

**COFNODION CYMERADWYO O GYFARFOD Y PWYLLGOR CYLLID/  
APPROVED MINUTES OF THE FINANCE COMMITTEE MEETING**

<b>Date and Time of Meeting:</b>	Monday 22 <sup>nd</sup> July 2019, 9.30am – 12.30pm
<b>Venue:</b>	Boardroom, Ystwyth Building, St. David's Park, Carmarthen

<b>Present:</b>	Mr Michael Hearty, Associate Member (Committee Chair) Mr Paul Newman, Interim Vice Chair, Hywel Dda University Health Board (HDdUHB) Mr Mike Lewis, Independent Member (Committee Vice Chair) Mr Huw Thomas, Director of Finance Mr David Powell, Independent Member Mr Joe Teape, Director of Operations/Deputy Chief Executive Mr Andrew Carruthers, Turnaround Director
<b>In Attendance:</b>	Mr Benjamin Garside, KPMG LLP (part) Mr Shaun Ayres, Interim Contracting Manager Ms Janice Cole-Williams, General Manager, Withybush General Hospital (part) Ms Elaine Lorton, County Director, Pembrokeshire (part) Mrs Leanne Malough, Wales Audit Office (observer) Ms Alison Gittins, Head of Corporate and Partnership Governance Mrs Sarah Bevan, Committee Services Officer (Secretariat)

<b>AGENDA ITEM</b>	<b>ITEM</b>	
<b>FC(19)120</b>	<b>INTRODUCTIONS AND APOLOGIES FOR ABSENCE</b> The Chair, Mr Michael Hearty, welcomed all to the meeting.  Apologies were received from: <ul style="list-style-type: none"> <li>• Mr Steve Moore, HDdUHB Chief Executive</li> <li>• Mrs Ann Taylor-Griffiths, Union Representative</li> <li>• Mrs Judith Hardisty, Interim Chair of HDdUHB</li> <li>• Mrs Lisa Gostling, Director of Workforce &amp; Organisational Development</li> <li>• Mr Keith Jones, Assistant Director of Acute Services</li> </ul>	<b>Action</b>
<b>FC(19)121</b>	<b>DECLARATIONS OF INTERESTS</b> There were no declarations of interest made.	
<b>FC(19)122</b>	<b>MINUTES OF PREVIOUS MEETING HELD ON 25<sup>TH</sup> JUNE 2019</b> <b>RESOLVED</b> – that the minutes of the Finance Committee meeting held on 25 <sup>th</sup> June 2019 be <b>APPROVED</b> as a correct record.	
<b>FC(19)122</b>	<b>MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 25<sup>TH</sup> JUNE 2019</b> An update was provided on the Table of Actions from the meeting held on 25 <sup>th</sup> June 2019 and confirmation received that all outstanding actions had	

been progressed or were forward planned for a future Committee meeting, with the exception of:

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- **FC(19)100 Matters Arising and Table of Actions from the Meeting Held on 25<sup>th</sup> June 2019** – Mr David Powell noted that his request to retain the action relating to the inclusion of a timeline of when the Committee should begin to have concerns over the delivery of savings schemes, is not reflected in the current Table of Actions. It was agreed to reintroduce this into the forthcoming table of actions.
- **FC(19)101 Finance Month 2 Report** – Mr Joe Teape advised this action is in progress and could therefore be removed from the Table of Actions.
- **FC(19) 103 Turnaround Month 2 Report** – Mr Andrew Carruthers advised Members that having discussed the progress of electronic test requesting for pathology with the Director of Planning, Performance and Commissioning, it is unclear whether this is currently included within the Business Case and will therefore remain on the Table of Actions for an update at the next Committee meeting. Mr Powell noted that affordability should also be stipulated.
- **FC(19)103 Turnaround Month 2 Report** – Mr Huw Thomas confirmed that a presentation on the connectivity of the Turnaround Programme and the Transforming Clinical Services Strategy is on the agenda. Mr Thomas informed Members that a Strategic Enabling Group has also been established to support corporate functions with the Strategy.
- **FC(19)107 External Finance Review** – Mr Thomas advised Members that KPMG had commenced their review the previous week, and had issued an extensive request for data which the finance team is currently working through. Weekly progress meetings will be held with Mr Thomas, KPMG and the Finance Delivery Unit. Mr Paul Newman queried the timescale for the review and Mr Thomas responded that this will be 12 weeks in duration. The review will feed into the Turnaround process, will be aligned with HDdUHB's £25m control total and focus on the reduction of the underlying deficit with a resulting 3 year plan of opportunities. Mr Hearty requested confirmation that Welsh Government (WG) is commissioning the review and Mr Thomas assured Members that WG is funding and procuring the review, however it will constitute a co-produced piece of work between KPMG and HDdUHB. Mr Mike Lewis queried the terms of reference for the expected output of the review and Mr Thomas responded that KPMG's aim is to assess HDdUHB's financial planning for 2019/20, to provide assurance on the delivery of the £25m control total, and to provide an underlying deficit assessment to enable a framework of opportunities over a 3 year period. Mr Powell enquired whether the report would be for WG or for HDdUHB. Mr Thomas advised that he has been assured that nothing will be reported to WG without HDdUHB having sight of it first.

