



**Finance & Performance Committee
Minutes of the meeting held on 19.12.19
in Optic Centre, St Asaph**

Present:

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

In Attendance:

Mr Phillip Burns	Interim Recovery Director
Mrs Deborah Carter	Acting Operations Director (<i>part meeting</i>)
Dr David Fearnley	Executive Medical Director
Mrs Sue Green	Executive Director Workforce and Organisational Development (OD) (<i>part meeting</i>)
Mr Michael Hearty	Independent Finance Advisor
Ms Sue Hill	Acting Executive Director of Finance
Mrs Jill Newman	Performance Director
Mrs Llinos Roberts	Executive Business Manager
Mr Andrew Sallows	Delivery Programme Director, Welsh Government (WG)
Mr Mark Wilkinson	Executive Director Planning and Performance
Ms Diane Davies	Corporate Governance Manager (Committee Secretariat)

Agenda Item Discussed	Action By
<p>FP19/291 Apologies for absence</p> <p>Mrs Helen Wilkinson, Mr Gary Doherty, Mr Hywel Jones ~ Director, Financial Delivery Unit (FDU) and Mrs Gill Harris for whom Mrs Deborah Carter deputised.</p> <p>The Committee Vice Chair chaired the meeting on commencement of the meeting.</p>	
<p>FP19/292 Declarations of Interest</p> <p>None were received.</p>	
<p>FP19/293 Draft minutes of the previous meeting held on 19.10.19 and summary action plan</p> <p>The minutes were agreed as an accurate record and updates were provided to the summary action log.</p>	

FP19/294 Finance Report Month 8

FP19/294.1 The Acting Executive Director of Finance presented the item. She advised that in month the Health Board delivered a £3.2m deficit, £0.3m over the original plan. It was reported that following three months of consecutive improvement in performance, there had been a deterioration in month which was £1.6m in excess of the control total plan. In respect of year to date, the Health Board was overspent by £27.1m, £8.8m higher than the control total plan and £3.8m over the original plan. The key over spending division was noted to be Secondary Care, where the non-delivery of savings, agency premium pay costs and other cost pressures were the main causes of the over spend. The cost pressure from price increases within prescribing were significant, at £2.2m on a year to date basis. The Acting Executive Director of Finance expressed her disappointment in the financial position.

FP19/294.2 It was reported that the Health Board's forecast deficit of £35m was in line with the initial plan but behind the £25m control total plan. The actual position for Month 8 was £0.7m worse than the Month 7 forecast position for November. Despite the downturn in performance in Month 8, the savings pipeline continued to hold a number of schemes that were forecast to deliver in the final quarter of the year. On the basis of the conversion and delivery of these schemes, the £35m forecast deficit was considered achievable. Savings achieved to date were £13.6m against a year to date plan of £20.6m giving a shortfall of £7m. Additional cost avoidance and efficiency savings of £6.1m had been delivered to date, which offset some cost pressures arising in-year. The original planned deficit was only achievable if the Health Board could convert and deliver 51% of the red schemes, continue to deliver green and amber schemes to planned values, and contain or offset emerging cost pressures. In addition, mitigating savings totalling £1.8m needed to be identified to offset the impact of the Health Board's share of the Welsh Risk Pool risk share contribution.

FP19/294.3 The Acting Executive Director of Finance tabled a document which provided a clearer format of the forecast position for the rest of the year, as included within the report, and provided greater clarity on the sums which mitigating actions were addressing in the West, Ysbyty Glan Clwyd (YGC) and Divisions. She advised that the small percentage targets (varying between 0.6-1.9%) were considered achievable. It was also noted that the run rate needed was less than £2m deficit each month to year end in order to achieve year end target. The Committee expressed concern regarding deliverability given performance to date.

The Acting Operations Director and Executive Director Workforce and Organisational Development joined the meeting along with the Chairman, who chaired the meeting from this point forward.

