

## UNAPPROVED MINUTES OF THE FINANCE AND PERFORMANCE COMMITTEE MEETING

**DATE OF MEETING:** 9:30 AM, Tuesday 26 August 2025  
**VENUE:** Ystwyth Boardroom/Microsoft Teams Meeting

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

**IN ATTENDANCE:** Shaun Ayres (Hywel Dda UHB - Director of Delivery) (VC)  
 Andrew Carruthers (Hywel Dda UHB - Chief Operating Officer)  
 Gareth Cottrell (Hywel Dda UHB - Deputy Chief Operating Officer) (VC)  
 Sharon Daniel (Hywel Dda UHB - Executive Director of Nursing, Quality & Patient Experience)  
 Gemma Deverill (NWSSP - Procurement) (VC) (part)  
 Siân Jenkins (Hywel Dda UHB - Deputy Director of Finance)  
 Tracy Price (Hywel Dda UHB - Head of Performance) (VC)  
 Andrew Spratt (Hywel Dda UHB – Deputy Director of Finance)  
 Jennifer Thomas (Hywel Dda UHB - Senior Finance Business Partner (Accounting & Statutory and Reporting)) (VC)  
 Anthony Tracey (Hywel Dda UHB - Digital Director)  
 Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)  
 John Jenkins (Hywel Dda UHB - Committee Services Officer) (Secretariat)

MINUTES REF.	ITEM	ACTION
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FPC(25)46	<b>WELCOME AND APOLOGIES</b>	
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Mr Michael Imperato welcomed all to the Finance and Performance Committee (FPC) meeting.

Apologies had been received from:

- Mr Huw Thomas, Executive Director of Finance
- Mr Mark Henwood, Executive Medical Director
- Miss Jill Paterson, Director of Primary Care, Community and Long Term Care)
- Mr James Severs, Executive Director of Allied Health Professions and Health Science

FPC(25)47	<b>DECLARATION OF INTERESTS</b>	
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There were no declarations of interest.

**FPC(25)48**

**MINUTES OF FINANCE AND PERFORMANCE COMMITTEE HELD ON 26 JUNE 2025**

The minutes of the Finance and Performance Committee (FPC) meeting held on 26 June 2025 were reviewed and agreed as an accurate record of proceedings.

**Decision:** The minutes of the Finance and Performance Committee meeting held on the 26 June 2025 were **APPROVED** as a correct record of proceedings.

**FPC(25)49**

**TABLE OF ACTIONS FROM FINANCE AND PERFORMANCE COMMITTEE HELD ON 26 JUNE 2025**

The Table of Actions from the FPC meeting held on 26 June 2025 was reviewed and noted that all actions were complete.

Mr Andrew Spratt advised that further to the observations on the reporting process of the Committee that were highlighted at the meeting on 26 June 2025, discussions had been undertaken to review the structure of the Committee agenda in line with the request of members of the Committee to provide a focused overview at the start of the FPC agenda with reports containing detailed actions plans and trajectories for oversight by the Committee proceeding from and as a response to the Escalation Oversight and Highlight report.

**Decision:** The Finance and Performance Committee **REVIEWED** and **NOTED** the Table of Actions from the Finance and Performance Committee meeting held on 26 June 2025.

**FPC(25)50**

**SELF-ASSESSMENT OF COMMITTEE EFFECTIVENESS: SIX-MONTH REVIEW**

Mrs Joanne Wilson presented the Six-Month review of the Self-Assessment of Committee Effectiveness resulting from the review of the previous Sustainable Resources Committee (SRC) from 2024/25 and noted that there were three agreed actions arising from the review that had been completed.

Mrs Wilson advised that a full self-assessment of FPC would be undertaken at the end of the 2025/26 year.

There were no questions from members of the Committee.

**Decision:** The Finance and Performance Committee **RECEIVED ASSURANCE** from the progress made against the actions being undertaken to improve its effectiveness.

FPC(25)51

## **ASSURANCE ON GOVERNANCE ARRANGEMENTS**

Mrs Wilson introduced the new Assurance on Governance Arrangements report and advised that the new report had been developed to consolidate the overview of principle, corporate and operational risks, audit, inspections and regulatory reports and an assessment of the Health Board's compliance with Welsh Health Circulars (WHCs) and Ministerial Directions (MDs).

Mr Spratt advised that in relation to Risk 1199 ('Achieving financial sustainability'), a review of the Financial Road Map for the Health Board would be presented to the Committee on 21 October 2025 ahead of presentation to the Board for consideration on 27 November 2025.

Mr Spratt advised of a new corporate risk, Risk 2104 ('Risk to delivery of Ministerial Priorities relating to planned care recovery ambitions 25/26 due to demand exceeding capacity'). Mr Andrew Carruthers advised that a more detailed discussion on the components contained within the new risk would be discussed in greater depth in the Escalation Response section of the current meeting agenda.

Mrs Wilson highlighted a new operational risk with a high risk score, Risk 2110 ('Risk of not achieving savings targets for 2025/26 due to significant, strategic change required across whole CCGs'). Mrs Eleanor Marks believed that a risk with a risk score of 20 and a target risk score of 16 was concerning.

In response to a question from Mr Imperato on the audits and inspections contained within the report, Mrs Wilson advised that they had been raised through the Executive Improving Together Sessions (EITS) as part of the governance escalation procedure and was also reported to the Audit and Risk Assurance Committee (ARAC).

In response to a question from Cllr Rhodri Evans on the rationale for a number of target completion dates being revised to 2027 and 2028, Mrs Wilson advised that a number of target dates for actions to address recommendations made as a result of inspections and audits had been made unrealistically too short due to a date being required to be set as opposed to being unknown and that the revised dates were a realistic target completion date for the respective actions.

