COFNODION HEB EU CYMERADWYO O GYFARFOD Y PWYLLGOR CYLLID A PHERFFORMIAD/ UNAPPROVED MINUTES OF THE FINANCE AND PERFORMANCE COMMITTEE MEETING

DATE OF MEETING: **9:00 AM, Thursday 30 April 2026**
VENUE: **Microsoft Teams Meeting**

PRESENT:
Michael Imperato (Hywel Dda UHB - Independent Board Member) (Chair)
Neil Prior (Hywel Dda UHB – Independent Member) (Vice Chair)
Rhodri Evans (Hywel Dda UHB – Independent Member)
Eleanor Marks (Hywel Dda UHB - HDUHB Vice Chair)
Winston Weir (Hywel Dda UHB - Independent Board Member)

IN ATTENDANCE:
Shaun Ayres (Hywel Dda UHB - Director of Delivery)
Andrew Carruthers (Hywel Dda UHB - Chief Operating Officer)
Gemma Deverill (NWSSP – Procurement) (part)
Lisa Gostling (Hywel Dda UHB – Director of Workforce & OD/Deputy CEO) (part)
Siân Jenkins (Hywel Dda UHB - Deputy Director of Finance) (part)
Keith Jones (Hywel Dda UHB – Director of Operational Planning & Performance)
James Severs (Hywel Dda UHB – Executive Director of Allied Health Professions and Health Science)
Andrew Spratt (Hywel Dda UHB – Deputy Director of Finance)
Huw Thomas (Hywel Dda UHB - Director of Finance)
Jennifer Thomas (Hywel Dda UHB - Head of Corporate Reporting and Planning)
Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)
John Jenkins (Hywel Dda UHB - Committee Services Officer) (Secretariat)

MINUTES REF.	ITEM	ACTION

FPC(26)024 WELCOME AND APOLOGIES

Mr Michael Imperato welcomed all to the Finance and Performance Committee (FPC) meeting.

Apologies had been received from:

- Mr Mark Henwood, Executive Medical Director

FPC(26)025 DECLARATION OF INTERESTS

There were no declarations of interest.

FPC(26)026 **MINUTES OF FINANCE AND PERFORMANCE COMMITTEE HELD ON 24 FEBRUARY 2026**

The minutes of the FPC meeting held on 24 February 2026 were reviewed and agreed as an accurate record of proceedings.

Decision: The minutes of the Finance and Performance Committee meeting held on the 24 February 2026 were **APPROVED** as a correct record of proceedings.

FPC(26)027 **TABLE OF ACTIONS FROM FINANCE AND PERFORMANCE COMMITTEE HELD ON 24 FEBRUARY 2026**

The Table of Actions from the FPC meeting held on 24 February 2026 was reviewed. The following updates were provided to the meeting:

FPC(26)006 ('Assurance and Risk Report'): Mr Shaun Ayres advised that he would discuss with the Operations Team and Service Directors to use the same data sources for the projection of performance trajectories and that the action could be considered closed.

FCP(26)016 ('Integrated Performance Assurance Report'): It was noted that Mr James Severs was the lead for this risk and advised that conformation on whether the improvement to the Therapies referral to treatment (RTT) performance was as a result of data validation being undertaken would be confirmed at the FPC meeting on 30 June 2026 and that the action would remain open pending confirmation.

Decision: The Finance and Performance Committee **REVIEWED** and **NOTED** the Table of Actions from the Finance and Performance Committee meeting held on 24 February 2026.

FPC(26)028 **FINANCE AND PERFORMANCE COMMITTEE ANNUAL REPORT 2025/26**

Mr Imperato presented the FPC Annual Report 2025/26 to the Committee ahead of onward submission to the Board meeting on 28 May 2026.

Decision: The Finance and Performance Committee **NOTED** and **APPROVED** the Finance and Performance Committee Annual Report 2025/26 for onward submission to Board.

FPC(26)029 ASSURANCE AND RISK REPORT

Mrs Joanne Wilson presented the Assurance and Risk Report to the Committee and noted that there were 3 risks on the Corporate Risk Register (CRR) aligned to FPC and advised that there were 18 outstanding audit and inspection reports with open recommendations outstanding.

Mrs Wilson advised that the three corporate risks, Risk 1350 ('Risk of not meeting the 80% SCP waiting times target for March 2026 due to diagnostics capacity and delays at tertiary centre'), Risk 2326 ('Risk to achieving 26/27 Target Control Total due to underlying deficit, insufficient savings & reliance on non recurrent funding') and Risk 2327 ('Risk to planned care and RTT recovery in 2026/27 due to demand–capacity gaps, estate fragility and non-recurrent funding') would be discussed in greater detail at a later point of the meeting.

Mrs Wilson believed that due to the number of audit recommendations that had exceeded their completion date that the Committee may not be able to take assurance and that the Committee could be minded to request that the audit responses were updated before the FPC meeting on 30 June 2026.

Cllr Rhodri Evans advised that the Audit and Risk Assurance Committee (ARAC) would also be requesting that work to complete the audit recommendations be undertaken and Mrs Wilson noted that ARAC had requested that a representative of the Community and Integrated Medicine (CIM) Clinical Care Group (CCG) attend the ARAC meeting on 23 June 2026 to provide an update on risks and audits.