FP19/294.4 Discussion ensued on Referral to Treatment (RTT) finances in which the Interim Recovery Director advised that, given feedback provided

within Divisions, he had requested trigger points to be identified in respect of RTT committed spending. The Chairman noted that the NHS Wales Director General had advised BCU to continue activity until the second week in January 2020, noting that this would require the Health Board to spend at risk albeit that there was also a risk of clawback should activity be ceased. A discussion ensued on the patient booking system to appreciate timelines involved in order to ascertain when decisions were required to be made. The Acting Operations Director undertook to provide the Chairman with clarification on the financial exposure involved.

DC

FP19/294.5 The Independent Finance Advisor was encouraged to see the three month budget set out. However, he questioned whether there was recognition by the appropriate senior managers involved of the tasks required of them to deliver the targets set. The Executive Director of Finance acknowledged these to be in place with the exception of issues in medicines management which, the Executive Medical Director explained, was the subject of meetings taking place nationally involving the Chief Medical Officer to address escalating pharmaceutical pricing.

FP19/294.6 The Independent Finance Advisor advised that the Health Board should aim to deliver a deficit end of year position of £32.5m or less in order to demonstrate to Welsh Government (WG) its commitment to moving towards improved financial control. The Interim Recovery Director stated that the recovery programme's savings target had always been set at £46m which he was confident in achieving.

FP19/294.7 The Chairman raised a number of questions. The Acting Executive Director of Finance affirmed that the Finance department's staffing structure would be reviewed in order to ensure that the capability and capacity issues raised were addressed and provide strong support to the executive and transformation agenda and that the Chief Finance Officers needed to provide appropriate challenge for decisions with financial implications. The Acting Executive Director of Finance advised that, following executive discussion which had taken place, an effective clamp down on discretionary expenditure would be in place in January. The Interim Recovery Director emphasised the need for expenditure to be restricted with particular need for low level expenditure to be addressed. He remarked on the different approaches to expenditure control across the organisation. He also assured that there were savings available to deliver on the £35m target.

SH

FP19/294.8 The Committee questioned the spending rate in respect of Medical Agency & Locums and frequency of the panel work which the Executive Director of Workforce & OD explained was gaining traction.

FP19/294.9 A discussion ensued on the efficacy, and time taken, to establish BCU's Improvement Groups. The Interim Recovery Director highlighted workforce risk but advised that the IGs were broadly delivering on BCU's transactional agenda but not transformatively which would require further embedding into 2020/21. However, the Executive Director of Planning and Performance reminded that the Groups, whilst supporting the crucial role of

<p>planning, did not hold the Health Economy budgets. He reported that the next Financial Recovery Group would be addressing this area, especially in respect of financial accountability. In response to the Executive Medical Director's reflection that it would be timely to review the IG structure, given the development of BCU's digitally enabled clinical strategy and mindful of portfolio alignment, the Acting Executive Director of Finance confirmed this was being undertaken. The Interim Recovery Director also commented that there was a need to clarify accountability and suggested exploring incentives. In the discussion which followed the Finance Advisor suggested that the review also demonstrate the IG's governance positioning within BCU mapping to improve organisational understanding.</p> <p>It was resolved that the Committee</p> <p>noted the intention to ensure further expenditure control reductions as outlined</p> <p>noted the report with particular reference to the forecast deficit of £35m and the specific actions in progress to achieve plan.</p> <p><i>The Committee Vice Chair left the meeting</i></p>	SH
<p>FP19/296 2019/20 Annual Plan Progress Monitoring Report</p> <p>FP19/296.1 The Executive Director Planning and Performance presented the item drawing the Committee's attention to progress marked at 'Amber'. He confirmed that interdependencies were considered by Executive Team members in consideration of the RAG status on assignment. In response to the Committee, he advised that the robotic surgery business case was scheduled to be considered at the F&P Committee meeting to be held on 24.3.20.</p> <p>It was resolved that the Committee noted the report.</p>	
<p>FP19/297 Integrated Quality and Performance report Month 8</p> <p>FP19/297.1 The Executive Director Planning and Performance presented the item. He drew attention to the critical issue of performance within unscheduled and planned care which was deteriorating on a weekly basis. It was noted that whilst the profile plan was different to the previous year, performance was worse than the previous year however, there had been an increase in demand and acuity of patients presenting. The Executive Director Planning and Performance also advised of improvements within endoscopy and other diagnostic services, which the Committee acknowledged was due to additional WG capital and resource that was envisaged to be shared across other BCU sites.</p> <p>FP19/297.2 The Chairman advised that RTT performance was scheduled to be addressed in the Committee's private session to follow. In response to his query regarding the underlying trend, it would require deeper exploration to ascertain reasons for the increases such as validation and outsourcing rates. It was also noted that the Director General NHS Wales had provided advice in</p>	

