



Finance & Performance Committee
Draft minutes of the meeting held in public on 4.6.20
via webex

Present:

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

In Attendance:

Mr Simon Dean	Interim Chief Executive (<i>part meeting</i>)
Mr Andrew Doughton	Wales Audit representative – to observe (<i>part meeting</i>)
Dr David Fearnley	Executive Medical Director
Mrs Sue Green	Executive Director Workforce and Organisational Development (OD)
Mrs Gill Harris	Deputy Chief Executive / Executive Director Nursing and Midwifery
Mrs Sue Hill	Acting Executive Director of Finance
Mr Andrew Kent	Interim Planned Care Lead (<i>part meeting</i>)
Ms Emma Wilkins	Deputy Director, Financial Delivery Unit (FDU)
Mr Mark Wilkinson	Executive Director Planning and Performance
Ms Diane Davies	Corporate Governance Manager (Committee Secretariat)

Agenda item	Action by
<p>Chairman's opening remarks</p> <p>It was noted that BCUHB was unfortunately presently unable to accommodate attendance by members of the public to Health Board committee meetings due to Covid-19 (C19) restrictions.</p> <p>It was advised that, following consideration at the Committee Business Meeting Group to be held on 18.6.20, the Finance and Performance Committee was proposed to meet on a bi-monthly basis with effect from September, although there was an expectation that the Finance report and Quality & Performance report would continue to be provided on a monthly basis. Chair's action would be undertaken between meetings should the need arise.</p>	
<p>FP20/45 Apologies for absence</p> <p>None received</p>	
<p>FP20/46 Declarations of Interest</p>	

None received	
<p>FP20/47 Draft minutes of the previous meeting held on 27.2.20 and summary action log</p> <p>The minutes were agreed as an accurate record and updates were provided to the summary action log.</p>	
<p>FP20/48 Corporate risks assigned to the Committee (CRR)</p> <p>FP20/48.1 The Acting Executive Director of Finance drew attention to the new formatting introduced to the template as outlined in the report. In summary, the following updates presented changes that had been made to risks since the previous CRR report was received by the Committee</p> <ul style="list-style-type: none"> • CRR06 Financial Stability. Key progress: The risk had been reviewed and updated. Three of its actions had changed to green indicating completed. Further actions to mitigate the risk in order to achieve its target risk score had been incorporated which included, continuously scrutinising recovery and savings delivery as the financial year elapses, potential additional escalatory grip as well as control measures. However, despite these additional actions and given the current financial position, it was recommended that the risk score remained the same. The Acting Executive Director of Finance pointed out that the current risk rating likelihood was 5 (not 4 as reported) with a total scoring of 20. • CRR11a Unscheduled Care Access. Key progress: This risk had been updated and its actions had been thoroughly reviewed with some split to indicate components which had been completed and those which remained ongoing. Risk controls had also been strengthened to include reporting arrangements and further actions identified and added to support the achievement of the target risk score. • CRR11b Planned Care Access. Key progress: This risk had been updated to incorporate the negative impact of Covid-19 as routine activity had been paused while four of its actions had been completed and changed to green. The target risk date was amended to take into account the implementation of further actions to support the achievement of the target risk score and as controls had been strengthened with some additional added. • CRR12 Estates and Environment. Key progress: This risk had been updated and actions reviewed as well as due dates and progress notes provided. Risk controls had been strengthened to include reporting arrangements and further actions had been identified to support the achievement of the target risk score. An increase in risk score was agreed. <p>FP20/48.2 The Acting Executive Director of Finance noted that 3 out of 4 risks were scored at 5 (very likely) x 4 (impact high), the remaining risk (CRR12) scored at 4x4. She also advised that the new risk of Financial Sustainability would be included within the next CRR report following discussion at BCU's Audit Committee. The financial impact of Covid19 on this year's financial plan was also under consideration.</p> <p>FP20/48.3 The Committee raised various points in respect of the template format including specific terminology and the efficacy of controls to the risk ratings.</p>	<p>SH</p> <p>SH</p>

