



**Finance & Performance Committee**  
**Minutes of the meeting held in public on 16.7.20**  
**via Webex**

**Present:**

Mark Polin	BCUHB Chairman ( <i>part meeting</i> )
John Cunliffe	Independent Member / Committee Vice Chair
Eifion Jones	Independent Member
Helen Wilkinson	Independent Member

**In Attendance:**

Simon Dean	Interim Chief Executive
Andrew Doughton	Wales Audit representative – to observe
David Fearnley	Executive Medical Director
Lesley Hall	for Executive Director Workforce and Organisational Development (OD)
Gill Harris	Deputy Chief Executive / Executive Director Nursing and Midwifery
Sue Hill	Acting Executive Director of Finance
Chris Stockport	Executive Director Primary and Community services ( <i>part meeting</i> )
Emma Wilkins	Deputy Director, Financial Delivery Unit (FDU)
Mark Wilkinson	Executive Director Planning and Performance
Diane Davies	Corporate Governance Manager (Committee Secretariat)

Agenda item	Action by
<p><b>FP20/64 Chairman's opening remarks</b></p> <p><b>FP20/64.1</b> It was noted that BCUHB was presently unable to accommodate attendance by members of the public to Health Board committee meetings due to Covid-19 restrictions.</p> <p><b>FP20/64.2</b> The Chairman reported that, due to publication timescales, he had undertaken chair's action in order to ensure the following business cases would be discussed at the 23 July Board meeting:</p> <ul style="list-style-type: none"> <li>• Approval of Revenue Business Case for Defibrillator replacements</li> <li>• Approval of Full Business Case for Digital Health Record</li> </ul> <p><b>FP20/64.3</b> He stated that the regular RTT discussion would be undertaken as part of the Board workshop taking place later that day. The Chairman advised that he would commence chairing the meeting and handover to the Vice Chair in order to attend to an urgent matter that had arisen.</p>	

<p><b>FP20/65 Apologies for absence</b></p> <p>Apologies were received from Sue Green for whom Lesley Hall deputised</p>	
<p><b>FP20/66 Declarations of Interest</b></p> <p>None received</p>	
<p><b>FP20/67 Draft minutes of the previous meeting held on 27.6.20 and summary action log</b></p> <p>The minutes were agreed as an accurate record and updates were provided to the summary action log. In respect of the Vanguard unit action, the Chairman requested that any further commissioning should consider potential staff costs not utilised and also the booking issues highlighted within the External contracts report.</p>	
<p><b>FP20/68 Primary and Community Services - sustainability and transformation</b></p> <p><b>FP20/68.1</b> The Executive Director Primary and Community services presented this item. He advised that the report provided an update in plans to address primary care sustainability alongside an update on health and wellbeing centres in partnership. He drew attention to the headlines.</p> <p><b>FP20/68.2</b> It was noted that Primary Care services continued to face sustainability issues, with demand on more services to be provided, coupled with a reduction in the number of newly qualifying professionals entering primary care and an increasing number of GPs retiring. To help manage the immediate and ongoing challenges, a GMS '5 Domains risk assessment matrix' was developed by the Health Board to risk assess across a range of areas, based on detailed local knowledge of GP practices from the Area and Primary Care Contracting Teams. Each Area Team, supported by Primary Care contracting and Clinical Governance, regularly review practice issues in relation to sustainability and capacity,</p> <p><b>FP20/68.3</b> In November 2018, the national Strategic Programme for Primary Care was established as an All-Wales, Health Board-led programme that works in collaboration with Welsh Government and responds to <i>A Healthier Wales</i>. Before the pandemic, and now moving forward, there were three distinct areas of work required, to further support and ensure the sustainability of primary care services in North Wales, progress of which was set out within the paper.</p> <ul style="list-style-type: none"> <li>• The further development of the Primary &amp; Community Care Academy</li> <li>• Health and Social Care Localities and increased autonomy</li> <li>• Capacity to make 'whole pathway' thinking the norm</li> </ul> <p><b>FP20/68.4</b> The Executive Director Primary and Community services set out some of the alternative methods of consultation undertaken and partnership working which he envisaged being reviewed and progressed as a hybrid. Following discussion of third sector and patient voice involvement it was agreed that the Executive Director Primary and Community services would arrange a discussion with Independent Member Helen Wilkinson to explore this further.</p>	CS/HW