Mr Thomas highlighted that the three risks on the CRR had been scrutinised and were up-to-date and all the Ministerial Directions (MDs) within the remit of FPC were complete. Mr Thomas believed that this enabled the Committee to take assurance on the risks and the MDs with only the audit recommendations unable to provide the required level of assurance.

Decision: The Finance and Performance Committee, in relation to the areas presented in this paper from the Lead Director or Supporting Officer:

Risk Management

- **RECEIVED ASSURANCE** that identified controls are in place and working effectively;
- **RECEIVED ASSURANCE** that all planned actions are credible and deliverable, and in line with agreed plans, and will be implemented within stated timescales and will

reduce risks further and/or mitigate the impact should risks materialise.

Audits, Inspections and Regulatory Reports

- **ADVISED** that due to the number of overdue audit recommendations on the management of recommendations raised in audit, inspection and regulatory reports within their area of responsibility, particularly in respect of confirming the full implementation of recommendations with any barriers to delivery noted, could not receive assurance

Ministerial Directions

- **RECEIVED ASSURANCE** that the Health Board is compliant with the MDs issued by Welsh Government.

Update Report to Board: The Finance and Performance Committee were **ASSURED** on the management of risk and compliance with Ministerial Directions however it wished to **ADVISE** the Board that a significant number of audit recommendations were overdue and that responses to the audit recommendations were requested ahead of the next Finance and Performance Committee meeting on 30 June 2026.

FPC(26)030 ESCALATION OVERSIGHT AND HIGHLIGHT REPORT

Mr Ayres introduced the Escalation Oversight and Highlight Report to the Committee and noted that the Health Board had met its Welsh Government (WG) Target Control Total (TCT) for 2025/26 however advised that this was due to a reliance on a number of year-end adjustments as the run-rate had increased and advised that there would be a consequence to the run-rate within 2026/27 and the risks being carried by the Health Board.

Mr Ayres advised that in 2026/27 the Health Board would be required to make £42m of savings to attain the £41m position articulated within the Annual Plan.

Mr Ayres highlighted the Single Cancer Pathway (SCP) as an area that was previously within escalation however was no longer in escalation with performance having dipped below the targeted intervention (TI) level of 60% in February 2026, to 59.8% however the March and April 2026 position was anticipated to be higher.

Mr Ayres believed that an area of concern was within Delayed Packages of Care (DPoc) with approximately 220 delayed packages remaining static and posed the greatest risk to the delivery of the Annual Plan with a cost of £27m to £28m to the Health Board of having delayed packages of care within the bed base.

Mr Ayres noted that R1 Ophthalmology performance had continued to improve at the projected rate however was still materially below the required level with work being undertaken on clinical validation and a delivery plan that was anticipated to significantly improve performance.

Mr Ayres highlighted that the Health Board was not meeting its urgent care TI criteria target for less than 7% of ambulance waits of 12 hours with a number of plans in place to address the performance and DPoCs through the implementation of a 7-day clinical streaming hub and the extension of the Same Day Emergency Care (SDEC) centre at Withybush Hospital (WGH) however Mr Ayres believed that additional work was required at the back door of acute sites to facilitate discharges as opposed to solely focussing on the front door and admissions.

In response to a question from Cllr Evans on the SPC performance, Mr Andrew Carruthers advised that it had previously been predicted that there would be two months of performance deterioration as part of the improvement works undertaken within the SCP ahead of an upturn in performance as a result of the actions taken within Urology and the Colorectal Pathway to reduce the backlog of patients awaiting treatment and to make the improvements in performance more sustainable in the longer term. Mr Carruthers advised that WG were aware of the action taken, the rationale for taking the actions and the anticipated short-term reduction in performance to enable a longer-term improvement. Mr Keith Jones confirmed that the March performance figure was anticipated to be at least 63%.

Mrs Eleanor Marks expressed concern on the internal escalation of quality and safety as the only domain with an upward movement within the internal escalation framework and requested that the quality and safety concerns be cross-referenced to the Quality, Safety and Experience Committee (QSEC). **SA**

In response to a question from Mr Imperato on R1 Ophthalmology performance, Mr Carruthers advised that a plan and additional investment within Ophthalmology was agreed within 2025/26 and noted that a delay to the implementation of the plan had been advised at the FPC meeting on 24 February 2026 however the revised trajectory was expected to exhibit the improved levels of performance anticipated by Autumn 2026 despite some challenged in identifying the appropriate space within the estate at Amman Valley Hospital (AVH) to enable to level of activity required to deliver the projected performance improvement.

Decision: The Finance and Performance Committee:

- **NOTED** the alert-rated criteria (C2 underlying deficit, C15 ophthalmology, C17 12-hour ED at Withybush Hospital) and agree the mitigating actions proposed by the executive leads.

- **NOTED** the assure-rated criteria (C3 TCT delivered, C16 ambulance de-escalation) and endorse continued monitoring.
- **ADVISED** on pace for DPOC (C19) and pathway compliance (C26/28), particularly resource prioritisation for theatre capacity.
- **CONSIDERED** whether the ophthalmology escalation measure (C15) remains appropriate given the revised achievability assessment.
- **NOTED** the internal escalation summary and the concentrated pharmacy de-escalation.

FPC(26)031 HOSPITAL FLOW PROCESSES

Mr Carruthers introduced the deep dive into the Health Board's hospital flow processes and emphasised that the Health Board was not operating at the level of performance, access, and quality and safety experience that it would like to provide however acknowledged that performance had increased significantly over the preceding 12 months and had exceeded improvement trajectories that had been anticipated.

