GIG CYMRU NHS WALES | Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

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

DATE OF MEETING:	**9:30 AM, Tuesday 24 February 2026**
VENUE:	**Dolau Cothi Boardroom, Corporate Headquarters, Picton Terrace/Microsoft Teams meeting**

PRESENT:	Michael Imperato (Hywel Dda UHB - Independent Board Member) (Chair) Rhodri Evans (Hywel Dda UHB – Independent Member) (part) Eleanor Marks (Hywel Dda UHB - HDUHB Vice Chair) Winston Weir (Hywel Dda UHB - Independent Board Member) (VC) (part)
IN ATTENDANCE:	Shaun Ayres (Hywel Dda UHB - Director of Delivery) (VC) (part) Andrew Carruthers (Hywel Dda UHB - Chief Operating Officer) (part) Gemma Deverill (NWSSP – Procurement) (VC) (part) Lisa Gostling (Hywel Dda UHB – Director of Workforce & OD/Deputy CEO) Siân Jenkins (Hywel Dda UHB - Deputy Director of Finance) Keith Jones (Hywel Dda UHB – Director of Operational Planning & Performance) (VC) (part) 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) (VC) 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)001	**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
- Mr Neil Prior, Independent Member

FPC(26)002	**DECLARATION OF INTERESTS**	

There were no declarations of interest.

FPC(26)003 **MINUTES OF FINANCE AND PERFORMANCE COMMITTEE HELD ON 16 DECEMBER 2025**

The minutes of the FPC meeting held on 16 December 2025 were reviewed and agreed as an accurate record of proceedings.

Decision: The minutes of the Finance and Performance Committee meeting held on the 16 December 2025 were **APPROVED** as a correct record of proceedings.

FPC(26)004 **TABLE OF ACTIONS FROM FINANCE AND PERFORMANCE COMMITTEE HELD ON 16 DECEMBER 2025**

The Table of Actions from the FPC meeting held on 16 December 2025 was reviewed.

Decision: The Finance and Performance Committee **REVIEWED** and **NOTED** the Table of Actions from the Finance and Performance Committee meeting held on 16 December 2025.

FPC(26)005 **SELF-ASSESSMENT OF COMMITTEE EFFECTIVENESS: OUTCOME REPORT**

Mrs Joanne Wilson presented the Outcome Report of the Self-Assessment of Committee Effectiveness to the Committee and advised that the feedback received related to themes that were consistent with other Board Committees such as the quality of reports presented to the Committee, the appropriate degree of focus of those reports and the timeliness of the reports were common feedback from all Board Committees with an action to raise with Executive Leads and report authors.

In response to a question from Mr Huw Thomas on whether the actions for Executive Leads were a response to the quality and focus of any specific reports, Mrs Wilson advised that the feedback was a general response to the self-assessment feedback and that any specific issues that Independent Members (IMs) reported with individual report presented to FPC would be picked up in the IM Feedback Sessions that were undertaken following each Board Committee meeting.

Decision: The Finance and Performance Committee **CONSIDERED** the outputs from the Committee Self-Assessment

process and **AGREED** to the actions to be taken to improve its effectiveness.

FPC(26)006 **ASSURANCE AND RISK REPORT**

Mrs Wilson presented the Assurance and Risk Report to the Committee and noted that there was one principal risk aligned to FPC that was currently under review as part of the refreshed Board Assurance Framework that would be presented to the Board Meeting on 30 July 2026.

Mrs Wilson noted that there were 19 operational risks aligned to FPC and highlighted that a significant number of the operational risks had been scored at the extreme high level.

Mrs Wilson advised that there were currently two Welsh Health Circulars (WHCs) aligned for reporting to FPC with one complete and the other in progress.

Mr Thomas advised that one of the critical risks related to the affordability of the Health Board's financial position however following confirmation from Welsh Government (WG) that the Health Board's strategic cash request had been approved enabling the risk to be de-risked ahead of the final month of the financial year.

Mr Thomas believed that it would be beneficial for the Committee to undertake a deep dive into the risk landscape around the affordability of the Health Board's financial position following approval of the 2026/27 Annual Plan. **HT**

Mr James Severs expressed the opinion that the revised operational structure following the organisational change process (OCP) had resulted in strengthened leadership and enhanced grip and control measures with the Clinical Care Groups (CCGs) providing oversight of expenditure and the risks associated with overspending that would facilitate the discussion on risk tolerance when balancing the financial risks with the quality and safety risks. Mr Thomas believed that the Annual Plan would need to be explicit on what the Health Board was not going to do in addition to what it planned to do.