<p><i>Independent Member (IM) Helen Wilkinson joined the meeting</i></p> <p>FP20/48.4 A lengthy discussion ensued in which the Executive Medical Director pointed out that other Health Boards sought to look at the identification of gaps to address risks and the Executive Director of Workforce & OD pointed out the Board's intention to address the Risk Management Strategy with alignment to BCU's annual plan. The Executive Director of Nursing and Midwifery also suggested that it may be beneficial for risk management to be the subject of a Board workshop with the King's Fund.</p> <p>FP20/48.5 The Chairman considered the points made and stated that alignment with an annual operational plan was not currently possible as the Board had not approved one for 2020/21 and was progressing with quarterly plans in light of the unpredictable effect of the Covid19 (C19) pandemic on all BCU's services. He requested that the Executive Director of Workforce & OD, Deputy Chief Executive and IM John Cunliffe work together to draw up a proposal for consideration at a future Board workshop.</p> <p><i>The Interim Chief Executive joined the meeting</i></p> <p>FP20/48.6 The Interim Chief Executive stated that Mental Health would also require reshaping in light of current changes and therefore sought to ensure discussion at Executive Team to inform the proposal going forward. This was agreed along with the effect of C19 on all risks.</p> <p>FP20/48.7 The Committee requested that the proposal also consider the need to demonstrate in future templates how actions would provide mitigation and also reference any work being undertaken to address risks where applicable.</p> <p>FP20/48.8 The Chairman raised his concern in respect of estates, whilst appreciating the pressure that C19 had caused in respect of timescales. He drew attention to the Board's challenging position in respect of planning, emphasising the need for a stronger focus, albeit heavily influenced by C19 activity alongside recommencing the Board's 'business as usual' services.</p> <p>FP20/48.9 The Executive Director of Planning and Performance stated that he was keen to refresh the Board's Estate Strategy with a sharper focus on cost improvement.</p> <p>It was resolved that the Committee</p> <ul style="list-style-type: none"> • considered the relevance of the current controls. • reviewed the actions in place and considered whether the risk scores remained appropriate for the present risks in line with the Health Board's risk appetite. • noted and approved the actions that had been completed and changed to green so that they could be archived and replaced with new ones should the need arise. • noted, approved and recommended the Corporate Risk Register (CRR) subject to the amendments advised in discussion. 	<p>SG/GH /JC</p> <p>SD</p>
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<ul style="list-style-type: none"> agreed that a proposal be drawn together for future iterations of the risk register and considered by the Executive Team for discussion at a future Board workshop . 	
<p>FP20/49 2019/20 Annual Plan: Monitoring of progress against actions for F&P Committee</p> <p>FP20/49.1 The Executive Director of Planning and Performance presented the year end report which had been self assessed by each of the lead executive directors assigned to the programmes. He drew attention to the RAG status of various plans, advising that many of the business cases such as Orthopaedics, Urology and Ophthalmology were laying foundations for transformation work of the future and had not been completed. He stated that the year end report should only reflect closing positions of either Red or Green, therefore those at Amber status would be revisited.</p> <p>FP20/49.2 The Committee considered that the AP016 (digital community care records) issue was not centred around the availability of devices but due to a lack of system functionality. Discussion also ensued regarding progress with AP072 (Ablett storage) in which the Committee's concern regarding health and safety issues was allayed by the Executive Director of Workforce & OD who assured that the health and safety team was ensuring mitigating actions were being undertaken. Caution in respect of AP002 (healthy weight) was also noted, given the latest information regarding potential correlation between patient weight and the effect of C19.</p> <p>FP20/49.3 The Chairman was advised that all actions which had not been completed would 'roll over' into the next plan. He asked that a discrete report be provided to the next meeting with individual narrative explaining the reasons for non-completion against all actions reported at Red or Amber. On the basis that the Executive Team had not yet undertaken a comprehensive review of the year end report, he requested that he be informed when this had been completed. He reminded that plans to address Primary Care Sustainability (AP013) would be required at the next meeting, alongside an update on Health & Wellbeing Centres in partnership (AP014) as it was important to share the modelling.</p> <p>FP20/49.4 Discussion ensued on the various actions within planned and unscheduled care which were reported at red. The Chairman requested feedback on how these were being addressed by the Integrated Planning Group. The Interim Chief Executive undertook to address these areas with the Executive Team during governance structure discussions scheduled to take place on 10.6.20. He stated that where actions were confirmed as necessary, these would be 'owned' and accountability demonstrated whilst also ensuring that timescales were also clarified. He stressed the importance of ensuring Board governance into the future.</p> <p><i>Mr Andrew Doughton left the meeting</i></p> <p>FP20/49.5 It was noted that the Board would face many operational challenges to ensure that working environments were safe for both patients and staff and complied with Government advice, and there could be significant potential implications for capacity planning on the introduction of testing outcome guidance. Capacity planning and the availability of resources was considered to be a significant challenge for the</p>	<p>SD</p> <p>CS</p> <p>SD</p>

