UNAPPROVED MINUTES OF THE EXTRAORDINARY FINANCE AND PERFORMANCE COMMITTEE MEETING

DATE OF MEETING: **Monday 27 July 2026**

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

PRESENT:
Michael Imperato (Independent Board Member) (Chair) (VC)
Neil Prior (Independent Member) (Vice Chair) (VC)
Rhodri Evans (Independent Member)
Eleanor Marks (HDUHB Vice Chair) (VC)

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

Shaun Ayres (Director of Delivery) (VC)
Keith Jones (Director of Operational Planning & Performance)
Urvisha Perez (Audit Wales)
John Jenkins (Committee Services Officer) (Secretariat)

MINUTES REF.	ITEM	ACTION

FPC(26)072 **WELCOME AND APOLOGIES**

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

Apologies had been received from:

- Mr Winston Weir, Independent Member
- Mr Huw Thomas, Executive Director of Finance (Ms Siân Jenkins and Mr Andrew Spratt both in attendance)

FPC(26)073 **DECLARATION OF INTERESTS**

There were no declarations of interest.

FPC(26)074 PLANNED CARE RECOVERY PLAN

Mr Andrew Carruthers introduced the Planned Care Recovery Plan report to the Committee and advised that a significant level of work has been undertaken in a short space of time to produce the report to respond to the request from Welsh Government (WG). He thanked Ms Lisa Humpries, Mr Craig Toutt, Mr Shaun Ayres and Mr Keith Jones for their work in producing the report in a relatively short space of time.

Mr Jones presented the report to the Committee and advised that the report was required to be submitted to WG by 31 July 2026 following presentation to the Board Meeting on 30 July 2026. Mr Jones noted that WG had requested two separate reports. The first, a report on interim recovery measures to eliminate 104-week referral to treatment (RTT) waits and 8-week diagnostic direct access wait breaches, which had been submitted on 20 July 2026 and included the regional component of the recovery plans for orthopaedic and ophthalmology developed regionally with Swansea Bay University Health Board (SBUHB).

Mr Jones clarified that the second report required by WG was a Health Board-approved Planned Care Recovery Plan that detailed all the required pathway transformation, productivity actions and deliverables. The report being presented to the Extraordinary FPC meeting to scrutinise, endorse and approve for onward submission to the Board meeting on 30 July 2026 for approval and submission to WG met this requirement.

It was explained that the Plan outlined the overall approach and described how the in-year delivery gap would be measured and closed, how internal capacity would be maximised through increased productivity and efficiency and that the procurement of external capacity would only be considered when there was evidence that there was little or nothing that could be done internally to close the delivery gap.

Mr Jones noted that the Plan went one step further than describing how the delivery gap would be closed and also demonstrated how measures were being taken to manage overall demand growth in the longer-term.

The Plan was structured to reflect the recently launched national Planned Care Improvement Plan and described where the Health Board was currently sustainable at present and where was a sustainability gap. Mr Jones believed that there was significant detail in the addendum that evidenced references contained within the Plan to describe what was required to bridge the sustainability gap by March 2027 for 104-week RTT and 8-week diagnostic breaches.

Mr Jones stated that the current indicative cost of £11.6m that was being sought from WG was subject to the quantification of the current challenges relating to the provision of robust radiology data that a Task and Finish Group had been established to investigate and validate the radiology performance data. Mr Jones noted that the Task and Finish Group was working towards a deadline of 31 July 2026 to complete its work and inform a robust performance delivery trajectory for the remainder of 2026/27.

Mr Jones advised that the cost of the radiology recovery was subject to change and was provisional pending the conclusions of the Task and Finish Group.

Mr Jones advised that the Plan highlighted specialities where the sustainability gap was both in-year and where a future regional focus was needed and that some specialities do not currently present a 104-week delivery gap however was considered possible that they may do at a future data.

