COFNDION CYMERADWY O GYFARFOD Y PWYLLGOR CYLLID A PERFFORMIAD/ APPROVED MINUTES OF THE FINANCE AND PERFORMANCE MEETING

DATE OF MEETING: **9:30 AM, Thursday 26 June 2025**
VENUE: **Microsoft Teams Meeting**

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

IN ATTENDANCE:
Andrew Carruthers (Hywel Dda UHB - Chief Operating Officer) (VC)
Eiry Edmunds (Hywel Dda UHB – Deputy Medical Director) (VC)
Richard Jenkins (Hywel Dda UHB - Assistant Finance Director Commissioning, BI & Value) (VC)
Keith Jones (Hywel Dda UHB - Director of Operational Planning & Performance) (VC)
Julia McCarthy (Hywel Dda UHB - Head of Long Term Care) (VC) (part)
Jill Paterson (Hywel Dda Health Board - Director of Primary Care, Community and Long Term Care) (VC)
James Severs (Hywel Dda UHB - Executive Director of Allied Health Professions and Health Science) (VC)
Andrew Spratt (Hywel Dda UHB – Deputy Director of Finance) (VC)
Huw Thomas (Hywel Dda UHB - Director of Finance) (VC)
Jennifer Thomas (Hywel Dda UHB - Senior Finance Business Partner (Accounting & Statutory and Reporting)) (VC)
Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary) (VC) (part)
Tomos Jones (Audit Wales) (observing) (VC)
John Jenkins (Hywel Dda UHB - Committee Services Officer) (Secretariat) (VC)

MINUTES REF.	ITEM	ACTION

FPC(25)20 **WELCOME AND APOLOGIES**

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

Apologies had been received from:

- Mrs Sharon Daniel, Executive Director of Nursing, Quality and Patient Experience

- Mr Mark Henwood, Executive Medical Director (Ms Eiry Edmunds, Deputy Medical Director, deputising)
- Mr Shaun Ayres, Director of Delivery

FPC(25)21 DECLARATION OF INTERESTS

Minute FPC(25)38 ('Discharge to Assess'): Councillor Rhodri Evans declared an interest as an elected member of a local authority.

FPC(25)22 MINUTES OF FINANCE AND PERFORMANCE COMMITTEE HELD ON 29 APRIL 2025

The minutes of the Finance and Performance Committee (FPC) meeting held on 29 April 2025 were reviewed and agreed as an accurate record of proceedings subject to the correction to include the attendance of Cllr. Rhodri Evans.

Decision: The minutes of the Finance and Performance Committee meeting held on the 29 April 2025 were **APPROVED** as a correct record of proceedings.

FPC(25)23 TABLE OF ACTIONS FROM FINANCE AND PERFORMANCE COMMITTEE HELD ON 29 APRIL 2025

The Table of Actions from the FPC meeting held on 29 April 2025 was reviewed and noted that all actions were complete.

Decision: The Finance and Performance Committee **REVIEWED** and **NOTED** the Table of Actions from the Finance and Performance Committee meeting held on 29 April 2025.

FPC(25)24 CORPORATE RISKS

Mr Huw Thomas presented the Corporate Risk Register (CRR) to FPC and advised that there were two new risks that had been added to the CRR:

- Risk 2086 – Risk that the cash consequences of the Health Board deficit cannot be covered by Welsh Government (WG) should it exceed our Target Control Total (TCT)

- Risk 1350 – Risk of not meeting the 80% Single Cancer Pathway (SCP) waiting times target for March 2026 due to diagnostics capacity and delays at tertiary centre

Mr Thomas advised that Risk 2086 was a refreshed iteration of Risk 1843 that had been closed as it applied to 2024/25 with the new risk refreshed and reassessed for the new financial year. Mr Thomas advised that the Health Board's annual plan would deliver the TCT of £31.5m with on-going dialogue between the Health Board and WG on the acceptability of the £31.5m annual deficit figure with a response required from the Health Board to WG by 30 June 2025 on improvements that were required to that total with a requirement to attain an annual deficit figure of £24m with WG having requested an outline of what choices, actions and options that the Health Board are considering to deliver the £24m position.

Mr Thomas advised that the choices and actions were those that were within the gift of the Health Board to make with options being those for WG consideration. Mr Thomas advised that these were currently under discussion by the Executive Team and would be reported within the formal governance space for consideration.

Mr Thomas advised that Risk 2086 had been assessed with a risk score of 20 with a target risk score of 12 with the gap relating to the challenge of assuring the outcomes of the trajectory of savings delivery.

In response to a question from Mrs Eleanor Marks on whether Hywel Dda University Health Board (HDdUHB) was in a similar position to other Health Boards within Wales to have their TCT reduced by WG, Mr Thomas advised that there were four other Health Boards in a similar position to HDdUHB who did not have a balanced financial projection and three Health Board having a declared balance position however have an adverse trajectory that they needed to reverse to return to balance. Mr Thomas believed that the reduction in HDdUHB's TCT was reasonable and a course that the Health Board would subscribe to as part of the path to reach a break-even position.

