



**Minutes of the meeting of the
Performance, Finance and Information Governance Committee
held in public on 22.12.22 via Teams**

Present: John Cunliffe Richard Micklewright Linda Tomos	Independent Member / Committee Chair Independent Member Independent Member
Neil Bradshaw Nick Graham Lesley Hall Gill Harris Nick Lyons Molly Marcu Rob Nolan Dylan Roberts Chris Stockport Edward Williams Angela Wood Diane Davies	Assistant Director Finance – Capital (part meeting) Associate Director Workforce - Planning and Performance Associate Director Workforce – Employment Practices Interim CEO/ Executive Director Integrated Clinical Delivery (part meeting) Deputy CEO / Executive Medical Director (part meeting) Interim Board Secretary Finance Director – Commissioning and Strategy Chief Digital and Information Officer (part meeting) Executive Director Transformation and Planning Deputy Director Performance (part meeting) Executive Director Nursing & Midwifery Corporate Governance Manager / Committee Secretariat
Observing Andrew Doughton John Gallenders Dave Harries Michelle Jones	Audit Wales Independent Member Head of Internal Audit Head of Financial Reporting

Agenda Item Discussed	Action By
PF22/176 Apologies Apologies were received on behalf of Sue Green, for whom Lesley Hall and Nick Graham deputised, and Phil Orwin.	
PF22/177 Declarations of Interest No declarations were received	
PF22/178 Draft minutes of the previous PFIG Committee meeting held on 27.10.22 The minutes of the meeting were approved <i>subject to addition of sentence</i> “ It was understood that the IMTP process was scheduled to be discussed at the next Partnerships, People and Population Health Committee meeting.” at PF22/140.	
PF22/180 Matters arising and table of actions	

<p>There were no matters arising from the minutes. The table of actions was updated and closed actions agreed.</p>	
<p>PF22/181 Report of the Chair</p> <p>The Committee Chair advised that it had been necessary to reduce and prioritise agenda items, recognising the current pressures in regard to personnel, industrial action and winter pressures. A number of deferred items would be discussed at the January or February meetings.</p>	
<p>PF22/181 Report of the Lead Executive</p> <p>None.</p>	
<p>PF22/182 Finance report month 8</p> <p>PF22/182.1 The Finance Director – Commissioning and Strategy advised the Month 8 position to be £160.8m against plan of £158.9m i.e. being £1.9m adverse and the year to date position to be £1,274.4m against the plan of £1,268.1m ie being £6.3m adverse. The projected forecast position, subject to inflationary risk and receipt of WG Strategic Support and planned care monies, was reported as £10.0m deficit. In regard to Savings, the in-month position was reported as £9m against target of £2.4m i.e. £6.6m favourable and the year to date being £20.2m against target of £13.6m i.e. £6.6m favourable. However, the year end savings forecast was reported as £25.4m, including pipeline savings, against the target of £35.0m i.e. £9.6m adverse.</p> <p>PF22/182.2 The Finance Director – Commissioning and Strategy reported that a Savings review had taken place which had set more realistic delivery targets which are in line with other Health Boards, albeit many were non-recurrent. He highlighted a shortfall in payroll funding which had been met through slippage of English provider contracts. The year on year growth of nurse and medical agency spending was highlighted as a significant continuing cost pressure for the Health Board. Current operational pressures had reduced momentum in addressing these issues however, whilst Integrated Health Community draft plans had been submitted, savings plans would be prioritised in the new year. It was noted that an internal audit of Savings had been undertaken, and was in the process of being reviewed for factual accuracy. The Committee members were informed that the draft rating of this report was ‘no assurance’. The Finance Director – Commissioning and Strategy highlighted some actions were currently underway to address the gaps, and commented on potential benefits for centralised accounting. Some of the key findings in the report included issues identified in relation to the failure to remove VERS savings (agreed previously at the Remuneration and Terms of Service Committee prior to the end of the 2021/22 financial year, and carried forward into the 2022/23 budgets), as well as the nature of reporting of the annual savings target, which was inconsistent with the actual balance on the ledger of £48m. The Finance Director – Commissioning and Strategy stated that the approach to the reporting on savings was consistent with the 2022-23 planning framework and how the Health Board had treated savings in previous years, including how Divisions are expected to manage savngs not delivered from previous years. The Committee debated what was the best approach to dealing with savngs not delivered from previous years and agreed there was no simple answer.</p>	