Mr Jones referenced the overarching governance processes with the operational structure for Planned Care described within four specific workstreams that was necessary for the practicalities of managing the time and capacity of clinical and operational teams with the workstreams and work programmes reflecting the three pillars of Planned Care contained within the national Planned Care Improvement Plan.

Mr Imperato sought clarification on the exact total of the funding that was being requested from WG. Mr Jones advised that the Committee were not being asked to endorse a precise figure with the indicative costings included within the report being provided for context and reference. He added that the Committee was being asked to endorse and approve the broad plan for the year referencing the provisional £11.6m total that was subject to change pending the outcome of the radiology investigation work by the Task and Finish Group and that the Committee were asked to endorse and approve the broader delivery plan.

Mr Imperato believed there should be a focus on trajectories and workforce implications with WG requesting plans be scrutinised by the Committee and the Board with Committee and Board members being held accountable.

Mrs Joanne Wilson advised on the governance process that needed to be followed as per the letters from Welsh Government and added that a written update report to Board would be produced for presentation to the Board meeting on 30 July 2026. **JW**

Mrs Eleanor Marks questioned whether the Health Board had the capacity to implement the Plan and the regional aspects contained within the Plan. Mr Jones advised that how the measures contained within the Plan were assessed against the ambition of the Plan would be reviewed with the measures contained within

the Plan assessed against the work of the workstreams. Furthermore, the Executive Medical Director was undertaking a leading role in engagement with clinicians from each of the specialities to ensure that there was a commitment to deliver what was expected of the Health Board.

Mrs Marks further expressed concern over the delivery of the Plan and whether the Health Board had the capacity to deliver. Mr Imperato believed that the sustainability gap within the 10 specialities would not be resolved through productivity optimisation alone and that the Health Board needed to be more ambitious on transformation to enable long-term sustainability.

Mr Jones believed that the need to make connections where the capability gap of where demand exceeded capacity was within the same specialities that were identified within the Clinical Services Plan (CSP) where there were fundamental sustainability gaps due to structural issues.

Mr Jones believed that the Plan contained many references to work that was required to be progressed regionally with SBUHB with two areas of orthopaedic and ophthalmology services having foundations established to provide sustainability within the services with the Plan addressing the short-term delivery gap.

Mr Imperato felt that there was a disconnect between the CSP and the Planned Care Recovery Plan. Mr Carruthers advised that WG had requested that the Plan outline how the gap between demand and capacity was addressed and that the Health Board was clear and transparent that more work was required within the two service areas and that WG was not expecting an answer to the problem at this stage, merely a commitment to answer those questions.

Mr Imperato also questioned whether Hywel Dda University Health Board (HDdUHB) and SBUHB had the capacity to undertake the required work. Mr Carruthers advised that SBUHB had recently appointed a data analyst to support the turnaround work within orthopaedic and ophthalmology services with WG having offered HDdUHB support to undertake similar modelling work. Mr Carruthers advised that the data analytics requirements would be progressed in conjunction with the Regional Joint Committee (RJC) with SBUHB.

Cllr Rhodri Evans questioned the diagnostic and theatre productivity data included within the Plan and noted that the Task and Finish Group minutes advised of the possibility that the 8-week diagnostic breaches may not have been reported correctly. Mr Jones advised that the working hypothesis was that the radiology position was not accurate and that the Task and Finish Group was undertaking work to question whether there was consistency in the reporting position of 8-week diagnostic breaches.

Mr Jones believed that the Committee recognised that the Health Board had a capacity gap within data intelligence and believed that it was an area that the Health Board recognised that it needed to strengthen. Mr Jones advised that the data within the Plan was derived from the expertise that was currently within the Health Board and that the data included was sufficiently robust.

Mr Neil Prior believed that the Plan was comprehensive with sound assumptions that would enable the financial support from WG to be released and questioned whether the Health Board was confident it could implement the proposals contained within the Plan. Mr Carruthers was confident that the Health Board could deliver the proposals that had been presented to Board on 26 March 2026 however recognised that the Health Board simply did not have the resources to enable the delivery gap to be closed.