Mr Carruthers believed that significant improvements had been made against ambulance handover trajectories and 1 hour ambulance handover targets that had seen the Health Board over-achieve against its WG TI de-escalation criteria in six of the previous seven months and ahead of where the Health Board projected it would be in its Annual Plan. Mr Carruthers remarked that this was especially notable as improvements had been sustained over the winter period.

Mr Carruthers advised that there had been a 50% reduction in the amount of lost ambulance hours however the level patients waiting over 12 hours within an Emergency Department (ED) was higher than anticipated with the resulting quality, safety and patient experience risk.

Mr Carruthers noted that a key area that WG were focussing on and had received additional attention at the Health Board's Public Accountability Meeting with the Cabinet Secretary for Health and Social Care on 11 December 2025 was the time patients had to wait to see a clinical decision-maker and was an area Mr Carruthers believed the Health Board was struggling to achieve. Mr Carruthers advised that this was a key area within the Health Board's Annual Plan in addition to reducing the number of DPoCs.

Mr Carruthers advised that the number of DPoCs had reduced to below 200 at the start of 2026 however had increased to around 240 recently and engagement was required with the Health Board's constituent Local Authorities as Local Authorities and Regional Partnership Board (RPBs) had received significant

investment from WG, the investment made to increase social worker assessment capacity and to increase package of care availability had only had a short-term impact on performance.

Mr Carruthers believed that sustained longer-term improvements were required to reduce DPoCs to relieve pressure on the back door of the Health Board's hospitals through improved discharges to support patient flow.

Mr Carruthers noted that an Urgent and Emergency Care (UEC) Business Case had been approved to increase the Health Board's clinical streaming capacity, Hospital@Home and SDEC capabilities to a 7-day-a-week service on a phased basis starting this year with plans being progressed for implementation ahead of the 2026/27 winter period.

Mr Carruthers advised that a workshop had been undertaken in April 2026 to progress transformation work within the Health Board on how the Community by Design Strategy could be implemented and believed that service configuration and workforce fragility posed the greatest service risks affecting a number of key performance metrics.

Mr Keith Jones believed that the incremental improvements to performance trajectories had been driven by the on-going UEC Accelerated Transformation Programme and the Six Goals Programme with further improvements predicated on the delivery improvements associated with the UEC Business Case such as the move to 7-day clinical streaming and the expansion of the SDEC at WGH to drive improvement.

Mr Winston Weir questioned whether the 12-hour patient waits in ED were improving and enquired whether there was data showing the mean average patient waits within ED and the median times for patients to see a clinical decision-maker. Mr Carruthers advised that he would collate the requested data for mean patient waiting times within ED and median times for patients waiting to see a clinical decision-maker by acute site. **AC**

Mr Carruthers believed that the waiting times operated on a weekly cyclical pattern with the system performing better from Monday to Thursday with the key improvements anticipated from the UEC Business Case was to move to an improved 7-day-a-week system that would improve performance and reduce variation. Mr Jones believed that the WGH site impacted disproportionally on the Health Board's performance and was the reason for the focus on the SDEC expansion within the UEC Business Case being centred on the WGH site.

In response to a question from Cllr Evans on timescales for expected improvements, Mr Carruthers advised that UEC improvement work was not anticipated to be linear with a fixed endpoint, rather a continually evolving challenge that would

always need to adapt and respond to the changing needs of the population and demand on the system.

In response to a question from Mrs Marks on what actions were being undertaken to break the pattern and cycle of challenge within UEC, Mr Carruthers advised that the engagement work with clusters, primary care and community teams undertaken recently sought to reshape the system to deliver the outcomes relating to reduced demand and improved patient flow within the acute setting and advised that work was being progressed with the Clinical Executive Directors to develop a set of internal operational standards and interprofessional standards to establish expectations of how the differing professions and the system as a whole responded to the ED challenge such as managing referrals to support patient flow.

In response to a question from Cllr Evans on whether there were any financial constraints limiting the ability to drive performance improvements, Mr Carruthers believed that the main resource constraints were within having a fragile workforce within the medical workforce, within EDs and within acute medicine with the additional capacity needed to improve flow being unfunded such as the use of surge beds and that the main challenge was how resources could be reallocated as opposed to the need for additional resources.

Decision: The Finance and Performance Committee **RECEIVED** and **NOTED** the Hospital Flow Processes report.

Update Report to Board: The Finance and Performance Committee were assured with the levels of activity and the plans in place to improve hospital flow performance however wished to **ADVISE** the Board that there needs to be more evidence of the impact that the plans are having on hospital flow performance.

FPC(26)032 Q1 2026/27 PLANNED CARE TRAJECTORIES

Mr Jones presented the Q1 2026/27 Planned Care Trajectory update to the Committee and advised that the premise for planning for Planned Care delivery for the year ahead was predicated on prioritising the available resources to address pathways that were considered the most clinically urgent in the first instance as a priority.

Mr Jones advised that the priority was the delivery of the Health Board's cancer delivery ambitions however the consequence of that prioritisation was a challenge for the forecasted delivery of referral to treatment (RTT) performance, especially for the reduction of patients waiting over 104 weeks for their treatment,

the number of patients waiting over 26 weeks for their first outpatient appointment and for patients waiting over 8 weeks for diagnostic measures.