It was noted that all remaining items on the Table of Actions are reflected on the agenda for today's Committee meeting.

Members were presented with the Finance Report Month 3. Mr Thomas informed Members of the £5.8m allocation provided by WG for the delivery of Referral to Treatment Time (RTT), £3m of which had already been included within HDdUHB's baseline plan, with the gap of £2.8m currently being worked through. Mr Thomas informed Members of issues developing in year regarding the delivery of RTT including the temporary closure of Orthopaedic theatre capacity at Withybush General Hospital (WGH) during the summer of 2019, the requirement to deliver a reduction in outpatient follow ups, and reducing Stage 1 outpatients from 36 to 32 weeks. Mr Thomas advised that the savings requirement has been reduced from £28.7m to £25.7m with the risk to delivery therefore £4.3m.

Members noted that HDdUHB's financial position at the end of Month 3 represented an adverse variance against plan of £0.4m, which brings the cumulative Year To Date (YTD) variance to £1.4m. Operational forecasts in excess of budget of £6.5m, on top of savings risks of £4.3m, represent an adverse variance to plan of £10.8m, which would equate to a year end deficit position of £35.8m. Mr Powell queried the £4.3m risk to delivery of the pipeline schemes and whether the total risk to delivery should also include a proportion of the £8.2m marginal risk/amber schemes. Mr Thomas acknowledged that there is some risk around the margins to delivery, however, assured Members that these are in the thousands and therefore do not pose a significant risk.

Mr Lewis expressed some unease with the action to reduce the savings requirement and queried whether this should have remained at its original level. Mr Thomas assured Members that the reduction in the savings requirement does not alter the target for Directorates which still remains.

Mr Thomas touched upon the challenges faced in WGH, not only in relation to surge pressures but also in relation to medical staffing within A&E, both of which are on the agenda to be discussed in detail.

Mr Thomas informed Members of the implications of the £3m reduction in savings delivery, specifically the delay in delivery of early savings. In-month achievement of £1.0m is an improvement on Month 2, however is still £0.2m behind plan. Mr Hearty queried whether the non-delivery of savings levels implies the forecasting was incorrect. Mr Thomas responded that non-delivery at this stage is marginal and that the monthly cycle of turnaround meetings will monitor the forecast. Acknowledging this, Mr Powell requested clarity on how the Committee could receive early warning of savings delivery going awry, as any non-achievement at this stage may increase the pressure when the savings requirement escalates. Mr Thomas stressed the importance of plotting actions rather than pounds, with further clarity required on the tracking of actions.

Mr Carruthers informed Members of the recent development of an amber scheme tracker to proactively track progress against due dates and key actions. Mr Newman queried whether a similar approach is required for the green schemes. Mr Carruthers responded that green schemes will remain green, however, if a risk other than a delay to delivery is identified, they will be reclassified as amber. Mr Hearty reminded Members that schemes are

	reported to either the Chief Executive HTA meetings or the Turnaround Director HTA meetings and are therefore being dealt with in a transparent manner and with an appropriate level of grip and control.	
	The Committee <b>NOTED</b> and <b>DISCUSSED</b> the financial position for Month 3.	