In response to a question from Mr Winston Weir on whether a response had been prepared to Mrs Judith Paget's letter dated 6 June 2025 to the Health Board, Mr Thomas advised that a draft response had been produced with the final letter to be shared with FPC at a later date and that the response assumed the Health Board would deliver on its £31.5m TCT, with approximately £1.5m of choices within the investment proposals previously presented to Board to defer a number of those investments. Mr Thomas advised that there were approximately £2m if benefits that were above what was contained within the annual plan, mainly within Medicines Management, that had seen improvement towards the end of 2024/25 and a further £1m improvement in the Health Board's nursing agency trajectory. Mr Thomas advised that these

improvements resulted in a projected £28m deficit position through choices and actions that were within the Health Board's gift to make.

Mr Thomas believed that to close the gap between £28m and the £24m target improved position would have significant repercussions for the Health Board locally with the options to be discussed with WG on securing alternative funding streams through WG and gave the example of £2.2m of radiology and endoscopy funding that the Health Board had allocated that if WG chose to fund through a planned care recovery route would give the Health Board a benefit to its bottom line.

In response to a question from Mr Imperato on the governance process and oversight of the choices, options and actions contained within the response to WG, Mr Thomas advised that the original annual plan had been subject to Board and Board Committee scrutiny and approval and the proposed changes to that plan would require similar oversight and advised that he would discuss with the Professor Philip Kloer and Mrs Joanne Wilson the proper governance route to review the proposed changes. **HT**

Mr Andrew Carruthers advised that Risk 1350 had been reviewed following the closure of the previous delivery year and updated to consider the current delivery year and presented as a new risk with the finance link to the previous risk being the decision of the Health Board to support the SCP through a significant investment in radiology that would form part of the Health Board's discussions with WG relating to investment choices that the Health Board had made given that any decision not to invest in response to the financial ask of WG would have a major impact on performance.

Mr Carruthers advised that the risk related to the attainment of the 80% SCP waiting times target by the end of March 2026 and was driven by the fragility of services such as those contained within the Clinical Services Plan such as dermatology and urology having a consequence for pathway delivery.
Mr Carruthers advised that there was a plan in place with a trajectory to attain the 80% target by the end of Q4 2025/26 with improvements to the trajectory being exhibited to date with two consecutive months reported above the 60% target to achieve the targeted intervention (TI) de-escalation criteria with high confidence that a third consecutive month would be achieved. Mr Carruthers believed that the trajectory would remain within the 60%-70% range with improvement plans in place and progressing to enable to attainment of the 80% performance target by the end of Q4 2025/26.

Decision: The Finance and Performance Committee:

- **RECEIVED ASSURANCE** that all identified controls are in place and working effectively; and

- **RECEIVED ASSURANCE** that all planned actions will be implemented within stated timescales and will reduce the risk further and/or mitigate the impact if the risk materialises.

FPC(25)25 OPERATIONAL RISKS

Mr Thomas presented the Operation Risk Register (ORR) to FPC.

In response to a question from Mrs Marks on the significant financial risk relating to cancer and mental health on whether the quality of services was not being impacted by the financial pressures and whether the Health Board were projected to deliver the expected savings, Mr Thomas advised that all financial choices undertaken by the Health Board were subject to both quality impact assessments (QIA) and equality impact assessments (EqIA) that were undertaken independently of the financial and operational domains.

Mr Carruthers believed that there was clarity within the clinical care groups (CCGs) that the Health Board needed to be creative and innovative in seeking opportunities to improve the savings delivery position that equally did not negatively impact quality and safety and that the QIA process ensured that the Health Board never knowingly make a decision knowing that it would result in a diminution of quality. Mr Thomas believed that he was less concerned with the explicit decisions made by the Health Board that went through the QIA process and was more concerned about the implied choices that were less implicit that would be more of a challenge to capture through the QIA process. Mr Carruthers agreed that there were decisions made daily within an operational setting that would undergo a risk assessment however would not be subject to the rigour of a full QIA.

Mr Carruthers believed that the quality and safety impact of the real-time decisions made were subjected to checks and balances through the Integrated Quality, Finance and Performance Delivery (IQFPD) Group that could triangulate the data on a monthly basis that would detect any impact on quality and safety being made as a result of those incremental decisions would be highlighted through the review of the data received from services.

In response to a question from Mrs Marks on the balance between quality and finance, Mr Thomas believed that by having finance and performance considered by the same Board Committee provided the governance space to ensure a rounded discussion with the QIA process providing assurance over the impact of quality of the explicit decisions made and the implicit operational decisions made with the need to ensure the appropriate connection between FPC and the Quality, Safety and Experience Committee (QSEC).

Mrs Joanne Wilson joined the meeting

In response to a question from Ms Anna Lewis on Risk 1646 – Risk of overspending against funding allocated for external test service level agreements (SLAs) due to increased workload/costs (Pathology), Mr Carruthers advised that Pathology Services previously sat within a service group and were often sidelined by other pressures however now sat within the Allied Health Professions and Health Science CCG that enabled pathology to have a stronger voice within the service conversation that enabled a more effective management of the risk.

In response to a question from Ms Lewis on Risk 1906 – Risk of not achieving savings targets within our annual plan due to ongoing service demand (Pembrokeshire Integrated System), Mr Carruthers advised that while the risk referred only to Pembrokeshire, Mr Carruthers advised that the whole budget for the individual specialities across the Health Board were held within the county budget and related to the whole organisation and related to how the budget sat within the Health Board hierarchy as opposed to being a Pembrokeshire-only issue.