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

### **RISK MANAGEMENT**

- **RECEIVED ASSURANCE** that identified controls are in place and working effectively;
- **RECEIVED ASSURANCE** that all planned actions are credible and deliverable, and in line with agreed plans, and will be implemented within stated timescales and will reduce risks further and/or mitigate the impact should risks materialise; and;
- **CHALLENGED** where assurances are inadequate Acts of Parliament, Acts of Senedd Cymru, Assembly Measures and Assembly Acts enable Welsh Ministers to develop more detailed legislation, known as secondary or subordinate legislation, usually by means of Statutory Instruments (SI).

### **AUDITS, INSPECTIONS AND REGULATORY REPORTS**

- **RECEIVED ASSURANCE** from the lead Executive Director or Supporting Officer on the management of recommendations raised in audit, inspection and regulatory reports within their area of responsibility, particularly in respect of confirming the full implementation of recommendations with any barriers to delivery noted.

### **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.

### **MINISTERIAL DIRECTIONS**

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

FPC(25)52

### **FINANCE AND PERFORMANCE COMMITTEE TERMS OF REFERENCE**

Mrs Wilson presented the proposed revised terms of reference for the Committee to include reference to the responsibility of the Committee to approve policies ahead. The revised Terms of

Reference were subject to approval by Board on 25 September 2025.

There were no questions from members of the Committee.

**Decision:** The Finance and Performance Committee **APPROVED** the Finance and Performance Committee's Terms of Reference (version 3) for onward ratification by the Board on 25 September 2025.

**FPC(25)53**

## **ESCALATION OVERSIGHT AND HIGHLIGHT REPORT**

Mr Shaun Ayres introduced the Escalation Oversight and Highlight Report to the Committee and highlighted two recent items of correspondence between the Health Board and Welsh Government (WG) following the quarterly escalation meeting on 29 July 2025 and the feedback received from WG following the Health Board's submission of its restated 2025/26 Annual Plan and financial position.

Mr Ayres believed that the feedback received from WG was paradoxical and placed a need on the Health Board to balance the competing expectations of WG. Mr Ayres advised that the Month 4 financial position was a deficit of £47.6m with a revised plan forecast of £30m that was predicted on expected savings. Mr Ayres advised that WG expected the Health Board to go further than the £30m deficit position to £24m. Mr Ayres advised that only 58% of the savings required to attain the £30m deficit position with the remaining savings gap predominantly within the Clinical Care Group (CCG) space.

Mr Ayres believed that the competing expectation was performance and believed that a significant level of the Health Board's performance was derived from purchased capacity that cost the Health Board on average £2.2m a month with a £2.4m spend in Month 4 2025/26 and overtime equating to the cost of 77 whole-time equivalent (WTE) members of staff and that 60% of the Health Board's savings were linked to workforce controls or considerations.

Mr Ayres advised that purchase capacity related to diagnostics and radiology cost the Health Board £1.9m a month non-recurrently and was capacity that the Health Board was unable to deliver by itself and relied on external parties to provide and gave the example of cancer performance where the enhanced monitoring target was 63% of patients treated within 62 days of the first suspicion of cancer with the most recent performance level being 61.4% being predicated on diagnostics with the Health Board not having sufficient capacity of its own to deliver what was required across all of the relevant pathways.

Mr Ayres advised that in relation to planned care, the Health Board's R1 ophthalmology performance was stagnant between 34% and 36% equating to 2,800 patients breaching the 52-week target for treatment and 1,800 patients breaching the 104-week target.

Mr Ayres advised that within urgent and emergency care (UEC), 883 ambulance handovers exceeded 1 hour against the targeted intervention threshold of 680 with the target time reducing to 45 minutes on 1 October 2025 and July 2025 performance showing that 7.3% of patients waited over 12 hours in an Emergency Department (ED), only marginally above the 7% de-escalation target however the median time to clinical assessment in July 2025 was 80 minutes, 33% above the target of 60 minutes having deteriorated from 70 minutes in May 2025.

Mr Ayres believed that within the context of the UEC Accelerated Transformation programme, while a number of actions could be taken without incurring any additional cost, it would be realistic to believe that any additionality would have a negative impact on the Health Board's run rate with it not being possible to disaggregate performance considerations from financial considerations with an expectation on the Health Board to achieve the £24m deficit position while delivering improvements to UEC, planned care and diagnostics that relied greatly on variable pay and non-recurrent solutions.

Mr Spratt advised that the Escalation Oversight and Highlight report would serve as an introduction to the more detailed focus on specific areas contained within the Escalation Response section of the meeting and the Finance Report. Mr Carruthers believed that the operational risks that were emerging were a result of the challenge articulated by Mr Ayres with the need to balance delivery of improved performance and attaining the £24m deficit position.

Mr Imperato believed it was the role of FPC to seek assurance that the correct balance was being struck between the conflicting demands of improving performance while simultaneously delivering increased savings to achieve the financial expectations of the Health Board.

**Decision:** The Finance and Performance Committee:

- **NOTED** the reset £24.0m outturn expectation and the £6m improvement required from the revised plan, with particular focus on closing the £19.5m savings gap that falls entirely within CCG areas and improving the recurrent versus non-recurrent split from current £11.6m to £19.0m target.
- **SCRUTINISED** the QIA-assessed savings menu (£22.5m gross options) including pausing overtime to March (£5.1m), reducing on-contract agency (£4.9m), and recruitment freeze for non-patient facing roles (£2.188m) and agree next steps.

- **RECEIVED ASSURANCE** on immediate action for R1 Ophthalmology given static 34.9% performance where delays risk irreversible sight loss, including regional workforce solutions and service reconfiguration options beyond local management.
- **RECEIVED ASSURANCE** on site-specific recovery plans for Withybush Hospital and Glangwili Hospital to achieve ambulance handover targets (currently 883 versus 680 threshold representing 30% breach) and ED 12-hour performance (7.3% versus 7% target), with weekly oversight and readiness for 45-minute handover standard from October 2025.
- **RECEIVED ASSURANCE** that delayed pathways of care reduction plans address the fundamental constraint of 211 medically fit patients occupying acute beds (21% above 174 target) that directly causes the cascade of ambulance handover delays and emergency department congestion across the entire system; and
- **RECEIVED ASSURANCE** - on immediate escalation measures for CAMHS ASD assessment performance given sustained three-year deterioration to 15.6% against 80% target affecting 2,901 children; and approve a comprehensive deep-dive review at the next Committee meeting if August 2025 performance fails to demonstrate improvement.