<b>FC(19)124</b>	<b>FINANCIAL PROJECTIONS REPORT MONTH 3</b>	
	<p>Mr Thomas presented the Financial Projections Report Month 3, informing Members that the approach adopted in Month 2, to delay projections of when the deficit would reduce to Month 7, has now been brought forward to Month 4 as a result of the benefit of the £3m WG allocation.</p> <p>Mr Thomas advised Members of current operational pressures, not only in Withybush Hospital, but also in Pathology, Women and Children's Services and Long Term Agreements (LTAs). Pressures in relation to LTAs currently include a projected outturn of being £1.1m adrift due to the Welsh Health Specialised Services Committee (WHSSC) and Swansea Bay University Health Board (SBUHB). Mr Hearty queried whether there is active engagement on pressures within these areas to mitigate the risks involved. Mr Thomas responded that there is active engagement via the HTA process and that these areas are currently in escalated review, with the exception of Public Health which relates to the Tuberculosis (TB) outbreak in Llanelli. Mr Thomas assured Members that discussions are being held with WG to mitigate this cost pressure.</p> <p>Mr Lewis queried the level of dialogue taking place in relation to LTA pressures and Mr Thomas responded that this would be considered in the contracting update later on the agenda. Mr Joe Teape informed Members that the majority of providers are keen to be involved. Mr Shaun Ayres confirmed there are good links in place between the contracting team and operational managers.</p> <p>Mr Thomas informed Members of further risks for the remainder of 2019/20, which will require action to mitigate, including Medicines Management. Mr Thomas advised Members of a recently forecasted increase to Category M prices by the end of the year, which is a national issue.</p> <p>The impact on the underlying deficit indicates a carry forward deficit of £39.9m by the end of 2019/20, presenting a further challenge to reducing this figure.</p> <p>Mr Hearty concluded by noting the high risk associated with the revenue and savings position and that this level of risk should be reported to the Board meeting on 25<sup>th</sup> July 2019.</p>	
	The Committee <b>NOTED</b> and <b>DISCUSSED</b> the financial projection for the year.	

<b>FC(19)125</b>	<b>TURNAROUND REPORT MONTH 3</b>	
	Members were presented with the Turnaround Report Month 3. Mr Carruthers advised that the information within Appendix 1 is based on the	

known position of Month 3 as at 5<sup>th</sup> July 2019 and would be subject to change with the identification of further savings opportunities. Figures in square brackets represent the position in the previous month where they differ to the current month.

Sections 1 and 2 detail the position for Directorates who are being monitored through the Chief Executive Holding To Account (HTA) meetings and through the Turnaround Director HTA meetings respectively. Section 3 provides information from a thematic perspective, acknowledging the potential move into a different structure, which includes the Transformation Groups.

Mr Carruthers highlighted the Prince Philip Hospital (PPH) position, with £0.5m of the green schemes being reclassified as amber due to risks to delivery. Mr Carruthers informed Members of the sign off process in relation to Quality Impact Assessments by the Director of Nursing, Quality and Patient Experience. Work is also underway with the implementation of new paperwork to provide assurance that there is no negative impact upon the quality associated with schemes.

Questions were invited from Members. Mr Lewis highlighted that a number of the figures presented within brackets were inaccurate, in particular regarding Carmarthenshire County, Primary Care and Continuing Health Care (CHC). Mr Carruthers confirmed the inaccuracies and resolved to address these in future reports.

Mr Hearty queried the point at which schemes being challenged at the Turnaround Director's Holding to Account meetings would be escalated to the Chief Executive's HTA's. Mr Carruthers advised that County positions, currently in section 2 are regularly covered at the same time as unscheduled care schemes, which are discussed at the escalation meetings with the Chief Executive. Mr Carruthers assured Members that delivery of schemes and escalation processes are discussed immediately following the HTA meetings.

Mr Hearty acknowledged the difference in format of section 3 and queried whether it is anticipated to take the same format as sections 1 and 2. Mr Thomas confirmed that this is the expectation. Mr Hearty highlighted that Year To Date delivery is not graded as being on track/off track for the schemes in section 3 and Mr Carruthers noted this observation which would be resolved when the revised reporting format was introduced.

The Committee **DISCUSSED** and **NOTED** the Turnaround Programme update report.

**FC(19)126 REFERRAL TO TREATMENT TIME (RTT) MONTH 3**

Members were presented with the RTT Month 3 report. Mr Teape presented the paper, on behalf of Mr Keith Jones, highlighting the key areas for discussion.

