to be understood, including the numbers of staff available, and much planning work was being focused on this area.</p> <p>FP21/36.3 A discussion ensued on staff and public expectations of healthcare services moving forward and the communication required. It was noted this narrative needed to be drawn out in the operational plan. Discussion also ensued on vacancy rates and recruitment, noting that there were pockets of nursing recruitment issues at certain sites which were being worked through by the Nursing & Midwifery and Workforce divisions.</p> <p>FP21/36.4 The Chairman was keen to understand staff wellbeing plans. It was agreed that the Executive Director of Workforce & OD would liaise with the Board Secretary to include staff wellbeing support in Organisational Development work being planned at future Board workshop</p> <p>It was resolved that the Committee noted the report</p> <p><i>The Chief Executive left the meeting</i></p>	SG/LB
<p>FP21/37 Presentation : Planning for 2021/4</p> <p>FP21/37.1 The Committee received a presentation setting out Planning for 2021/24 and the annual plan 2021/2 in context of a three year transformation plan. It was noted that the March workshop would provide a progressed form of the annual plan. The Committee raised a number of questions including whether risk around deficit recovery had been captured and when the specific targets would be known to assess affordability.</p> <p>FP21/37.2 In response to the Committee, the Executive Director of Planning and Performance stated that he was confident a final draft of the 2021/2 plan would be available for the Board to discuss at the end of March however there was more work to do in preparing a 3 year transformational plan.</p> <p>FP21/37.3 The Chairman acknowledged comments regarding lack of outcomes which had been voiced at the SPPHC however he was concerned regarding the current timeline for financial and planning integration as this affected the Board's ability to consider affordability. He stated that he had agreed with the Chief Executive that an additional meeting would be scheduled to follow the March F&PC meeting to address expenditure.</p> <p>FP21/37.4 Concern was discussed regarding potential inequity on how the organisation dealt with divisional budget delivery variances. The Chairman reflected on the points raised and agreed the discussion would be considered further at the Board workshop session.</p> <p>It was resolved that the Committee noted the presentation agreed the Executive Director of Finance would provide detail of how Deloitte's benchmarking opportunities previously identified will be dealt with.</p>	SH

<p>FP21/38 Monthly monitoring reports - Month 9 and 10</p> <p>It was resolved that the Committee noted the contents of the reports submitted to Welsh Government about the Health Board's financial position at months 9 and 10 2020/21.</p>	
<p>FP21/39 Shared Services Partnership Committee quarterly assurance report</p> <p>It was resolved that the Committee noted the report</p>	
<p>FP21/40 Documents circulated to Members between meetings</p> <p>It was resolved that the Committee received the following Internal Audit limited assurance reports on 25.1.21</p> <ul style="list-style-type: none"> • Delivery of Savings – Ysbyty Glan Clwyd Hospital • Recruitment – Medical and Dental staff 	
<p>FP21/41 Summary of private business to be reported in public</p> <p>It was resolved that the Committee noted the report</p>	
<p>FP21/42 Issues of significance to inform the Chair's assurance report</p> <p>To be agreed outside the meeting</p>	
<p>FP21/43 Date of next meeting</p> <p>25.3.21</p>	
<p>Exclusion of the Press and Public Resolution to Exclude the Press and Public "That representatives of the press and other members of the public be excluded from the remainder of this meeting having regard to the confidential nature of the business to be transacted, publicity on which would be prejudicial to the public interest in accordance with Section 1(2) Public Bodies (Admission to Meetings) Act 1960."</p>	