Decision: The Finance and Performance Committee:

- **RECEIVED ASSURANCE** that all identified controls are in place and working effectively; and
- **RECEIVED ASSURANCE** that all planned actions will be implemented within stated timescales and will reduce the risk further and/or mitigate the impact if the risk materialises.

FPC(25)26 EXTERNAL ESCALATION

Mr Thomas presented the external Escalation Report to FPC and advised that the finance element of the escalation report had been covered within the CRR item previously discussed in the meeting. Mr Thomas advised of the challenges experienced within urgent and emergency care (UEC) and ambulance handover performance, the time to clinical assessment and delayed packages of care criteria with a significant level of work being undertaken on system change with dedicated analytical support being required to model the level of system change necessary and that that analysis needed to quantify the capacity expansion, demand reduction, and operational redesign required to deliver exponential improvement beyond current capability.

Mr Thomas repeated the assurance received from Mr Carruthers on the SCP performance that had seen three consecutive months of performance above the TI de-escalation criteria however

highlighted the alert relating to R1 ophthalmology performance where there had been a deterioration in performance.

Mr Thomas advised that there had been zero 104-week referral to treatment (RTT) breaches maintained for three consecutive months however comprehensive analysis had revealed sustainability concerns that moved the criterion from an 'assure' to an 'advise' to the Committee.

Mr Thomas advised that the internal response would be addressed through the deep dive into the thematic reviews of finance and performance.

Decision: The Finance and Performance Committee **NOTED** the Escalation Status Progress Report

FPC(25)27 THEMATIC REVIEWS OF FINANCE AND PERFORMANCE

Mr Carruthers presented the deep dive into the thematic reviews of the CCG performance and finance progress to FPC and advised that a summary of the key issues relating to performance and finance for each CCG. Mr Carruthers believed that the CCGs had within the last four to five weeks got a grip on the savings issues within their domains and progressed savings plans to identify the total value of savings schemes against their savings target and the in-year delivery of green and amber savings schemes with the CCGs having added approximately £6m of green savings schemes.

Mr Carruthers advised that the challenge that a significant proportion of the savings schemes were non-recurrent where CCGs had undertaken deliberate actions through their financial control procedures to hold spending or choose not to spend as conscious actions taken to mitigate the savings position while reviewing their savings plans to formulate a robust recurrent savings plan.

Mr Carruthers advised that following the last round of Executive Improving Together sessions (EITs), discussions had been undertaken with the Allied Health Professions and Health Science CCG as their savings requirements were considered a significant challenge and were requested to ensure that plans were in place to ensure that they break even and mitigate any overspends that they were currently forecasted to incur given their risk of overspending and under-identification of savings.

Mr Carruthers advised that Mr Gareth Rees had been tasked with performing the role of a 'critical friend' as a programme manager to provide an independent assessment advisor to review identified savings schemes to ensure that there were clear actions and timelines identified to convert red and blue savings schemes to

green and amber and form part of the forecasted savings delivery position for 2025/26.

Mr Carruthers advised that there were a number of areas within the operational directorate that were currently in a break-even financial position or were underspending against their core budgets that Mr Carruthers believed indicated that CCGs were undertaking ownership and accountability of the financial plan within the revised operational structure in addition to ensuring that delivering improvements to services and ensuring quality, safety and performance.

Mr Carruthers provided an overview of the performance and finance aspects of each of the four CCGs:

Community and Integrated Medicine CCG

Performance: Mr Carruthers advised that the most significant areas of performance within the Community and Integrated Medicine CCG related to UEC and ambulance handover delays. Mr Carruthers advised that a UEC Accelerated Transformation programme to progress the reshaping and redesign of the Health Board's UEC system with the key components relating to the increase of the Health Board's service coverage to seven days a week and how the Health Board influences the public in how to access UEC services and a more robust and coordinated process of navigating UEC to manage demand and capacity across the system with an Operational Delivery Unit (ODU) being designed to achieve those objectives with proposals for both seven day a week streaming hub and the ODU being presented to Executive Team in July 2025.

In response to a question from Cllr Evans on the reporting timeline, Mr Carruthers advised that there was a monthly reporting period with Mr Rees having been asked to undertake contact with the CCGs within that timeframe to monitor the assessment of the actions expected to be undertaken.

Finance: Mr Carruthers advised that the CCG has achieved an in-month cumulative breakeven position against its allocated operating budget which contrasted with historical trends in budget performance for the constituent elements of the CCG structure. Mr Carruthers advised that there was a significant challenge within the Carmarthenshire System with discussions held with Mr Thomas on how the Carmarthenshire System could be supported within the internal escalation space and believed that there was significant opportunity for the Carmarthenshire System to align their opportunities to the work being undertaken within the UEC pathway to improve the efficiency and productivity to match their resources and level of demand and capacity.