FPC(25)54

## CLINICAL CARE GROUP FINANCIAL SAVINGS

Mr Carruthers introduced the CCG Financial Savings report that considered the progress achieved by the CCGs in respect of confirmed savings plans as of M4 and to consider the additional opportunities being explored by CCGs to further improve the financial position.

Mr Carruthers advised that there had been an in-month improvement in the delivery of cash-releasing savings schemes classified as amber and green against the target of £39.0m, in year-plans total £21.9m factoring in blue, red, amber and green (BRAG), recurrent and non-recurrent schemes. The full year estimate of recurrent schemes is £17.1m across all BRAG categories. Mr Carruthers believed that despite significant operational pressures experienced by CCGs, confirmed in-year delivery in respect of amber and green cash releasing schemes has increased since M3 by £2.1m, from £14.9m to £17.0m as of M4 2025/26.

Mr Carruthers advised that there were significant pressures on surge capacity on the UEC system across Carmarthenshire and Pembrokeshire with a deterioration on medical staffing workforce availability with further challenges to make the medical staffing position more resilient. Mr Carruthers advised that there had been

increased referral-to-treatment (RTT) delivery costs as part of mitigation taken to reduce the operational impact of theatre cancellations as a result of staffing challenges that had seen a £5.7m underspend within the Planned and Specialist Care CCG converted into a net spend to recover RTT activity and reinforcing theatre workforce to deliver RTT capacity within the emergency theatre position.

Mr Carruthers advised that a significant contribution to the overall financial position through the manner in how in-month underspends were transacted into the savings position. Mr Carruthers believed there was a significant challenge that while maintaining the current run rate would result in the delivery of the original £31.5m planned deficit articulated within the Annual Plan the savings delivered were non-recurrent with the challenge to convert the non-recurrent savings into recurrent savings to avoid greater challenges from being carried forward into the next financial year.

Mr Carruthers advised that there had been positive movements within the Planned and Specialist Care CCG and the Mental Health and Learning Disabilities CCG on converting savings schemes classified as blue and red into green and amber schemes within the previous month.

Mr Carruthers advised that the saving scheme conversion represented an in-year improvement of £3.4m over the cash-releasing profile of schemes confirmed as at M4, totalling £25.3m in-year delivery and that within the additional opportunities that totalled £3.4m, £2.9m were cash-releasing, with £0.5m of non-cash releasing Mental Health and Learning Disabilities (MHL) opportunities also identified.

Mr Carruthers advised that the outcome would be an in-year variance of £13.7m from the combined CCG 2025/26 target of £39m with the full-year impact of the additional opportunities of £24.1m. Mr Carruthers advised that the additional opportunities were subject to review by Executive Team ahead of presentation to In-Committee Board on 9 September 2025.

In response to a question from Mr Imperato on the attainment of the £31.5 Annual Plan deficit position, Mr Spratt confirmed that the Health Board was in a position whereby it would achieve its £31.5m Annual Plan position should it maintain the current run rate however the means in which that position was being achieved was different to how the Annual Plan described it would be achieved. Mr Spratt advised that underspends delivered by Executive Functions were being 'banked' as underspends each month to over-deliver their savings requirements by not delivering what was proposed within the Annual Plan. Mr Spratt advised that should Executive Functions spend what they were allowed to spend within the Annual Plan then the delivery of the £30m will be



challenged as the run rate would exceed the current plan each month.

In response to a question from Ms Anna Lewis on whether there was sufficient capacity within the Health Board to deliver both the non-recurrent and recurrent savings and actions to enact the service changes required to make longer term changes within the organisation, Mr Carruthers believed that there was sufficient capability and competence within the operational leadership however there was a capacity issue with the scale of changes that was being asked of the organisation and acute conflicting demands to improve performance while making recurrent systemic changes to the operational delivery of the organisation.

In response to a question from Mrs Marks on the need for a collective Board decision on the need to meet the financial and performance expectations of WG, Mrs Wilson advised that the choices and options to enable progress towards meeting the £24m deficit position would be presented to the In-Committee Board meeting on 9 September 2025.

**Decision:** The Finance and Performance Committee undertook a **ROBUST DISCUSSION** and **HIGHLIGHTED CONCERNS** of the progress achieved by Clinical Care Groups in respect of confirmed savings plans as at M4 and the additional opportunities being explored by Clinical Care Groups to further improve this position.

FPC(25)55

## **COMMUNITY AND INTEGRATED MEDICINE PERFORMANCE AND PRODUCTIVITY**

Mr Carruthers presented the report on the Community and Integrated Medicine CCG performance and productivity with the key areas that the Health Board wished to improve performance against both the targeted intervention (TI) criteria and to tackle areas of significant pressure for the Health Board with an analysis of both a Health Board-wide and site-specific metrics.

Mr Carruthers highlighted ambulance hand-over performance and advised that despite recent improvement there was still a level of delay that was over the TI target, with the number of ambulance handovers taking more than 1 hour being 883 against a TI target of 680 with notable improvement reported at Bronglais Hospital (BGH) and at Glangwili Hospital (GGH).

Mr Carruthers advised that the proportion of patients waiting over 12 hours in ED had shown a consistent trend of improvement however there was significant challenge experienced at Withybush Hospital (WGH).

