UNAPPROVED MINUTES OF THE EXTRAORDINARY FINANCE AND PERFORMANCE COMMITTEE MEETING

DATE OF MEETING: **1:30 PM, Tuesday 22 September 2026**

VENUE: **Dolau Cothi Meeting Room, Corporate Headquarters, Picton Terrace/Microsoft Teams Meeting**

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

IN ATTENDANCE:
Lisa Gostling (Hywel Dda UHB – Director of Workforce & OD/Deputy CEO) (VC)
Huw Thomas (Hywel Dda UHB - Director of Finance)
Siân Jenkins (Hywel Dda UHB - Deputy Director of Finance)
James Severs (Hywel Dda UHB – Executive Director of Allied Health Professions and Health Science) (VC)
Andrew Carruthers (Hywel Dda UHB - Chief Operating Officer) (VC)
Joanne Wilson (Hywel Dda UHB – Director of Corporate Governance/Board Secretary) (VC)

ALSO PRESENT:
Shaun Ayres (Hywel Dda UHB – Director of Delivery) (VC)
Richard Jenkins (Hywel Dda UHB - Assistant Finance Director Commissioning, BI & Value)
Jennifer Thomas (Hywel Dda UHB - Head of Corporate Reporting and Planning) (VC)
John Jenkins (Hywel Dda UHB - Committee Services Officer) (Secretariat)

MINUTES REF.	ITEM	ACTION

FPC(26)105 WELCOME AND APOLOGIES

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

Apologies had been received from:

- Mr Winston Weir, Independent Member
- Mr Andrew Spratt, Deputy Director of Finance

FPC(26)106 DECLARATION OF INTERESTS

There were no declarations of interest.

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FPC(26)107 ROUTE-MAP TO FINANCIAL BALANCE

Mr Huw Thomas introduced the Route Map to Financial Balance FPC and advised that the report was an outline of the gross figure of savings that the Health Board was required to aim towards to achieve financial balance the end of the 2029/30 financial year.

Mr Thomas believed that there were two elements to the equations with the report being presented to the meeting detailing the build up of pressure on the Health Board's financial outlook with the opportunities for consideration forming the second part of the discussion with the Board being required to resolve how it would address the gap between the two sides of the equation.

Mr Thomas highlighted that £60.9m was the forecasted current gross end-of-year deficit position of the Health Board with the level of non-recurrent savings identified within the current year to be added to the level of challenge taken forward into the next financial year with the anticipated level of additional demand on services and the additional prevalence of ill-health to be added to the pressure on the Health Board's financial position.

Mr Thomas noted that three income assumptions had been modelled and advised that the most pessimistic of the three scenarios, that of a 0.6% financial uplift to the funding settlement from Welsh Government being advised as the most likely of the scenarios.

Mr Thomas highlighted that the outcome of the 2026/27 deficit carried forward into 2027/28 and the additional of inflation, demand and allocation funding, resulted in a gross position and challenge of £105.2m for 2027/28 from which the Health Board required to frame its road map to achieve financial balance from.

Mr Neil Prior enquired what Mr Thomas believed were the areas that needed greatest consideration ahead of the discussion at the Board meeting on 24 September 2026. Mr Thoams believed that there were three key areas that needed consideration:

- The continued reliance on non-recurrent savings and how to address the recurrent savings challenge;
- The scale of the financial uplift from Welsh Government of 0.6% resulted in a significant challenge that would necessitate difficult choices to be made as the uplift did not keep pace with inflation or the increase in prevalence of ill-health and the demographic pressures on the Health Board's services; and
- The approach that the Health Board would want to take to its risk tolerance given the scale and pace of change that was required to be achieved

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Mr Eleanor Marks questioned who was responsible with the organisation for making the required changes and what operational leaders had committed to the delivery of the levels of change required, what confidence there was on achieving those aims and who would be held accountable.

Mr Thomas believed that the challenge was not limited to operational teams with there being a role for Planning colleagues to translate the financial figures into credible plans, for Clinical Executives to be responsible for issues such as productivity and also for the collective responsibility of the whole Board. Mr Thomas advised that named ownership of individual components of the plan would be assigned following the Board meeting on 24 September 2026.

In response to an observation from Cllr Rhodri Evans on the importance of accountability and ownership due to the scale of the challenge and the risk appetite associated with achieving the scale of change required, Mrs Joanne Wilson noted that there was an existing Risk Appetite Statement approved by the Board that would be reviewed to ensure that the Board were comfortable with the level of risk being tolerated that was associated with the choices being made.

Mr James Severs advised that the Clinical Executives had met with the Chief Operating Officer and there was an acceptance that the Health Board could not continue to operate in the manner in which it presently did and noted that individual Executive Directors were responsible for their own specific areas and additionally collectively as the Board.

Mr Thomas believed that risk appetite not only related to the formal Risk Appetite Statement and that the level of savings that the Health Board were required to make would test how hard the organisation was willing to take on the risks of changing services with any actions taken needed to link to the Risk Appetite Statement approved by the Board.

In response to a question from Mr Imperato on deficit drivers and how issues such as variable pay, delayed pathways of care (DPOC) and continuing healthcare (CHC) linked in with the financial route map, Mr Thoams believed that they were all linked with variable pay contributing to workforce costs such as agency usage and staffing growth, issues such as demands on Health Board services and complexity of care having an impact on DPOC and CHC.

Decision: The Finance and Performance Committee:

- **SUPPORTED** the proposed direction of travel, as the basis for developing a credible, phased route towards sustainable financial balance over the 2027-30 planning period, for

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onward ratification by the Board, recognising the Committee's role in scrutinising and supporting the Financial Road Map prior to formal Board consideration;

- **DID NOT ENDORSE** the Route Map in its entity at this stage and requested that the Route Map be progressed through the planning cycle to test and confirm its deliverability, pace, sequencing, strategic alignment, consultation and engagement requirements, risks, ownership and accountability with assurance required before specific choices contained within the Route Map could be approved;
- **DISCUSSED** the Committee's risk appetite for the scale and nature of decisions that may be required to deliver the Road Map, recognising that material recurrent improvement is likely to require choices across productivity, workforce, service configuration, pathways and demand management;
- **DISCUSSED** the Committee's appetite for the pace at which opportunities should be progressed through design, assurance, consultation and decision-making, balancing the urgency of the financial challenge with the need to maintain quality, safety, workforce sustainability and public confidence;
- **NOTED** that the next update will be brought forward as part of the wider organisational planning cycle, informing the development of the Health Board's Three-Year Plan submission in March 2027, where the opportunities will need to be prioritised and delivery plans matured through agreed owners; and
- **ACKNOWLEDGED** the material risk associated with £26.0m of conditionally recurrent funding, recognising that this funding will only be issued if the Health Board delivers a breakeven position in 2027/28 and that non-delivery would therefore materially increase the residual financial gap and the scale of corrective action required.

FPC(26)108 DATE OF NEXT MEETING

The next ordinary FPC meeting will be held on 27 October 2026; 09:30 – 12:30.

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