Mr Jones believed that the Health Board would struggle to meet its target delivery expectations without additional support and investment into capacity.

Mr Jones advised that the planned care trajectories for the forthcoming year had been developed to and reflect key assumptions around productivity and efficiency with the core productivity improvement aiding current performance however on its own do not enable the Health Board to deliver the expected performance targets.

Mr Jones cautioned that the trajectory modelled a scenario whereby there could be breaches and a delivery gap against the 104-week RTT target of 5.507 patients and 9,316 26-week RTT breaches across a number of challenged specialities.

Mr Jones advised that the number of challenged specialities had reduced with all other specialities around balance for their demand and capacity levels.

Mr Jones noted that the positive progress in planned care delivery in preceding years had been achieved through the support of additional financial support, with £10m of additional support having been provided by WG in 2025/26. Mr Jones cautioned that the assumption for 2026/27 was that that additional support would not be received resulting in an anticipated significant drop in anticipated delivery levels and that the cost of recovery to bring the forecasted deficit position back to target level was estimated at £12m.

Mr Jones advised that the system improvement measures being implemented within the SCP would result in performance being maintained in 2026/27 at the same level as exhibited in 2025/26 in the mid-60% range and believed that to facilitate further progress towards the 75% performance target a step improvement in the diagnostic capacity was required with no current realistic expectation that the diagnostic improvements were expected to be delivered, with additional investment in radiology required to drive any improvement.

In response to a question from Cllr Evans on clinical validation being a reason for delays to ophthalmology performance improvements, the delivery gap in 2026/27 was envisaged to be almost exclusively related to the cataract pathway that presented a demand and capacity gap due to the workforce required to respond to the level of demand for treatment. Mr Jones advised that there had been a contemporary reliance on additional outsourced capacity within the independent sector supported by

additional recovery financial support from WG, with more than 3,000 cataract treatments procured in 2025/26.

Mr Jones believed that there was a variable landscape within clinical validation with mechanisms in place to ensure timely and regular clinical validation. Mr Jones noted that Hywel Dda University Health Board (HDdUHB) were one of the few Health Boards in Wales to make positive progress in implementing a one-stop cataract pathway in the last two years with patients referred to the Health Board for a presumed cataract treatment effectively bypassing the outpatient stage of treatment as a result of the close working partnership developed between the Health Board and community-based optometrists.

In response to a question from Mr Neil Prior on whether all productivity measures had been maximised, Mr Carruthers advised that in developing the Annual Plan a level of assumptions had been made relating to the deliverability of productivity and efficiency benefits to attain the year-end position. Mr Carruthers advised that while the Committee could request the service to examine how further efficiency and productivity gains could be made, the stated levels were based on what each service had assessed was deliverable to support performance and that the year-end position should be considered a minimum level of what could be delivered.

Mr Jones advised that the productivity and efficiency levels were advised by services as to what could be reasonably achieved with the infrastructure, skills and capacity available within the organisation and should be considered a minimum with an ambition for further improvement wherever possible. Mr Jones cited the example of theatre utilisation where there was considered to be scope for further improvement.

Mr Jones noted that the NHS Wales Planned Care Optimisation Framework had been revised with each Health Board having been asked to undertake a self-assessment appraisal against the framework to assess themselves against the various metrics measured within the framework. Mr Jones advised that the outcome of the Health Board's self-assessment would be circulated to members of FPC to demonstrate how the Health Board measured itself against the framework. **KJ**

In response to a question from Mr Prior on what the current level of theatre utilisation was, Mr Jones advised that the Health Board's theatre utilisation performance was currently at 80% with a trajectory to improve towards a target of 85%.

Decision: The Finance and Performance Committee:

- **ENDORSED** the planned care trajectories for 2026/27 as a credible and evidence-based reflection of what can be delivered within the confirmed resource envelope

- **NOTED** and accept the residual Referral To Treatment, Since Cancer Pathway and diagnostic risk, recognising that:
    - The remaining gaps represent structural demand exceeding funded capacity;
    - All mandated enabling actions and productivity measures are already maximised.
- **SUPPORTED** continued prioritisation of cancer and high-risk patients, maintaining Single Cancer Pathway performance above de-escalation thresholds while preventing deterioration in Referral To Treatment;
- **AGREED** to the use the Annual Plan position as a transparent basis for assurance, escalation and future Integrated Medium-Term Plan development, demonstrating organisational grip, realism and patient-safety-led prioritisation.

Update Report to Board: The Finance and Performance Committee wished to **ADVISE** the Board that it felt that the anticipated levels of improvements contained within the planned care trajectories should be considered a minimal level of expectation and that further work was required to achieve the level of performance that would like to be achieved and that there needed to be more ambition expressed within the plans to state that further efficiency and productivity could be realised to drive performance improvement.

FPC(26)033 ENABLING ACTIONS: VALUE OPPORTUNITIES

Mr Thomas presented the Enabling Actions and Value Opportunities report to the Committee and advised that the report was an amalgamation of the work undertaken by Swansea University and the Health Board's internal Value Team to provide a validated evidence base of value opportunities that were considered available to the Health Board to consider the opportunities that were considered high-value that could be prioritised to be enacted and low-value opportunities that should be deprioritised.