Mr Carruthers believed that there needed to be additional capacity within the regional space with work being progressed with SBUHB to manage internal capability with it being recognised that there was a challenge between transformational capacity and day-to-day capacity.

Mr Prior questioned if there was a regional plan, was it known what SBUHB were submitting to WG as part of their Planned Care Recovery Plan. Mr Carruthers advised that the regional elements were consistent within both HDdUHB and SBUHB submission.

Mrs Marks believed that the proposed outcomes contained within the Plan were positive however questioned whether the Plan could be more ambitious. Mrs Marks questioned whether there was sufficient capacity within the market to recruit given that all other Health Boards in Wales would be trying to undertake the same outcomes at the same time.

Mr Jones believed that there had been scoping of the market capacity available undertaken and that he was confident that the activity capacity was available although the transformation capacity would be needed to be established over time however the Health Board did not want this to constrain its ambitions.

In response to a question from Mr Imperato on available capacity, Mr Jones advised that capacity solutions for outsourcing and insourcing was predominantly sourced from the independent sector to commission activity to be undertaken on behalf of the Health Board, with it noted these would need to be subject to robust procurement processes.

Mr Imperato questioned whether the same clinical staff were being expected to do more, Mr Jones advised that the additional capacity would be delivered by external providers with contracts already live and in place to utilise despite the challenge of all

Health Boards in Wales seeking to utilise the same capacity from the market.

Mrs Lisa Gostling believed that the workforce challenges were more internal with using the Health Board's own workforce to do more having an impact on the levels of variable pay. In response to a question from Mr Neil Prior on whether the Plan exacerbated the Health Board's variable pay position, Mr Jones confirmed that it did.

Mrs Gostling noted the conflicting requirements of WG on the need to reduce variable pay and the headcount of the Health Board and the Planned Care Recovery Plan asking what the Health Board required to deliver the Plan. Mrs Gostling believed that the Health Board needed to be clear on what additionality was required and whether it was temporary or what was required to make it sustainable.

In response to a question on whether the impact on variable pay was factored into the Plan, Mr Jones advised that it was within 5 areas of the Planned Care Recovery Plan that the impact was identified as either additional Waiting List Initiative (WLI) additional activity or insourcing.

Mr Jones believed that the nature of the additional work was over and above the core capacity after provision was made for further efficiency with the more activity undertaken internally, the more corresponding costs were added to variable pay.

Mrs Gostling noted that there were actions currently in place to reduce variable pay such as increased efficiency with job planning, rostering and absence management with job appointments through the year also reducing the level of variable pay. Mrs Gostling noted that the actions contained within the Plan would deliver an increase in the levels of variable pay with a need to map both sets of actions to measure the overall change to the levels of variable pay.

Cllr Evans questioned the governance processes and management of risk within the Plan. Mrs Wilson advised that there was further work required on the governance as the diagram within the slides is mixing operational oversight with assurance, this needed to be separated and scrutiny of the plan, subject to approval, to be aligned to a committee.

In response to a question from Mr Imperato on the sustainability of the Plan and whether WG would require longer-term changes to be made, Mr Carruthers advised that the funding was initially non-recurrent to enable immediate recovery by 31 March 2027 before sustainable actions would be required.

Mr Imperato requested a position from the Finance Team on the risks and challenges posed. Mr Andrew Spratt noted that should

the additional financial support not be granted by WG then the Planned Care Recovery Plan would not progress and that there would be no residual risk. Mr Spratt believed that if WG approved the Plan and provided the funding there would be a need to clearly identify the difference between the impact of core funding and that additional funding on performance as opposed to only understanding the aggregate performance of the two revenue streams.

Mr Imperato questioned how the Health Board would separate the assessment of the impact of core and additional funding. Mr Spratt advised that this would be possible if the impact of both steams was disaggregated to show what was being delivered from core funding and additional funding. Mr Jones believed that there were robust mechanisms in place to manage the process.

