



**Finance & Performance Committee**  
**Minutes of the meeting held In-Committee on 4.12.19**  
**in Carlton Court, St Asaph**

**Present:**

Mr Mark Polin	BCUHB Chairman
Mr John Cunliffe	Independent Member / Committee Vice Chair
Mrs Jackie Hughes	Independent Member ( <i>co-opted for meeting</i> )

**In Attendance:**

Mr Phillip Burns	Interim Recovery Director
Mr Gary Doherty	Chief Executive
Mrs Sue Green	Executive Director Workforce and Organisational Development (OD)
Mr Michael Hearty	Financial Advisor
Ms Sue Hill	Acting Executive Director of Finance
Mr Trevor Hubbard	Deputy Director Nursing and Midwifery ( <i>part meeting</i> )
Mr Andrew Kent	Interim Head of Planned Care ( <i>part meeting</i> )
Mr Rob Nolan	Finance Director ~ Commissioning and Strategy ( <i>part meeting</i> )
Mrs Jill Newman	Performance Director
Mrs Llinos Roberts	Executive Business Manager
Mr Andrew Sallows	Delivery Programme Director, Welsh Government (WG)
Mrs Katie Sargent	Assistant Director ~ Communications ( <i>observer</i> )
Ms Emma Wilkins	Deputy Director, Financial Delivery Unit (FDU)
Mr Mark Wilkinson	Executive Director Planning and Performance ( <i>part meeting</i> )
Ms Diane Davies	Corporate Governance Manager (Committee Secretariat)

Agenda Item Discussed	Action By
<p><b>FP19/267 Apologies for absence</b></p> <p>It was noted that the meeting date had been postponed from 28.11.19 to 4.12.19 due to operational needs, subsequently apologies were received from Mr Eifion Jones, Mrs Helen Wilkinson, Mrs Gill Harris and Mrs Deborah Carter.</p>	
<p><b>FP19/268 Declarations of Interest</b></p> <p>A declaration of interest regarding the CT Scanner, Ysbyty Glan Clwyd (YGC) business case was received from Mrs Jackie Hughes, Independent Member in respect of her substantive post within radiology services.</p>	
<p><b>FP19/269 Draft minutes of the previous meeting held on 24.10.19 and summary action plan</b></p>	

<p>The minutes were agreed as an accurate record, subject to a typographical error, and updates were provided to the summary action log.</p>	
<p><b>FP19/270 Review of Corporate Risk Assurance Framework - risks assigned to Finance and Performance Committee</b></p> <p><b>FP19/270.1</b> The risks assigned to the Committee were discussed. It was noted that the framework would be evolving into a new format with effect from March 2020 which could address concerns raised by some members in relation to the correct utilisation of the terms 'controls' and 'actions' within the documentation provided. The Chief Executive reminded that during the changeover period it remained important to ensure all risks were adequately reflected until 31.3.20.</p> <p><b>FP19/270.2</b> In respect of CRR06 Financial stability, the RTT funding issue risk was highlighted by the Executive Director of Finance. The efficacy of the controls introduced / initial risk rating assignment were also questioned given that the current risk rating had increased from 12 to 16. The Chairman also questioned whether a risk needed to be raised on the overall financial sustainability of the Health Board.</p> <p><b>FP19/270.3</b> In respect of CRR11a Unscheduled care, the Committee also queried the efficacy of the control, however the Chief Executive advised that whilst there had been an increased demand there had also been significant areas of improvement made.</p> <p><b>FP19/270.4</b> In respect of CRR11b Planned Care, the Committee questioned whether the risk effectively addressed safety and potential areas of harm.</p> <p><b>FP19/270.5</b> The Chief Executive undertook to feedback discussion to the Deputy Chief Executive regarding addressing risks of:</p> <ul style="list-style-type: none"> <li>• Overall financial sustainability of the Health Board</li> <li>• Reputational risk</li> <li>• Overarching delivery of the overall plan</li> </ul> <p><b>FP19/270.6</b> The Chief Executive also agreed to provide a briefing note to members to address:</p> <ul style="list-style-type: none"> <li>• What is the 'in year' reporting plan?</li> <li>• How this would fit for next year?</li> <li>• The robustness of plan</li> <li>• Consideration of whether planned care 'Harm' risks were adequately identified within the corporate register especially in areas of Urology and Endoscopy.</li> </ul> <p><b>It was resolved that</b> the Committee <b>agreed</b> that the risk ratings CRR06, 11a, 11b and 12 remain as stated</p>	<p style="text-align: right;">GD</p> <p style="text-align: right;">GD</p>
<p><b>FP19/271 Three Year Outlook and 2019/20 Annual Plan Update</b></p> <p><b>FP19/271.1</b> The Executive Director of Planning and Performance presented this item, highlighting the 8 proposed changes and provided assurance that these</p>	