Decision: The Finance and Performance Committee, in relation to the areas presented in this paper, to:

RISK MANAGEMENT

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

- **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.

WELSH HEALTH CIRCULARS

- **RECEIVED ASSURANCE** from the lead Executive Director or Supporting Officer on the management of WHCs within their area of responsibility, particularly in respect of understanding when the WHC 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(26)007 ESCALATION OVERSIGHT AND HIGHLIGHT REPORT

Mr Shaun Ayres presented the Escalation Oversight and Highlight Report to the Committee and believed that the Health Board was very close to attaining its 2025/26 underlying deficit position however while initial pressures within urgent and emergency care (UEC) were beginning to be realised providing a benefit to improved performance, there were cost pressures developing due to a bottleneck in discharging patients from the acute hospital settings.

Mr Ayres highlighted that three CCGs were at Level 3 of internal escalation for finance and performance; Planned and Specialist Care, Community and Integrated Medicine and Mental Health and Learning Disabilities and that the three CCGs had been unable to progress towards de-escalation with a need to consider what further escalation would entail for those CCGs.

Mr Ayres outlined how service areas had been classified within a three-tiered structure with the performance of services within the highest tier considered to be structurally unachievable such as R1 Ophthalmology, Delayed Follow-Ups and Pathways of Care Delays whose performance was linked towards the need for structural changes to improve patient flow out of the acute setting and into the community to realise any sustainable improvements in performance.

Mr Ayres explained that the second tier provided more opportunity for performance improvement and were considered seasonal such as ambulance handover performance and 12-hour Emergency Department (ED) waits and cautioned that whereas performance improvements had met the de-escalation criteria improvements were still lower than expected against the Health Board's performance framework.

Mr Ayres believed that there were positive results within the third tier in services areas such as diagnostic endoscopy that had exhibited on-going strong performance.

In response to a query from Mr Andrew Carruthers who believed that there were currently plans in place to improve R1 Ophthalmology and Delayed Follow-Up performance, Mr Ayres confirmed that the projections were based on current trend analysis up to the current point in time and that no robust plans to improve performance in those areas had been shared. Mr Carruthers believed that plans to improve R1 Ophthalmology performance had been presented to FPC on 16 December 2025 and believed that there was a need for Mr Ayres to be provided with access to the plans and information required to be considered as part of the performance trajectory.

Mr Thomas expressed the view that there needed to be triangulation of the data to ensure that there was a unified version of the projections made with further work required to improve the understanding of the demand and capacity planning to ensure that there was a collective understanding of the performance trajectories. Mr Thomas believed that an improved solution would be to work with the Data Science Team to enable the centralisation of the data compilation that Mr Ayres and Mr Carruthers would have access to and provide additional information to that would provide independent assessment and analysis of projections.

HT

Cllr Rhodri Evans joined the meeting

<u>**Decision:**</u> The Finance and Performance Committee:

- **SCRUTINISED** the trajectories presented in this paper, including the Prophet forward look projections and Clinical Care Group pre-mitigation demand and capacity positions, and take assurance that these are being used to inform realistic and evidence-based improvement targets within the 2026/27 annual plan.
- **RECOGNISED** the risks the organisation is carrying into 2026/27, specifically: the underlying deficit of £58.4m; the worsening Month 10 2026/27 run rate trajectory; three Tier 1 metrics where Prophet projects zero probability of target achievement; and the pre-mitigation referral to treatment, therapies and radiology trajectories. The honest gap assessment must be communicated with Welsh Government as part of the Annual Plan.
- **NOTED** that three Clinical Care Groups (Community and Integrated Medicine, Mental Health and Learning Disabilities and Planned and Specialist Care) are approaching Level 4 financial escalation triggers with recovery plans consistently overdue. Should sustained improvement not be demonstrated, Level 4 oversight will need to be applied.

FPC(26)008 **DEMAND AND CAPACITY PLANNING 2026/27 (INCLUDING RECOVERY OF THERAPIES AND REFERRAL TO TREATMENT)**

Mr Carruthers presented the Demand and Capacity Planning 2026/27 report to the Committee and believed that the report illustrated the difficulties envisaged for the Health Board in 2026/27 to deliver the level of capacity that was anticipated from within its current resources and core budget.