Mr Teape drew Members attention to the table on page 2 of the report which illustrates the forecast cost of delivery to be £5.5m. Year to Date figures suggest that the forecast is on track with the savings target of

£1.4m being applied. The £0.5m Orthopaedic element of the £1.4m savings plan is now considered to be at significant risk due to the necessity to mitigate separate risks associated with the temporary closure of Orthopaedic theatre capacity at WGH during the Summer period 2019. Based on current and future projected expenditure patterns, the total projected expenditure for 2019/20 has been revised to £4.65m, allowing for non-delivery of the Orthopaedic savings target.

Mr Teape informed Members of the £5.8m allocation from the NHS Wales Performance Fund to support the cost of delivery of RTT. £0.5m will be allocated for delayed follow ups, £0.3m will address the achievement of a 32 week maximum waiting time target for Stage 1 outpatients, and will be used to develop more sustainable solutions for Ophthalmology and Dermatology.

Mr Teape informed Members of the current 36 week + breaches and that HDdUHB remains on course to deliver zero breaches by March 2020. Mr Teape advised that a revised trajectory would be submitted to the next Business, Planning & Performance Assurance Committee (BPPAC) meeting.

Mr Newman queried the expectation of WG for HDdUHB to reach the key targets and sought clarification on whether the cleansing of lists would be the only action taken. Mr Teape assured Members that as well the work being undertaken to cleanse and validate lists, referral guidelines for follow ups and pathways are also being developed, which will be reported to BPPAC.

Mr Hearty queried whether winter pressures are factored into trajectories and Mr Teape responded that the potential impact of winter had been included within trajectories for the year.

Mr Hearty summarised that there remain financial pressures with a number of contingencies in place and the expectation that intermediate targets will be monitored by BPPAC and that the Finance Committee should look to BPPAC for assurance that trajectories were in line with original plans. Mr Hearty also noted that HDdUHB is on track to deliver at year end and that winter planning has been recognised and factored into normal planning processes.

Mr Teape highlighted an additional risk of doctors not wishing to undertake additional sessions due to pension tax changes. Mr Teape confirmed that he had requested this be added to the Risk Register as a corporate risk.

Mr Ayres highlighted an external risk in regard to LTAs held with SBUHB and the impact upon PPH, in addition to WGH, in relation to intermediate and scheduled care.

The Committee **NOTED** the progress to Month 3 in respect of the financial plan and planned expenditure trajectory to support RTT, Diagnostic and Therapy service waiting times delivery for 2019/20.



<p><b>FC(19)127</b></p>	<p><b>CAPITAL FINANCIAL MANAGEMENT</b></p> <p>Members were presented with the Capital Financial Management Report. Mr Thomas drew Members attention to the variance in year to date and the difference in planned cash spend and what is recorded. Mr Thomas advised that this is due to the Women and Children’s Phase II Scheme in Glangwili Hospital and the Cardigan Integrated Care Centre. Mr Thomas assured Members that this is not a cause for concern at this stage.</p> <p>Mr Thomas informed Members that an application, in the form of a loan, to enable the release of £0.3m to commence work has been submitted by Mid and West Wales Housing to WG. Mr Newman reiterated the point raised at the previous Committee meeting regarding a reliance on the next best tender price, which could not be expected to hold indefinitely and enquired when this is likely to be resolved. Mr Thomas undertook to raise this with the Director of Planning, Performance and Commissioning and to provide an update at the next Committee meeting.</p>	<p><b>HT</b></p>
	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> the Capital Resource Limit for 2019/20 together with expenditure allocations and profile;</li> <li>• <b>NOTED</b> the work being undertaken to manage the financial risks identified.</li> </ul>	