Mr Thomas advised that these opportunities were considered in conjunction with the compendium of enabling actions that had been provided by WG for the Health Board to pursue and address.

Mr Thomas advised that he was seeking assurance from the Health Board that the opportunities outlined were being embedded within the organisation and its ways of working and that a programme of self-assessment had been implemented to enable assurance to be gained from the adoption of the value opportunities by the Health Board. Mr Thomas advised that he had discussed with Mrs Wilson the implementation of an audit

programme to ensure that the self-assessments could be tested to provide independent assurance that as many value opportunities were being embedded within the Health Board as possible.

In response to a question from Mr Prior on whether all value opportunities had been considered, Mr Thomas advised that the compendium was a list of items considered best-practice and not an exhaustive list of items that could be tested within the organisation and that when the Board considers more complex issues such as service configuration, the Board would need to satisfy itself that the Health Board was a high-value organisation and that all of the value interventions had been adopted.

Mr Thomas advised that there had been case studies undertaken and provided the example of the heart failure pathway where the Health Board had reduced the demand on secondary care through a one-stop pharmacy-led heart failure clinic and that the development of the fracture liaison service had been implemented resulted in a reduction of 100 to 120 patients requiring treatment resulting in a full-year impact of £2.4m of value savings being delivered in addition to the improved level of patient quality and experience.

In response to a question from Mr Weir on the timings and phasing of the implementation of the value opportunities, Mr Thomas advised that the opportunities formed a part of the Health Board seeking to meet its £41m Annual Plan position with the Chair of the Health Board having been explicit at the Board meeting on 26 March 2026 of the need to explore all options to attain a £22m deficit position and WG expectations to reach a break-even position.

Decision: The Finance and Performance Committee is asked to **RECEIVED ASSURANCE** that there is a clear catalogue of low investment/high value opportunities that now need to be converted into delivery.

Update Report to Board: The Finance and Performance Committee were **ASSURED** that confidence could be taken from the development of a compendium of value opportunities that the Health Board should seek to embed within the organisation and enacted to ensure that the Health Bord could consider itself a high-value organisation that sought to maximise its value opportunities.

FPC(26)034 Q1 2026/27 FINANCIAL TRAJECTORY

Ms Siân Jenkins presented the Q1 2026/27 Financial Trajectory report to the Committee and advised that the report was based on

information up to the end of Q4 2025/26 and followed the agreement of the 2026/27 Financial Plan with the target annual deficit total of £41m.

Ms Jenkins advised that a review of the Clinical Care Group (CCG) financial position indicated an additional £18m deficit in addition to the Annual Plan deficit position coupled with the challenge of meeting an annual savings target of £42.8m. Ms Jenkins advised that there was a potential gap of £29m between the savings schemes that had been currently identified.

Ms Jenkins advised that the current trajectory indicated an annual deficit position of £88m.

Ms Jenkins believed that the savings position could be tested in further detail by reviewing the profile of delivery framed for each saving plan in addition to the categorisation status of saving schemes. Ms Jenkins advised that by focusing on the savings that had been declared as Amber and Green, the savings gap could be refined with the profiled savings plans for Q1 2026/27 and both the savings delivery gap should all BRAG schemes be delivered, total £7.3m assuming only the Amber and Green schemes are realised, a £9.0m gap. Ms Jenkins advised that over the course of Q1 2026/27 the expectation was that some of the savings schemes would be converted to Amber and Green or new schemes would be identified.

Ms Jenkins advised that the range for the Q1 2026/27 financial outlook when combining the planned deficit of £10.3m, the year-to-date budget deficit of £4.5m and the savings gap between £7.8m and £10.2m, was currently estimated to be between £22.6m and £25.0m.

Ms Jenkins advised that to support the recovery of the financial outlook, a four-step improvement framework had been developed with the first three steps aiming to enable the delivery of the £41m planned deficit with the fourth step seeking to go further to attain the £22.1m TCT position.

Ms Jenkins highlighted that the proposal to release as much financial opportunity as possible in Q1 2026/27 to provide opportunity to fund performance improvement measures had not yielded any such opportunities and ruled out the third step as being part of the Financial Improvement Framework.

In response to a question from Mrs Marks on how the £42.8m savings delivery plan would be de-risked, Ms Jenkins advised that work was being undertaken with the CCGs to explore the savings challenge and how the run-rate could be reduced and that further information would be contained in the updated financial forecast currently being produced with the focus on reducing spend.

Mr Thomas believed that while CCGs were a large part of the organisation that there were other areas that also had responsibility for the delivery of savings with a need to ensure that there was local delivery of savings that were within the control of CCGs or individual functions with elements that could not be delivered by one CCG or function likely to be difficult configuration issues that would require choices to be presented to Board.

Mr Thomas believed that the first step was to stabilise the run-rate with further work required on the conversion of non-recurrent savings to recurrent.

Mr Thomas expressed disappointment with the lack of engagement to create a level of headroom within Q1 2026/27 to enable performance improvements with the focus shifting towards de-risking the £41m position to accelerate improvements towards attaining the £22.1m TCT.