Mr Carruthers observed that the Health Board had previously been receiving approximately £10m a year from WG to support planned care waiting time improvement that WG was currently indicating would not be available in 2026/27.

Mr Carruthers outlined how the efforts to deliver a consistently higher level of cancer performance was impacted by the inability to invest in parts of the cancer pathway required to generate a reduction in diagnosis time needed to deliver the improved levels of performance.

Mr Carruthers believed that there was a tension between the performance impact of being unable to invest in the required service areas and the financial plan impact on delivering performance improvements above any other consideration.

Mr Keith Jones highlighted the change in the target within planned care for 2026/27 with the removal of the 52-week referral to treatment target having been replaced with a maximum 26-week waiting time for a Stage 1 first outpatient appointment and advised that the Planned and Specialist Care CCG had undertaken to devise a zero-based budget philosophy for 2026/27 that made no assumptions on the continuation of capacity or activity that was not supported by their core resource budget with any assumptions relating to their recurrent or non-recurrent support having been excluded from their modelling.

Mr Jones advised that the modelling was based on the CCGs' core resources and that was what was driving the gap between demand and capacity with a need to further explore how service transformation, efficiency and productivity could assist reduce that gap.

Mr Jones highlighted the forecasted delivery gap for meeting the 26-week wait for a Stage 1 first outpatient appointment as currently being 9,000 patients and was forecasted to be achieved by March 2027 in all but five specialities with required additional capacity through a combination of internal and external additional capacity solutions having an associated recovery cost of £1.12m.

Mr Jones advised that for the total pathway and the 104-week referral to treatment (RTT) target, there was a forecast delivery gap range of between 5,507 patients and 4,465 patients as a best-case scenario should theatre cancellations be mitigated and theatre efficiency and productivity optimisation improvements be achieved despite a reliance on supplementary staffing to deliver activity without the level of theatre cancellations experienced in 2025/26.

Mr Jones cautioned that capacity benefit assumptions did not include any benefit from any emerging regional solutions that were currently under development that particularly impacted ophthalmology and orthopaedic performance with the Health Board having £700k to £800k of recurrent recovery allocation available that could be applied within these two areas.

In response to a question from Mrs Marks on the potential for productivity gains that could be made without an additional cash investment, Mr Carruthers advised that what WG had proposed as enabling actions had been difficult to calculate how those actions could be quantified into productivity and efficiency assumptions and cited an example of a target for a 50% reduction in follow-up appointments where Hywel Dda University Health Board (HDdUHB) had the lowest proportion of follow-up appointments per capita of any Health Board in Wales.

Mr Carruthers believed that the areas of greatest opportunity was within theatre utilisation and optimisation where the challenge was mostly a workforce challenge.

Mr Thomas believed that the Health Board would need to be able to demonstrate to WG what quantifiable measures through the enabling actions could be planned and that a report would be presented to FPC on 30 April 2026 as part of the Value and Productivity Report. Mr Carruthers advised that from April 2026 there would be a strengthened oversight and reporting arrangements within planned care transformation that would encompass the enabling actions to assist in quantifying the narrative in relation to the enabling actions.

HT

Mr Jones advised that in relation to the Single Cancer Pathway (SPC) that the consequence of doing nothing given the non-recurrent nature of investment into the pathway would result in a deterioration in the SCP performance with a continuation of the current level of investment required to maintain the current position resulting in a financial challenge to do so with an additional investment of £8.5m required to make the further improvements towards the 75% target of patients receiving their first definitive cancer treatment within 62 days of the point of suspicion of cancer with the investment focussed on the diagnostic pathways.

Mr Jones advised that the diagnostics demand and capacity gap was split between endoscopy and radiology with the capacity gap within endoscopy relating to 3 sessions per week that would require an investment of £350k to meet.

Mr Jones observed that the Health Board had invested £3.5m into radiology services in 2025/26 that had been supplemented by a £1.4m additional support from WG that without that £1.4m investment being made in 2026/27 there would be a reversal in the performance trend.

Mr Jones highlighted the therapies position, and the workforce capacity issues within physiotherapy, podiatry and nutrition and dietetics with a gap of 15 whole-time equivalent (WTE) staff across the three pathways required to meet the demand required to meet the target position by March 2027 with a recruitment cost of £150k in 2026/27.