Mr Imperato questioned how the levels of variable pay would be measured for its impact on the Health Board's deficit and run rate. Ms Siân Jenkins advised that the Finance Team and Clinical Care Groups (CCGs) were successful in tracking the run rate and believed that the process was straightforward with the only area of weakness considered to be non-pay costs such as theatre stock however the Health Board had improved its ability to track non-pay costs.

In response to a question from Mr Imperato on the impact on risk registers, Mrs Wilson advised that any risk would be included on the Operational Risk Register and undergo the same process for review at Board. Mrs Wilson advised that any new risks identified would be included on the Operational Risk Register and noted that the outcome measures envisaged within the Planned Care Recovery Plan could mitigate and reduce existing risks.

In response to observations from Mrs Marks and Mr Prior on the need for the Plan to be more ambitious and whether requesting additional funding at this point could provide better outcomes in future years, Mr Carruthers noted that measures that increased variable pay and workforce headcount to support transformation were both measures that WG stated that the Health Board should not be undertaking and any proposals to do either would invite and require further scrutiny.

Mr Carruthers believed that the Planned Care Recovery Plan as stated would result in thousands of HDdUHB patients being treated by 31 March 2026 than was anticipated within the 2026/27 Annual Plan and that the Planned Car Recovery Plan was an opportunity to improve the nature of the service provided to patients.

Mr Carruthers believed that the long-term challenge would be how the Health Board increased performance to ensure that the level of performance was sustained at levels not seen since before the Covid-19 pandemic with a fundamental workforce capacity

challenge needing to be addressed to enable the provision of the level of capacity to reduce the current backlog and to meet current and future demand.

Mr Carruthers believed that the Planned Care Recovery Plan was a robust bid to WG for funding to reduce waiting times and improve access for patients for the next 9 months while the Health Board undertook further work to answer the ambition question and also what work was required to be undertaken on a regional basis.

Mrs Wilson reminded members that the Committee also had oversight for performance and that there was a need to capture the impact of performance for patients. Mrs Wilson also believed that the report needed to be approved by the Committee and not just endorsed.

Mrs Marks believed that while the Plan could be approved and considered through a finance and performance perspective, that there would be quality and safety considerations that would be to be considered at the Quality, Safety and Patient Experience Committee (QSEC), Health and Safety Committee and the People, Organisational Development and Culture Committee (PODCC). Mrs Wilson believed that FPC would be the "home" of oversight of the Planned Care Recovery Plan performance and impact and that consideration on how the impact of the Plan would be scrutinised would be discussed at the Independent Members' (IMs) Chair's Meeting. **JW**

In response to a question from Cllr Evans on whether the outcome of the Task and Finish Group could impact the sum of funding requested from WG, Mr Jones advised that there was a possibility that the amount requested could increase subject to the outcome of the work of the Task and Finish Group to validate the radiology data.

Cllr Evans questioned the correct governance process for amending the amount of funding sought from WG following Board approval on 30 July 2026. Mrs Wilson advised that to change the decision made at Board on 30 July would either require a Chair's Action or would require the recommendation presented to Board for approval on 30 July 2026 to advise that the final sum be delegated to the Chair of the Health Board and Chief Executive to determine. Mrs Wilson advised that she would advise on the correct governance procedure for the recommendation to Board ahead of the submission of the report to Board on 30 July 2026. **JW**

Decision: The Finance and Performance Committee:

- **APPROVED** the Planned Care Delivery and Sustainability Plan for submission to Welsh Government by 31 July 2026 subject to the clarification of the financial consequences of the impact on variable pay, an assessment of the levels of demand and capacity, confirmation on the level of

transformation capacity required, an assessment of the regional working required and the appropriate governance and data quality oversight; and

- **NOTED** the provisional assessment included in the in-year recovery proposals for Radiology diagnostic capacity and that this is subject to revision pending the outcome of the Radiology Data Task and Finish Group review.

FPC(26)075 DATE OF NEXT MEETING

The next meeting of FPC will be held on Thursday, 27 August 2026.