<p>Board which the Interim Chief Executive agreed to address at a future Board workshop.</p> <p><i>The Interim Chief Executive left the meeting to attend the Regional Leadership Board.</i></p> <p>It was resolved that the Committee</p> <p>noted the report and the impact on end of year delivery and C19 plans going forward</p>	SD
<p>FP20/50 Operational Plan 2020/21 Q1 monitoring report (OPMR)</p> <p>FP20/50.1 The Executive Director of Planning and Performance presented this report. Whilst advising that Stroke Services was likely to remain at red status, he felt confident that all other workstreams would achieve delivery by 30.6.20. he also reported that work was currently underway to produce the draft quarter 2 operational plan 2020/21.</p> <p>FP20/50.2 A discussion ensued in respect of staff testing which was agreed to continue within the Board briefing session later that afternoon, along with ensuring inclusion of mental health.</p> <p>FP20/50.3 The Chairman stated he had agreed to the quarter 1 plan being submitted to Welsh Government (WG) without prior circulation and agreement of the Board due to the C19 challenges at that time. However he intended to liaise with the Acting Board Secretary to ensure opportunities would be provided to ensure prior scrutiny of the draft quarter 2 plan, and also consideration of Welsh Government feedback, by Board members. The Executive Director of Planning and Performance took on board the Committee's remarks regarding commentary notes.</p> <p>FP20/50.4 The Deputy Director FDU advised that peer review reflections were currently taking place in respect of quarter 1 which she would share in order to inform quarter 2.</p> <p>It was resolved that the Committee note the report</p>	
<p>FP20/51 Quality and Performance (QAP) report</p> <p>FP20/51.1 The Performance Director presented the report advising that performance reporting of many of the national indicators had been stood down to enable health boards to focus on the mobilisation phase of the pandemic. Staff had also been redeployed to support management of the pandemic and therefore the data included had not been subject to the full level of validation and quality control as would normally be provided. Detail of C19 and essential services delivery was included to provide a more rounded view of the activities taking place across the Health Board. The intention to report performance against the operational plan going forward was noted with effect from quarter 2.</p> <p><i>The Interim Planned Care Lead joined the meeting</i></p>	