Mr Thomas advised that there was a process being led by Mr Carruthers that sought to provide assurance over the delivery of the base savings within operations with a separate process being overseen by the Finance and Planning Teams to develop additional choices to present to Board to further reduce the Health Board's deficit figure towards break-even. Mr Jones advised that each CCG had been asked to review their savings plans from actions that could be taken wholly within each CCG and to consider actions and opportunities that could span individual CCGs or functions

Decision: The Finance and Performance Committee:

- **ACKNOWLEDGED** the update in respect of the financial outlook for Q1 2026/27 and the challenge this poses for the Health Board.
- **DISCUSSED** and **SCRUTINISED** the four-step framework posed and the approach to reduce variable pay.
- **AGREED** that the approach being taken to improve financial performance for Q1 2026/27 was sufficient to gain Board support in May 2026.

Update Report to Board: The Finance and Performance Committee were assured by the Financial Improvement Framework to support the recovery of the financial outlook and that the approach being taken to improve financial performance in Q1 2026/27 gave sufficient assurance to receive Board support.

FPC(26)035 FINANCIAL PERFORMANCE ASSURANCE REPORT

Mr Thomas introduced the Financial Performance Assurance Report to the Committee and advised that the Month 12 2025/26

Financial Performance Assurance Report was subject to end-of-year audit however the indicative position was that the Health Board had achieved its 2025/26 TCT position of £22.1m.

Mr Thomas believed that meeting the TCT position reflected positively on the Health Board and would lend a degree of credibility in the Health Board with WG.

Mr Andrew Spratt introduced a brief review of the 2025/26 financial year and reminded the Committee that the Health Board agreed a financial plan at the start of 2025/26 that had a deficit position of £31.5m that the Health Board improved to £30m that following clarity from WG and through further actions enacted by the Health Board ended at a position of £22.1m, meeting the WG TCT position.

Mr Spratt highlighted the three top priority alerts for the Committee's attention. Mr Spratt advised that there had been an unexpected early opening of the SDECs to accommodate 7-day working to accommodate patient demand and that this had resulted in an increase in the level of variable pay.

Mr Spratt noted that the Health Board was experiencing a degree of dual-system running costs within the Radiology Informatics System Procurement system and advised that work was being undertaken with the national team that were implementing the change of systems to understand for how long the dual-running would operate and what the costs would be.

Mr Spratt advised that further to the discussions on the planned care trajectories, there had been additional activity in Q4 2025/26 within planned and specialist care to clear a proportion of patient backlog that had incurred additional cost and advised that there was no unplanned additional activity anticipated within M1 2026/27.

Mr Spratt advised that the Health Board had received a response from WG regarding a rapid assessment of the Health Board's Annual Plan and that WG have deemed the Health Board's Annual Plan as submitted as being unsupportable from both a finance and performance perspective.

Mr Spratt advised that the first step of the four-step improvement framework was aimed at providing clarity on what proportion of non-recurrent savings could be relied upon on a recurrent basis. Mr Spratt noted that the Health Board had finished 2025/26 with a non-recurrent savings delivery of £37.9m, out of a total of £57m savings. However, Mr Spratt cautioned that £7m of the savings total related to one-off accountancy gains that would not be repeated.

Mr Spratt informed that the Annual Plan process being undertaken in 2026/27 assumed that the level of non-recurrent savings in

2025/26 would continue in 2026/27 unless budget holders or Executive Directors consciously rebutted the need to make the savings for operational reasons. Mr Spratt advised that no rebuttals had been received for £10m of the total savings that had been converted into recurrent savings within the new financial year, leaving £20m that has been historically saved now assumed within the Annual Plan to be spent.

Mr Spratt advised that the £20m of spending formed part of the Health Board's underlying deficit, which was £30m higher than the 2025/26 outturn with £20m of the underlying deficit being savings that had not been converted into the 2026/27 savings plan.

Mr Spratt highlighted that the Committee were advised of the Health Board's escalation approach and changes to the Ways of Working. Mr Spratt noted that there were a number of service areas that continued to be in Level 3 of internal escalation with an overview of accountability and escalation framework to be presented to FPC at the 30 June 2026 meeting.

Mr Spratt advised that there was on-going work being undertaken in relation to newly qualified nurse streamlining and recruitment to understand the implications for the Health Board's financial plan of an oversubscription of streamlining students due to be offered posts within the Health Board that the Health Board may not be able to fulfil that could have a financial impact.

Mr Spratt provided an update on the current status of budget delegation accountability letters for the 2026/27 financial plan and advised that 31 letters had been sent to Executive Directions, Function Leads and CCG Directors with 19 signed letters returned and advised that an update would be provide to the FPC meeting on 30 June 2026.

Mr Spratt advised that an update would be provided to the FPC meeting on 30 June 2026 on the Healthcare Support Worker (HCSW) Band 2/Band 3 re-banding dispute and highlighted that the Financial Plan had assumed a financial impact of £2m however advised that there was a risk that the full implication could be in excess of £2m.

In response to a question from Mr Weir on whether the budget delegation accountability letters contained a commitment to delivering savings, Mr Spratt advised that the manner in which budgets and savings were delegated was undertaken in a similar manner with the signing of the budget delegation accountability letter being a commitment to remain within budget and to implement the savings reductions with savings only being transacted once a robust and assured savings plan was approved.

In response to a question from Mrs Marks on the cost of CHC, Mr Thomas believed that the Health Board had not anticipated the

level of change within CHC following the Internal Audit report providing assurance over the robustness of the CHC database.