In response to a question from Mrs Marks on the timeline and what actions could be expected and by when, Mr Carruthers did

not believe that the required level of granularity had been developed with the CCGs at present to enable the production of anticipated timelines. Mr Carruthers conceded that this was a weakness at present and had requested work be undertaken to enable the charting of timelines and actions. Mr Thomas believed that there was a significant level of work being undertaken to transform UEC however there was a inability to translate that work into plans to deliver improvements within the Carmarthenshire element of the system. Mr Thomas believed that improvements within the Pembrokeshire and Ceredigion Systems had been successful and acknowledged that Carmarthenshire was the more complex part of the UEC system given its involvement within most pathways that go through Glangwili Hospital (GGH). **AC**

Planned and Specialist Care CCG

Performance: Mr Carruthers believed that the most significant risk within the Planned and Specialist Care CCG domain related to the ministerial priorities of RTT and the 104-week wait for treatment and the 52-week maximum wait for outpatients. Mr Carruthers advised that there were a number of breaches of the 104-week wait at the end of Q1 2025/26 of 163 patients. Mr Carruthers advised that the main driver of the breaches was as a consequence of theatre staffing availability at GGH due to sickness and workforce challenges. Mr Curruthers advised that the was in discussions with WG and a recovery plan had been developed to ensure the position was recovered during Q2 2025/26.

Mr Carruthers advised that there had been a deterioration ophthalmology R1 performance that featured within the TI escalation status with Mr Carruthers expressing concern of the quality and safety of the intravitreal therapy (IVT) pathway with actions currently being undertaken to increase injection capacity. In response to a question from Cllr Evans on recruitment, Mr Keith Jones advised that within the R1 recovery plan, the delivery of injections was a non-medical activity with the recovery plan was predicated on recruiting nurse injectors to expand injection capacity with recruitment in progress to deliver the increased capacity and while the recruitment was in progress, external outsourcing capacity was being utilised to undertake IVT injections.

Finance: Mr Carruthers advised that the combined impact of a £0.1m cumulative overspend position against the Planned and Specialist Care CCG allocated operating budget and partial delivery of planned savings placed the CCG at £0.6m above its target financial position as at Month 2 2025/26.

Operational Allied Health and Health Sciences CCG

Performance: Mr Carruthers advised that the two main performance areas within the Operational Allied Health and Health

Sciences CCG were part of the TI escalation were Radiology Direct Access Diagnostic maximum 8-week wait, and the therapies maximum 14-week wait. Mr Carruthers advised that the plan agreed by Board to stabilise the radiology service with outsourced-commissioned activity utilised to maintain the required level of capacity pending recruitment into the radiology service for computed tomography (CT), magnetic resonance imaging (MRI) and ultrasound scanning capacity that had resulted in significant improvements within cancer scanning and reporting times.

Mr Carruthers advised that discussions were on-going with WG on how cancer performance could be improved to enable the delivery of the zero eight-week waits by the end of March 2025 and advised that the current plan did not deliver that performance. Mr Carruthers advised that WG were supportive of the need to develop a solution that did deliver on the cancer performance target.

Mr Carruthers believed that the therapies performance was a more challenging position that had seen continuous deterioration due to the significant demand and capacity gap that existed within the service. Mr Carruthers advised that there was detailed work on-going within each sub-specialty within the therapies service to develop robust demand and capacity plans with actions to close the gap between the two and had requested WG support by means of recovery monies.

In response to a question from Mrs Marks on the need to clearly state specific actions and timeframes, Mr Carruthers advised that future reporting would include the requested actions and timescales.

Finance: Mr Carruthers advised that he and Mr Thomas had met with the CCG within the last week to discuss their savings and to stress that the focus for the CCG was to ensure that they did not overspend and expressed concern that the CCGs current response to a challenged workforce position was to reduce the level of service provision that Mr Carruthers believed could have a detrimental impact on quality and safety. Mr Carruthers believed that there was further work required to understand the levels of demand and capacity by sub-speciality to ascertain what was required to support inpatient ward areas, community services and the elective pathway.

In response to a question from Cllr Evans on the progress made against the TI de-escalation criteria, Mr Jones advised that there had been a 40% reduction in the number of patients waiting more than eight weeks between 1 January 2025 to the present date as a consequence of the non-recurrent investments made in Q4 2024/25. Mr Jones advised that the overall position of patients waiting less than eight weeks was between 60% and 70% against the target of 85% through the impact of recurrent investment made in Q1 2025/26.

Mental Health and Learning Disabilities CCG

Performance: Mr Carruthers highlighted the attainment of the TI de-escalation criteria for mental health assessments within 28 days for 0 to 17-year-old and 18-year-old and over and therapeutic interventions for 0 to 17-year-olds and 18 years old and over. Mr Carruthers advised that the two areas of performance concern were waits for psychological therapies, where there had been challenges experienced to the establishment of the scaling up of therapy group models however there had been improvement within the past 12 months with further improvement anticipated, and within neurodevelopmental services where the autistic spectrum disorder (ASD) pilot that had previously been presented to Board not delivering the improved performance outcomes anticipated. Mr Carruthers advised that a revised terms of reference for an alternative pilot scheme was due to be presented to the Integrated Quality, Financial Performance and Delivery (IQFPD) Group on 9 July 2025.

Finance: Mr Carruthers believed that there was potential for further savings benefit within mental health services that would convert from savings plans to delivered savings within Q2 2025/26 and believed that the significant challenge was to deliver recurrent savings within a service that consistently underspent whilst addressing service challenges and pressures with a fragile workforce and advised that work had been undertaken with Swansea Bay University Health Board (SBUHB) to refresh HDdUHD's short and medium term plans for mental health and learning disabilities (MHLD) services.

Decision: The Finance and Performance Committee **RECEIVED** and **NOTED** the Thematic Review of Finance and Performance Deep Dive.