<p>FP20/51.2 The Committee questioned the reduction in suspected cancer referrals to 56% and agreed to raise this further in the board briefing session that day to consider when primary care services would commence ‘normalising’. The Committee reflected on varying experiences they had encountered, including practice visits, and the need to address patient concerns around attending GP consultations with a focused communications approach.</p> <p>FP20/51.3 In respect of the new format, the Committee commended the report, however further narrative was required and the need to provide timescales was stressed as essential. The Chairman questioned how it was possible to draw comparisons with other health boards in Wales on cancer performance. The Performance Director advised that whilst national reporting had been stood down, the Cancer Network remained, and she was confident that, given the size of BCU, our performance was consistent. She undertook to check the accuracy of graph data relating to Stroke Services and report back to the Chairman (page 16). The Chairman questioned whether the Executive Director of Workforce & OD could advise of any learning obtained in respect of Agency and Locum spend outlined in the report, or whether the trend had been as a result of C19.</p> <p>It was resolved that the Committee noted the report</p>	JN
<p>FP20/52 Referral to Treatment update</p> <p>FP20/52.1 The Executive Director of Nursing and Midwifery advised that planned care was being reinstated within the organisation. A particular focus on potential patient harm (due to unavoidable appointment delays caused by the Health Board’s response to C19) was being addressed by a task and finish group. The Interim Planned Care Lead also highlighted the backlog concerns, especially in relation to cancer patients. He advised that the backlog was increasing at a rate of 4000 patients per month which was a significant problem for the Health Board to resolve. Attention was drawn within the report to actions being undertaken to mitigate harm in a staged approach, highlighting theatre capacity and concerns in respect of diagnostic services. Particular attention was drawn to the implications that 14 day isolation policies would have on services as well as C19 testing issues and staff protection.</p> <p>FP20/52.2 The Interim Planned Care Lead reported positively on the introduction of new technological introductions ie Consultant Connect and Attend Anywhere. The Executive Director of Nursing and Midwifery also highlighted ongoing work with the acute services group to avoid perceived patient postcode lotteries in exploring different ways of working. She reported that the Executive Director of Primary and Community Services was also looking at care settings and they would be working together to address why acute, community and social services had a higher occupancy rate within the centre. It was agreed that timelines on this work be fed back to the Chairman in order to inform his discussions with Local Authority Leaders. In further discussion of the potential alternative bed models going forward, the Executive Director of Nursing and Midwifery advised that further executive discussion was required before consideration by the Board. The Chairman acknowledged the complexity of the tasks ahead, but he sought to be provided with timescales.</p>	GH

<p><i>The Performance Director left the meeting</i></p> <p>FP20/51.3 The Committee was mindful of the outpatient work required and potential challenges regarding social distancing and testing that also needed to be addressed. The Committee was pleased to note the level of clinical engagement reported in respect of the digital platforms introduced, however it was understood that further evaluation would be required.</p> <p>It was resolved that the Committee noted:</p> <ul style="list-style-type: none"> • the overall growth in waiting times as a result of C19 • the essential elective activity being undertaken and actions to mitigate harm • the introduction of digital platforms to support virtual activity • that BCU remained in the early stages of recovery, focusing on stages 1 and 2 	
<p>FP20/53 Unscheduled Care and Building Better Care update</p> <p>The Executive Director of Nursing and Midwifery presented the report which outlined the work undertaken to the end of March 2020. She highlighted emergency pathway work changes which had been implemented to deal with non C19 and possible C19 patients that had enabled fast-tracking to specialists, which was seen as a positive way of working differently. It was noted that services were currently functioning in a different manner to 3 months previously and there had been challenges during this period with WAST transfers and PPE. The Executive Director of Nursing and Midwifery reported that the Interim Hospital Managing Directors were considering how the command and control methods undertaken within the District General Hospitals during the C19 pandemic had ensured that patients were referred to where beds and resourcing were available on site.</p> <p>It was resolved that the Committee noted the unscheduled care performance for March across BCUHB and for each site/Area</p>	
<p>FP20/54 Finance Report Month 1</p> <p>FP20/54.1 The Acting Executive Director of Finance presented this report setting out that the financial plan for 2020/21, approved by the Board, was to deliver a deficit of £40m which was based on delivering savings of £45m. However, the plan did not take into account the impact of C19 and therefore expenditure is likely to be higher than planned due to the pandemic response. The Health Board is anticipating that the plan of a £40m deficit will be achieved, but this is predicated on the basis that all C19 costs would be funded by Welsh Government although this remains a significant risk to the financial plan.</p> <p>FP20/54.2 The Acting Executive Director of Finance advised the in-month position was a £3.4m deficit, which was in line with the plan for Month 1, assuming that the total cost of C19 would be funded by WG. In April, this cost was £30.8m, of which, £25m related to the commissioning of BCU's field hospitals. In respect of savings plans, the financial plan for 2020/21 was based on delivering total annual savings of £45m. The month 1 savings requirement of £3.7m was not delivered due to the</p>	

organisation's fully focused response to the C19 pandemic. The detail of the C19 expenditure was provided in appendix 2 of the report.