In response to a question from Cllr Rhodri Evans on what actions had been taken and what plans were in place to tackle ambulance

handover times, Mr Carruthers advised that the Board meeting on 21 August 2025 had been used as a catalyst to drive engagement and that there had been a positive response from all levels of the organisation with a review of the planning process across all acute sites to refine the plans at site-level for ambulance handovers ahead of 1 October 2025.

Mr Carruthers believed that ambulance handovers and the time patients were waiting within ED was not solely an ED problem and responsibility and that it was a whole-system issue and that every specialty and department in the Health Board had a role to play in driving improvement.

Mr Carruthers advised that there was a planned system reset from the 8 September 2025 where all sites would work with the plans that had been developed to assess the impact of measures such as aligning discharge lounge opening times to enable patients to be discharged earlier in the day and a rolling out of a 'Your Next Patient' programme that has been implemented successfully within other Health Boards to ensure that the wider hospital site engages better with the ED.

Mr Carruthers advised that an internal Professional Standards document that established expectations on the timeliness of the response within the emergency pathway from medics and their engagement in relation to assessment, admission and the review of patients within ED would be issued by the Medical Director and would be reviewed following monitoring. Mr Carruthers believed there was a need to increase the connection between the ward areas and specialty patients that they are due to receive to encourage wards to take ownership of patients while they were within ED.

Mr Carruthers advised that work was being undertaken with Cwm Taf Morgannwg University Health Board (CTMUHB) as a Health Board with similar challenge as Hywel Dda University Health Board (HDdUHB) with the number of acute sites to review how to strengthen the front door assessment capacity as it had been demonstrated during the Resident Doctor industrial action when consultants were deployed to the ED front door that less patients were admitted to ED and performance was improved through the increased senior decision-making capacity.

In response to a question from Mr Imperato that given a significant number of the target dates for actions were between the end of August 2025 and early October 2025, would any impact be expected that would be reported to the next FPC meeting on 21 October 2025, Mr Carruthers believed that there was an expectation that there would be an improvement in metrics such as the ambulance handover times and lengths of time that patients were waiting within ED with a report on the impact on performance to be presented to the FPC meeting on 21 October

2025 to scrutinise whether the actions taken had had the impact of performance as anticipated.

Mr Gareth Cottrell believed that the initial impression of ED performance following the summer Bank Holiday weekend when there was increased pressure on ambulance handover times and ED demand that the system had coped relatively well and reflected positively on the initial actions taken to date and believed that the committee could take a degree of assurance that improved performance would be able to be demonstrated to the FPC meeting on 21 October 2025.

**Decision:** The Finance and Performance Committee **RECEIVED ASSURANCE** from recent progress achieved, and further actions currently being progressed by the Community and Integrated Medicine CCG and its constituent Site/System Leadership Teams to support improvements in UEC performance and productivity.

FPC(25)56

## **PLANNED CARE AND CANCER PERFORMANCE AND PRODUCTIVITY**

Mr Carruthers presented the Planned Care and Cancer Performance and Productivity report to the Committee and highlighted the two key areas of the escalation report.

Mr Carruthers advised that the first area relative to high-risk eye care patients where R1 ophthalmology patients waiting within their clinical target date or within 25% beyond their clinical target date was required to be at 65% for three consecutive months, the health Board's performance had been static at 34%-35% since autumn 2024.

Mr Carruthers advised that the second area related to delays for follow-up appointments, with the number of patients waiting 100% longer than their clinically recommended dates where performance had been static for 2 years with the T1 de-escalation criteria requiring a 12% reduction for three consecutive months.

In relation to the high-risk eye care patients, Mr Carruthers advised that the Annual Plan had agreed a level of investment to support improved performance to mitigate patient harm and improve patient experience and address the performance risk. Mr Carruthers believed that there had been a recruitment challenge with posts anticipated to be filled within Q3 2025/26 that would result in an improvement in performance. Mr Carruthers believed that there had been a degree of improvement in relation to the very high-risk patients through work undertaken to treat more patients in the community and to avoid patients entering the pathway and that the improvement work had been acknowledged by WG.

Mr Carruthers believed that the issue of follow-up delays had received less attention than other areas of concern and that HDdUHB follow up waiting lists were the lowest per head of the population compared to other Health Boards in Wales with discharge rates following first outpatient appointment the highest amongst Welsh Health Boards.

In relation to cancer performance, Mr Carruthers advised that Single Cancer Pathway (SCP) performance of the proportion of patients starting treatment within 62 days of the first suspicion of cancer had met the de-escalation criteria for five consecutive months. Mr Carruthers believed that to reach the next level of performance required the backlog of patients waiting over 62 days to be addressed, that currently numbered 535 patients with a significant proportion of those patients predominantly within urology. Mr Carruthers advised that within Q3 2025/26 there was an intention to undertake a targeted approach to progress as many of the urology patients through the diagnostic pathway as possible to enable diagnosis and progress to a treatment plan. Mr Carruthers believed that this may have an adverse impact on performance with WG advised of the intended course of action who understood the Health Board's rationale for the intended course of action. Mr Carruthers believed that while this course of action may impact on performance within one month of Q3 2025/26 it would enable progress to achieve 70% of SCP patients starting treatment within 62 days.

In response to a question from Ms Lewis on diagnostics having a limiting impact on cancer performance, Mr Carruthers advised that in July 2025 no patient waiting over 8 weeks for endoscopy diagnostics and advised that the Annual Plan had provided for investment within radiology to help create a more sustainable workforce and to support an increased level of activity through purchased capacity from external providers. Mr Carruthers advised that there was a significant operational challenge relating to the age of equipment causing significant computed tomography (CT) and magnetic resonance imaging (MRI) scanning downtime resulting in patients having to be diverted to different sites across the Health Board to access diagnostic tests.

In response to a question from Cllr Evans on whether the ophthalmology plans were realistic and within the current financial constraints, Mr Carruthers advised that the actions were currently in progress and that it had been hoped to have been completed by the end of Q1 2025/26 however they had taken longer than anticipated.