<p><b>FP20/68.5</b> The Executive Director Primary and Community services also set out details of the Health &amp; Well Being Hubs created with partners including details of progress with the Community Resource Teams. In the discussion which followed the Committee questioned what adaptations had been put in place due to the Covid-19 pandemic and how many would be moved forward.</p> <p><b>FP20/68.6</b> The Chairman questioned whether there was sufficient balance reflected within the organisation's plan between primary and secondary care which was discussed and it was noted that the Interim Chief Executive also reflected on the Welsh Government's perspective. The Executive Director Nursing and Midwifery also stated that whilst transformation was included within the plan it was not overt.</p> <p><b>FP20/68.7</b> As the Committee questioned reporting arrangements, it was agreed that the Executive Director Primary and Community services would arrange for regular quarterly reports to be brought to the Strategy, Partnerships and Population Health Committee and arrange for the Chairman to receive a virtual meeting introduction to the Academy. The Committee also questioned how training places would be addressed, which was explained and also whether savings could be achieved through addressing areas of duplication.</p> <p><b>It was resolved that</b> the Committee noted</p> <ul style="list-style-type: none"> <li>● the approach and plans to improve primary care sustainability</li> <li>● the schemes being progressed by the Primary &amp; Community Care Academy (PACCA) and need for future investment</li> <li>● the significant progress made with partners in developing integrated services and health &amp; well being hubs</li> </ul> <p><i>The Executive Director Primary and Community services left the meeting</i></p>	<p>CS</p> <p>CS</p>
<p><b>FP20/69 Annual plan 2019/20 reconciliation</b></p> <p>The Executive Director Planning and Performance presented this item. In response to the Committee Vice Chair's question regarding a potential unnecessary delay to review the Ablett Unit as a storage facility (AP072) again given that the Digital Health Record would not change medium storage requirements, he was advised that the Quarter 2 plan would address this issue. In respect of AP052, Learning lessons from the Welsh Community Care Information System pilot and questioned whether an alternative to what was considered obsolete software needed to be found. It was agreed this should be explored further at the Digital and Information Governance Committee.</p> <p><b>It was resolved that</b> the Committee</p> <ul style="list-style-type: none"> <li>● noted the report including the proposed actions and timescales outlined to feed into BCU's 2020/21 plans</li> <li>● agreed that the Executive Director Planning and Performance advise the Acting Executive Director Finance of the frequency of reporting going forward, as a minimum quarterly and also with the inclusion of progress reporting against milestones, in order to update the Cycle of Business.</li> </ul>	<p>MW</p> <p>JC</p> <p>MW</p>

<p><b>FP20/70 Operational Plan 2020/21 Q1 monitoring report (OPMR)</b></p> <p><b>FP20/70.1</b> The Executive Director of Planning and Performance presented this item, advising the report provided June 2020 monitoring data.</p> <p>The Chairman requested that member briefings be provided on  QOP4.7 Eye Care services  QOP4.5 Stroke services (including explanation of how progressing without the agreement of business case)  QOP8.2 Specialty plans  QOP8.4 Essential service plans</p> <p>He also requested that when objectives moved from amber to purple that these be highlighted with a greater level of detail to ensure the Committee was sighted.</p> <p><b>It was resolved that</b> the Committee</p> <p>noted the report and the impact on end of year delivery and Covid-19 plans going forward</p>	<p>MW  MW  GH  GH</p>
<p><i>The Chairman left and the Committee Vice Chair chaired the rest of the meeting</i></p>	
<p><b>FP20/71 Quality and Performance (QAP) report</b></p> <p><b>FP20/71.1</b> The Executive Director of Planning and Performance presented this item, advising that the trend arrows were not appearing due to a technical issue which would be explored further and the report recirculated to members. He advised that Covid-19 indicators were included, drawing particular attention to the Test, Trace and Protect (TTP) work stream, and would require further development eg care home monitoring. He reported that there was concern in respect of the reduction in referrals taking place which was being explored.</p> <p><b>FP20/71.2</b> The Committee questioned how the organisation would address endoscopy services, given social distancing measures, which had re-commenced on all three sites however the activity was low and insufficient to fully address the backlog. The Executive Director Nursing and Midwifery confirmed this to be an area of concern which was actively being addressed, including the introduction of a pan North Wales patient list to ensure that patients at higher risk would be appropriately prioritised. In the discussion which ensued the Committee discussed the return of redeployed staff, positive clinician engagement, risk recognition, need for estate investment and the potential to move to 6 day working. The Committee noted that endoscopy service difficulties were a national issue which were being looked into on a national level.</p> <p><b>It was resolved that</b> the Committee noted the report</p>	<p>MW</p>
<p><b>FP20/72 Unscheduled Care and Building Better Care update</b></p> <p><b>FP20/72.1</b> The Executive Director of Nursing and Midwifery presented the report which outlined the April and May position. It was noted that patient presentation was</p>	

lower due to the Covid-19 pandemic however there was an expectation that moving forward activity would increase due to rising visitor numbers and planning was taking place to address winter resilience in expectation of both flu and Covid-19 in circulation.