In response to a question from Mrs Marks on what incentives or consequences were attached to budget leads not adhering to their commitments within their budget delegation accountability letters, Mr Spratt advised that the incentives for budget leads to remain within budget and deliver their savings in-year would be that they would expected to deliver less in subsequent years.

Decision: The Finance and Performance Committee:

- **NOTED** that The Health Board's unaudited year-end financial position is £22.1m, slightly exceeding (when roundings are removed) the Target Control Total set by Welsh Government of £22.1m.
- **NOTED** that the Health Board has spent within its Capital Resource Limit (CRL) and achieved the statutory target
- **SCRUTINISED** the top priority alerts for urgent remedial action plans, especially given the risks these could cause to the start of the new financial year.
- **ACKNOWLEDGED** that an underlying deficit assessment has been undertaken and the brought forward deficit into the 2026/27 financial year is £53.8m, significantly higher than the 2025/26 outturn of £22.1m, due to the reliance in-year on non-recurrent actions, reduced by £4.7m with the rebuttal exercise undertaken in March 2026
- **RECEIVED ASSURANCE** that accountability letters for the delegation of budgets for the 2026/27 financial year will be signed by those areas that have not yet done so.
- **NOTED** the WG letter response to the annual plan being unacceptable and unsupportable due to the deterioration of both performance and finance trajectories.
- **ACKNOWLEDGED** the Executive Team actions as set out in the 4 Step Improvement Framework, for the financial aspects, in response to the Board action and WG feedback.
- **NOTED** there may be a requirement to include specific updates on the Chief Operating Officer Ways of Working changes, Newly Qualified Nurse Streamlining and Recruitment, and the outcome of the Band 2/3 Re-banding Recurrent Funding, in the next committee meeting.

Update Report to Board: The Finance and Performance Committee wished to **ALERT** the Board to the concern that the Health Board faced a significant challenge to close its required savings gap within the current financial year and the consequences for the availability of cash towards the latter stages of the current financial year.

FPC(26)036 INVESTMENT AND BENEFITS REALISATION REPORT

Ms Jenkins presented the Investments and Benefits Realisation Report to the Committee for information and noted that the report was a closure report for 2025/26 summarising the investments made and their impact.

There were no questions from members of the Committee.

Ms Siân Jenkins left the meeting

Decision: The Finance and Performance Committee:

- **ACKNOWLEDGED** that investment cases for 2025/26 were being progressed through a review and scrutiny process to inform a final approval decision at Formal Executive Team and all decision outcomes have been determined.
- **NOTED** that benefits realisation feedback for strategic investments has been sought

FPC(26)037 DEEP DIVE: RISK LANDSCAPE OF HEALTH BOARD FINANCIAL POSITION

Mr Ayres presented the deep dive into the risk landscape of the Health Board's financial position to the Committee and advised that it was not possible to examine any one issue in isolation and that when considering multiple areas simultaneously.

Mr Ayres noted that the issue of 5,507 patients waiting 104 weeks for treatment breaches and noted that as of Month 10 2025/26, the Health Board had undertaken 3,600 units of outsourcing activity and coupled with the significant risks within theatre utilisation and the loss of recovery support funding in the current financial year resulted in the need for a plan to articulate what alternative opportunities were available to be pursued that were compatible with the financial plan.

Mr Ayres believed that there was a risk of an impact on performance through the pursuit of the £41m Annual Plan position.

Mr Thomas advised that the purpose of the report was to articulate clearly what actions could not be delivered within the current year to avoid the need to test risks against metrics that the Health Board had never planned to address.

Decision: The Finance and Performance Committee:

- **NOTED** the boundary of the Annual Plan 2026/27 and the classification of excluded items by constraint type

(affordability, workforce, capacity/infrastructure, dependency, deliberate deferral).

- **SCRUTINISED** the reconciled risk landscape at April 2026, noting the stability of the 63 risks scoring ≥20, the emergence of 18 new risk refs within the month, and the data caveat around per-risk score reconciliation.
- **RECOGNISED** the consequence framework (operational / quality & safety / financial) as the standard lens for residual -risk scrutiny through 2026/27
- **ACKNOWLEDGED** that the financial position is a working position. Further savings identification, scrutiny and assurance through Q1 is the principal mechanism for closing the gap between £41m forecast and the £22.1m Target Control Total.
- **CONSIDERED** that any movement in delivery expectation beyond the approved plan is likely to require either additional resource, re- prioritisation against another funded commitment, or explicit acceptance of increased consequence.

Update Report for Board: The Finance and Performance Committee wished to **ADVISE** the Board that the risk landscape of the financial position of the Health Board and the impact on performance trajectories had been reviewed and the risks that the Health Board would not address in addition to the risks that would be address were acknowledged as a recognition of the limitations of what could and could not be achieved within the current financial year were considered.

FPC(26)038 PROCUREMENT SCRUTINY

Ms Gemma Deverill joined the meeting

Ms Gemma Deverill presented the Procurement Scrutiny report to the Committee and advised that approval was sought for a contract extension to facilitate the Digital Directorate's proposal to extend the Hybrid Print and Post contract.

Ms Deverill advised that the initial contract had previously received Board approval however the extension to the contract took the value of the contract over £1m and was presented to the Committee for transparency and oversight ahead of submission to the Board for approval.

In response to a question from Cllr Evans on whether any actions could be taken to mitigate the costs of the project, Mr Thomas advised that a significant element of the costs related to postage of items that passed through Royal Mail with efforts being undertaken to divert as much patient communication through digital methods to reduce the cost of postage to the Health Board.