**Decision:** The Finance and Performance Committee **RECEIVED ASSURANCE** from recent progress achieved, and further actions currently being progressed by the Planned and Specialist Care CCG, with support from other CCGs, to enable improvements in planned care and cancer performance and productivity.

Mr Carruthers presented the Radiology Update to the Committee and advised that following the allocation of funding for the service within the Annual Plan attempts had been undertaken to make the existing workforce more sustainable and to implement a recovery solution to provide additional MRI and ultrasound capacity.

Mr Carruthers advised that the number of patients waiting more than 8 weeks for radiology diagnostic direct access had reduced from 7,108 breaches in January 2025 to 3,123 breaches in July 2025 through the commissioning of additional capacity. Mr Carruthers advised that there had been an improvement in reporting and scanning times on the SCP.

Mr Carruthers advised that notification had been received in July 2025 that WG had allocated the Health Board and additional £1.4m of funding to support further improvement of the Health Board's diagnostic position. Mr Carruthers believed that there were questions of whether there was ultrasound capacity within the wider market.

In response to a question from Cllr Evans on whether the £1.4m of additional funding was conditional, Mr Carruthers advised that the funding was to assist delivery of the 8-week maximum wait for radiology diagnostics and to support the increased level of outpatient activity that the Health Board was undertaking as part of the nationally-commissioned additional capacity arrangements that was expected to see an additional 14,000 outpatient appointments anticipated to have an impact on diagnostics.

In response to a question from Mr Imperato on radiology workforce sustainability, Mr Carruthers advised that an Organisational Change Process (OCP) for the radiology senior leadership was scheduled to be presented to Executive Team for approval on 3 September 2025 with an anticipated challenge to ensure that all posts in place by 30 September 2025. In response to a question from Mr Imperato on the impact of the delay, Mr Carruthers believed that the OCP would address the fragility of the senior leadership team however would not impact on performance or delivery.

In response to a question from Ms Lewis on how external sources were able to provide the resources for outsourcing and insourcing solutions that the Health Board were not able to provide for itself, Mr Carruthers believed that the ability to provide additional capacity was due to the additional rates of pay that external providers, particularly the independent sector, were able to pay to provide the additional capacity without the substantive staffing costs incurred by the Health Board. Mr Cottrell believed that the Health Board had made a decision to undertake investment within

the radiology service to make the service more sustainable for the future with the aim of the Health Board being less reliant on insourcing and outsourcing solutions.

In response to a question from Ms Lewis on whether any consideration on the longer term aim of being less reliant on insourcing and outsourcing arrangements and ensuring that Health Board activity was undertaken by Health Board staff, Mr Cottrell believed that due to the nature of separate pockets of non-recurrent funding provided, short-term insourcing and outsourcing solutions were undertaken and when longer term recurrent funding streams were established more sustainable means of utilising substantive Health Board staff would be developed. Mr Carruthers advised that the Health Board was constrained by national terms and conditions on what the Health Board could offer its substantive workforce. Mr Spratt advised that at a national level proposals for diagnostic hubs was currently in its infancy and that the outcome of deliberations would be monitored by the Health Board.

**Decision:** The Finance and Performance Committee:

- **NOTED** progress to date in implementing the Radiology Service Stabilisation and Transformation Plan for 2025/26
- **RECEIVED ASSURANCE** from the progress achieved by the Operational Allied Health and Health Sciences Clinical Care Group (OAH&HS CCG) in improving Radiology service performance year to date; and
- **NOTED** the further actions planned during the remainder of 2025/26.

FPC(25)58

## FINANCIAL PERFORMANCE ASSURANCE REPORT

Mr Spratt presented the M4 Financial Performance report to the Committee and advised that a revised Annual Plan had been submitted to WG that reduced the planned annual deficit figure from £31.5m to £30m. Mr Spratt advised that the consequence of the revised annual deficit figure on the monthly deficit figure was to reduce the planned monthly deficit from £2.6m to £2.5m.

Mr Spratt advised that M4 had shown a slight deterioration compared to previous months, with M2 being £100k short of the planned deficit total and M3 being £100k better than the planned deficit total with M4 showing a £500k gap from the planned deficit following the 'catch-up' from the restated annual deficit figure.

Mr Spratt highlighted the trends that were of concern within the Finance Report and referred to the savings challenge within the CCGs previously discussed within the CCG Financial Savings report. Mr Spratt advised that there was on-going dialogue with WG on the expectation of WG of the Health Board to improve the

Health Board's financial position further from a £30m planned annual deficit to a £24m position.

Mr Spratt advised that medical pay continued to be an issue for the Health Board, and a key financial focus given the costs of premium agency and locum usage. Mr Spratt advised that there was a medical workforce stabilisation programme in progress that had stabilised but had not resulted in an improved position to date.

Mr Spratt highlighted some initial concerns relating to long term agreements (LTAs) with other Health Boards, predominantly Swansea Bay University Health Board (SBUHB) and Cardiff and Vale University Health Board (CVUHB) and that the Contracting and Commissioning Team were in dialogue with the other Health Boards to ensure that the correct contractual arrangements and clinical coding processes were in place.

Mr Spratt advised that the operational OCP process has yet to conclude with an over-establishment of managerial posts within the new CCG structure having a non-recurrent financial impact that needed to be managed to a conclusion that will have an impact within the current financial year with that impact unknown at present with nine members of staff currently in post that are not part of the new CCG structure.

Mr Spratt highlighted an alert to the Committee within the Finance Report that NHS Wales Shared Services Partnership (NWSSP) have advised of a potential risk that the risk share arrangements may be invoked for the Welsh Risk Pool where the level of claims resulting in court proceedings had increased during 2025/26 and that the impact for HDdUHB was estimated to be £4.1m which would result in a review of the Health Board's reported financial forecast.