Mr Jones believed that the urgent and emergency care (UEC) position was complex with the recent UEC business case would generate some but not all improvements required to deliver the TI de-escalation criteria requirements for one-hour ambulance hand-over performance, 12-hour emergency department (ED) waits, clinical assessment times and pathway of care delays with solutions varying across the Health Board's acute hospital sites with further work required on the modelling.

Mr Jones advised that the total cost of all the recovery actions was around £20m with Mr Thomas believing that there was a need to explore the low cost and high value actions such as the £150k therapies investment representing a positive opportunity for the Health Board.

Mr Thomas believed that there was a need to undertake further work to determine the underlying demand and capacity gap following the delivery of the enabling actions and value opportunities that left the residual finance and workforce requirements for the 2026/27 planning cycle. **HT**

Mrs Lisa Gostling and Mr Shaun Ayres left the meeting

Decision: The Finance and Performance Committee **NOTED** the Demand and Capacity Planning 2026/27 (including recovery of therapies and referral to treatment) Report.

FPC(26)009 SAVINGS IDENTIFICATION 2026/27 FOR OPERATIONAL TEAMS

Mr Jones presented the savings identification within the CCGs and operations function for 2026/27 and advised of the savings

target of £33.5m that included the carry-forward gap from 2025/26.

Mr Jones noted that as of 31 January 2026, the CCGs and operational teams had identified cash releasing proposals of 24% of their target total of £7.2m in-ear with a £8.73m full-year effect and non-cash releasing opportunities of £2.5m in-year with a £4.2m full-year effect.

Mr Jones acknowledged that the total of savings opportunities identified was not of a satisfactory level with a series of executive touch-point reviews with each CCG undertaken to develop a number of additional proposals that would be assessed to analyse the potential additional opportunities that could be delivered in 2026/27.

Mr Jones highlighted that each CCG was carrying forward a savings deficit into 2026/27 in addition to an additional 2% of savings requirements above their 2025/26 level and advised that each CCG were facing significant budgetary cost pressures ahead of the new financial year in addition to the focus on generating savings opportunities, with the Allied Health and Health Sciences CCG having to manage a potential additional cost pressure of £10m to £11m in 2026/27 with a degree of confidence that £8m of that pressure was able to be mitigated with a challenge to address to remaining £2m to £3m gap.

In response to a question from Cllr Rhodri Evans on how the workforce cost pressures would be managed, Mr Carruthers believed that there had been a traditional reliance on variable pay, agency usage and local arrangements to deliver the additional capacity and while workforce pressures were not within the financial plans there was also the question of whether the potential workforce capacity existed to enable the required recruitment regardless of the financial implications. Mr Thomas believed that there was a balance to be struck between the differing tensions of finance, quality and performance.

Mr Thomas advised that there was an opportunities framework that identified £70m of savings opportunities across the entire organisation with the challenge to convert those opportunities into credible savings plans and into deliverable actions. Mr Thomas believed that there were a number of tools at the disposal of the Health Board to deliver those opportunities such as quality improvement, value, digital and workforce and organisational development with a need to combine those tools together to demonstrate impact within the Annual Plan.

Mr Jones outlined that the next steps to be taken would be to assess the reflections received from the CCGs on the blue and black savings schemes to consider how many were transactable and over what timescale.

In response to a question from Mr Imperato on what actions could be taken differently to those previously taken, Mr Thomas advised that a report detailing how Level 4 of internal escalation was manifested and how the turnaround of CCGs and operational functions was exhibited and how the learning from the all-Wales Directors of Finance peer group meetings could be presented to the FPC meeting on 30 April 2026. **HT**

Mr Carruthers advised that each CCG was in the process of attending a value-based healthcare events organised by Swansea University that initial feedback from CCGs that had already attended such events had been positive.

Mr Carruthers detailed the work undertaken in partnership with Mr Richard Jenkins from the Finance Team in relation to the opportunities framework around savings and cost-cutting from both a CCG and a professional group perspective to determine opportunities that could be prioritised.

Mr Carruthers believed that the discussion would feed into the wider debate relating to the redesigning of the service model with both the savings plan and the financial plan relating to workforce costs and variable pay costs relating to the current service provision that was complicated by geographic and multiple site considerations.