**FP20/72.2** The Committee questioned the financial implications of current requirements to test patients prior to discharge to care homes which could require an additional 112 beds. The Acting Executive Director Finance advised there was a potential for £8k per month per bed required which was a significant potential spend that needed to be resolved as soon as possible.

**It was resolved that** the Committee noted the Unscheduled Care performance for April and May across BCUHB and for each Health Community

### **FP20/73 Finance Report Month 2**

**FP20/73.1** The Acting Executive Director of Finance presented this report. She advised the in-month position to be £3.3m in-month deficit which was in line with the plan for Month 2. This position assumed that all Covid-19 costs incurred by the Health Board would be fully funded. The cost of Covid-19 in May was reported as £5.1m and the anticipated income from Welsh Government had been included in the position to match this cost. In respect of year to date, the Health Board was overspent by £6.7m, which was in line with the financial plan. The cost of Covid-19 was £36.9m, of which £1m had been funded through the Intermediate Care Fund (ICF) monies. Welsh Government income of £35.9m was anticipated to fund the remainder. The total value of Welsh Government funding available for Covid-19 had not yet been confirmed and was therefore a significant risk to the financial position.

**FP20/73.2** Due to the uncertainty around the costs of Covid-19 for the rest of 2020/21, forecasting a position for the year was extremely difficult. However, the Health Board was anticipating that it would achieve the £40m deficit at the end of the year, as per the financial plan, on the basis that all Covid-19 costs were fully funded by Welsh Government.

**FP20/73.3** The Committee questioned what reassurance had been received in anticipation of the Welsh Government's Covid-19 funding which was now £36m, an increase of £5m in month. The Acting Executive Director of Finance confirmed that the anticipated income to cover Covid-19 costs was a risk to the financial position, and month on month costs continued to change based on the latest forecast information. However, the risk did not equate to the full £36m as BCU had recently received £5m towards Pay costs for Month 1 to 3 (based on Month 1 and 2 actual costs and estimates for month 3), £12m towards the set up costs of the Field Hospitals, and £80k specific funding towards the costs of a Mental Health helpline. Funding continued to be discussed with WG on an ongoing basis.

**FP20/73.4** The Acting Executive Director of Finance acknowledged that the non-delivery of savings plans to date were a significant issue as the financial plan for 2020/21 was based on delivering savings of £45m. Savings not delivered in Month 2, due to the impact of Covid-19, were £3.6m (£7.3m for the year to date). Following the

<p>suspension of the Recovery Programme in March, the Health Board was now considering how best to resume the savings plans that began development in 2019/20. She questioned whether the cessation of these savings plans could be apportioned to Covid-19 costs – as the Health Board would have continued with the services of the Interim Recovery Director and his planned savings activity had Covid-19 not occurred. In her opinion she had confidence that these savings would have been delivered within this period. The Deputy Director FDU, questioned whether the challenging position of delivering in the first 2 months of the year could have been achieved, although this might have been possible in the following months. It was acknowledged that BCU's savings delivery planning had been affected as the Interim Recovery Director had not been retained following the Health Board's necessary response to Covid-19.</p> <p><b>FP20/73.5</b> The Acting Executive Director of Finance agreed to circulate to members, the WA representative and FDU Deputy Director, a summary of savings delivery positions to date for Health Boards in Wales, which indicated that BCU had managed more effectively than the majority.</p> <p><b>It was resolved that</b> the Committee noted the report</p>	SH
<p><b>FP20/74 Savings Programme 2020/21 report</b></p> <p><b>FP20/74.1</b> The Acting Executive Director of Finance advised that there had been a considerable reduction from the original programme of 106 potential schemes with a savings value of £27.8m. The recent assessment had identified 66 schemes which were likely to deliver in year, with an estimated delivery value of £12.2m. 10 schemes were currently in delivery with an estimated out-turn value of £1.9m. Whilst there were a further 56 schemes with an estimated delivery value of £10.3m which were identified as pipeline. The savings quoted in the report were net of any investment required to deliver the programme. She drew attention to a small number of schemes where an initial total investment of £799k has been identified within the Project Initiation Document (PID).</p> <p><b>FP20/74.2</b> The Committee questioned the significant reduction in the latest assessment of savings potential. He highlighted the urgent need to increase capacity in driving forward programmes, including a resourced Programme Management Office (PMO) function. He questioned how the Executive team were currently addressing the capacity issue. The Acting Executive Director of Finance advised that the external PMO were all redeployed to support Covid-19 and a significant number were now supporting the Trace, Test and Protect (TTP) programme. The Executive team had prepared a draft paper in January to propose a way forward for both service improvement and the savings programme which was part of the WG request around additional funding. It also figured heavily in the recommendations from the Interim Recovery Director's report which had similarly been discussed by the Executive Team and was being taken forward in an action plan that she was leading on. The Committee emphasised the need to address this issue at pace, including exploring internal resources, in order that the organisation could progress.</p> <p><b>It was resolved that</b> the Committee noted</p>	

