

UNAPPROVED MINUTES OF THE EXTRAORDINARY FINANCE AND PERFORMANCE COMMITTEE MEETING

Date of Meeting: **16:00, Monday 15 September 2025**

Venue: **Microsoft Teams Meeting**

Present: Michael Imperato (Hywel Dda UHB - Independent Board Member) (Chair)
Anna Lewis (Hywel Dda UHB – Independent Member) (Vice Chair)
Winston Weir (Hywel Dda UHB - Independent Board Member)
Eleanor Marks (Hywel Dda UHB - HDUHB Vice Chair)
Rhodri Evans (Hywel Dda UHB – Independent Member)
Sarah Harraway (Hywel Dda UHB - Independent Board Member)
Maynard Davies (Hywel Dda UHB - Independent Board Member)
Ann Murphy (Hywel Dda UHB - Independent Board Member)
Chantal Patel (Hywel Dda UHB - Independent Board Member)

In Attendance: Lisa Gostling (Hywel Dda UHB - Director of Workforce & OD/Deputy CEO)
Andrew Carruthers (Hywel Dda UHB - Chief Operating Officer)
Huw Thomas (Hywel Dda UHB - Director of Finance)
Siân Jenkins (Hywel Dda UHB - Deputy Director of Finance)
Sharon Daniel (Hywel Dda UHB - Executive Director of Nursing, Quality & Patient Experience)
Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)
Cathie Steele (Hywel Dda UHB - Interim Assistant Director of Nursing Assurance and Safeguarding)
Claire Evans (Hywel Dda UHB - Committee Services Officer) (Secretariat)

Minutes Ref.	Item	Action
FPC(25)72	WELCOME AND APOLOGIES Mr Michael Imperato welcomed all to the Extraordinary Finance and Performance Committee (FPC) meeting.	
FPC(25)73	DECLARATION OF INTERESTS There were no declarations of interest.	
FPC(25)74	FINANCIAL CHOICES AND DECISIONS Mrs Joanne Wilson explained to the Committee that the extraordinary meeting was convened in response to concerns raised at the recent In-Committee (IC) Board meeting, where it was believed that decisions were being made without sufficient	

supporting information, particularly regarding the quality impact in terms of each scheme. She highlighted that more detailed consideration of quality, particularly focusing on your diversity was needed to support the decisions required. Mrs Wilson also noted that following further discussions some of the figures previously reported to Board had now changed. Mrs Wilson apologised for the earlier omission of quality and other relevant information from the IC Board meeting papers acknowledging that this had limited the depth of discussions at that time.

Mrs Sharon Daniel introduced a presentation setting out the saving options categories, focussing on the schemes in category one. Category two options would be reviewed by the end of September 2025.

Mrs Daniel's team were tasked in identifying £6m of in year savings to achieve the overall target of £24m. They were also asked to monitor the quality impact against some of the proposed saving schemes. In total 69 Quality Impact Assessments (QIAs) were received. The information was reviewed, and the schemes were split into three categories: Category one, two and three. The presentation provided includes Category one schemes.

Health Board Wide Recruitment freeze on non-patient facing roles.

A total of nine individual QIAs were received for this proposal. The panel reviewed an overarching QIA compiled by the workforce team. This assessment scored "red 20", across all six domains of quality, safe, timely, effective, efficient, equitable, and person-centred, indicating significant risk. As a result, the panel's decision was to apply enhanced scrutiny to all recruitment requests rather than implement a blanket freeze, due to the potential negative impact on service quality and operational effectiveness. Instead, the committee agreed to strengthen the existing recruitment process by applying enhanced scrutiny to all non-patient facing vacancies. This revised approach involves clinical care groups reviewing vacancies before submitting them to the Financial Control and Scrutiny Group (FCSG) for approval. Mrs Daniel confirmed that this decision aligned with discussions held at the previous IC Board meeting. The enhanced scrutiny model allows for a more nuanced and risk-aware approach, avoiding a blanket freeze while still contributing to financial control. This method acknowledges the critical role that some non-patient facing roles play in supporting clinical services and maintaining operational continuity.

In response to Ms Sarah Harraway's query regarding how many roles or whole time equivalent (WTE) the £1. represents, Mrs Lisa Gostling explained that £600k relates to the non-recruitment of apprentices this year, which typically equates to 40 WTE. The remaining funds are allocated to posts within services. However, as this is based on projected staff turnover and current vacancies,

it is difficult to provide a precise WTE figure for the remainder, aside from the apprentices.