Mr Thomas advised that NHS Wales Performance and Improvement have developed a revised checklist of control measures and that the Health Board would self-assess itself against the checklist and report to the Audit and Risk Assurance Committee (ARAC).

Decision: The Finance and Performance Committee **NOTED** the Savings Identification 2026/27 for Operational Teams report.

FPC(26)010 **FINANCIAL PERFORMANCE ASSURANCE REPORT**

Mr Thomas presented the Month 10 2025/26 Financial Performance Assurance Report to the Committee and advised that the Health Board would have to overspend by £3m in the last two months of the year to fail to achieve its £22.1m target control total (TCT) position ad believed that there was strong assurance over the Health Board’s financial performance despite a degree of risk to the position from a recent Supreme Court ruling that children with reduced life expectancy due to clinical negligence can claim compensation for "lost years" of future earnings.

Mr Thomas reiterated that the Health Board’s request to WG for strategic cash support had been confirmed that eliminated the risk of the Health Board having insufficient cash to enable payment of

creditors at the end of the year. Mr Thomas advised that this would be reported to Board on 26 March 2026 to close the risk and approve a new corresponding risk for 2026/27.

Mr Andrew Spratt highlighted an emerging trend within staff sickness that was impacting on clinical variable and agency pay increases that was being explored by the People, Organisational Development and Culture Committee (PODCC) and the increased prevalence of staff placed on restrictive duties that was having a negative impact on clinical cover.

Decision: The Finance and Performance Committee:

- **RECOGNISED** that the Health Board's forecast deficit has remained as £22.1m with no further mitigating actions required, assuming all expected actions deliver in full.
- **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 the in-year savings delivery target has been over-achieved, supported significantly by non-recurrent actions.
- **ACKNOWLEDGED** that an underlying deficit assessment has been undertaken and that will only be reduced via robust recurrent savings delivery improvements, in particular those Executive portfolios that have yet to identify their full target.
- **NOTED** that the strategic cash request of £22.1m has been approved by Welsh Government and the in-year risk will be reduced to reflect this.

FPC(26)011 **INVESTMENT, BENEFITS REALISATION AND DISINVESTMENT REPORT**

Ms Siân Jenkins presented the Investment, Benefits Realisation and Disinvestment Report to the Committee and advised that the majority of the investments had been transacted in the early part of the financial year with the most significant change relating to the regrading of Band 2 healthcare support workers (HCSWs) that had been transacted with payments made in February 2026.

Ms Jenkins highlighted the list of investments that had been commenced in 2025/26 and advised that the detailed financial impact was being assessed with further scrutiny of the agreed investments to be undertaken following confirmation of the reporting arrangements.

Mr Andrew Carruthers and Mr Keith Jones left the meeting

Decision: The Finance and Performance Committee:

- **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; and
- **NOTED** that the process for investment cases has been reviewed and a refined approach drafted, aiming to standardise the information provided and support service leads in navigating the process of developing cases for change, presenting the associated business implications and subsequent benefits realisation as part of the planning process.

FPC(26)012 THREE YEAR FINANCIAL PLAN 2026-29

Mr Thomas introduced the Three Year Financial Plan 2026/29 report to the Committee and advised that much of what was discussed through the Demand and Capacity planning discussion contributed to the three-year financial plan.

Mr Spratt advised that the financial plan included an allocation of £12.8m from WG, with the Health Board being required to fund a proportion of its additional costs through savings identification.

Mr Spratt advised that a degree of the additional costs was inflationary pressure that the Health Board had no control over with £12.4 of choices contained within the plan for determination.

Mr Spratt confirmed that in addition to the WG allocation, the Health Board would also be funded for the 2026/27 pay award uplift and the General Medical Services (GMS) uplift of 5.8% that equated to an additional allocation of £4m.

Mr Spratt advised that as a result of the Health Board achieving its TCT for 2025/26. WG have confirmed that the Health Board will recurrently receive its previously conditionally recurrent funding of £43m as a positive recognition of the progress made by the Health Board to its financial performance.

Mr Spratt highlighted that WG had confirmed that £24.4m of previously ring-fenced funding has been released into the core budget of the Health Board to enable full autonomy to manage the funding.

Mr Spratt summarised the process of developing the three-year financial plan from the establishment of the Planning Development Group in September 2025 that triangulated the finance, performance, operations, workforce and governance plans to provide the Executive Team with a set of recommendations that balanced planning, performance, quality and safety.