- the latest assessment of the savings programme for 2020/21 that indicated potential delivery of £12.2m
- the increased planned savings value of £1.3m against the position reported in the month 2 monitoring return
- the urgent need to risk assess the programme described in the paper to increase confidence in delivery and apply a formal RAG status to each scheme
- the additional work required to explore further opportunities
- the capacity challenges in driving forward the savings programme in the absence of a resourced PMO function – which the Committee emphasised needed to be addressed at pace.

### **FP20/75 Interim discretionary capital programme 2020/21**

**FP20/75.1** The Executive Director of Planning and Performance presented this report, drawing attention to the following key points:

- the minimum net funding available for 2020/21 was £10.452m after known commitments.
- the discretionary allocation equated to 1% of revenue expenditure and, despite seeking alternative sources of funding, demand for capital significantly exceeded resource.
- capital requests were prioritised in accordance with agreed criteria and the programme sought a balance between meeting key risks to service continuity and supporting improvements.
- the current Covid-19 pandemic had required a re-focusing of resources to support the Health Board's response in the short-term, pending clarification of any additional funding from Welsh Government.
- an interim programme was proposed providing core allocations to allow mitigation of key risks in the short term, whilst retaining a contingency to meet further capital expenditure in response to the pandemic.
- the interim programme needed to be reviewed on a regular basis and revised as necessary to reflect the emerging requirements of Covid-19 and to allow potential support to service improvement.

**FP20/75.2** The Committee Vice Chair stated that the discretionary capital budget was insufficient for the size of the organisation, reflecting the investment enabled maintenance but did not support improvement. However, he agreed that it was necessary to ensure Covid-19 contingency. He was assured this would be regularly reported. The Committee Vice Chair advised that the moving forward of the Digital Health Record, shortly to be discussed by the Board, would also require funding. He reiterated that this programme would be a platform for enabling the organisation's transformation.

**It was resolved that** the Committee

approved the proposed draft interim and that the programme is reviewed on a regular basis to reflect the emerging requirements of Covid-19 and clarification of any additional funding allocations.

<p><b>FP20/76 Annual review Terms of Reference and approve cycle of business 2020/21</b></p> <p><b>FP20/76.1</b> The Acting Executive Director of Finance presented this item. Following Committee discussion it was agreed that the following amendments be submitted for approval to the Audit Committee:</p> <ul style="list-style-type: none"> <li>• Amend meeting frequency from monthly to ‘at least 6 times per annum’</li> <li>• Add in attendance the Chief Executive and Executive Director Nursing and Midwifery</li> <li>• Amend 3.1.2 3.1.4 references to Integrated Quality and Performance report (IQPR) to Quality and Performance report (QAP)</li> <li>• Amend 3.1.1 Financial Management: <ul style="list-style-type: none"> <li>• receive assurance with regard to the Health Board Turnaround programme progress and impact/pace of implementation of organisational savings plans.</li> </ul> </li> <li>to <ul style="list-style-type: none"> <li>• monitor turnaround and transformation programmes’ progress and impact/pace of implementation of organisational savings plans.</li> </ul> </li> </ul> <p><b>FP20/76.2</b> In respect of the draft Cycle of Business 20/21, the amendment to plan monitoring reports discussed earlier was agreed to be incorporated.</p> <p><b>It was resolved that</b> the Committee</p> <ul style="list-style-type: none"> <li>• reviewed and agreed amendments to Terms of Reference for submission to the Audit Committee</li> <li>• approved the FPC Annual Cycle of Business 2020/21 subject to the amendments discussed.</li> </ul>	<p>SH/DD</p> <p>SH/DD</p>
<p><b>FP20/77 External Contracts Update</b></p> <p><b>FP20/77.1</b> The Acting Executive Director of Finance presented this report, drawing attention to the challenges presented within the current climate.</p> <p><b>FP20/77.2</b> The Committee questioned whether the block arrangements with English providers might be renegotiated when the current contract expired, given that BCU was spending approximately £6m per month based on 47% activity levels, and whether any retrospective refund might be explored. The Acting Executive Director of Finance advised this was a national arrangement agreed between WG and Central Government which ensured the NHS worked across borders and was funded via WG. She reported that there was close working taking place to support the timely return to business as usual clinical services as soon as was practical. The Acting Executive Director of Finance advised she was part of the group of Executive Directors of Finance Group discussing block contract arrangements with England and there was a clear expectation that patients were part of the conversation in England about resuming services. She agreed to explore this further and provide a member briefing. The Interim Chief Executive emphasised that the WG agreement was very complex. He commented that it would be necessary to ensure that contracts were in place with English providers in order to ensure that there was a proportionate element of activity provided as services increased.</p>	<p>SH</p>



