

**Betsi Cadwaladr University Health Board (BCUHB)**  
**Confirmed Minutes of the Performance, Finance and Information Governance**  
**Committee (PFIG)**  
**held in PUBLIC on 25 June 2025**  
**in the Boardroom, Carlton Court, St Asaph and via Teams**

<b>Committee Members Present</b>	
<b>Name</b>	<b>Title</b>
Gareth Williams	Vice Chair (Chair of PFIG Committee)
Rhian Watcyn Jones	Independent Member
Prof Mike Larvin	Independent Member
Chris Lothian-Field	Independent Member
<b>In Attendance</b>	
Tehmeena Ajmal	Chief Operating Officer
Russell Caldicott	Executive Director of Finance
Dyfed Edwards	Chair
Nick Graham	Associate Director of Workforce Optimisation
Dave Harries	Head of Internal Audit
Stuart Keen	Director of Environment and Estates
Justine Parry	Assistant Director of Compliance and Business Management
Carol Shillabeer	Chief Executive
Pam Wenger	Director of Corporate Governance
<b>Apologies</b>	
Jason Brannan	Deputy Director of People
Stephen Powell	Director of Performance and Commissioning
Dylan Roberts	Chief Digital and Information Officer
<b>Committee Support</b>	
Philippa Peake Jones	Head of Corporate Governance

<b>PRELIMINARY MATTERS</b>
<p><b>PF25.52 Welcome and Apologies</b></p> <p>The Chair welcomed attendees to the meeting and noted apologies.</p>
<p><b>PF25.53 Declarations of Interest</b></p> <p>There were no Declarations of Interest.</p>
<p><b>PF25.54 Unconfirmed Minutes of the Meeting held on 6 May 2025</b></p> <p>The minutes of the previous meeting were reviewed and agreed.</p>

It was resolved that the Committee:

- **AGREED** that the minutes of the meeting held on 06.05.25 were a true and accurate record.

### **PF25.55 Matters Arising and Action Log**

Matters arising included:

- An update on key barriers to improving performance
- An update on the use of Primary Care premises for minor procedures
- An update on Legal Services which was due to return to the meeting but will come to the next meeting noting that it had been shared with Audit Committee, via the Executive Committee whereby the team resources had been agreed

Action Log:

- The agenda item on the response to the Ministerial Advisory Group Report was deferred due to staff sickness and will return to the next Committee
- Russell Caldicott updated on the conversations ongoing in relation to Shared Services, noting that this would return once Alison Ramsey had confirmed a date for attending the Committee.

**Action:**

- Carol Shillabeer to share the key barriers information
- Share the value and sustainability work at the next Committee
- Have a substantive item on Legal Services at the next Committee

The Committee reviewed the action log and agreed to close the items suggested for close, also agreeing to combine action PF24/133.1 and PF24/107.1.

### **ITEMS FOR ASSURANCE**

#### **PF25.56 Finance Report**

Russell Caldicott presented the Finance Report and highlighted the following sections:

- 2024/25 Financial Year-End Position:
  - The Auditor General was expected to sign off accounts with the same outturn as presented in the draft end of year position, i.e. a £7.6 million deficit
  - The Health Board had secured £74.6 million of conditional recurrent funding as recurrent funding: a further £82 million would be allocated again as a non-recurrent allocation
  - The Health Board had met conditions including de-escalation and financial delivery.
- 2025/26 Year-to-Date Financial Position:
  - Month 2 shows a £6 million deficit
  - Driven by £4.5 million under-delivery of savings against £40 million target

- Savings delivery to date:
  - £13 million “green” (secure)
  - £20 million “red” or opportunity stage
  - £10 million gap remains
- Cost Pressures:
  - Mental Health Services, Continuing Healthcare, and capacity-related overspends.
  - Operational overspend approx. £1.7 million (under 1% of total expenditure).
- National Insurance (NI) Funding Risk
  - Relatively modest shortfall in NI funding from Welsh Government
- NHS Wales Context
  - £32–34 million risk remains across NHS Wales.
  - NHS Wales reporting £56 million overspend at Month 2: BCUHB accounted for £6 million of this compared to £12 million for
  - Cardiff & Vale: £12 million and £17 million for Swansea Bay.
  - Four Health Boards had been asked to resubmit financial plans.
  - Underlying financial risk across NHS Wales: £240 million
- Capital Programme
  - 2025/26 capital allocation: £48 million
  - Focus on avoiding March-end spending spikes and early profiling
  - £14 million reprofile being developed to de-risk year-end pressures
  - Lessons from 2024/25: earlier GRN processing and supplier engagement
- Workforce and Pay Pressures
  - - Concerns about:
    - Increase in WTEs across IHCs which was not fully understood
    - Lack of clarity on workforce establishment and reconciliation
  - - Reconciliation report being prepared to distinguish:
    - Posts funded from £82 million non-recurrent allocation
    - Posts reinstated from reserves
    - Permanent establishment growth
- Value & Sustainability Programme
  - Programme underpins £40 million savings target.
  - Workstreams include:
    - Biosimilars and medicines optimisation
    - Workforce redesign and skill mix
    - Foundations for the Future
  - Emphasis on shift from technical to allocative efficiency and value-based healthcare.