FP20/54.3 Whilst the C19 response required resources to be mobilised quickly, appropriate and effective management, maintenance of financial control and stewardship of public funds was still required. The Acting Executive Director of Finance reported that a financial governance self-assessment group was established to formally review the financial governance arrangements in respect of all C19 income and expenditure and to advise and assure the Board on whether effective arrangements were in place to support financial decision-making. An update was provided as Appendix 5. The Chairman requested that should any concerns be highlighted, that he and the Committee be advised speedily. . The Acting Executive Director of Finance undertook to address this within the July finance report. The Committee questioned whether all sites had the same level of additional expenditure. The Acting Executive Director of Finance confirmed that the Chief Finance Officers had supported appropriate financial governance by working as an integral part of the divisional teams and the detail by division was in appendix 3 and this would continue to be a focus, as with the Executive Director of Workforce and OD in relation to workforce consistency.

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FP20/54.4 The Acting Executive Director of Finance also referred the Committee to Appendix 4 Financial risks and opportunities, of which the greatest risk related to WG funding of the C19 response.

FP20/54.5 In response to the Committee's questions, the Acting Executive Director of Finance undertook to provide a summary of cost of digital transformation schemes to members. She also expanded on the temporary hospital equipment costs and their potential utilisation post C19 response. This included sharing an ongoing procurement issue related to the procurement of beds for the field hospitals.

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FP20/54.6 The Committee's concern relating to the C19 response reimbursement was emphasised. The Acting Executive Director of Finance advised that she had circulated WG correspondence the previous day which confirmed there would be resource availability in relation to field hospitals, PPE, TTP, additional staffing and equipment, however BCU's allocation had not yet been confirmed. She also advised that WG would be appraised of field hospital decommissioning costs in a return due the following day.

FP20/54.7 It was noted that the inability to mobilise transformational savings was a concerning issue, however this was the same for other health boards in Wales too. The Acting Executive Director of Finance reported that weekly meetings were taking place with finance colleagues across NHS Wales with a good level of open communication.

FP20/54.8 The Deputy Director FDU questioned whether BCU would have achieved £3.7m savings had there not been a C19 pandemic to respond to, given the previous year's achievement. In the discussion which followed it was agreed that she would discuss the previous year's profile with the Acting Executive Director of Finance outside the meeting, noting that delivering consistently would be important to WG. Further discussion ensued on the suspension of savings programmes across health

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boards in which the Chairman highlighted his ongoing discussion with WG regarding CEO recruitment and support to build capacity.

It was resolved that the Committee noted the report

FP20/55 Savings Programme 2020/21 report

FP20/55.1 The Acting Executive Director of Finance advised that the opening financial plan for 20/21 contained a cash releasing savings target of £45m, equating to 3.6% of budget. This savings requirement was set in order to support the delivery of £40m in year deficit and a reduction in the underlying deficit from £49m to £35m. The savings requirement of £45m was identified across the operational divisions and targets were intended to provide an equitable distribution of the savings requirement across them with mental health and learning disabilities receiving a lesser target, reflecting the ring fenced nature of the budget and the challenges of special measures. It was noted that work to identify savings schemes commenced in quarter 3 2019/20 by the recovery programme in which 106 potential schemes with a savings value of £27.8m were identified however, none of the schemes had reached the point of being signed off Green.

FP20/55.2 In order to respond to the C19 pandemic the focus was shifted from business as usual to major incident response. As a consequence of the re-focusing of management capacity and the redeployment of PMO resource to support the response, work on developing savings schemes was halted during March 2020.