<p>had not been reset due to non-delivery but for practical operational reasons set out in the report. In the discussion which followed the Committee stated that it was difficult to ascertain differences in comparison to the previous position reported within the format provided and questioned whether more narrative could be included to address this.</p> <p><b>FP19/271.2</b> The Committee asked that health records storage at YGC be reviewed in order to ensure that they continued to be addressed in respect of capital changes. In discussion of delays with the WCCIS programme, the Executive Medical Director agreed to follow up potential domiciliary care software in use within a South Wales Health Board as a potential interim solution ahead of WCCIS implementation. The Interim Recovery Director advised a degree of caution given the Board's experience in relation to the potential delays with software implementation (Microsoft).</p> <p><b>It was resolved that</b> the Committee noted the report and approved the proposed changes to the plan as set out</p> <p><i>The Interim Head of Planned Care joined the meeting</i></p>	<p>MW</p> <p>DF</p>
<p><b>FP19/272 Integrated Quality and Performance report</b></p> <p><b>FP19/272.1</b> The Executive Director of Planning and Performance presented this item drawing attention to the content of the executive summary provided within the report. He particularly highlighted stabilisation of the 36 waiters and sustained improvement within unscheduled care at Wrexham Maelor although performance overall was challenging. The Committee observed that there was insufficient narrative to explain the declining performance in respect of RTT within the report.</p> <p><b>FP19/272.2</b> The Financial Advisor questioned at what point the 70% of performance reporting at RED overall would improve, following discussion in which the Executive Director of Planning and Performance pointed out that these were not all of equal weighting, it was agreed that the January report would present a longitudinal view on the profile of targets and performance.</p> <p><b>FP19/272.3</b> The Committee questioned deterioration in a number of areas including diagnostics and cancer, and whether these were significant trends or short term issues. The Interim Lead for Planned Care undertook to respond to IM Lucy Reid's question regarding follow up waits following the meeting. Significant concern was raised regarding Eye Care services, especially in respect of the interface between primary and secondary care which were being addressed. The Executive Director of Planning and Performance undertook to consider a more effective presentational format to reflect the profile of activity regarding External Contracts performance.</p> <p><b>FP19/272.4</b> In relation to the Financial Advisor's observations regarding a discrepancy of figures between the RTT and IQPR report, the Interim Lead for Planned Care undertook to review the IQPR each month to ensure correlation with his report. He also agreed to include further process control context highlighted by WG's Delivery Programme Director to ensure RTT reporting</p>	<p>MW</p> <p>AK</p> <p>MW</p> <p>AK</p> <p>AK</p>

<p>addressed WG requirements and concerns within the report to be presented on 23.1.20. WG's Delivery Programme Director undertook to share RTT reporting formats by other Health Boards, which could be helpful to BCUHB, with members and the Interim Lead for Planned Care. He emphasised the need to demonstrate transparency in closing gaps that he had highlighted in respect of cohort numbers and planned delivery.</p> <p><b>FP19/272.3</b> Agency expenditure increase was discussed including the non-delivery of expected improvements following the increased recruitment to substantive appointments which had been taking place. The increase in workforce sickness was discussed in which the Executive Director of Workforce &amp; OD explained various initiatives which were taking place to address the issue, noting that BCU was not an outlier in Wales.</p> <p><b>FP19/272.4</b> It was noted that the Chairman had raised a number of issues with the Executive Director of Primary and Community Care services outside the meeting in relation to primary care and dental services performance.</p> <p><b>It was resolved that</b> the Committee noted the report</p>	AS
<p><b>FP19/273 Update on Referral to Treatment (RTT) improvement programme and year-end forecast</b></p> <p><b>FP19/273.1</b> The Interim Lead for Planned Care presented this item, he advised that of the 15 actions being progressed within the action plan, work was on schedule with the exception of two, due to delays within the external text messaging service and demand &amp; capacity work. Discussion ensued on these issues including levels of confidence, the need for process robustness, and the Financial Advisor questioned how financial planning might be ensured.</p> <p><b>FP19/273.2</b> The Chairman questioned when endoscopy performance trajectory would be understood. The Interim Lead for Planned Care advised that clarity on demand and capacity would be provided within 8 weeks on 4/5 key specialties noting particular issues with capacity and variance across the organisation. The Financial Advisor emphasised the difficulties involved in planning around a forecast performance in the range of 9 - 12k.</p> <p><b>FP19/273.3</b> The Committee questioned why the 'treat in turn' initiative had not realised the improvements envisaged which the Interim Lead for Planned Care explained, including the complexity and difficulties around organisational culture across various workforce groups. It was noted that substantive capacity and adjustment to organisational process was being discussed with the Deputy Chief Executive.</p> <p><b>FP19/273.4</b> A discussion ensued on the effect of HMRC changes on activity, in which WG's Delivery Programme Director advised that other Health Boards had noted an increase, but this was much more significant at BCUHB. In response to the Chairman's question on whether RTT funding had been spent on core activity, the Interim Lead for Planned Care explained how some funding had</p>	

