



Finance & Performance Committee
Minutes of the meeting held in public on 23.5.19
in Carlton Court, St Asaph

Present:

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

In Attendance:

Mr Neil Bradshaw	Assistant Director Strategy- Capital (<i>part meeting</i>)
Ms Deborah Carter	Acting Executive Director Nursing and Midwifery (<i>part meeting</i>)
Mrs Kate Dunn	Head of Corporate Affairs
Mrs Sue Green	Executive Director Workforce and Organisational Development (OD)
Mr Michael Hearty	Independent Finance Adviser
Ms Sue Hill	Interim Executive Director of Finance Director
Mr Geoff Lang	Turnaround Director
Dr Evan Moore	Executive Medical Director (<i>part meeting</i>)
Dr Jill Newman	Director of Performance (<i>part meeting via VC</i>)
Mr Tony Uttley	Interim Financial Director – Operational Finance
Mr Mark Wilkinson	Executive Director of Planning & Performance
Ms Emma Wilkins	Financial Delivery Unit
Mr Ed Williams	Head of Performance Assurance (<i>part meeting</i>)

Agenda Item Discussed	Action By
<p>FP19/95 Apologies for absence</p> <p>FP19/95.1 No apologies for absence were received although it was noted Mrs D Carter would need to leave the meeting at an early stage.</p> <p>FP19/95.2 The Chair welcomed everyone to the meeting and introduced Emma Wilkins from the Financial Delivery Unit. He also informed the Committee of a recent conversation with Welsh Government (WG) which indicated the Board would be encouraged to focus more on delivery of the plan and that the special measures framework and meetings would be reviewed.</p>	
<p>FP19/96 Declaration of Interests</p> <p>None declared.</p>	
<p>FP19/97 Unscheduled Care and Building Better Care report and SICAT presentation</p> <p>FP19/97.1 The Interim Executive Director of Nursing & Midwifery presented</p>	

the paper which provided an update on the Board's Unscheduled Care performance and the Building Better Care Programme. She highlighted with disappointment a deterioration in the March performance but added that recent data offered a more positive picture in terms of the 4 hour target and ambulance waits. In terms of the breaches for children and young people it was highlighted that a 'deep dive' was being undertaken to understand the reasons for a sudden increase in breaches. In terms of what more could be done, the Interim Executive Director of Nursing & Midwifery noted the importance of understanding the challenges around delayed transfers of care from community hospitals and lengths of stay. In response to a question from the Chair, she assured the Committee that she was clear that the Board was implementing the right plan but it would take time to deliver a significant improvement in performance.

FP19/97.2 A discussion ensued. Using Chart 2.0 on page 5 of the paper as an example, a member raised a point of clarity in how performance was shown as red or green and it was felt there were inconsistencies in terminology such as 'target' and 'trajectory', which would be clarified. The Chair noted that the SICAT model appeared to be working well. It was confirmed that there was now a full complement of staff within the model and that a business case would be developed within the second quarter. The Chair noted a variation in the care home numbers and suggested that as part of addressing this with Local Authorities and the Area Teams, contact be made with Morwena Edwards (Associate BCU Board Member and Director of Social Services). The point was also made that appropriate engagement with the third sector was essential to maximise the ability to deliver improvements within community services.

[Dr E Moore left the meeting]

FP19/97.3 The Chair referred to a potential review of frequency of special measures monitoring meetings with WG and that this made it paramount that the Committee fully discharged its terms of reference and remit. He felt that the breadth and size of the agenda and papers provided challenges in this regard. He requested that all reports had an executive summary and that their verbal presentation to the Committee be succinct. He also asked officers to consider whether the Committee meetings could run simultaneously with the Savings Programme Group, if the Committee agendas were organised so as to allow decision, assurance and information agenda items to be taken in order. The Interim Executive Director of Finance undertook to consider these suggestions at the agenda setting meeting.