Mr Spratt advised of the cash implication of the revised planned annual deficit of £24m to the Health Board that any request for strategic cash assistance would only be supported above the £24m position and not the £30m position with further consideration of a cash management strategy would be presented to the Committee.

Mr Spratt highlighted that 30 September 2025 was a key deadline for meeting a ministerial priority to reduce the Health Board's agency bill by 30% compared to 2024/25 and to eliminate the use of healthcare support worker (HCSW) agency usage completely by 30 September 2025. Mr Spratt advised that only a small number of HCSW agency staff being used within the Mental Health and Learning Disabilities (MHL) Directorate with plans being progressed to eliminate the remaining estimated £10k a month HCSW agency usage by the 30 September 2025 deadline.

In response to a question from Ms Lewis on WG's concerns on the ability of the Health Board to plan and manage its finances

appropriately, Mr Spratt advised that the Health Board was consistently overdelivering on its planned savings in previous months that WG had indicated raised credibility concerns on the plan proactively as opposed to reactively. Mr Spratt advised that this was due to underspends in previous months being transacted as savings non-recurrently. Mr Spratt advised that there were proposals being developed to revise the Health Board's financial forecasting methodology to give a more credible and reliable forecast of the Health Board's savings expectations.

In response to a question from Mrs Marks on why the operational OCP had previously been anticipated to be cost-neutral however there were now cost pressures being reported, Mr Spratt advised that currently there were more management posts being carried that was driving additional cost however it was envisaged that by the conclusion of the OCP that the overall process would be cost neutral with the additional cost incurred by the carrying of additional staff mitigated by the end of the process.

Ms Siân Jenkins presented the appendix to the Finance and Performance Assurance Report detailing the options to achieve the £24m annual deficit position and recapped that following the Board meeting on 31 July 2025 when the list of options to provide a route to curtail spending to improve the financial forecast outturn for 2025/26 to the £24m position, Quality Impact Assessments (QIA) and financial assessments had been undertaken by budget holders to develop an understanding of the impacts associated with the list of cost-reducing options.

Ms Jenkins advised that the work to undertake the QIAs was on-going with an initial QIA panel having been held and believed that the QIA panel had recognised the paradox highlighted by FPC of having to make financial savings while simultaneously improving performance to improve against the Health Board's TI de-escalation criteria and performance metrics. Ms Jenkins believed that the QIA panel recognised that the QIA panel did not readily support undertaking financial savings as a means to improve performance.

*Mrs Eleanor Marks left the meeting*

Ms Jenkins advised that a further QIA panel would be held on 26 August 2025 to review all outstanding QIA submissions and to assess the list of options to provide a ranking of least impact to most negative impact for patients ahead of the Integrated Quality, Financial Performance and Delivery (IQFPD) Group on 27 August 2025 would be utilised to review the QIA process with the CCGs directly. Ms Jenkins advised that a set of principles would be developed to steer budget holders into considering their delivery options and a communication plan would be developed to be activated following any Board decision with the output of the work to inform the In-Committee Board meeting on 9 September 2025.



Mr Carruthers believed that the options assessed by the QIA panel naturally found that there would be consequences to taking a decision on each option and that a plan to achieve the £24 deficit position would look quite different to the plan to achieve £31m as would what the Health Board could commit to deliver and that the Board would be need to be informed of what was originally planned to be delivered now could not be as a consequence of choosing to undertake the prescribed options and believed that there may need to be a compromise on whether the deliver fully on levels of finance, quality and performance and require the Health Board to adjust its level of risk threshold accordingly.

In response to a question from Ms Lewis on how the QIA balanced the short term and long term impacts of the choices considered, Mrs Daniel advised that the service leads from the relevant services attended the QIA panel to provide a holistic overview of the impact of the option should it be taken with further consideration to be undertaken at the IQFPD meeting on 27 August 2025.

In response to a question from Cllr Evans on whether the In Committee Board on 9 September 2025 would be sighted of the full QIAs, Mrs Wilson advised that a summary would be presented to the meeting however the full versions would be made available for further inspection.

In response to a question from Ms Lewis on whether the Chair of the Committee could be updated on the outcome of the QIA panels on the 26 August 2025 and the IQFPD meeting on 27 August 2025 ahead of the In-Committee Board meeting on 9 September, Mrs Wilson advised that for Mrs Daniel, Mr Spratt and Ms Jenkins to arrange a briefing for Mr Imperato and Chair of FPC and Ms Lewis as Chair of the Quality, Safety and Experience Committee (QSEC).

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**Decision:** The Finance and Performance Committee:

- **NOTED** that the Health Board's revised annual plan deficit is £30.0m, with a savings target of £46.4m, and the aspiration is to improve beyond this in the coming months, in-line with WG expectations.
- **RECEIVED ASSURANCE** on 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** there are sufficiently robust plans in place to eliminate the use of all Healthcare Support Worker agency by the 30 September 2025 deadline set in the Ministerial Priorities.
- **DISCUSSED** and **CONSIDERED** the further choices and actions being proposed to achieve an additional financial improvement by the 11 September 2025 Welsh Government deadline, contained within Appendix 2.

- **ACKNOWLEDGED** that a proposal is being drafted to revise the approach taken for declaring future savings plans, due to the lack of a proactive approach to date across service areas.
- **ACKNOWLEDGED** that an underlying deficit assessment has been undertaken and that will only be reduced via robust recurrent savings delivery improvements.

FPC(25)59

## INVESTMENT AND BENEFITS REALISATION REPORT

Ms Jenkins presented the Investments and Benefits Realisation Report to the Committee to provide an overview of the Health Board's position on the £11.9m of investments agreed within the Annual Plan and an update of which of the earmarked investments had been approved and made within 2025/26.

Ms Jenkins advised that subsequent to the previous update, the Annual Plan had been revised from a £31.5m annual deficit position to £30m resulting in a consequence for the list of proposed investments with WG funding of £200k secured for overseas medical recruitment releasing the earmarked funding into the broader financial position.