In discussing the report, the Committee:

- Congratulated the finance team for their good work, especially for achieving the control total despite the financial challenges.
- There was recognition that the savings delivery was supported by accountancy adjustments, but the overall result was still positive.

- **Non-Recurrent Funding:** There was a clarification that the £11.5m received in January was a recurrent allocation and would continue to be part of the financial mix going forward along with the £74.6m.
- **Alignment of Planning and Budget:** There was a discussion about the difficulty of aligning planning with budget structures due to the current opaque budget structure and the dominant role of the Integrated Health Communities (IHCs).
- It was noted that future work would be needed to reshape how the budget is presented to make it easier to link spending priorities: the importance of having a clear and transparent budget structure was emphasised and Foundations for the Future a key component of this delivery.
- **Planned Care Funding:** There was disappointment expressed about the inability to spend all the Planned Care funding provided by Welsh Government by year-end.
- The need to improve the procurement process to mobilise resources quickly was emphasised, alongside the importance of building in flexibility to enable extensions and variations to contracts.
- **Savings and Performance:** The savings target for the new year is challenging but should be deliverable.
- There was a discussion about the importance of starting early and maintaining momentum in delivering savings.
- **Capital Expenditure:** The small underspend in capital expenditure was noted, and there was a discussion about the need to avoid last-minute spending in the future.
- There was a recognition of the need for better utilisation of resources and the importance of aligning financial and operational performance and that going forward increased resources would need to be directed towards the prevention agenda and to supporting early interventions in Primary and Community Care.

It was resolved that the Committee:

- **RECEIVED** and **SCRUTINISED** the Report.

### **PF25.57 Integrated Performance Report**

Carol Shillabeer presented the report on behalf of Stephen Powell highlighting:

- Performance improvement is being embedded into the broader “Foundations for the Future” programme.
- A new integrated performance framework is under development, supported by Internal Audit, to support a more mature and systematic approach to performance management.
- The current report was acknowledged as showing a “picture” rather than telling a “story,” and efforts are underway to improve narrative and insight.
- Service reviews had recently taken place with the CEO Chairing them, the Committee noted that there was strong Executive attendance and that they would now be held quarterly, with interim touchpoints to maintain momentum.
- Corporate Directorate Performance reviews were scheduled to commence, these are being held every six months.
- Recent engagements with the Welsh Government included Joint Executive Team (JET) meetings, IQPD sessions, and specific focus areas such as cancer and urgent care

- In relation to People and Organisational Development PADR compliance was at 80%, indicating strong performance, there was a reduced turnover and agency spend and nursing vacancies had dropped significantly.
- In relation to Access and Planned Care, the long waiters had increased again, raising concerns and there was an imbalance between follow up appointments (over 544,000) compared to first outpatient appointments (100,000). The Committee noted that Workstream 5 had been launched to address follow-up inefficiencies. A 10% shift from follow-ups to new appointments could yield a 50% increase in new patient capacity.
- Urgent and Emergency Care (UEC) showed small improvements but the Committee noted that they had not been sustained. Concerns about winter preparedness and ambulance delays were highlighted and the normalisation of poor performance being a cultural issue.
- Cancer Pathways, there is a need to better balance resources between cancer and non-cancer urgent pathways and more detailed work is required to optimise cancer treatment pathways.
- Mental Health, Children's services were improving (but still below target) but Adult and Community mental health was showing mixed performance.