It was resolved that the Finance and Performance Committee note:

- i. The performance challenges for April and actions being undertaken to address these in May
- ii. The achievement against the 90 day measures and how use of the 90 day plan methodology is driving improvement and change.
- iii. The ongoing risks associated with delivery of the Building Better Care programme and continuing challenges with flow and ED

[Mrs D Carter left the meeting]

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<p>FP19/98 Draft minutes of the previous meeting held on 24.4.19 and summary action plan</p> <p>FP19/98.1 The minutes were approved as an accurate record pending the following amendment: Amend FP19/73.4 to read “FP19/73.4 In discussion on the reporting of savings progress to the Committee, it was agreed that the turnaround director would circulate weekly updates to members. With regards to financial and service planning for 2020/21, the Finance Director – Operational Finance and the Executive Director of Planning and Performance would work together to agree milestones and a timetable. It was noted that work had taken place to put together the building blocks of a governance structure to drive through change. The Independent Financial Advisor emphasised the need to pick up pace at the beginning of the financial year.”</p> <p>FP19/98.2 Updates were provided to the summary action log.</p> <p><i>[Dr E Moore re-joined the meeting]</i></p>	
<p>FP19/99 Savings Programme Group (SPG) Update from meeting held 23.5.19</p> <p>FP19/99.1 The SPG Chair provided a verbal update from the meeting that had been held that morning. He summarised that there was a general under-delivery of savings plans, concerns around continuing health care and nurse staffing and a number of issues relating to the follow up of actions. The group expected to see an improvement in month 2. The group had had a significant discussion around Ysbyty Glan Clwyd (YGC) where there was already a financial gap and a low level of confidence in the ability to develop savings plans to mitigate this gap. The group had also received an update from PWC but no firm numbers had been shared as of yet.</p> <p>FP19/99.2 A discussion ensued. Members sought assurance that sufficient financial control and grip was in place to deliver the required savings. The Independent Finance Adviser suggested there was a level of assurance around getting to the £31m forecast and that plans were in place, but he was not confident of there being sufficient capacity and ability to get to the £35m and that it was a significant risk to be in this position at Month 1. He advised that the organisation should be considering some short injection of support to this delivery.</p> <p>FP19/99.3 The Committee Vice-Chair noted that he felt the Divisions were working separately to identify the majority of the savings plans and that more BCU-wide solutions needed to be found. The Executive Director of Workforce & OD added that to achieve this there would need to be improved consistency in managing the accountability of both individuals and teams. Members remained concerned that the accountability reviews were not as joined up as they should be, and that specifically the attendance of Hospital Directors at</p>	

<p>key meetings needed to be firmed up.</p> <p>FP19/99.4 Members set out their concerns around the pace and urgency. The Independent Finance Adviser sensed a change in finance culture and that the number one priority needed to be to stop over spending and to agree a robust savings plan. The Chair felt that more urgently, the organisation needed to be in a position within the next ten days where it was able to clearly articulate the plans for YGC and be assured that these were accepted and understood by the Area Director (Centre).</p> <p>FP19/99.5 It was confirmed that the action plan had been considered against the savings plan at the SPG meeting earlier that day, however, the timeline was not as well defined or timely as required. The Turnaround Director indicated that there was a duplication between the £7m pipeline schemes and what was already within the plan and whilst this would be managed it did introduce an element of risk. He added that a large proportion of the £7m was related to efficiency and productivity within secondary care and whilst this was the right area to focus upon it was made more challenging due to referral to treatment (RTT) and elective care pressures. The Chair added that whilst service improvement would have associated costs, it was the right thing to do in terms of quality of care and service delivery, accepting it will affect the financial position. The Executive Director of Workforce & OD noted that there was a need to manage invest to save plans with rigour. The Independent Finance Adviser was keen to avoid developing separate views by BCU and PWC. The SPG would wish to receive a single agreed position together with quantification of grip and control by its next meeting.</p> <p>FP19/99.6 The SPG Chair concluded by drawing Committee members' attention to further changes within the terms of reference for the SPG which had been made to reflect the status of the SPG as a group and not a formal sub-committee.</p>	
<p>FP19/100 Cycle of Business 2019/20</p> <p>FP19/100.1 The Interim Executive Director of Finance presented the revised cycle of business which had been strengthened in terms of reporting on RTT, Welsh Government returns and PWC.</p> <p>FP19/100.2 Members suggested the following revisions:</p> <ul style="list-style-type: none"> • The Chair wished to see plan and budget for 2020/2021 available by the end of December. • The Turnaround reports should also be scheduled for August and September. • Consideration be given to more frequent scheduling for RTT and associated expenditure reports <p>It was resolved that the Committee agree the draft Committee Cycle of Business 2019/20 pending the addressing of comments set out above.</p>	SH

FP19/101 Finance Report Month 1

FP19/101.1 The Interim Executive Director of Finance presented the report which highlighted that at the end of Month 1 the Health Board was overspent by £3.8m with £2.9m of this relating to the planned deficit and £0.9m representing an adverse variance against the draft plan. The current forecast for the savings programme showed a shortfall of £6.3m against the £25m cash releasing target and a shortfall of £6m against the £9.5m cost avoidance target. Members' attention was also drawn to the detailed appendix around pay expenditure.