<p>PF22/182.3 The Interim CEO stated that an improved and robust process would be introduced to ensure appropriate decisions agreed through the Remuneration and Terms of Service Committee where monitored for implementation, with oversight arrangements in place to detect variation from agreed actions. She advised that WG had informed BCU that day, that it would provide no more than £5m in strategic cash support.</p> <p>PF22/182.4 A discussion ensued on non-delivery of savings. The Finance Director – Commissioning and Strategy and Executive Director of Transformation and Planning concurred that the transformational approach being introduced would result in recurrent savings, albeit at a slower delivery pace than necessary due to the cultural changes which were also being addressed. It was noted that a control total approach would be very beneficial. In response to the Committee, it was advised that processes to deal with financial delivery underperformance would be a priority area on commencement of an Interim Executive Director of Finance in the new year, along with addressing accountabilities and providing support. Following discussion on resource management it was agreed that the Interim Board Secretary and Finance Director – Commissioning and Strategy would work together to provide a proposal on how ‘Governance and Accountability Framework’ would be addressed as part of the response to the savings internal audit review.</p> <p>PF22/182.5 In response to the Committee, the Executive Director of Nursing and Midwifery confirmed that work was being undertaken to attract more nurses to substantive roles rather than choosing agency employment. She also advised that agency staff authorisation was now required to be issued by herself or either of her 2 deputies in order to support the right staff being in place at the right time and in accordance with nurse staffing requirements.</p> <p>PF22/182.6 The Finance Director – Commissioning and Strategy agreed to address a number of typographical errors in the report and cover. It was agreed that he would liaise with the Interim Board Secretary to address the issues raised by Internal Audit within the next Savings report.</p> <p>PF22/182.7 In regard to the Capital Programme it was noted that the Cost Advisors (CA) of the Wrexham Continuity Phase 1 programme had advised that the target costs had risen substantially from £46.486m to £54.194m. In the CA’s opinion this was due to the current economic crisis and market instability with the Ukraine conflict. In addition, significantly higher tenders had been submitted in regard to the Plas Gororau programme which would be considered in the later private session.</p> <p>It was resolved that the Committee noted the report</p>	<p>MM/RN</p> <p>RN</p>
<p>PF22/183 Presentation Recovery Programme : Savings 23/24 Summary</p> <p>PF22/183.1 The presentation encompassed :</p> <ul style="list-style-type: none"> • Transactional Pipeline Opportunities – Short Term • Ring Fenced Allocations – Funds Allocated and Current Slippage in 22-23 • Savings Plan 2023-24 - DRAFT • Transformational Savings 	

<p>It was noted that there would be significant challenges in the coming year which would continue to be monitored.</p> <p>It was resolved that the Committee noted the presentation</p>	
<p>PF22/184 Financial Control monitoring plan update</p> <p>PF22/184.1 The Committee considered the report and received confirmation that a number of specific actions were being progressed. In discussion of improving the format of the next report, the Interim Board Secretary recommended the incorporation of a risk assessment procedure to inform a robust assessment of progress, with associated RAG ratings. She advised that the Scheme of Reservation and Delegation would be reviewed regularly as part of a process of continuous improvement which would be subject to Audit Committee monitoring.</p> <p>PF22/184.2 The Committee raised a number of questions. In regard to Audit Wales (AW) feedback received, the Finance Director – Strategy and Commissioning advised that no concerns had been expressed however, AW capacity would need to be explored in regard to the transactions review. In regard to the previous year’s unqualified accounts, it was understood that the Interim Executive Director of Finance, on appointment, would undertake an assessment on progress made in reducing the level of uncertainty on the opening trade creditors balance, which had formed the basis of the prior year’s qualification. He also reported that finance staff were undertaking their work with great caution and there was no current slippage.</p> <p>PF22/184.3 It was agreed that the Interim Board Secretary and appropriate Finance Director would work together to ensure the report was reformatted and relevant feedback included in regular reports to be scheduled for submission to the Committee.</p> <p>It was resolved that the Committee noted the report</p>	<p>RN</p> <p>RN/MM</p>
<p>PF22/185 Presentation : Financial Planning and Budget setting: Allocation update</p> <p>PF22/185.1 The Committee was disappointed that the Welsh Government (WG) allocation was yet to be advised to Health Boards, as the Board’s discussion and planning would be extremely challenging.</p> <p>PF22/185.2 Attention was drawn to Covid 19 financial support reductions, energy costs and inflation, which included a few downward forecasts due to the changing economic climate. It was noted that different ways of working arising through the pandemic required further exploration and that any potential unpredictable surges in covid cases could also affect agency costs.</p> <p>It was resolved that the Committee noted the presentation</p>	

<p>PF22/186 Transformation and Improvement Plan</p> <p>PF22/186.1 The Executive Director of Transformation and Planning presented the report. He advised that whilst Red status schemes were reducing, they were not at the preferred pace and Amber schemes were expected to progress to Green within 4 months. None were currently reporting at Green due to the level of programme maturity. He also reported that Senior Responsible Officers (SROs) were mostly expected to change shortly to ensure capacity to discharge their responsibilities.</p> <p>PF22/186.2 The Executive Director of Transformation and Planning reported confidence in implementing and integrating the pathways under development as much cultural work had been undertaken. He emphasised the importance of quantifying the benefits realisation that the new processes would deliver. He stated that the Portfolio Direction Group would be focussed initially on areas of greatest return.</p> <p>It was resolved that the Committee noted the report</p>	
<p>PF22/187 Quality and Performance report</p> <p>No questions were raised by the Committee, however it was pleased to note some improving positions within the report.</p> <p>It was resolved that the Committee noted the report</p>	
<p>PF22/189 People (Workforce) report</p> <p>PF22/189.1 The Associate Director Workforce - Planning and Performance presented the report. In discussion of agency usage he highlighted that the financial cost was rising and not the numbers of actual personnel. Improved resource management planning involving medical and nursing staff was being focused on with the appropriate teams. The Chair of the Partnerships, People and Population Health Committee requested that this issue be referred to the PPPH Committee to consider the impacts on workforce strategy and reporting within its remit.</p> <p>PF22/189.2 In response to the Committee, the Associate Directors Workforce present advised that the level of staff turnover (9.4 to 12.4%) was comparable with other Health Boards in Wales, however BCU also included groups of aging workforce, such as within nursing. Assurance was provided that 'reason for leaving' data was recorded as part of the staff leaving process.</p> <p>PF22/189.3 It was agreed that the report should retain the existing format however the Associate Director Workforce Planning and Performance agreed to ensure more detailed information on Workforce Optimisation in future reports.</p> <p>It was resolved that the Committee noted the current performance position provided and provided feedback for future reporting</p>	SG

PF22/190 Date of next meeting 19.1.23	
Exclusion of the Press and Public It was resolved 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.	