<p><b>FC(19)128</b></p>	<p><b>CONTRACTING UPDATE</b></p> <p>Members were presented with a contracting update on the key steps taken since the previous Committee meeting.</p> <p>In relation to the risk of a lack of standardised documentation, Mr Ayres informed Members that a conversation had been held with Betsi Cadwaladr University Health Board on how to align the documentation. Given the problems that can arise with the adoption of a standard contract, which has 3 distinct parts, a short form version is being considered.</p> <p>Mr Ayres informed Members of pressures with SBUHB and the consideration of clinical coding. Mr Lewis queried the checks that are in place to identify whether codes are incorrect and whether there is a role for Internal Audit to review this. Mr Ayres advised that such an approach is not currently adopted and Members acknowledged that there is no sight of the scale of this issue.</p> <p>Mr Thomas advised that the run rates underneath the overall contract level to specialty level needed to be reviewed, in addition to linking in with operational teams to gain intelligence. A framework will be required to capture both the data and intelligence, which will represent the first step to addressing this issue. Mr Lewis confirmed that he was happy with this approach ahead of requesting internal audit input. Mr Newman also highlighted the benefit of gaining a better understanding of LTAs as a whole.</p> <p>Mr Ayres advised that he would be in a position to be clearer on where pressures are coming from in relation to LTAs in approximately 2 months’ time. Mr Thomas requested that Mr Ayres provide a project plan to the</p>	<p><b>HT/SA</b></p>
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	<p>August 2019 Committee, outlining each contractual element and what is required to provide greater assurance, complete with challenges and a timeframe for actions.</p> <p>Mr Hearty noted that the report does not include either a sense of what an organisation with a well-managed approach to contract management looked like or which areas are currently a priority. Mr Hearty asked for these aspects to be added to the project plan.</p> <p>Mr Ayres informed Members that discussions are currently being held with County Directors, to identify the top contracts in terms of expenditure.</p> <p>Mr Newman noted that this update provides Members with a better understanding of what is and what is not currently in place, and suggested that this could be presented to a future Board Development Session once the action plan has been developed.</p> <p><i>Mr Teape left the Committee meeting</i></p>	<b>HT</b>
	<p>The Committee <b>NOTED</b> the content of the report and provided affirmation that the steps taken are in line with the Finance Committee's expectations.</p>	

<b>FC(19)129</b>	<p><b>DRAFT INDICATIVE FINANCIAL PLAN 2020/21</b></p> <p>Members were presented with the Draft Indicative Financial Plan 2020/21.</p> <p>Mr Thomas appreciated that this presentation of the draft indicative financial plan for 2020/21 is early on in the year, however, the draft financial plan is required to be submitted to the Board in November 2019, meaning the final plan will need to be presented to Finance Committee in October 2019.</p> <p>Mr Thomas informed Members that due to uncertainties around Brexit, WG has some uncertainty with their own financial position and therefore the plan has been drafted without knowledge of the financial settlement. It is anticipated that the financial settlement will be confirmed before Christmas 2019.</p> <p>The report provided an initial assessment of the financial challenge for the organisation for 2020/21 and an initial assessment of the scale of the savings challenge for 2020/21. The initial assessment of HDdUHB's financial position for 2020/21 is based upon a number of factors, including the underlying financial position from 2019/20. Mr Thomas informed Members that when reviewing the plan as it currently stands, the outturn for 2019/20 will be £39.9m, advising that this is based on delivering £29.8m savings based on non-recurrent measures. Mr Thomas advised that he had anticipated reaching the underlying deficit, however, the challenge is with directorate cost pressures and non-recurrent income and savings contributions.</p> <p>Mr Thomas informed Members that the total, after cost pressures, is £81m. An assumption has been made for this initial assessment that HDdUHB will receive a 2% increase on the discretionary revenue allocation from WG and Agenda for Change (A4C) pay award funding. A 1% uplift of Healthier Wales funding has not been included in this plan. The savings requirement</p>	
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will therefore be £30m. In order to achieve a deficit position of £20m, and accounting for the £3m non-recurrent savings, a further £7m of savings would need to be identified.

Mr Thomas advised Members that the challenge at this stage is in firming up the numbers, however there is a gap in confirmed funding from WG. The important question to consider is what can be done now to reduce the underlying deficit this year in order to reduce the challenge for next year. There are a number of risks, notably the configuration of major trauma, which could cost £1.6m, and a further risk associated with an additional pension contribution, which will come under the remit of Health Boards in 2020/21.

Mr Lewis queried the separate funding for A4C by WG. Mr Thomas responded that medical funding is part of the 2% allocation and therefore HDdUHB is expected to absorb this cost.

Mr Newman suggested WG's expectation is for a better financial position. Mr Thomas advised that WG expect HDdUHB to break even in 2021/22, and that the KPMG review may set the trajectory to achieve this.