Ms Harraway stressed the need to understand the financial savings from unfilled roles and the impact on staffing and essential work, without increasing pressure on remaining staff or transferring the burden to clinical teams. Mrs Gostling agreed, highlighting the importance of balancing savings with the impact of staff wellbeing.

Mrs Marks expressed the need for assurance that all options have been explored before proceeding, while expressing concerns about the impact of proposed cuts on service quality; particularly the essential role of non-patient-facing staff in mental health. However, supported weekly reviews to monitor effects, acknowledging the difficult balance between quality and finance, and anticipates future decisions on reallocating resources.

MHLD Neurodevelopment Outsourcing Core Funding

The QIA scored 20 or 25 across all domains. The proposal was to suspend further outsourcing of children and adult's neurodevelopmental diagnostic assessments, however the panel requested further information on the service impacts before making a decision. Mrs Daniel has met with the Deputy Directors and the services have developed a plan to meet improvement requirements. A slippage of circa £230k has now been identified.

The panel were provided with two savings options. Option one was not supported by the panel, however option two was not considered to have direct impact on patient quality/safety.

Mrs Eleanor Marks questioned why the revised savings figures had not been brought to the Board and whether this meant that additional savings would now need to be found. In response, Mrs Daniel explained that the updated figures had only become available after further discussions late in the week, and Mr Andrew Carruthers confirmed that the reduction in anticipated savings created a new financial gap that would need to be addressed. Mrs Marks also expressed concern about the potential impact of such cuts on service quality, particularly highlighting the importance of non-patient facing roles in supporting clinical teams. She emphasised the need for ongoing, weekly monitoring of the situation and concluded that while she could offer assurance at this stage, it was accompanied by significant concerns. Other members echoed her sentiments, agreeing that continued rigorous scrutiny would be essential as the Board moved forward.

Ms Sian Jenkins added that savings would be required via another route.

Mrs Anna Lewis raised concerns about the fairness and implications of targeting specific clinical services for savings, particularly the neurodevelopmental outsourcing proposal. She

noted that the original plan appeared to single out one clinical group, which could set a precedent requiring justification for not applying similar cuts to other services. Mrs Lewis emphasised that this could lead to a problematic domino effect in decision-making. However, she welcomed the revised approach, which replaced the blanket freeze with enhanced scrutiny of recruitment requests, as it demonstrated proper process and balanced financial control with service quality. She expressed confidence that the organisation had followed a robust process, and received assurance that the revised decision was reasonable, even though it meant the Board would need to find savings elsewhere.

Mrs Chantal Patel questioned the clarity and consistency of the savings process, expressing confusion about how the committee moved from initial directorate-led savings plans to reconsidering or reversing some proposals. She sought a clear explanation of the rationale behind these changes and wanted to know what alternative plans were in place if the required savings could not be achieved.

Mr Imperato highlighted that the recruitment freeze required deeper scrutiny due to fairness concerns and the potential for legal or reputational challenges if specific groups felt disproportionately affected. He acknowledged that this scrutiny led to a revised proposal with reduced savings and asked the Committee to consider whether they were comfortable with this outcome and its implications for meeting Welsh Government financial expectations.

Mrs Lewis emphasised the importance of trusting the internal assessment process and felt reassured that the scrutiny applied was necessary and effective. While acknowledging that the change reduced the savings figure and created a financial gap, she accepted this as a consequence of making a fair and well-considered decision.

Within the online chat, Mr Caruthers commented that the key difference in this instance of outsourcing was that the Health Board had not yet awarded contract or completed the process in relation to allocating funding. The correspondence from WG highlighted the importance of scrutinising areas of funding not yet committed. This situation does not require reversing a decision, instead deferring a resolution to an issue that is already being managed. The Board's response last week was that the same approach should apply to exceeding the £230k savings target. Achieving this would also require scaling back on referral to treatment time (RTT) related outsourcing, as it would fall under a category two scheme issue.

Within the online chat, Mr Thomas highlighted the importance of monitoring the impact of each post that is rejected by the Financial Control Group.

Mr Imperato acknowledged the importance of maintaining ongoing, rigorous scrutiny even when assurance has been provided. He emphasised that the Board's role is not to disengage once assurance is received, however, to continue monitoring the situation. Regarding neurodevelopmental outsourcing, he noted that the issue has been properly scrutinised, resulting in changes that are more acceptable, though challenges still remain.

Within the online chat, Mrs Wilson clarified for Members who were unable to attend the In-Committee meeting that one of the reasons behind the recruitment recommendation was to ensure corporate services are not overlooked. She emphasised that these services are essential in supporting front line services and without them, there would be increased pressure and in some cases the inability to meet legislative duties.