FPC(25)28 INTERNAL ESCALATION

Mr Thomas presented the Internal Escalation Update to FPC to provide an escalation assessment within both the finance and performance domains within the CCGs and Executive Functions.

In response to a question from Ms Lewis on the reporting mechanism for escalation purposes compared to a wider assessment of performance, Mr Thomas advised that the internal escalation reporting mechanism was deliberately intended to be reductionist as to provide a clear and transparent method of assessment that when broadened out became more subjective and that as a starting point the aim of the internal escalation assessment was to provide a baseline measurement of each component within each domain. Mr Thomas advised that FPC

would focus on the finance and performance domains and believed that there would be merit on presenting the internal escalation report to other Board Committees to scrutinise the domains within each relevant Board Committee's remit.

In response to a question from Mrs Marks on whether the internal escalation report provided a wider comprehensive analysis of each component and referred to the workforce domain within MHLD being within Level 2 of internal escalation despite the service being a fragile service with recruitment challenges, Mr Thomas advised that the level of escalation was based on a mathematic calculations to quantify for escalation purposes as opposed to qualifying the characteristics of the service for its culture of fragility however noted that the fragility of the service was being detected within other domains such as finance and performance where MHLD was at Level 3 of internal escalation.

Decision: The Finance and Performance Committee **NOTED** the Internal Escalation Update Report.

FPC(25)29 MONTH 2 2025/26 FINANCE REPORT

Mr Andrew Spratt presented the Month 2 2025/26 Finance Report and advised that Month 2 had seen a reported overspend of £2.7m against an annual plan target of £2.6m. Mr Spratt believed this to be a positive position at the current stage of the financial year however recognised that there was a significant savings gap that indicated that while the Health Board was in a strong position with core budget performance however there was significant opportunity to take positive decisions and choices to develop a plan to deliver savings.

Mr Spratt believed that there was a need to focus on the proactive conversion of the run-rate and conversion of savings schemes within Q2 2025/26.

Mr Spratt advised that the current end-of-year forecast position was a £57.6m annual deficit that was £26.1m adrift of the Health Board's £31.5m planned deficit and noted the incongruous position of the Health Board delivering its financial plan on a month-by-month basis however predicting to increase expenditure that was not being offset by any savings being committed to, highlighting the urgent need to deliver savings plans to ensure that expenditure does not increase from current levels.

Ms Eiry Edmunds left the meeting

Mr Spratt believed that the Health Board's cost base was in a satisfactory position however advised that should the Health Board wish to increase expenditure greater than currently planned then then a commensurate level of savings would need to be

delivered to maintain the current position. Mr Spratt believed that this was an improved position for the Health Board at this stage of the year compared to previous years when the challenge was to control expenditure.

Mr Spratt advised that for a savings scheme to be categorised as green or amber it had had to be subject to a rigorous internal assessment process where it was considered to be assured that the savings value would be fully delivered. Mr Spratt cautioned that the current quantum of blue and red savings schemes were close to the Health Board's savings target, the Health Board historically struggled to convert those blue and red savings schemes into fully deliverable savings schemes with historically 25% of blue schemes and 50% of red schemes being converted into deliverable schemes.

Mr Spratt advised that due to the over-reliance on non-recurrent savings schemes the Health Board's underlying deficit position was at risk of further deterioration and that work was required to be undertaken this year ahead of the following year planning cycle. Mr Spratt believed that the underlying deficit hangover needed to be resolved ahead of the new planning round to enable the attainment of the WG requirement for the Health Board to achieve a break-even financial position by the end of 2027/28 so that the Health Board continued to receive the conditionally-recurrent additional funding that was predicated on maintaining a trajectory to attain break-even within the required time scale.

Mr Spratt highlighted the letter received from Mrs Judith Paget on 6 June 2025 on the challenge from WG to the Health Board's annual plan and the need for the Health Board to articulate the demonstrable benefits to any local investment choices taken by the Health Board.

Mr Spratt advised that there was concern regarding the Health Board's medical pay costs and advised that the medical stabalisation programme was considered critical to reducing expenditure on short-term medical locum and agency usage that would be a focus for the Health Board with an aim to replicate the success for the nursing stabalisation programme to deliver the ministerial priority to reduce agency usage within all staff groups.

Mr Spratt highlighted to the Committee of the Health Board's cash position that was considered a risk given the Health Board’s planned deficit was £31.5m, there would be a requirement for strategic cash and working capital balances to enable payment of all creditors in February and March 2026. Mr Spratt advised that cash requirements would be assessed throughout the current financial year, with any strategic cash request being required to be submitted to WG in November 2025.

Mr Spratt assured the Committee that there was no risk foreseen of underspending within the Capital Resource Limit (CRL) at this

stage of the financial year. Mr Spratt confirmed that all of the 2025/26 budget delegation accountability letters had been signed and returned.

In response to a question from Mrs Marks on whether there was any concern relating to cash, Mr Thomas advised that while current trajectories and run-rate provided assurance that the Health Board would meet its £31.5m TCT, pressures to increase expenditure within areas of the Health Board necessitated an increase in savings to be delivered to offset any increased expenditure. Mr Thomas advised that without delivering on planned savings there would be a risk to cash in Month 12 2025/26.