Ms Jenkins advised that £600k of further investment options had been released into the financial position and advised that the next steps would be a renewed focus of the scrutiny process to complete a review of the original cases for 2025/26 with the process having provided positive learning that will be applied in framing the process for the 2026/27 planning cycle. Ms Jenkins advised that the review included the development of a standardised template for proposals, to include delivery milestones and benefits realisation, also the timeline for each investment to be considered, to ensure there is scrutiny of plans ahead of proposals being prioritised within the 2026/27 Annual Plan.

Ms Jenkins highlighted two schemes that we not in the 2025/26 Annual Plan relating to ED nursing at GGH BGH with further work is being undertaken to ensure a complete financial assessment was reflected within the plans and consideration of the UEC programme and associated impact on appropriate capacity and nursing workforce implications.

**Decision:** The Finance and Performance Committee:

- **RECEIVED ASSURANCE** 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; and

- **NOTED** that the process for investment cases is being reviewed to inform the 2026/27 annual planning cycle in a bid to standardise the approach both in respect of business cases and benefits realisation.

## FPC(25)60

### PLANNING OBJECTIVES UPDATE REPORT

Mr Spratt presented the Planning Objectives (POs) Update Report to the Committee with an overview of the four POs aligned to FPC with Mr Spratt advising that all four POs were noted as being on-track with a detailed 'plan-on-a-page' being provided for each of the four POs.

In response to a question from Mr Imperato that many of the issues contained within the PO Update Report had been covered under the Escalation Response section of the agenda, Mr Spratt confirmed and advised that PO2: Financial Recovery and Road Map would be presented to the FPC meeting on 21 October 2025 as a stand-alone item to enable a more detailed consideration of the medium-term financial outlook of the Health Board.

**Decision:** The Finance and Performance Committee:

- **NOTED** the current position of the four Planning Objectives which are aligned to it; and
- **RECEIVED ASSURANCE** on the current position in regard to the progress, in order to assure the Board that the Planning Objectives are progressing and are on target, and to raise any concerns where a Planning Objectives is identified as behind in its status or not achieving against its key deliverables.

## FPC(25)61

### PROCUREMENT PLAN AND SCRUTINY

*Ms Gemma Deverill joined the meeting*

Mr Spratt presented the Procurement Report to the Committee and advised that there were two elements contained within the report, the annual review of the Procurement Plan and the items of procurement for the Committee's scrutiny ahead of onward submission to the Board for approval.

Mr Spratt advised that the procurement plan aimed to deliver financial improvements during the financial year with £200k delivered in Q1 2025/26 against a target of £156k and advised that there was a greater level of activity anticipated within Q3 and Q4 2025/26 than the first two quarters of the year.

Mr Spratt presented the contract renewals for the Committee's review. In response to a question from Cllr Evans on whether new Procurement Act 2023 that came into force in February 2025 would make a material difference to the Health Board's procurement activity, Mrs Wilson advised that the new Act would ensure that if the Health Board undertook any direct awards of contracts that it would be done so in a more open and transparent manner by ensuring that the Health Board goes out to market given the Act's emphasis on early planning and requiring robust route-to-market justifications.

Ms Deverill advised that the new Act allowed the Health Board to be more flexible in including small to medium sized enterprises (SMEs) within the tender process provided a robust justification to enable increased transparency with the wider market.

In response to a question from Cllr Evans on the balance between supporting the local economy against the availability of potentially lower tenders from less local providers, Mr Spratt advised that little had changed within the new Act and that the Health Board was still able to weight tender assessment scoring and award contracts as at present however the new Act provided increased flexibility to engage with smaller partners in the marketplace and SMEs to enable the Health Board to support the foundational economy where appropriate.

*Ms Gemma Deverill left the meeting*

**Decision:** The Finance and Performance Committee scrutinised and recommended for Board to:

- **NOTED** and **ENDORSED** the Procurement Plan for the Financial Year 2025/26
- **APPROVED** the award of a Histopathology Managed Service Contract Renewal to Leica Microsystems UK Ltd for the period 1 December 2025 to 30 November 2029, with no option to extend. This contract will have onwards submission to Hywel Dda University Health Board Public Board and Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership).
- **APPROVED** the award of an Outsourcing of Ophthalmology Services – Mobile Theatres (Stage 4 - Cataracts) contract to SpaMedica for the period 1 November 2025 to 31 March 2025, with the option to extend for a further one year. This contract will have onwards submission to Hywel Dda University Health Board Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership), as well as to Welsh Government for approval.
- **APPROVED** the Renewal of the National Care Homes Framework Agreement. This Procurement will be undertaken by AW Commissioning to establish a framework agreement. Award of the framework agreement

will have onwards submission to Hywel Dda University Health Board Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership), as well as to Welsh Government for approval, on completion of the procurement.

FPC(25)62

## **ALL-WALES CAPITAL PROGRAMME 2025/26, CAPITAL RESOURCE LIMIT AND CAPITAL FINANCIAL MANAGEMENT UPDATE**

Mr Spratt presented the All-Wales Capital Programme, the 2025/26 Capital resource Limit (CRL) and Capital Financial Management Update to the Committee and advised that there were no risks highlighted within the report that the Health Board's CRL had been increased. Mr Spratt believed that the in-year delivery of the Capital Financial Management Plan was positive.

Mr Spratt advised that a profile of the capital plan would be presented to a future FPC meeting to assist the Capital Team with forward planning to avoid any issues towards the latter part of the financial year.

There were no questions from members of the Committee.

**Decision:** The Finance and Performance Committee:

- **NOTED** the 2025/26 Capital Resource Limit (CRL); and
- **NOTED** the project update.