In discussing the report, the Committee made the following observations:

- That the overall message from the report was disappointing, with continued poor performance across almost all key targets which were within the Committee's remit
- However, progress had been made in terms of some key quality targets indicators, e.g. complaints handling where the Health Board was the best in Wales; incident reporting, inquest response times, and clinical coding.
- Clinical leadership engagement and innovation are key to improvement with potential examples shared such as community physiotherapy days and extended radiology hours.
- Structural and Strategic Challenges were highlighted such as fragmented services and lack of unified models (e.g., ophthalmology) and that there was a need for standardised, scalable systems.
- Going forward there needed to be a shift focus from activity reporting to demonstrating impact and outcomes.
- With regards to next steps the Committee suggested:
  - Prioritise a small number of high-impact initiatives.
  - Move from persuasion to instruction where necessary.
  - Strengthen clinical ownership of performance improvement.
  - A Board development session to align on ambition and strategy.

### Action

- Schedule a Board Development session to align ambition and strategy

It was resolved that the Committee:

- **RECEIVED** and **SCRUTINISED** the Integrated Performance Report.

### PF25.58 – Integrated Medium Term Plan

Item withdrawn, as there was no response as yet from Welsh Government.

### **PF25.60 – Health Board’s response to Ministerial Advisory Group (MAG) recommendations**

Item postponed

### **PF25.61 – Estates Strategy**

Stuart Keen gave a presentation on the development of an Estates Strategy highlighting:

- The agenda item was introduced as “Estates Rationalisation,” but it was clarified that effective rationalisation requires a robust Estates Strategy. The current strategy (2023–2033) needs review and realignment with the Integrated Medium Term Plan (IMTP) and broader organisational goals.
- The Estates Strategy is intended to be an enabler, not a prescriptive list of projects. It will align with clinical strategies, workforce and digital strategies, capital planning, risk management, and decarbonisation goals. The strategy will also support business case development and partnership working with housing associations, local authorities, and third-sector organisations.
- The existing strategy was described as too generic and not sufficiently aligned with service delivery or strategic planning. There are significant data gaps in understanding current estate usage across Integrated Health Communities (IHCs). A common approach to data collection and analysis is being developed.
- The revised strategy will be robust, enabling, and aligned with the IMTP. It will provide a strategic plan for estate management and rationalisation, support decarbonisation and climate resilience, facilitate integrated service delivery, and enable better use of capital and revenue resources.
- The target is to present the updated strategy to PFIG and the Board by Quarter 4 (March 2026). Interim steps include data collection and analysis, establishing a Delivery Board, and drafting and refining the strategy document.

In discussing the presentation, the Committee:

- Welcomed the strategic shift and praised the direction of travel. The previous strategy was criticised for being disconnected from service needs.
- Observed that disposal of surplus property was highly desirable but must be strategic and not opportunistic.
- Questioned whether there were missed opportunities from Section 106 Agreements.
- Raised concerns about outdated assumptions regarding agile working and excessive paper storage.
- Emphasised the need for partnership working with Local Authorities, Universities, Registered Social Landlords and Third Sector Organisations.
- Noted the need to avoid duplication of infrastructure across public services.

- Supported moving away from bespoke, high-spec buildings and embracing modular, flexible, and adaptable environments. Lessons should be learned from the 21st Century Schools Programme and International models such as those in Australia and New Zealand.
- Noted that the Estates Strategy will be integrated with the 10-year strategic plan, the new Strategic Planning and Service Change Subcommittee of the Executive Team, and the Foundations for the Future programme.

#### **Action**

- Receive further updates at future meetings.

It was resolved that the Committee:

- **NOTED and SUPPORTED** the development of the revised strategy

#### **PF25.62 – Corporate Services Financial Overview**

Russell Caldicott presented the Corporate Services Financial Overview and highlighted:

- That there had been significant growth in Corporate expenditure over the past five years and that the report aimed to benchmark corporate spending, identify trends, and inform future strategic decisions regarding resource allocation and efficiency.
- Corporate spend had increased from 4.3% to 5.17% of the total budget with an absolute increase of £55 million in corporate costs over five years.
- There have been 500 additional Whole Time Equivalents (WTEs) added to corporate functions.
- Benchmarking challenges due to inconsistent data across Health Boards
- Concerns raised about the sustainability and justification of Corporate growth.