The Committee **NOTED**:

- the initial assessment of the financial challenge for the organisation for 2020/21
- the initial assessment of the scale of the savings challenge for 2020/21

**FC(19)130**

#### **EXTERNAL FINANCE REVIEW**

Mr Thomas introduced Mr Benjamin Garside representing KPMG LLP to Members, as the successful supplier of the external finance review.

Mr Garside circulated a document to Members, a *Development of Financial Planning and Delivery Support for HDdUHB*, which consisted of 4 sections:

1. The requirements set by WG and HDdUHB – where KPMG were asked to review 4 elements of HDdUHB's financial health:
  - Financial baseline to validate and identify drivers of the underlying financial deficit;
  - The current financial plan for 2019/20 and ability to deliver the £25m control total;
  - The opportunities to improve the deficit for 2019/20 and to achieve financial sustainability;
  - The financial governance and structure of HDdUHB
2. How KPMG will take this work forward – Mr Garside informed Members that KPMG have worked with health systems in the UK and internationally and will approach the review using their framework to ensure that every provider element is efficient and working within a strong clinical governance framework. Mr Garside highlighted the 'shift left' in relation to a community-based approach to healthcare. Many health systems provide care in acute settings where there are opportunities to deliver care in the community. KPMG will ensure that

clinical strategy can drive financial improvements. Back office and fixed costs will also be considered to reduce duplication and achieve value with the right people being in the right place, doing the right thing, at the right time. KPMG will assess and challenge the existing financial plan for 2019/20, savings plans, and in-year financial performance to identify the financial gap to be improved through an overlay of identified short to medium term opportunities which will include producing a risk assessed forecast outturn for 2019/20.

3. How KPMG will work with HDdUHB - Mr Garside assured Members that KPMG will engage with teams to deliver sustainability. The upskilling of capability of finance and operational teams will include sharing best practice to ensure teams can deliver. Mr Garside noted that KPMG's approach is *nothing about you, without you*, and will be working closely with Mr Thomas and Mr Carruthers on a weekly basis. Mr Garside assured Members that no information will be submitted to WG without first being discussed with HDdUHB.
4. Timetables and deliverables – Mr Garside informed Members of the key deliverables, commencing at the end of August 2019 through to October 2019. KPMG will build a suite of products to enable continuous financial improvement and will promote a changing culture of financial transformation at a grass roots level.

Mr Garside acknowledged the level of transparency and information provided by HDdUHB at the outset of the review and gave credit to the finance team for their cooperation.

Mr Powell queried the scope for any agility/variance to the project plan. Mr Garside assured Members that 1:1 meetings will be held with Mr Thomas and WG on a weekly basis to review this.

In relation to the 'shift left' approach, Mr Newman stressed that it would be unfortunate if the current environment to deliver the Transforming Clinical Service's Health & Care Strategy was de-stabilised. Mr Garside agreed and advised Members that KPMG have received narrative from WG that HDdUHB has invested a great deal to get to this point and should not therefore be compromised. Mr Garside assured Members that KPMG will work with HDdUHB on how to implement their recommendations and opportunities and the impact upon existing strategies.

Given that the Strategy is built on a whole system approach, and given that KPMG are working for HDdUHB only, Mr Lewis queried whether there are certain aspects which this review cannot influence Mr Garside acknowledged the potential tensions with partners and providers who are core to the successful delivery of care, and assured Members that issues will be identified in interface with partners.

*Ms Elaine Lorton and Janice Cole-Williams joined the Committee meeting*

Mr Hearty raised some concern around the potential for confusion around the findings of the WG's Zero Based Review, the widely held assumption of HDdUHB's underlying deficit, and KPMG's review which was

	<p>acknowledged by Mr Garside. Mr Hearty also raised the potential tension between KPMG’s view and the public perception of an Integrated Care model. Mr Garside advised that having read the Strategy, he would not disagree with the content and would not therefore be suggesting anything different at this stage.</p> <p>With regard to the publication of the review, Mr Garside noted it would be discussed with Mr Alan Brace, Director of Finance WG and Mr Hywel Jones, Director of Financial Delivery Unit.</p> <p><i>Mr Teape re-joined the Committee meeting.</i></p> <p>Mr Newman queried whether there is a risk that the Strategy may not be deliverable within the financial envelope. Mr Garside advised that KPMG will test the extent to which the Strategy can deliver the financial benefits and value in 2019/20. Mr Thomas remained apprehensive of the deliverability of the strategy within current resources.</p>	
	The Committee <b>NOTED</b> the External Finance Review.	