FP19/101.2 A discussion ensued around RTT funding as summarised in Table 6.1 which showed expenditure by area and specialty. Members were keen to be able to see the impact of this expenditure and to understand variances in performance. Differing opinions were offered as to the frequency of reporting and the ability of reporting of trajectories and activity. The Director of Performance suggested that once the profiles were signed off at the end of June it would be easier to align the finance to activity plans. The Independent Finance Adviser suggested that given the level of complexity a bespoke reporting product was required. The Chair requested that officers work outside of the meeting to develop such a product.

FP19/101.3 The Interim Executive Director of Finance referred members to Table 11.1 of risks and opportunities and that agreement had now been reached regarding the English tariff which would mean a level of cost pressures for BCUHB which were the subject of ongoing discussions with WG. The Executive Director of Workforce & OD referred to the Appendix regarding pay expenditure and highlighted that outliers had been identified and were being addressed. She confirmed that a paper on recruitment was being prepared for the next Committee meeting. The Chair raised a query around locum expenditure and the Interim Executive Director of Finance drew members' attention to section 4 of the paper which set out key points pertaining to locum and agency costs. It was noted that Wrexham Maelor Hospital was the only acute hospital to have reduced spend significantly and sustained the improvement. There was a need to understand this and whether there would be an impact on performance or an increase in waiting lists as a result.

FP19/101.4 The Independent Finance Adviser referred to Table 3.2 (financial performance by division) and suggested that there be further investigation into the variances in secondary care and mental health which were being reported only one month into the new financial year. He commented that the Committee needed to know whether the variances were due to the wrong financial plan having been set or whether there were exceptional circumstances in-month. He also commented that the Mental Health & Learning Disabilities (MHLDS) Division had previously responded that the investment in leadership across the Division had added costs, however, the question should be asked whether the investment had worked if the Division continued to overspend. Finally he commented that the format of the finance report was much improved. The Chair sought assurance that the Executive

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<p>Team were asking these challenging questions of budget holders.</p> <p>It was resolved that the Committee note the report including the forecast position of £35.0m deficit.</p>	
<p>FP19/102 Non Pay Costs 2018/19</p> <p>FP19/102.1 The Interim Executive Director of Finance presented the paper which provided a summary of non pay expenditure for the previous financial year, which had overspent by £13.0m. She noted that where there was additional income it was offset against expenditure but this did not come through in the reporting and this was being addressed to ensure more discipline around allocation management. In terms of governance around budgets she confirmed there was now more awareness amongst budget holders of their role to challenge within Standing Financial Instructions and to scrutinise any decision that had a cost impact. A question was asked regarding budget manager training and the Executive Director of Workforce & OD indicated that certain budget management skills would be essential requirements for such post holders but actual processes differed across organisations. Therefore there would be learning requirements for individuals coming into the organisation. The Chair raised a point regarding training costs and it was confirmed there was not a single training budget within BCUHB and that not every cost centre would have a training element.</p> <p>FP19/102.2 It was agreed that the Interim Executive Director of Finance would look further into non-pay expenditure to ensure more grip and control, robust internal management of budgets (including training) and to understand the extreme variances. A further report would be made back to the Committee in due course.</p> <p>It was resolved that the Committee note the report</p>	<p>SH</p>
<p>FP19/103 Turnaround Programme Savings Report – Month 1 2019/20</p> <p>FP19/103.1 The Chair noted that this report had been considered by the SPG earlier that day and on that basis he did not intend to invite discussion at the Committee.</p> <p>FP19/103.2 It was resolved that the Committee –</p> <ul style="list-style-type: none"> • Note the increase in savings schemes developed and the improved risk profile over the previous month’s report • Note the residual gap in amber / green risk assessed schemes of £9.78m in cash releasing savings and £16.8m in total savings • Note the impact of the shortfall in savings identification against the budgetary plan of £0.74m in month1. • Note the achievement of savings of £1.135m in month 1, which is £69k above profile. • Note the work ongoing with PWC to finalise schemes in development and identify further savings to meet the plan requirements by the end of May. 	