Mr Thomas believed that it was a challenge for the Health Board to undertake any investment while having a deficit starting position as the view of WG was that the Health Board was undertaking investment with money that it did not have.

Mr Thomas believed that previously the production of a medium-term financial road map had been challenging however the recent UK Government Comprehensive Spending Review had provided an indication of a level of additional expenditure on health of 3% above inflation although the consequence of the additional funding into WG and onto the Health Board was uncertain at present. Mr Thomas believed that whatever the future financial allocation uplift would be, the Health Board was in practice already spending any future financial uplift in the current financial year with the first choice for any additional financial uplift to be considered should be to improve the Health Board's bottom line given that the nature of the £26m recurrent funding being conditional on achieving a break-even position by the end of 2027/28.

Decision: The Finance and Performance Committee:

- **NOTED** that the Health Board's Deficit plan is £31.5m, with a savings target of £44.4m, and the aspiration is to improve beyond this in the coming months, in-line with WG expectations.
- **SCRUTINISED** the progress of savings actions to bridge the recurrent and non-recurrent savings gap from those Executive portfolios that have yet to identify their full target.
- **RECEIVED ASSURANCE** that there are sufficiently robust plans in place to eliminate the use of all off-contract agency immediately, and reliance on Healthcare Support Worker on-contract agency by the deadlines set in the Ministerial Priorities.
- **DISCUSSED** the 6 June 2025 feedback received from Welsh Government, stating the Health Boards Annual Plan is unsupportable and unacceptable, and by 30 June 2025 to submit detailed actions to deliver a forecast position in 2025/26 that maintains the outturn position of 2024/25 which is a deficit of £24.1m.

- **SCRUTINISED** the benefits being proposed or delivered by the planned and unplanned investments.
- **RECEIVED ASSURANCE** that the net core budget performance remains in-line with the annual plan, except for Medical and Dental pay expenditure which is highlighted as an Alert.
- **ACKNOWLEDGED** the risk of conditionally recurrent funding being withdrawn linked to Welsh Governments feedback on the Annual Plan.
- **ACKNOWLEDGED** that an underlying deficit assessment has been undertaken and that will only be reduced by robust recurrent savings delivery improvements.
- **ACKNOWLEDGED** that all Budget Delegation Accountable Officer letters have now been signed.

FPC(25)30 **SAVINGS AND INVESTMENT REPORT**

Mr Richard Jenkins presented the Savings and Investment Summary Report to the Committee and advised that the Health Board currently had a savings plan for 2025/26 to deliver £44m of savings of which £28m was currently identified savings, leaving a £16.5m savings gap.

Mr Jenkins advised that of the £28m of identified savings, £14.8m were classified as green and amber schemes and £13.2 classed as blue and red which posed a risk to the end-of-year forecast position with the blue and red savings schemes needing to be converted to green and amber to provide assurance of the deliverability of the savings plan.

Mr Jenkins advised that £8.8m of the £28m identified savings was non-recurrent and believed that the Health Board needed to maximise its level of recurrent savings to aid the 2026/27 financial position and the trajectory towards break even.

Mr Jenkins advised that £19m of the £28m identified savings was cash-releasing with work required to be undertaken to maximise the support for the Health Board's cash position for the remainder of the 2025/26 financial year.

Ms Eiry Edmunds joined the meeting

In response to an observation from Mrs Marks that it was nearly the end of Q1 2025/26 and that for every month that passes, the burden of in-month savings requires accumulates over the remainder of the year, Mr Thomas believed that by the time FPC met in August 2025 there needed to be step change in conversion and delivery of savings. In response to observations by Mr Imperato and Cllr Evans, it was agreed that future Savings and Investment reports would contain clear timescales for the expected delivery of actions such as the conversion of savings. **HT**

Mr Jenkins advised that the total value of investments contained within the annual plan was £11.85m of which £5.76 was currently approved with the recurrent cost of the investments being £6.5m with £6m of the total investments currently unapproved. Mr Thomas advised that the Committee could be assured that all investment proposals while having been approved in principle by the Board were subject to a robust scrutiny process before the funding was released to the organisation

Decision: The Finance and Performance Committee:

- **NOTED** that there is regular assessment of the savings position to facilitate active discussion and assess progress.
- **RECEIVED ASSURANCE** from the Executive Delegated Officer portfolios and Clinical Care Groups which remain adrift from delivery of the required savings target for 2025/26 that they have sufficient actions in place to identify and delivery adequate saving plans to achieve the target.
- **ACKNOWLEDGED** that investment cases for 2025/26 are being progressed through a review and scrutiny process to inform a final approval decision at Formal Executive Team. Also, that this process has incorporated the consideration of essential proposals to enable key quality and safety priorities for the Health Board in respect of fire enforcement notices and review of nursing workforce in particular areas.

FPC(25)31 **PLANNING OBJECTIVES UPDATE REPORT Q1 2025/26**

Mr Thomas presented the Planning Objectives (PO) Update Report for Q1 2025/26 to the Committee and advised that PO2 ('Financial Recovery and Roadmap') was on track and highlighted the Comprehensive Spending Review discussion earlier in the meeting and advised that an assessment of the actions that could be un strategic assessment of the Health Board's medium-term financial recovery. Mr Thomas advised that this would be discussed by Executive Team in July 2025 and presented to Board on 27 November 2025. Mr Thomas advised that it would be presented to FPC ahead of consideration at Board. **HT**

Mr Thomas advised that an update on PO3 ('Urgent and Emergency Care'), PO4 ('Planned Care including cancer and diagnostics') and PO5 ('Mental Health and Learning Disabilities') had been fully covered by the thematic review.