Mr Spratt cautioned that the plan contained proposals to recruit £40m of additional workforce that evidence indicated was not available within the local workforce pool to recruit with a reliance on wider recruitment with previous success with international recruitment.

Mr Spratt noted that the intention was to present a three-year financial plan to WG that the Health Board had not been in a position to do since the inception of the Health Board in 2009 following the conversion of the three-year financial road map into a formalised three-year financial plan that provided an improving trajectory between the current year and the third year of the plan with the expectation of WG for the Health Board to present a path to break-even by the end of the second year of the three-year plan by the end of 2027/28. Mr Spratt cautioned that the expectation was established before the severity of the Welsh Risk Pool national impact had been understood with the significant change that WG had not anticipated.

Mr Spratt indicated that Year 1 within the financial plan indicated a £40.9m deficit that included the £13.1m Welsh Risk Pool liability that equated to a deficit of £27.8m excluding the Welsh Risk Pool liability assuming that the savings were delivered as planned and costs were as modelled. Mr Spratt explained that in 2025/26 the Health Board was delivering a £22.1m deficit position with an additional £7m of accountancy gains that resulted in a year-end position of £29.1m with a £27.8m Year 1 figure being an improvement on the current year.

Mr Spratt highlighted the risks to the Health Board's position.

- An expectation that WG would continue to provide 26m of conditionally recurrent funding.

- The risk that the impact of the Welsh Risk Pool obligation would increase from the current assessed level.

- The inability of the Health Board to proactively declare savings schemes with the Health Board managing a reactive process whereby monthly underspends had been transacted as savings retrospectively with a lack of commitment from budget holders to forecast the savings proactively.

Mr Spratt informed that the expectation from WG was for the Health Board to convert those non-recurrent savings into a recurrent savings that reduce the Health Board's underlying deficit.

Mr Spratt advised that the Executive Team had resolved to convert £10m of the £28m non-recurrent savings into further recurrent and non-recurrent savings with the £18m gap increasing the requirement to deliver cash-releasing savings in 2026/27 from

£19m to £37m, adding to the deliverability challenge of the financial plan.

Mr Spratt highlighted the budget delegation process for 2026/27 whereby the Chief Executive has written to Executive Directors to ensure that service budgets were approved by 31 March 2026.

Mr Spratt noted that Accountable Officer letter to the WG Director General of Health, Social Care and Early Years informing that the Health Board would not be submitting a financially balanced Integrated Medium-Term Plan (IMTP).

Mr Spratt advised that a response had been received from WG formally notifying the Health Board that it was in breach of its statutory duty and inviting the Health Board to a scrutiny session on 12 March 2026 to outline what further savings opportunities would be realised to deliver a break-even position. Mr Spratt advised that the response from WG would be circulated to Independent Members (IMs). **AS**

Mr Thomas believed that the bottom-line figures contained within the three-year financial plan would see the Health Board go very close to attaining a break-even position by the end of Year 3 however the plan was predicated on delivering significant levels of savings.

Ms Gemma Deverell joined the meeting

In response to a question from Mrs Marks on the challenge of making increased savings year-on-year, Mr Thomas believed that the conversion of non-recurrent savings to recurrent savings had a positive impact on the underlying deficit that improved the position in future years, reducing the reliance on delivering non-recurrent savings and that the three-year plan detailed the required level of savings required to attain a break-even position.

In response to a question from Mr Weir on the need to progress public health and preventative measures within the Annual Plan, Mr Spratt confirmed that within the prioritisation process, significant public health items were included such as children and young people weight management services and health coaching that were both included within the financial plan to support the prevalence agenda.

Mr Thomas believed that the value agenda was a significant opportunity of the Health Board with work undertaken within heart failure having a significant value case and the development of the fracture liaison service that has had an impact on reducing the incidence of fractures.