FP20/55.3 Looking forward to the second half of the financial year and subject to a significant reduction in C19 cases and activity, there was potential for schemes to be developed further to form the core of the 21/22 savings programme. In the meantime, delivery of any savings in 20/21 would require a balance between C19 and BAU activity to be resumed. It was noted that within the scheme proposals for 2020/21, the following areas had been identified as those where savings should be deliverable in year –

- Medicines Management
- Continuing Healthcare – arising from actions taken in 2019/20
- Procurement
- Transactional savings

FP20/55.4 In addition to the above, there were a number of opportunities that had arisen from the pandemic response which needed to be capitalised upon as BCU mobilised its savings approach and returned to a more normal balance of service delivery. These included new technologies, clinical pathways and flexible working. There were also numerous examples of new ways of delivering services which were adopted during the pandemic response that offered opportunities to drive efficiency and better outcomes for patients. Examples included –

- Primary care adopting new triage and video consultation approaches with patients

- Collaboration between primary care practitioners to meet demand at a locality level
- Technology enabled virtual consultations with care home staff and residents to support care without admission to hospital
- Innovative approaches to expediting discharge from hospital, working with local authorities and other partners to deliver more community based care
- New pathways within hospitals to enhance rapid assessment and patient flow
- Virtual follow up consultations with patients avoiding the need for attendance at hospital
- Rapid deployment of IT solutions to enable service changes and new ways of working
- Rapid introduction of home based working for staff in numerous support roles, particularly corporate functions

FP20/55.5 The Acting Executive Director of Finance stated that the report was provided as a discussion paper and did not constitute a savings plan. It was noted that an operational plan for Quarter 2 was required to be submitted to WG which reflected the operational balance of priorities moving forward and would also include financial requirements.

FP20/55.6 In response to the Committee's questions the Acting Executive Director of Finance advised that a review of the volume of savings schemes needed to be undertaken to assess whether additional schemes needed to be identified. It was agreed that there was a need going forward to ensure business case robustness and particularly demonstrate benefits realisation. The Executive Medical Director confirmed that clinical pathway work was underway to assess potential harm in a value based healthcare approach along with addressing prioritisation. The Acting Executive Director of Finance highlighted the importance of engaging with value based healthcare within BCU and welcomed the Executive Medical Director's clinical leadership in this area.

FP20/55.7 It was agreed that the Acting Executive Director of Finance would liaise with the operational leads to ascertain achievability of the 106 schemes identified given that some may not be capable of implementation due to C19.

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FP20/55.8 The Chairman raised his concern on the change in culture around the Health Board's finances which had arisen during the C19 response, which needed to be addressed. He also questioned whether there was sufficient PMO capacity in order to deliver on the savings schemes identified. The Executive Director of Workforce and OD confirmed this was to be the subject of Executive Team discussion later that week, along with change management and engagement work. The Acting Executive Director of Finance agreed to provide an update on PMO capacity to members.

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It was resolved that the Committee noted

- the progress made with the initial savings plans for 20/21 and the impact of standing down this work to concentrate on the pandemic response
- the initial forecast for savings delivery for 20/21 included in the month 1 monitoring return at £8.9m

<ul style="list-style-type: none"> • the need to re-focus the in-year savings delivery programme to ensure savings were maximised whilst building on the programme going into 21/22 • the opportunities arising from the pandemic response to adopt new ways of working which could support sustainable service delivery • the requirement to ensure that the actions to deliver savings in 20/21 from a part of the quarter 2 operational plan to be developed in June 2020 • the requirement to ensure that the focus on budgetary responsibility and savings is increased as part of the reintroduction of routine operational management and accountability arrangements agreed • the review of current schemes in order to assess viability of delivery during the C19 response 	
<p>FP20/56 Summary of private business to be reported in public</p> <p>It was resolved that the Committee Note the report</p>	
<p>FP20/57 Issues of significance to inform the Chair's assurance report</p> <p>To be agreed outside the meeting</p>	
<p>FP20/58 Date of next meeting</p> <p>The next meeting would be held on 2.7.20 and thereafter bimonthly</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>	