**It was resolved that** the Committee noted

- the financial position on the main external contracts as reported for the final 2019/20 outturn and month 2 including the anticipated pressures
- the work underway in respect of stabilising wider health/patient care contracts and key risks/related activity
- the impact of Covid-19 on external healthcare contracts and the work of the healthcare contracts team (HCCT)
- the impact and risk posed as a result of Covid-19 contracting arrangements adopted for contracts with NHS providers
- the position in relation to RTT up to 31.3.20

approved

- an initial 2 month extension to the current contracting arrangement managed on behalf of the Health Board by Welsh Health Specialised Services Committee for additional capacity with the Spire Hospital

### **FP20/78 Workforce quarterly performance report**

**FP20/78.1** The Assistant Director Workforce & OD presented this item advising that the Workforce Division had been 'totally consumed' by addressing workforce issues related to the response to the Covid-19 pandemic. She highlighted the increased staff sickness rates, Covid-19 staff sickness reporting, increase in Health & Safety work undertaken and also vacancy rates. In response to the Committee, the Assistant Director Workforce & OD reported that whilst there had been an improvement with Ysbyty Glan Clwyd nurse staffing rates, there had been a deterioration at Wrexham Maelor, she also pointed out nurse bank activity.

**FP20/78.2** The Committee questioned in what type of roles 152 volunteers had been deployed and how the additional 600 volunteers available would be utilised in the future. Examples of a wide variety of different roles were provided across North Wales such as grounds maintenance, catering, administration, assisting portering, patient property transfers, front desk signposting, stores, ppe and medicine deliveries, support to testing centres and the set up of field hospitals. In respect of those yet to be deployed, communication updates remained in place on current volunteer requirements and also to thank them for their enthusiasm and commitment to support the organisation. It was noted that a smart survey was being developed to ascertain if they were able to continue to offer volunteering hours to the organisation which would be distributed by the end of July with analysis and reporting in August 2020. In addition, an internal electronic portal was being developed for managers to access volunteers with streamlined processes and would be available to support any future surge capacity requirements. A BCUHB working group had been established to commence work reviewing how the remaining volunteers might provide the organisation with a pipeline of possible future temporary/permanent staffing given that some might find themselves unemployed. Transferring those who were able and wanted to provide longer term volunteering support to the Robin's Infrastructure was also taking place. The Committee Helen Wilkinson reflected on the opportunity to build and strengthen partnership working especially in regard to community support.

**It was resolved that** the Committee

noted the report	
<p><b>FP20/79 PWC recommendations update</b></p> <p>The Acting Executive Director of Finance advised it had been agreed that the Drivers of the Deficit report would be provided to the October meeting.</p> <p><b>It was resolved that</b> the Committee noted the report</p>	
<p><b>FP20/80 NHS Wales Shared Services Partnership Summary Performance Report Quarter 4 2019/20</b></p> <p><b>It was resolved that</b> the Committee noted the report</p>	
<p><b>FP20/81 Summary of private business to be reported in public</b></p> <p><b>It was resolved that</b> the Committee noted the report</p>	
<p><b>FP20/82 Issues of significance to inform the Chair's assurance report</b></p> <p>To be agreed outside the meeting</p>	
<p><b>FP20/83 Date of next meeting</b></p> <p>The next meeting would be held on 27.8.20</p>	
<p><b>Exclusion of the Press and Public</b>  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>	