<p>been utilised eg Urology West. The Interim Recovery Director advised that this was an area in which he and the Executive Director Workforce &amp; OD needed to ensure increased understanding in order to improve financial grip in this significant area of expenditure, whilst noting work undertaken in supporting core specialty activity by the Workforce &amp; OD Division. It was also noted that discussion was taking place in relation to financial support for endoscopy services in order to address patient risk.</p> <p><b>FP19/273.5</b> It was agreed that the Interim Lead for Planned Care would ensure that Demand and Capacity was addressed in the January report including resources, waiting list additions and improved understanding re HMRC implications.</p> <p><b>FP19/273.6</b> The Committee sought further clarification on the revised forecast. The challenges of meeting 11,799 were outlined, however it was noted that, should more funding be secured to address capacity, there was a possibility of attaining in the region of 9,000. The Financial Advisor was informed that figures reported within the finance report had been superseded by the updated RTT report.</p> <p><b>FP19/273.7</b> Considerable debate ensued on the spending required, in which the FDU Deputy Director sought clarification on the amount being committed. The Chief Executive assured that BCU would not expend more than allocated on RTT.</p> <p><b>FP19/273.8</b> It was agreed that the Interim Planned Care Lead, Acting Executive Director of Finance, WG's Delivery Programme Director and the FDU Deputy Director would arrange to discuss</p> <ul style="list-style-type: none"> <li>• Clarification on definitive RTT number</li> <li>• Investment – per key decision slide</li> <li>• Diary / Timeline confirmation re financial planning before the 5.12.19 Board workshop meeting</li> <li>• Clinical risk and cost issues (Risk v Finance / Performance v Deficit)</li> <li>• Provide clarity on what will be delivered (activity forecast) based on £13.8m as committed by WG.</li> </ul> <p><b>It was resolved that</b> the Committee noted the report and revised forecast position</p> <p><i>The Interim Head of Planned Care left the meeting.</i></p>	<p>AK</p> <p>AK/ SH/ AS/ EW</p>
<p><b>FP19/274 Unscheduled Care and Building Better Care update</b></p> <p><b>FP19/274.1</b> The Deputy Director Nursing and Midwifery joined the meeting to present this item which provided an update against both the unscheduled care performance of each acute site and the fourth 90 day cycle of the unscheduled care Building Better Care programme for the period of October 2019. The improvements within Wrexham Maelor ED were highlighted, albeit with the aid of additional senior resource and it was noted that targeted work was also being undertaken at Ysbyty Glan Clwyd (YGC) and Ysbyty Gwynedd (YG).</p>	