Decision: The Finance and Performance Committee **RECEIVED ASSURANCE** on the current position in regard to the progress of the Planning Objectives aligned to the Finance and Performance Committee, in order to assure the Board that the Planning Objectives are progressing and are on target.

FPC(25)32 PROCUREMENT SCRUTINY

Mr Thomas presented the Procurement Report to the Committee and advised that there was one item that required the approval of the Committee for onward submission to the Board for the All Wales Fresh Non-Prepared and Prepared Fruit, Vegetables and Salad and noted the recommendation for the award of two lots to Dole Food Services and WR Bishop.

Mr Thomas advised that an assessment of the opportunity to maximise social and local value of the Health Board's procurement and advised that while Dole Food Services was not a local supplier they did utilise local suppliers within their supply chain.

In response to a question from Cllr Evans on the inclusion of provision of food to Tregaron Community Hospital, Mr Thomas advised that the contract was based on usage as opposed to the procurement of a block sum of provision.

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

- **APPROVE** the award of Fresh Non-Prepared and Prepared Fruit, Vegetables and Salad to the above providers for the period 1 January 2026 to 31 December 2028, with an option to extend for a further twelve (12) months. This contract will have onwards submission to Board and Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership).

FPC(25)33 WELSH HEALTH CIRCULARS

Mr Thomas presented the Welsh Health Circulars (WHCs) to provide an update on progress in relation to the implementation of WHCs which come under the remit of SRC.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee:

- **NOTED** the re-alignment of Welsh Health Circulars reportable to the Finance and Performance Committee in line with revised governance arrangements as approved by Board at its meeting in January 2025.
- **RECEIVED ASSURANCE**, or otherwise, from the lead Executive Director or Supporting Officer on the management of Welsh Health Circulars within their area of responsibility, particularly in respect of understanding when the Welsh Health Circular will be delivered, any barriers to delivery, impacts of non/late delivery and assurance that

the risks associated with these are being managed effectively.

FPC(25)34 MINISTERIAL DIRECTIONS

Mr Thomas presented the Ministerial Directions (MD) to provide the Committee with a status update and assurance that all NHS Non-Statutory Instruments (NSIs), otherwise known as MDs received from WG have been implemented and adopted by HDdUHB.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee **RECEIVED ASSURANCE** that Hywel Dda University Health Board is compliant with the Non-Statutory Instruments (Ministerial Directions) issued by WG between 1 February 2025 and 12 June 2025.

FPC(25)35 ALL-WALES CAPITAL PROGRAMME 2025/26, CAPITAL RESOURCE LIMIT AND CAPITAL FINANCIAL MANAGEMENT UPDATE

Mr Thomas presented the All-Wales Capital Programme, the 2025/26 CRL and Capital Financial Management Update to the Committee and advised that there was reasonable assurance over the Health Board's CRL position.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee:

- **NOTED** the 2025/26 Capital Resource Limit (CRL)
- **NOTED** the project updates

FPC(25)36 INTEGRATED PERFORMANCE ASSURANCE REPORT

Mr Thomas presented the Integrated Performance Assurance Report (IPAR) to the Committee and advised that there had been a reassessment of how the assurance was provided in relation to performance to provide a triangulated assessment of performance to provide assurance.

Mr Thomas highlighted the areas of the IPAR that had not been discussed previously in the meeting and advised that the number of C. difficile confirmed cases per month was alerted to the attention of the Committee. Ms Lewis advised that monitoring of

C. difficile was overseen by the Quality, Safety and Experience Committee (QSEC). Mr Thomas highlighted the alert to the Committee relating to the sickness absence rate of staff.

In response to an observation from Ms Lewis on the role of the IPAR to provide assurance that there was a rigorous process in place to collect, analyse and use service data that was reported clearly, Mr Thomas believed that the IPAR provided management oversight control of performance

Decision: The Finance and Performance Committee:

- **DISCUSSED** the IPAR – Month 2 2025/2026 Report
- **RECEIVED ASSURANCE** on the operational delivery of mitigating actions to improve performance in the areas that have been categorised as 'alert'.

FPC(25)37 NWSSP PERFORMANCE REPORT QUARTER 4 2024/25

Mr Thomas presented the NHS Wales Shared Services Partnership (NWSSP) Performance Q4 2024/25 Report to the Committee providing a summary of the services NWSSP provides for the Health Board.

In response to a question from Mr Imperato on the funding of NWSSP, Mr Thomas advised that NWSSP was funded directly by WG and the only costs incurred by the Health Board were for any additional work that the Health Board requested NWSSP undertake on behalf of the Health Board.

Decision: The Finance and Performance Committee:

- **RECEIVED ASSURANCE** from the content of the NWSSP Performance Report for Quarter 4 2024/25 that services provided are being delivered to expected standards; and
- **NOTED** the work being developed regarding outcome measures reporting.

FPC(25)38 DISCHARGE TO ASSESS

Ms Julia McCarthy joined the meeting

Miss Jill Paterson presented the Discharge to Assess (D2A) Review to the Committee and advised that the report was being presented to the Committee following a request made by the previous Strategic Development and Operational Delivery Committee (SDODC) to further understand the financial impact of D2A to the Health Board.