FPC(25)63

## **INTEGRATED PERFORMANCE ASSURANCE REPORT**

Mr Anthony Tracey presented the Integrated Performance Assurance Report (IPAR) for M4 2025/26 and advised that in addition to the items previously considered by the meeting highlighted a deterioration in the psychological therapies performance for the eight consecutive months due to patients waiting more than 26 weeks to start a psychological therapy. Mr Tracey advised that in June 2025, 55.2% of patients were treated within 26 weeks against a target of 80%.

Mr Tracey advised that the current waiting list for an autism spectrum disorder (ASD) assessment was 3,436 patients with work currently being undertaken by the Mental Health and Learning Disabilities CCG and the Digital Team to address the position.

Mr Tracey highlighted the work being undertaken as part of the Executive Improving Together Sessions (EITS) of a thematic review of infection with 13 cases of clostridioides difficile (*C. diff*) and 38 cases of Escherichia coli (*E. coli*) in July 2025 mostly in

community areas and advised that hygiene audit and education programmes were in place to address the issue.

Mr Tracey advised that staff sickness levels were currently at 6.5% on a 12-month rolling basis compared to a target of 6.6% and advised that Estates and Facilities sickness rates were the highest across the health Board and were receiving ongoing focused support from the Workforce Team.

In response to a question from Ms Lewis on the psychological therapies performance showing a deterioration for eight consecutive months and what measures were being taken to address the situation, Mr Carruthers advised that there was a capacity issue as a result of patients opting to undertake one-to-one therapy as opposed to group therapy and a propensity for patients to opt to stay on the waiting list to receive one-to-one therapy as opposed to the relatively quicker wait for group therapy. Mr Carruthers advised that the proposal was to only offer one-to-one therapy to patients whom it was clinically required to do so that was anticipated to result in an improvement in performance.

**Decision:** The Finance and Performance Committee **DISCUSSED** the IPAR Month 4 2025/2026 report and **RECEIVED ASSURANCE** on the operational delivery of mitigating actions to improve performance in the areas that have been categorised as 'alert'.

FPC(25)64

#### **NWSSP PERFORMANCE REPORT QUARTER 1 2025/26**

Mr Spratt presented the Q1 2025/26 NHS Wales Shared Services Partnership (NWSSP) Performance Report to the Committee and advised that of the 18 key performance indicators agreed with NWSSP to track quality and responsiveness of service, 17 were classed as 'green'.

Mr Spratt highlighted the one KPI currently classified as 'red' being the Public Sector Purchase Programme (PSPP) for NHS organisations being a new KPI that was intended to drive improvement towards the target of 95% compared to July 2025 performance of 80.2%. Mr Spratt advised that an action plan had been agreed between HDdUHB and NWSSP to address the systematic nature of how NHS invoices are approved.

There were no questions from members of the Committee.

**Decision:** The Finance and Performance Committee:

- **RECEIVED ASSURANCE** from the content of the NWSSP Performance Report for Quarter 1 2025/26 that services provided are being delivered to expected standards; and

- **NOTED** the work being developed regarding outcome measures reporting.

FPC(25)65

## **BUSINESS CASE: URGENT AND EMERGENCY CARE TRANSFORMATION**

*Deferred to the Extraordinary Finance and Performance Committee Meeting, 12 September 2025*

FPC(25)66

## **FINANCIAL PROCEDURES**

Mr Spratt presented three updated financial procedures and one new procedure to the Committee for approval:

- Financial Procedure 084 - Oracle E-Business Suite - System Access and Ledger Security Financial Procedure
- Financial Procedure 093 - Disposal of Surplus and Obsolete Furniture, Equipment, Sale of Scrap and Other Waste Materials Procedure
- Financial Procedure 973 - Cash Financial Procedure
- Contract Management Procedure (New Procedure)

Mr Spratt advised that the new Contract Management procedure was introduced following a recent audit of the Health Board's contract management arrangements that made a number of recommendations and were supported by an All-Wales contract management approach that was overseen by NWSSP and the Health Board's Procurement Team.

There were no questions from members of the Committee.

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

- Financial Procedure 084 - Oracle E-Business Suite - System Access and Ledger Security Financial Procedure
- Financial Procedure 093 - Disposal of Surplus and Obsolete Furniture, Equipment, Sale of Scrap and Other Waste Materials Procedure
- Financial Procedure 973 - Cash Financial Procedure
- Contract Management Procedure (new procedure)

FPC(25)67

## **POLICIES**

Mr Carruthers presented the updated Policy 534: Patient Access – Elective Care policy to the Committee and advised that the policy had been updated to incorporate the updated RTT rules issued by WG in April 2025.

In response to a question from Mrs Wilson on how the change in policy would be communicated to patients, Mr Carruthers advised that this would be undertaken by WG at a national level. In response to a question on whether any engagement had been undertaken with Llais, Mr Carruthers agreed to engage with Llais to ensure that they were aware of any local implications for patients on the change in national policy.

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In response to a question from Ms Lewis on what work was being undertaken to improve the content of communication with patients, Mr Tracey advised that work was being undertaken with Mrs Alwena Hughes Moakes to improve the quality of communication and the language used in communicating with patients on waiting lists.

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

- Policy 534: Patient Access – Elective Care Policy

#### FOR INFORMATION

FPC(25)68

#### JCC PLANNING, PERFORMANCE AND FINANCE SUB-COMMITTEE REPORTS

Mr Spratt presented the Joint Commissioning Committee (JCC) Planning, Performance and Finance Sub-Committee highlight report from its meeting on 15 July 2025 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 15 July 2025.

FPC(25)69

#### 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(25)70 ANY OTHER BUSINESS**

There was no other business transacted at the meeting.

**FPC(25)71 DATE OF NEXT MEETING**

The next meeting of FPC will be held on Tuesday 21 October 2025.

It was advised that there would be an extraordinary Finance and Performance Committee on Friday 12 September 2025 to consider the UEC Transformation Business Case.

UNAPPROVED