In discussing the report, the Committee made the following observations:

- Concerns were raised over the scale of growth in corporate staffing and expenditure: there was evidence of significant 'banding inflation' as the cost of the establishment had increased by a significantly greater margin than could be accounted for by the increase in headcount and wage inflation.
- The average cost per WTE appeared very high: comparison with ONS data suggested that NHS corporate salaries were significantly above regional averages.
- There was a need for a strategic decision on the desired size and function of the corporate centre. It was noted that the organisation's structure may be contributing to inefficiencies and duplication but there was a need for proper establishment controls and job evaluation processes.
- The Committee received confirmation that changes were underway to standardise job evaluation and control banding inflation and that benchmarking across Wales was being pursued to provide a clearer picture of efficiency.
- That the findings needed to be integrated into the Foundations for the Future and the Value and Sustainability programmes.

- The Committee acknowledged the importance of corporate functions but stressed the need for efficiency, transparency, and alignment with organisational priorities. The report was welcomed as a starting point for deeper analysis and strategic decision-making.

### Action

- Further report on progress to the Committee with a refreshed position at the end of the calendar year

It was resolved that the Committee:

- **NOTED** the contents of the paper and further work to be undertaken within 'Foundations for Future' and the Value and Sustainability program (Workforce) in determining opportunity to deliver improvement and/or efficiencies

## ROUTINE REPORTING

### PF25.63 Corporate Risk Register

Pam Wenger presented the report highlighting:

- Due to the timing of the meeting, some of the entries were not fully populated and there were gaps in updates against some risk entries.
- The need to reprofile risks related to Planned Care and Urgent and Emergency Care (UEC), noting an upcoming Executive session to review risk tolerances and the effectiveness of mitigating actions.

Russell Caldicott provided an update on the financial sustainability risk, suggesting that the risk score could be downgraded due to improved financial performance, including the confirmation of the £74.6 million and £82 million allocations.

In discussing the report, the Committee made the following observations:

- There were concerns about the UEC risk, questioning whether the likelihood score should be higher given the clear gap between Welsh Government expectations and the Health Board's IMTP commitments and that the risk may have already materialized into a performance issue.
- There was a discussion around the distinction between risks and issues, emphasising the need to clarify whether the risk is about failing to meet expectations or about actual harm to patients. They noted that some risks may have already crystallised into issues, and that the current scoring may not reflect this reality.
- Concern was raised about risk action management, noting that many actions were being extended without clear rationale.
- The concerns were acknowledged noting that stronger Executive oversight was required and that efforts were underway to align Board reporting and ensure that changes to risk scores or actions are properly justified and documented.
- The Committee, while noting the huge improvement in risk management over the last two years, agreed that the current approach to risk management needed further refinement, particularly in distinguishing between risks and issues, and in ensuring that mitigating actions are meaningful and timely.

### Actions

- Executive session to review risk tolerances and action effectiveness.
- Reprofiled of UEC and Planned Care risks to reflect current performance realities.
- Clarification of risk verses issue definitions and appropriate categorisation
- Improved justification and documentation for changes to risk actions and scores to be included

It was resolved that the Committee:

- **RECEIVED** and **SCRUTINISED** the Report

## FOR INFORMATION

### PF25.64 Summary of Business to be Reported from Private

The Committee had previously considered the following matters in private session at the meeting held on 6 May 2025:

- Ty Glyder briefing - Community Dental Services
- Llandudno Othopedic Hub
- Recommission of the Substance Misuse Detoxification Service
- Wheelchair Service and Repair
- Endoscopy insourcing extension
- PETCT tender approval

It was resolved that the Committee:

- **NOTED** the report

### PF25.65 Cycle of Business and Committee Workplan

The Committee noted that work was ongoing to align the cycle of business with the IMTP. A request was made for colleagues to respond to the Committee Self Assessment to inform the Committee Annual Report.

## CLOSING BUSINESS

### PF25.66 Agree Items for referral to Board / Other Committees

Items for Referral to Other Committees

- People & Culture Committee: Corporate Centre Financial Overview.
- Planning, Population Health Partnerships Committee: Estate Strategy Presentation.

Messages for the Board

- Financial performance improving; savings delivery remains a key risk.
- Performance challenges persist, particularly in UEC; cultural and structural changes needed.
- Encouragement from progress on estate strategy and corporate services review.
- Risk Management processes under review to improve effectiveness.

### PF25.67 Agree Items for Chair's Assurance Report

The above items would be included in the Chair's Assurance Report.

**PF25/37 Review of meeting effectiveness**

It was agreed due to timing for colleagues to share any feedback outside of the meeting.

**PF25/38 Date of next meeting**

26 August 2025

The Committee agreed to move this meeting to the afternoon.

**Exclusion of the Press and Public**

*"Those 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."*