Mr Imperato indicated that while the Committee is assured, ongoing robust scrutiny of neurodevelopment, should remain.

Strategic Planning Budget

The panel reviewed the scheme. The RAG ratings were set as Red for safe, timely, efficient, effective domains and Amber for equitable/ person. The proposal was for the removal of the budget. The panel requested further information on the strategic planning budget, although they identified no impact on quality during this financial year.

Cease minor Works Other than Essential

The positive and negative impacts were scored. However following a discussion at IC Board, this has now been moved into a Category two scheme.

Pause Procurement Non-Essential Equipment

The panel supported the proposal and noted the negative score which was due to the potential inequity between clinical and non-clinical groups, as this was specifically relating to non-clinical procurement.

Mandate Virtual Meetings

The proposal for mandatory virtual meetings included exceptions for specific scenarios requiring in person meetings, such as interviews, disciplinary meetings and clinical meetings. It was agreed that a set of principles and guidance would be developed to support implementation of the mandate.

Mrs Gostling outlined that the Workforce and Organisational Development team were drafting a list of meetings considered to be suitable for virtual meetings. The key decision would be made relating to staff requirements to meet face-to-face. Geography of meetings are also considered to ensure travel is used efficiently.

Mr Thomas commented that it is important to consider the effectiveness of staff time together online versus face-to-face.

Ms Murphy queried the impact on Independent Members (IMs) who travel frequently as part of their role and asked whether IMs travel was being evaluated as part of this exercise. In response, Mrs Wilson confirmed that a review in terms of which activities can move online to improve efficiency. Patient safety visits will remain in-person due to their importance. A meeting with the Chair will explore this further, with outcomes feeding into the draft shared by Mrs Gostling to Executive Directors. The aim is to ensure consistency across the organisation, with some potentially going virtual to save costs.

Pause non-statutory CPD Training & Conferences

The Committee was informed that on the third slide of the presentation, no opportunities for savings were identified with the exception of non-statutory Continuing Professional Development (CPD) training. Mrs Daniel advised that for this scheme, the overarching ward QIA was used as a benchmark. The panel noted the impact on leadership training programmes, which have supported the reduction in targeted intervention status, and acknowledged the potential effect of reduced CPD on clinical skills and patient care. The average impact score was six across all domains. The decision by the panel was to enhance scrutiny pause existing commitments where appropriate and explore charitable funding options. Principles are being developed to guide teams in this process.

Mr Imperato questioned whether category two options would be impacted if there have been changes to category one proposals affecting the original figures.

Mrs Gostling stated that in terms of category two, the on-contract agency, particularly for nursing, was discussed at the IC Board meeting and has been added it into the enhanced scrutiny document. Whilst some have already been included in existing plans, others have not. With newly qualified nurses are joining the Health Board in October 2025 and in March 2026, there is additional capacity that can be classified as Category one savings, as they will directly replace agency staff. The team is currently mapping where these individuals will be placed to align with agency usage.

Mrs Wilson explained that the IC Board did not ask the Committee to review category two schemes. While background work is ongoing, any proposals with significant impact will need to return to the Public Board for transparent decision-making. The current focus is on reviewing existing schemes, with financial implications still being assessed due to recent changes.

Ms Jenkins outlined that there was original £2m in Category one savings has now reduced. Updated figures will be reflected in the report to Board on 25 September 2025.

Within the online chat, Mr Winston Weir noted that Category one schemes do not achieve the additional £6m required by WG, and therefore attention needs to shift to Category two. He expressed satisfaction that QIA's have been, and continues to be, carried out for Category one schemes and he was assured that the savings figures for these schemes are adjusted accordingly.

Ms Lewis explained that the additional information at today's meeting had provided the necessary assurance.

Mr Maynard Davies stated that some of those concerns he had raised following the IC Board meeting have now been addressed, and he is consequently more reassured by the current position.

The Committee reviewed and scrutinised the Category one savings in detail, resulting in a revised overall figure. Members acknowledged changes, including to the neurodiversity scheme, and were asked to confirm whether they felt assured ahead of the upcoming public Board meeting. While there were no objections, the overall tone was one of cautious acceptance rather than strong support.

Mrs Daniel expressed thanks to Ms Cathie Steel and her team for maintaining the database and acknowledged the panel's efforts in reviewing QIAs. Although the process is becoming more robust as collective experience increases, it continues to represent a significant undertaking and is considered essential in the current operating context.

Decision:

The Committee **RECEIVED ASSURANCE** from the Presentation on QIA Impacts.

FPC(25)75

DATE OF NEXT MEETING

Finance and Performance Committee: Tuesday 21 October 2025; 09:30 - 13:00