Ms Gemma Deverill left the meeting

Decision: The Finance and Performance Committee scrutinised and recommend for Board to:

- **APPROVE** the extension of the Hybrid Print and Post contract with PSL Print Management Limited from the 1 June 2026 to the 31 May 2028 at a value of £612,000.00 ex VAT taking the total contract value to £1,343,214.70 ex VAT. This contract will have onwards submission to HDUHB Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) and Welsh Government for approval.

FPC(26)039 PLANNING OBJECTIVE UPDATE REPORT Q4 2025/26

Mr Thomas presented the Planning Objective (PO) Update Report for Q4 2025/26 to the Committee and advised that the report provided assurance over the PO position of the Heath Board for the POs assigned to the Committee.

Decision: The Finance and Performance Committee **RECEIVED ASSURANCE** and **NOTED** the progress of the Planning Objectives which are aligned to it; in order to assure the Board that the Planning Objectives are progressing and are on target, and to raise any concerns where a Planning Objectives is identified as behind in its status and/or not achieving against its key deliverables.

FPC(26)040 INTEGRATED PERFORMANCE ASSURANCE REPORT

Mr Thomas presented the Integrated Performance Assurance Report (IPAR) to the Committee and highlighted that no patients within HDdUHB had waited over 52 weeks for a new outpatient appointment at the end of March 2026, with the Health Board meeting its national target to do so.

Mr Thomas advised that only 3 patients had waited over 104-weeks for treatment and advised that all three cases were within Trauma and Orthopaedic Services and associated with the issue of a national shortage of bone cement.

Mr Thomas highlighted significant improvement within the number of patients receiving an adult mental health assessment within 28 days.

Mr Thomas acknowledged the significant pressures being experienced within the Radiology Service and the Neurodevelopmental Service and highlighted an improvement in the level of performance in both services however acknowledged that the improvement was from a relatively low base position with a gap remaining to meeting national targets.

In relation to R1 Ophthalmology appointments, Mr Thomas highlighted that the number of patients waiting over 100% of their target date for an outpatient appointment was at the lowest level of delays recorded with significant improvement in both quality and safety measures exhibited.

Mr Thomas highlighted the significant decrease in the number of incidents causing moderate or above levels of harm and the number of medication errors.

Mr Thomas referenced the results of the NHS Wales Staff Survey 2025/26 and advised that within HDdUHB there had been a significant improvement in the number of staff recorded as feeling that they were able to influence improvements within their area of work, satisfaction with the level of staff engagement and the numbers of staff receiving an appraisal. Mr Thomas believed that these measures were significant in the engagement of staff to drive improvements in the levels of performance within the Health Board.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee **DISCUSSED** the IPAR – Month 12 2025/2026 report and to **RECEIVED ASSURANCE** on the operational delivery of mitigating actions to improve performance in the areas that have been categorised as 'alert'.

FPC(26)041 FINANCIAL PROCEDURES

Mr Thomas presented the Financial Procedures report to the Committee for review and advised that the Committee were asked to approve the update to Financial Procedure 069 – VAT.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee **APPROVED** the following updated financial procedure:

- Financial Procedure 069 – VAT

FPC(26)042 **ALL-WALES CAPITAL PROGRAMME 2026/27, CAPITAL RESOURCE LIMIT AND CAPITAL FINANCIAL MANAGEMENT UPDATE**

Mr Thomas presented the All-Wales Capital Programme 2026/27, Capital Resource Limit (CRL) and Capital Financial Management update to the Committee.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee:

- **NOTE** the draft year end outturn against the CRL for 2025/26, subject to audit.
- **NOTE** the project updates.

FPC(26)043 **JCC PLANNING, PERFORMANCE AND FINANCE SUB-COMMITTEE REPORTS**

Mr Thomas presented the NHS Wales Joint Commissioning Committee (JCC) Planning, Performance and Finance Sub-Committee Highlight Report from its meeting on 26 February 2026 to the Committee.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee **RECEIVED** and **NOTED** the Highlight Report from the Joint Commissioning Committee Planning, Performance and Finance Sub-Committee meeting on 26 February 2026.

FPC(26)044 **FINANCE AND PERFORMANCE COMMITTEE WORK PLAN 2026/27**

Mr Imperato presented the FPC Workplan 2026/27 to the Committee.

In response to a question from Mr Prior on the need to schedule an update on the Hospital Flow Processes and Planned Care Trajectories onto the Committee Work Plan, Mrs Wilson advised that the updates would be added to the Committee Work Plan following a discussion at the next FPC agenda setting meeting. **CSO**

In response to a question from Mr Prior on the need to ensure that the performance-related items receive the same level of attention on the agenda as the finance-related items, Mrs Wilson advised that the FPC agenda would be reviewed at the next FPC agenda

setting meeting to consider whether the performance items could be considered ahead of the finance items on alternate meetings to give equal consideration between the two areas of finance and performance.

Decision: The Finance and Performance Committee **RECEIVED** and **NOTED** the Committee Work Plan 2026/27.

FPC(26)045 ANY OTHER BUSINESS

There was no other business transacted at the meeting

FPC(26)046 DATE OF NEXT MEETING

The next meeting of FPC will be held on Tuesday, 30 June 2026.