<p>Performance within West, Central and East Health Economies were provided within the report.</p> <p><b>FP19/274.2</b> Debate ensued on the improvements introduced. WG's Delivery Programme Director commended the improvement made, especially at Wrexham Maelor however, he questioned sustainability and cultural change. The Chief Executive supported the permanent transformation work being undertaken, citing examples of good practice and positive staff experience as well as highlighting the positive effect on the 'front door' of YGC and YG.</p> <p><b>FP19/274.3</b> The Chairman questioned ambulance handover performance and actions necessary to address long waiters within ED which had been highlighted to him on a recent visit. Discussion ensued in which DTOC, bed day improvement, ED pathway, YGC establishment and new modelling was raised as well as whether cost pressures were being factored into planning for the following year. The Interim Recovery Director highlighted 'noise in the system' in respect of a perception of inequality between sites which were under performing in managing funding.</p> <p><b>It was resolved that</b> the Committee noted the unscheduled care performance for October across BCUHB and for each health economy noted the update from the Building Better Care programme and ongoing work within phase 4</p> <p><b>FP19/275 Item deferred</b></p>	
<p><b>FP19/276 Capital Programme report Month 7</b></p> <p><b>It was resolved that</b> the Committee noted the report and revised programme</p>	
<p><b>FP19/277 Finance Report Month 7</b></p> <p><b>FP19/277.1</b> The Acting Executive Director of Finance presented the report. The Chairman questioned why expenditure was not perceived to be under control, especially in respect of continued overspending at the YGC site, and whether this was repeat pattern behaviour of the previous year.</p> <p><b>FP19/277.2</b> The Interim Recovery Director advised that YGC was a specific area of concern given that there was reporting instability. He advised that a £2.9m cost pressure was being absorbed by other areas of the organisation and reported on work being undertaken with Improvement Groups.</p> <p><b>FP19/277.3</b> In response to the Chairman's question regarding the level of confidence in attaining the year end forecast, the Chief Executive affirmed that he expected BCU would achieve this. The Financial Advisor raised his concern regarding the year to date overspend and inability to manage cost pressures. He was cautious regarding the rate of savings generation required to deliver by year</p>	

<p>end, which included 50% of 'red' schemes . He also questioned when prioritisation would be addressed in respect of the allocative approach being taken.</p> <p><b>FP19/277.4</b> The Chairman emphasised the need to understand the drivers of the deficit. In the discussion which followed regarding the cost pressures faced and achievement of planned savings, the Acting Executive Director of Finance advised that decisions were being made with some urgency. The Interim Recovery Director advised confidence in delivery of £40m savings by year end in order to achieve the £25m target. He also stated that discussion had commenced with the Health Economies and questioned whether funding for the interim Managing Directors had been factored into next year's planning.</p> <p><b>FP19/277.5</b> The Chief Executive stated that BCU would need to meet the £35m deficit forecast, excluding the Welsh Risk Pool cost pressure highlighted and explore scope for other savings. He assured that BCU's ambition had always been to deliver on the control target.</p> <p><b>It was resolved that</b> the Committee noted the report with particular reference to the forecast deficit of £35m and the specific actions in progress to achieve plan.</p>	
<p><b>FP19/278 Financial Recovery Group report 7</b></p> <p><b>FP19/278.1</b> The Interim Recovery Director reported positively on the forecast position and delivery of the cost improvement programme at month 8. He advised that the programme contained £46m savings with scope for more.</p> <p><b>FP19/278.2</b> The Interim Recovery Director informed that prospective savings plans for the next financial year were being identified, highlighting the tightened grip and control processes introduced and transformation required which would be discussed further at the Board Workshop scheduled to be held on 5.12.19 including challenges within Estates, Facilities and Digital. The Chairman requested that these would need to be presented no later than January 2020.</p> <p><b>FP19/278.3</b> The Interim Recovery Director advised that PWC actions had been completed with the exception of 12 which were expected to be delivered by the end of December and going forward the actions would be managed within executive portfolios. In response to the Committee's question regarding whether there was sufficient capacity to deliver in respect of Continuing Health Care, he advised that ongoing oversight was required along with addressing the CHC structure and longer term budgeting.</p> <p><b>It was resolved that</b> the Committee noted the report</p>	
<p><b>FP19/279 Presentation: Financial Planning</b></p> <p><b>FP19/279.1</b> The Finance Director ~ Commissioning and Strategy joined the meeting to provide the presentation which set out BCU's ambition to exit Special Measures, improve Key Metrics, achieve service Redesign / Transformation and</p>	