<b>FC(19)131</b>	<b>DEEP DIVE INTO CONTINUING HEALTH CARE: MENTAL HEALTH &amp; LEARNING DISABILITIES</b>	
	Deferred to August 2019 Committee meeting.	

<b>FC(19)132</b>	<b>DEEP DIVE INTO CONTINUING HEALTH CARE: COUNTIES</b>	
	Deferred to August 2019 Committee meeting.	

<b>FC(19)133</b>	<b>DEEP DIVE INTO WITBYBUSH GENERAL HOSPITAL</b>	
	<p>Members were presented with a Deep Dive into Withybush General Hospital presentation, which provided activity and performance data, illustrating the long-standing issues with 12 hour breaches and increased length of stay.</p> <p>Quality and safety challenges in A&amp;E and surge beds were discussed, specifically the full spaces, unplaced patients, and nursing resources in A&amp;E and the significant high level of surge beds over capacity. Workforce issues, including staffing A&amp;E and significant nurse and middle grade vacancies were discussed. Finance issues, relating to the increased spend on medical staff and nursing from an unprecedented period of pressure were also discussed.</p> <p>Mr Teape outlined for Members the Recovery Plan and work ongoing in the County and the hospital to address the performance challenges faced. An Improvement Project is being led by Ms Janice Cole-Williams, General Manager, within the hospital. There is also the Transformation Fund and rapid access teams, and an Urgent Response Group to review recruitment and business continuity.</p> <p>Mr Hearty asked what event had taken place in October 2017 because the evidence of the graphs appeared to suggest that this was the point at which the overall position deteriorated. Ms Cole-Williams responded that a</p>	

number of factors contributed to the increase in length of stay from this point on, including changes to medical staff and nursing leadership, and a reduction in community health providers and inability to discharge patients as quickly as would have been preferred. Ms Elaine Lorton added that the consequence of Allied and 2 other providers ceasing trading resulted in patients being absorbed into local authority provision.

Mr Newman enquired whether an increase in concerns and incidents had been witnessed and Mr Teape responded that there was no increase observed over the Winter period.

Mr Ayres queried how discharges are being managed. Ms Cole-Williams advised that daily ward rounds are undertaken which are multidisciplinary in nature. An improvement was identified to complete the discharge process early on in the day as bottle necks are often experienced in the afternoon which result in patients having to wait to be discharged until 8 or 9pm. Ms Cole-Williams informed Members that staff are also liaising with Transport services to book transport in advance, and with community teams to check care package availability, to avoid any further delays.

Ms Cole-Williams advised that the primary focus is to address the increased length of stay. Early reviews and communication with relatives are being held to improve communication to work towards discharge dates. There is also a work stream with the Quality Improvement Collaborative (QIC) for those patients who occupy beds over 7 days.

Ms Cole-Williams advised that improvements have been seen to date with a reduction in A&E waits and with surge beds. An improvement in flow through the hospital and average length of stay has also been witnessed.

Ms Lorton informed Members that there is a significant workforce challenge in Pembrokeshire. Mr Thomas acknowledged the remaining challenge of medical staffing in A&E, which presents not only a financial issue but also a patient quality and safety issue. Ms Cole-Williams advised that an improvement is anticipated to be seen from August 2019 onwards due to positive recruitment in General Medicine. However, A&E remains a challenge and efforts to recruit may take some time.

Mr Hearty summarised that whilst a plan is in place, not everything in the Recovery Plan is currently implemented but is anticipated to be in effect by October 2019.

Mr Thomas queried whether the actions which are being put in place are to ensure that the outturn will reach the £2m deficit mark and are not to reduce **from** £2m. Ms Cole-Williams confirmed the actions are to ensure that outturn will reach £2m and added that if they can recruit, this will impact positively upon spend.

The Committee **NOTED** and **DISCUSSED** the Deep Dive into Withybush General Hospital presentation.