<p>respect of the HMRC rule which had implications regarding consultant availability in a letter received that day.</p> <p>FP19/297.3 The Chairman acknowledged good performance within Cancer services and congratulated the Acting Operations Director and Deputy Director Nursing & Midwifery on the improvement work which they were working on within each of the District General Hospital sites. The Acting Operations Director was disappointed to report that there had been challenges in month due to norovirus and staff sickness which had affected the improvement impetus, however focus continued on providing new ideas and continual sustainability of the introductions made which were providing green shoots within Ysbyty Gwynedd and Ysbyty Glan Clwyd. She reported that particular attention was being focussed on patients waiting in ambulances and movement through the Emergency Departments. In response to the Committee, she endorsed continuation of the Better Care programme.</p> <p>FP19/297.4 The Committee discussed Delayed Transfers of Care (DToC) and it was agreed that developments within this area be shared with the Chairman in order to address partnership working with other local senior organisational leaders. The Chairman stated that it was crucial to embed and sustain improved ways of working. In response to the Committee, the Performance Director advised that approximately 8% of validation contacts resulted in withdrawal from patient booking lists, which included some patients whom had elected to choose private treatment and withdraw from the NHS waiting list. Following the Interim Recovery Director's suggestion that the new IQPR report include monitoring detail of patients transferring to Community, the Acting Operations Director agreed to share metrics for consideration. It was noted that there were complexities around patients whom were medically fit for discharge and there was a need to also address admission avoidance where appropriate. The Executive Medical Director concurred that there were also opportunities to make improvements in understanding joined up pathways.</p> <p>FP19/297.5 The Chairman requested that further consideration be given to the reporting of Primary Care, including how the accountable executive be in attendance for the item to discuss performance in this area. He reflected that this should also be considered in regard to diagnostics. In discussion of the performance summary, the Acting Operations Director commented that work was progressing to address the effectiveness of 'predictive date of discharge'. The Interim Recovery Director stated the need to ensure a better understanding of improvements made within primary care performance in order that correlations could be ascertained within other areas of the health board. It was agreed that the Acting Operations Director and Performance Director would meet to discuss Primary Care Key Performance Indicators.</p> <p>It was resolved that the Committee noted the report</p>	<p>DC</p> <p>DC</p> <p>Exec Team/ GD</p> <p>DC/JN</p>
<p>FP19/298 Bryn Beryl Integrated Dementia & Adult Mental Health Centre Capital Business Case</p>	

<p>FP19/298.1 The Executive Director Planning and Performance presented the item.</p> <p>It was resolved that the Committee approved the capital business case for the Bryn Beryl Integrated Dementia & Adult Mental Health Centre</p>	
<p>FP19/299 Summary of private business to be reported in public</p> <p>It was resolved that the Committee noted the report</p>	
<p>FP19/230 Issues of significance to inform the Chair's assurance report</p> <p>To be agreed outside the meeting</p>	
<p>FP19/231 Date of next meeting</p> <p>23.1.20 9.30- 13.00 Neuadd Reichel, Bangor University</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>	