<p>FP19/104 External Contracts Update</p> <p>FP19/104.1 The Chair invited members to comment on the paper. It was felt the format was much improved but the content raised several quality and safety issues which the Quality, Safety & Experience (QSE) Committee were not necessarily sighted upon, and a mechanism to establish this link was required. A comment was made regarding contract turnover and whether model contracts could be utilised. In terms of communication with GPs concerning the Countess of Chester contract issue it was accepted there was a need for ongoing conversations via the Area Directors. An observation was made by the Independent Adviser that with the volume of contracts across the organisation there would be savings that could be made.</p> <p>It was resolved that the Committee note the financial position on the main external contracts at March 2019 and to note the work underway in respect of stabilising wider health / patient care contracts and key risks / related activity.</p>	SH
<p>FP19/105 Countess of Chester Hospital update</p> <p>It was resolved that the Committee note the update provided.</p>	
<p>FP19/106 Capital Programme report Month 1</p> <p><i>[Mr Neil Bradshaw joined the meeting]</i></p> <p>FP19/106.1 The Executive Director of Planning & Performance presented the paper, highlighting there had been low levels of capital expenditure so far in the financial year. He drew members' attention to Table 2.3 which had been revised to try and orientate the discretionary capital more clearly under strategic headings.</p> <p>FP19/106.2 A discussion ensued. A question was raised regarding the All Wales Emergency Department Information Systems scheme which was showing as red. The Assistant Director Strategy (Capital) confirmed the status had not changed since the previous report and progress was dependent on an all Wales system. The Chair enquired regarding the development of businesses cases in support of the orthopaedic plan and the Assistant Director Strategy (Capital) confirmed that initial priorities had been identified. The Chair asked that the Committee continue to be sighted on progress. With regards to the timeline for the Ablett redevelopment and medical records in central, the Assistant Director Strategy (Capital) confirmed he was on both project groups to ensure timescales aligned.</p> <p>It was resolved that the Committee receive this report.</p> <p><i>[Mr Neil Bradshaw left the meeting]</i></p>	
<p>FP19/107 Integrated Quality and Performance report including Three Year Outlook and 2019/20 Annual Plan: Monitoring of Progress against Actions</p> <p><i>[Mr Ed Williams joined the meeting]</i></p>	

FP19/107.1 The Executive Director of Planning & Performance presented the April paper and highlighted that there were 21 measures without trajectories in the report, 3 of which were accounted for under the separate RTT paper. A further 3 had been completed since publication of the Committee papers and the remaining measures were new for 2019-20 and had only recently been confirmed. He drew attention to Slide 10 which summarised the areas of most concern which were Emergency Department waits, RTT, diagnostic waits and follow up backlog. It was noted that the diagnostic waits over 8 weeks related to endoscopy and a business case was in development to provide sustained investment to address the backlog. In the meantime, additional capacity was being commissioned. In terms of the follow up backlog it was confirmed that the QSE Committee had received a detailed report on 21.5.19. The Director of Performance added that key performance indicators had also been mapped to annual operational plan actions and aligned to both the F&P and QSE Committee terms of reference.

FP19/107.2 A discussion ensued. A general concern was raised that primary care data was patchy and there was a lack of narrative against poor performance. The Executive Director of Planning & Performance accepted there were challenges in improving the quality of this data. He indicated that local improvement groups had been asked to identify what they felt would be most relevant to include, and there were national conversations also. He would hope to be able to present improved datasets and narrative to the July Committee. The Executive Director of Workforce & OD drew attention to Slide 35 which detailed the risks to achieving the sickness absence target of 4.2% by September 2019, and the view that it was deliverable by March 2020. The Chair raised a point around differences in the planned care profiles and it was reported that there were seasonal variations and historical patterns. In terms of RTT whilst resources had been committed to support this, there was not yet the ability to produce a forecast for the end of June, and the priority was to agree core capacity and review what had been commissioned. The Chair suggested that if there was no visible improvement next month, the Committee should expect a whole new level of approach. With regards to stroke it was confirmed that a paper was going to the Executive Team, and the Chair requested this be discussed at the F&P Committee thereafter.