Decision: The Finance and Performance Committee:

- **ACKNOWLEDGED** that the Health Board is proposing to submit a Three-Year Financial Plan, which breaches its statutory duties to financially breakeven over a three-year period;
- **ACKNOWLEDGED** and **SCRUTINISED** that the Health Board is proposing to submit a deteriorating financial deficit, and one that does not achieve breakeven by 2027/28, which will fail to meet the de-escalation criteria set out as part of Targeted Intervention, which also places a risk on £26.0m of assumed conditionally recurrent funding;
- **DISCUSSED** and **SCRUTINISED** the income and expenditure modelling and decisions as part of the financial assessment for the 2026/29 Financial Plan;
- **DECIDED** that the aspirations as set out were sufficient to gain Board approval in March 2026 when the final version of the financial plan is submitted for approval;
- **ENDORSED** the approach being taken to recognise underspends on a recurrent basis and the method of allocating savings targets to functions;
- **SCRUTINISED** the progress of savings actions to bridge the recurrent savings target and minimise any conversion loss from idea phase to robust deliverable plan;
- **APPROVED** the Financial Plan Accountability Letter 2026-27, for the Accountable Officer (Chief Executive Officer) to share with delegated officers on 2 March 2026, for signing by 31 March 2026;
- **APPROVED** the onward delegation and allocation of 2026/27 budgets based on Year 1 of the financial plan, **NOTED** the ongoing approach required for non-recurrent savings conversion to recurrent, potential savings aspiration changes, and business case scrutiny being required for all items included within the £12.4m demand prevalence increases;
- **NOTED** the outstanding confirmations related to values for Long Term Agreements, Service Level Agreements, NHS Wales Joint Commissioning Committee and Digital Health and Care Wales; and
- **NOTED** the Accountable Officer letter that has been sent to Welsh Government on 13 February 2026.

FPC(26)013 BALANCE SHEET REPORT

The Balance Sheet as of 31 December 2025 was presented to the Committee.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee **NOTED** the Balance Sheet as of the end of Quarter 3 2025/26.

FPC(26)014 **PROCUREMENT SCRUTINY**

Ms Gemma Deverill presented the Procurement Scrutiny report to the Committee and advised that there were three items of procurement that were presented to the Committee for approval ahead of onward submission to the Board for approval.

Ms Deverell advised that the report sought to assure the Committee of the robust procurement process that had been undertaken for the three items presented for scrutiny.

Ms Deverill advised that the evaluation for the Principal Contractor for Construction Delivery for the Glangwili Hospital (GGH) Phase 2 Fire Improvement Works had concluded with the proposal to award the contract to TR Jones Ltd. following a robust mini-competition undertaken through the Carmarthenshire County Council procurement framework that provided the Health Board with a route to market specifically created for local providers.

Ms Deverill advised that the Principal Contractor for Constructor Delivery for GGH Phase 2 Fire Improvement External Civils Works had been undertaken through the same mini-competition process and was recommending the award of the contact to TR Jones Ltd.

Ms Deverell informed the Committee that the award for the outsourcing of intravitreal therapy (IVT) procedures was concluding on 24 February 2026 with the indicative proposal to award the contract to SpaMedica.

Mrs Wilson advised the Committee that due to the cumulative nature of the awards to TR Jones Ltd. through a mini-competition process for two contracts in excess of £8m, that further discussions would be undertaken between Mrs Wilson, Mr Thomas and the Procurement Team to ensure that the Health Board was getting value for money from the procurement exercise.

Mr Thomas believed that there was need for the Committee to undertake more detailed scrutiny of the Health Board's contract management and that a report on the Health Board's contract management would be added to the FPC work plan on its 2026/27 work programme. **CSO**

Ms Gemma Deverill left the meeting

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

- **APPROVE** the award of Principal Contractor for Construction Delivery – Glangwili Hospital Phase 2 Fire

Improvement Works to (provider, value and contract term to be confirmed prior to Board). 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.

- **APPROVE** the award of Principal Contractor for Constructor Delivery – Glangwili Hospital Phase 2 Fire Improvement External Civils Works to (provider, value and contract term to be confirmed prior to Board). 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.
- **APPROVE** the award of Outsourcing of IVT Procedures to (provider, value and contract term to be confirmed prior to Board). This contract will have onwards submission to HDdUHB Board and Velindre University NHS Trust (as hosts of NHS Wales Shared Services Partnership).

FPC(26)015 PLANNING OBJECTIVE UPDATE REPORT Q3 2025/26

Mr Thomas presented the Planning Objective Update Report as of the end of Quarter 3 2025/26 to the Committee.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee is asked **RECEIVE 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 raised any concerns where a Planning Objectives is identified as behind in its status and/or not achieving against its key deliverables.