	<p>The Turnaround Programme Structure presentation was provided to Members by Mr Carruthers. The first slide illustrated a Governance diagram for the organisation and highlighted where the Turnaround Programme Group and the Health &amp; Care Strategy Delivery Group are situated within the structure. Mr Powell noted some factual discrepancies within the structure diagram and undertook to discuss with Ms Alison Gittins following the meeting.</p> <p>Further detail was provided on the Turnaround Programme Structure specifically, which depicted the connectivity of the Board, Finance Committee, Programme Board (Executive Team Turnaround) and the Holding To Account (HTA) process. The various Delivery Programmes, and their Turnaround projects, and locally delivered schemes were represented. Mr Thomas noted the need to consider back office/support functions and to build in a review of the corporate infrastructure. Mr Thomas suggested this will need reporting back to Executive Team. Mr Carruthers advised that Ms Lisa Gostling is aware of this with a possibility for consideration by the Workforce &amp; Organisational Development Sub-Committee.</p> <p>To conclude, a Turnaround to Transformation timeline was presented to Members, illustrating the anticipated stages from Turnaround to Transition and Sustainability, and finally to Transformation. Mr Hearty advised that the ambition would be not to have Turnaround as a position by 2021/22. Mr Hearty acknowledged the importance of the Strategic Enabling Group as a key link for the Finance Committee.</p>	<b>DP/AG</b>
	<p>The Committee <b>NOTED</b> the Turnaround to Transformation Structure Governance presentation.</p>	
<b>FC(19)135</b>	<b>FINANCIAL PROCEDURES</b>	
	<p>Members were presented with a Financial Procedures report, highlighting that the following procedures have been reviewed and are being presented for Finance Committee approval:</p> <ul style="list-style-type: none"> <li>• Cash Imprest Accounts – Rehabilitation Monies</li> <li>• Disposal of Surplus &amp; Obsolete Furniture, Equipment, Sale of Scrap and Other Waste Materials</li> <li>• Main Control Stores</li> </ul> <p>In relation to the Disposal of Surplus &amp; Obsolete Furniture, Equipment, Sale of Scrap and Other Waste Materials, Mr Powell specified the need to be explicit that there is a separate policy in place for the Disposal of Information/Information &amp; Communication Technology (ICT) Assets.</p>	<b>HT</b>
	<p>The Committee <b>APPROVED</b> the revised Financial Procedures subject to addressing the action described above in regard to the Disposal of Surplus &amp; Obsolete Furniture, Equipment, Sale of Scrap and Other Waste Materials Financial Procedure.</p>	
<b>FC(19)136</b>	<b>FINANCE COMMITTEE UPDATE REPORT TO BOARD FROM PREVIOUS MEETING</b>	

	Members were presented with the Finance Committee Update Report to the Board from the meeting held on 25 <sup>th</sup> June 2019 for information. No questions or comments were received.	
	The Committee <b>NOTED</b> the Finance Committee Update Report to Board.	

<b>FC(19)137</b>	<b>FINANCE COMMITTEE ANNUAL WORKPLAN</b>	
	Members were presented with the Finance Committee Annual Workplan.	
	The Committee <b>NOTED</b> the Finance Committee Annual Workplan.	

<b>FC(19)138</b>	<b>REFLECTIVE SUMMARY</b>	
	<p>Mr Thomas outlined the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting:</p> <ul style="list-style-type: none"> <li>• Detailed discussion was held regarding the financial position at Month 3 and the forecast position. Focus was given to the WGH position and an informative deep dive into WGH was received by Members. The Committee noted the high risk associated with the revenue and savings position.</li> <li>• Discussion of the current Turnaround position and a presentation of the Turnaround Programme structure governance.</li> <li>• RTT position, leading to a £3m reduction in the savings requirement and the identification of further opportunities for RTT funding requirements.</li> <li>• Capital Financial Management and the slippage position at Year To Date, which is not considered a significant issue.</li> <li>• A Contracting update was provided with an action plan requested for submission to the August 2019 Finance Committee meeting</li> <li>• The Draft Indicative Financial Plan 20120/21 and the underlying deficit was discussed.</li> <li>• An introduction and update from KMPG on their review and the links to the underlying deficit for 2019/20 and opportunities in the medium term plan.</li> </ul>	
	The Committee <b>NOTED</b> the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting.	

<b>FC(19)139</b>	<b>ANY OTHER BUSINESS</b>	
	No other business was raised.	

<b>FC(19)140</b>	<b>DATE OF NEXT MEETING</b>	
	Thursday 22nd August 2019, 9.00-12.00, Boardroom, Ystwyth Building, St. David's Park, Carmarthen	