FP19/107.3 The Executive Director of Planning & Performance went onto to refer to the second paper which demonstrated progress against the annual plan actions, as assessed by the relevant Executive Directors. A discussion took place regarding the definition of the RAG status and a concern that potentially a target could be green for 11 months as 'on target' and then turn red at month 12. It was noted the control for this was executive team scrutiny, however, it would be thought through as to whether an additional quarterly layer could be built in. Members also suggested that trigger points be incorporated to assure the Committee that key milestones were in place to deliver by the actual end date. The Executive Director of Planning & Performance would reflect on the comments made in terms of strengthening the language, terminology and structure of the report including reference to

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<p>pilot studies and their role to establish whether functionality was there. The Chair acknowledged the level of input that the Executives had had into the plan and that he was more confident around delivery, but flagged that any departure from delivery would trigger additional scrutiny.</p> <p>It was resolved that the Committee note the report.</p>	
<p>FP19/108 Referral to Treatment (RTT) 2019/20 Development Plan</p> <p>FP19/108.1 The Executive Director of Planning & Performance presented the paper which detailed the progress in developing the RTT plan for 2019-20 including the work on demand and capacity and service gap identification. The paper outlined services which were sustainable and those that required support to eliminate backlogs and investment to move to sustainability at 36 week delivery. He highlighted that there were six specialties currently without a plan to get to the desired year-end position, and that gastroenterology and dermatology were the most challenged. The Executive Director of Planning & Performance set out the approach being taken to firstly reach an agreed statement of core capacity for the organisation; secondly to test these out; thirdly to understand the additional investment made and the activity that was commissioned; and finally to ensure the most challenged specialities were moved onto a clear planned position.</p> <p><i>[Mr E Williams left the meeting]</i></p> <p>FP19/108.2 A discussion ensued. In response to a request for more detail, the Director of Performance explained that within the single cancer pathway the main pressure was diagnostics where demand was already tight. She confirmed that these patients would be clinically prioritised above others which could potentially adversely affect other targets. With regards to the Eye Care Measure booking would commence in June and this would mean that the follow up backlog would reduce and the clinical risks be resolved but capacity for other patients would be adversely affected. With regards to the commitment to sign off core capacity plans by the end of May it was confirmed this was still the intention with a profile paper being provided to the June F&P Committee. The Chair made reference to the stated risk to delivery that the service gap may be lower or higher than expected and that this risk was being magnified by replication across three sites. The Executive Director of Planning & Performance indicated this was a longer term timeframe relating to PAS and the potential for single booking was being explored.</p> <p>It was resolved that the Committee :</p> <ul style="list-style-type: none"> • Note the work underway and timescale for completion of the RTT plan and risks associated with delivery. • Acknowledge that WG is requesting the Board to continue with RTT activity at financial risk while the plan is finalised. 	<p>MW</p>
<p>FP19/109 Workforce Intelligence quarter 4 report</p>	

<p>FP19/109.1 The Executive Director of Workforce & OD presented the paper, noting that the data was from March. She noted that several workforce issues had been picked up as part of earlier agenda items and invited any additional questions from members. A point was made that there appeared to be more challenges within Estates & Facilities than other departments, and the Executive Director of Workforce & OD confirmed that she was working with key officers on vacancy levels in particular. She explained that historically there had been a larger number of staff members on zero contract hours and therefore a lower number of substantive staff than expected.</p> <p>FP19/109.2 It was resolved that the Committee note the report</p>	
<p>FP19/110 Shared Services Partnership Committee quarter 4 assurance report</p> <p>It was resolved that the Committee note the report.</p>	
<p>FP19/111 Issues of significance to inform the Chair's assurance report</p> <p>To be agreed with Chair</p>	
<p>FP19/112 Summary of InCommittee business to be reported in public</p> <p>It was resolved that the Committee to note the report</p>	
<p>FP19/113 Date of next meeting</p> <p>It was noted that the Committee would next meet on 25.6.19 at 11.00am in the Boardroom, Carlton Court</p>	
<p>FP19/114 Exclusion of the Press and Public</p> <p>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.</p>	