FPC(26)016 INTEGRATED PERFORMANCE ASSURANCE REPORT

Mr Thomas presented the Integrated Performance Assurance Report (IPAR) to the Committee and highlighted the challenges exhibited in UEC performance metrics such as ambulance handover performance and the number of patients waiting over 12 hours in EDs.

Mr Thomas highlighted the increase in the number of patient falls with 257 reported in January 2026 and noted the decrease in the number of medication errors from 148 in June 2025 to 81 in January 2026.

Mr Thomas believed that the challenges exhibited within diagnostics was attributable to the introduction of a new radiology

IT system in December 2025 that had highlighted several issues with the data provided and validated however noted that urgent suspected cancer and emergency activity was unaffected.

Mr Thomas highlighted that the cancer performance trajectory had been exceeded with the Health Board having been recognised by the deescalation of cancer services within the Health Board's escalation status.

Mr Thomas commended the Health Board's RTT performance in January 2026 with the lowest number of patients waiting over 52 weeks for their first outpatient appointment since 2020.

Mr Thomas advised that Executive Recovery meetings had been stood down in January and February 2026 due to on-going operational pressures however they were due to recommence in March 2026 and observed that the Community and integrated Medicine CCG was escalated to Level 3 in six of the seven domains with significant overspending and gaps in the level of savings identification and was under consideration for escalation to Level 4 alongside the Planned and Specialist Care CCG.

In response to a question from Mr Imperato on the validation of the therapies RTT data, Mr Severs advised that he would confirm with Mr Carruthers whether the improvements exhibited within therapies RTT was a result of data validation being undertaken that had previously not been. **AC/JS**

Decision: The Finance and Performance Committee **DISCUSSED** the Month 10 2025/2026 Integrated Performance Assurance 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)017 NWSSP PERFORMANCE REPORT QUARTER 3 2025/26

Mr Thomas presented the NHS Wales Shared Services Partnership (NWSSP) Performance Report for Quarter 3 2025/26 to the Committee and highlighted the number of performance indicators showing at target raised questions as to whether the performance targets were sufficiently challenging enough and that feedback had been provided to NWSSP with further discussions ongoing.

Mr Thomas highlighted the outstanding area of audit performance with 67% of audits completed within the expected timeframe that was being monitored by ARAC

Decision: The Finance and Performance Committee:

- **RECEIVED ASSURANCE** from the content of the NWSSP Performance Report for Quarter 3 2025/26 that services provided are being delivered to expected standards; and
- **NOTED** the work being developed regarding outcome measures reporting.

FPC(26)018 **FINANCIAL PROCEDURES**

Mr Andrew Carruthers joined the meeting

Mr Thomas presented the review of Financial Procedure 070 ('Hospital Travel Cost Scheme Procedure') and advised that further to discussions at ARAC on the need to retain the provision of petty cash within the Health Board, that the Hospital Travel Cost Scheme was an outstanding requirement for the retention of the provision of petty cash to reimbursement of travel costs.

Decision: The Finance and Performance Committee is asked to **APPROVE** the following updated financial procedure:

- **Financial Procedure 070 – Hospital Travel Cost Scheme**

FPC(26)019 **ALL-WALES CAPITAL PROGRAMME 2025/26, CAPITAL RESOURCE LIMIT AND CAPITAL FINANCIAL MANAGEMENT UPDATE**

The All-Wales Capital Programme 2025/26, Capital Resource Limit (CRL) and Capital Management Update was presented to the Committee.

There were no questions from members of the Committee.

Decision: The Finance and Performance Committee **ENDORSED** the actions taken to manage the Capital Resource Limit, including planned vesting of equipment.

FPC(26)020 **JCC PLANNING, PERFORMANCE AND FINANCE SUB-COMMITTEE REPORTS**

The Joint Commissioning Committee (JCC) Planning, Performance and Finance Sub-Committee highlight report from its meeting on 18 December 2025 was presented 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 18 December 2025.

FPC(26)021 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 **RECEIVED** and **NOTED** the Committee Work Plan 2025/26.

FPC(26)022 ANY OTHER BUSINESS

Mr Carruthers reviewed the decisions of the meeting that were made in his absence when the meeting was inquorate and confirmed that he approved of the decisions made and that the decisions could be considered correctly made as quorate.

FPC(26)023 DATE OF NEXT MEETING

The next meeting of FPC will be held on Thursday, 30 April 2026.