Miss Paterson advised that the D2A process had been developed by a number of Health Boards in Wakes during the COVID-19 pandemic as a means of rapidly discharging patients from a hospital setting, however at present HDdUHB was the only Health Board in Wales still utilising the pathway.

Miss Paterson advised that the pathway was for individuals with a perceived complex health need that would result in a need for continuing healthcare (CHC) whereby the individual would be moved from a hospital setting to a care home setting for the assessment to be undertaken within two weeks with the responsible party providing the funding should the individual be assessed as not meeting the criteria for CHC.

Miss Paterson advised that the review had identified that there were significant delays by local authorities to take responsibility for individuals who were assessed as being ineligible for CHC following assessment with 30% of individuals transferred to care home beds being eligible for CHC funding resulting in additional costs for the Health Board. Miss Paterson highlighted that in Pembrokeshire there were 14 patients costing the Health Board £168k that the Health Board were continuing to fund.

Miss Paterson advised that a report had been presented to operational groups and the Integrated Executive Group (IEG) with local authority partners to determine whether to revert to the arrangements that were in place prior to the COVID-19 pandemic, and it was agreed to undertake a pilot scheme that commenced in August 2024 to undertake the CHC assessments within the hospital setting prior to any discharge. Miss Paterson advised that there had been no agreement from local authorities with a report to be presented to IEG to attempt to receive a commitment from local authority partners for agreement on a future pathway.

In response to a question from Mrs Marks on what the recommended actions were, Miss Paterson advised that there were no recommendations attached to the report as the Committee was not being asked to make a decision and the purpose of the report was to explore the financial implications ahead of consideration by IEG. Ms McCarthy believed that it was in the best interests of the patient to be assessed within the community setting as a better indication of the healthcare needs of the individual was better assessed in a less acute environment. Ms McCarthy believed that it was disproportionate for the Health Board to fully-fund all the individuals.

Ms McCarthy advised that SBUHB and Powys Health Teaching Board (PHTB) undertook a proportionate assessment of individuals that had been agreed with the relevant local authorities that where there was an assessment of nursing need then that need would be commissioned by the Health Board.

HT/JW

Mr Thomas believed that as the pilot was undertaken in August 2024 there was a need for Executive Team to undertake a consideration of the learning from the process and to make a decision that would support a resolution at IEG.

Ms Julia McCarthy left the meeting

Decision: The Finance and Performance Committee **NOTED** the review of the Discharge to Assess pilot.

FPC(25)39 OPHTHALMOLOGY PERFORMANCE: GETTING IT RIGHT FIRST TIME UPDATE

Mr Carruthers presented the Ophthalmology Performance Getting It Right First Time (GIRFT) Update to the Committee on the progress of the GIRFT Ophthalmology review recommendations as previously there were a significant number of actions that were still open with lengthy review dates attached to the actions.

Mr Carruthers advised that work had been undertaken with Mr Mark Henwood and Mrs Wilson to review all the open recommendations that resulted in a number of actions having been closed with only 9 of the 59 recommended actions remaining open. Mrs Wilson advised that a rigorous review process had been undertaken with clinical involvement.

Decision: The Finance and Performance Committee:

- **RECEIVED ASSURANCE** from the recommendations closed to date;
- **RECEIVED ASSURANCE** on the recommendations being reviewed and progressed currently; and
- **RECEIVED ASSURANCE** on the future plans to address the outstanding recommendations.

FPC(25)40 POLICY AND PROCEDURES

Mr Thomas presented the review of Financial Procedures and advised that there was one financial procedure, FP1032 - Treatment of Private Patients - Control of Admission and Collection of
Income, that was due for review in June 2025.

Mr Thomas advised that due to the ongoing organisational change process (OCP) within the Health Board Operations, which impacted on the process and procedure, approval was sought to defer the review the review and present an updated procedure to the Committee for approval at the October 2025 FPC meeting.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee **APPROVED** an extension to the review date of the following procedure:

- FP 1032 - Treatment of Private Patients - Control of Admission and Collection of Income

FPC(25)41 JCC PLANNING, PERFORMANCE AND FINANCE SUB-COMMITTEE REPORTS

Mr Thomas presented the Joint Commissioning Committee (JCC) Planning, Performance and Finance Sub-Committee highlight report from its meeting on 20 May 2025 for information.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee **NOTED** the highlight report from the Joint Commissioning Committee Planning, Performance and Finance Sub-Committee meeting on 20 May 2025.

FPC(25)42 AUDIT WALES COST SAVINGS ARRANGEMENTS

Mr Thomas presented the Audit Wales Cost Savings Arrangements checklist to the Committee for information.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee **NOTED** the Audit Wales Cost Savings Arrangements Checklist.

FPC(25)43 FINANCE AND PERFORMANCE COMMITTEE WORK PLAN 2025/26

Mr Imperato presented the FPC Annual Work Plan for 2025/26 to the Committee for review.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee **NOTED** the Committee Work Plan 2025/26.

FPC(25)44 ANY OTHER BUSINESS

There was no other business transacted at the meeting.

FPC(25)45 DATE OF NEXT MEETING

The next meeting of FPC will be held on Tuesday 26 August 2025.