<p>establish a Digitally Enabled Clinical Strategy. The paper also referenced the outline timetable, the resource allocation and BCUHB's planning assumptions.</p> <p>The Financial Gap Assessment also addressed Health Board's statutory duties, cost pressure assessment and savings opportunities.</p> <p>Key decisions to be discussed are:</p> <ul style="list-style-type: none"> <li>• What is the ask for 20/21?</li> <li>• How will the underlying deficit assessment will be considered as part of budget setting?</li> <li>• What growth / cost containment will be supported / presented?</li> <li>• How the savings target will be set</li> <li>• Profile of savings</li> <li>• Prioritisation of funding</li> <li>• Source of funding for any developments to be identified as part of IMTP</li> </ul> <p><b>FP19/279.2</b> In response to the Committee the Finance Director – Commissioning &amp; Strategy clarified that transformation funding was non-recurrent, not required to be reimbursed and had not been factored into the figures provided. Discussion ensued on potential reputational risk should BCU withdraw from activities provided via transformation funding which was understood to be the subject of evaluation and investment decisions. The Interim Recovery Director agreed to include investment sums required within key decisions to be discussed at the Board workshop. The Committee discussed the difficulty in moving forward the planning process before WG's allocation letter was received which would necessitate consideration based on assumptions.</p> <p><b>It was resolved that</b> the Committee received the presentation</p>	PB
<p><b>FP19/280 Value Based Healthcare</b></p> <p><b>FP19/280.1</b> The Acting Executive Director of Finance provided the presentation which was seen to be driving huge benefits for patients as well as cost across the healthcare sector, particularly the NHS in Wales. It was noted that the approach was successful within other Health Boards and a necessary part of the transformation agenda to move forward.</p> <p><b>It was resolved that</b> the Committee</p> <ul style="list-style-type: none"> <li>• approved the Executive Leadership of the programme through the Executive Medical Director and Acting Executive Finance Director</li> <li>• approved the structure for progressing this programme and the central role of the Clinical Effectiveness Group</li> <li>• endorsed the request for the Clinical Effectiveness Group to develop the VBHC programme</li> <li>• approved the Heart Failure Service as the development programme for VBHC in the Health Board</li> <li>• note that programme documentation for Heart Failure Services would be provided to a future meeting along with an assessment of capacity required to deliver the programme</li> </ul>	



<p><b>FP19/281 External Contracts Update</b></p> <p><b>FP19/281.1</b> The Acting Executive Director of Finance presented this report. She highlighted that there had been some quality issues raised in relation to the Countess of Chester contract. The Committee discussed how BCU might be more innovative in the utilisation of care homes, noting that the Executive Director of Primary and Community Services was exploring developments within Hywel Dda Health Board.</p> <p><b>It was resolved that</b> the Committee</p> <ul style="list-style-type: none"> <li>• noted the financial position on the main external contracts at September 2019 and anticipated pressures</li> <li>• noted the work underway in respect of stabilising wider health / patient care contracts and key risks / related activity</li> <li>• noted the work underway in relation to RTT</li> </ul>	
<p><b>FP19/282 Workforce Quarter 2 2019/20 Performance Report</b></p> <p><b>FP19/282.1</b> The Chairman questioned whether there was any area of concern in respect of objectives reporting red status. It was noted that in respect of Mental Health and Learning Disability vacancy levels that an establishment review would address this area which was currently being supported by the W&amp;OD Division.</p> <p><b>It was resolved that</b> the Committee noted the report</p>	
<p><b>FP19/283 Estates / Capital Business Cases for approval prior to Board ratification</b></p> <p>The Executive Director of Planning and Performance advised that the following business cases had been progressed via the newly introduced process agreed at a recent F&amp;P Committee meeting.</p> <p><b>FP19/283.1 Replacement of a CT scanner at Ysbyty Glan Clwyd business case</b></p> <p><b>It was resolved that</b> the Committee supported the business case for the replacement of a CT scanner at Ysbyty Glan Clwyd.</p> <p><b>FP19/283.2 Critical Care Business Case</b></p> <p>The Committee were assured that the business case was supported via discretionary funding. In respect of a question raised by the Committee the Executive Director of Planning and Performance agreed to review the accuracy of a salary quoted within the business case.</p> <p><b>It was resolved that</b> the Committee supported the business case</p>	MW

<p><b>FP19/284 2019/20 Monthly monitoring report</b></p> <p><b>It was resolved that</b> the Committee noted the report made to Welsh Government about the Health Board's financial position for the seventh month of 2019-20</p>	
<p><b>FP19/285 NHS Wales Shared Service Partnership Committee Summary Performance Report</b></p> <p><b>It was resolved that</b> the Committee noted the report</p>	
<p><b>FP19/286 Summary of inCommittee business to be reported in public</b></p> <p><b>It was resolved that</b> the Committee noted the report</p>	
<p><b>FP19/287 Issues of significance to inform the Chair's assurance report</b></p> <p>To be agreed outside the meeting</p>	
<p><b>FP19/288 Date of next meeting</b></p> <p>19.12.19 3.30pm Optic Centre</p> <p><i>(Post meeting amendment to time and venue)</i></p>	
<p><b>Exclusion of the Press and Public</b></p> <p>Resolution to Exclude the Press and Public</p> <p>"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>	