

**COFNODION HEB EU CYMERADWYO O GYFARFOD Y PWYLLGOR CYLLID/  
UNAPPROVED MINUTES OF THE FINANCE COMMITTEE MEETING**

<b>Date and Time of Meeting:</b>	Tuesday 22 <sup>nd</sup> December 2020, 9.00am – 12.00 noon
<b>Venue:</b>	Board Room, Ystwyth Building, St. David's Park, Carmarthen

<b>Present:</b>	Mr Michael Hearty, Associate Member, Committee Chair (VC) Mr Mike Lewis, Independent Member, Committee Vice Chair (VC) Mrs Judith Hardisty, Vice Chair, Hywel Dda University Health Board (VC) Mr Paul Newman, Independent Member (VC) Mr Maynard Davies, Independent Member (VC)
<b>In Attendance:</b>	Mr Huw Thomas, Director of Finance Miss Maria Battle, HDdUHB Chair (VC) Miss Rebecca Hayes, Senior Finance Business Partner Mrs Eldeg Rosser, Senior Business Partner (VC) Mr Shaun Ayres, Assistant Director of Value Based Contracting (VC) Mr Anthony Tracey, Assistant Director of Digital Services (VC) Miss Alison Gittins, Head of Corporate and Partnership Governance Ms Sonja Wright, Committee Services Officer (Secretariat)

AGENDA ITEM	ITEM	
<b>FC(20)181</b>	<b>INTRODUCTIONS AND APOLOGIES FOR ABSENCE</b>	<b>Action</b>
	The Chair, Mr Michael Hearty, welcomed all to the meeting. Apologies for absence were received from: <ul style="list-style-type: none"> <li>• Mr Steve Moore, Chief Executive</li> <li>• Mrs Lisa Gostling, Director of Workforce and Organisational Development</li> <li>• Mrs Jo Wilson, Board Secretary</li> </ul>	

<b>FC(20)182</b>	<b>DECLARATIONS OF INTERESTS</b>	
	There were no declarations of interest.	

<b>FC(20)183</b>	<b>MINUTES OF PREVIOUS MEETING HELD ON 30<sup>th</sup> NOVEMBER 2020</b>	
	The minutes of the Finance Committee meeting held on 30 <sup>th</sup> November 2020 were <b>ACCEPTED</b> as an accurate record.	

**RESOLVED** – that the minutes of the Finance Committee meeting held on 30<sup>th</sup> November 2020 be **APPROVED** as an accurate record.

<b>FC(20)184</b>	<b>MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 30th NOVEMBER 2020</b>
	The Table of Actions from the meeting held on 30 <sup>th</sup> November 2020 was reviewed, and confirmation received that all outstanding actions had been completed or were forward-planned for a future Finance Committee meeting.

<b>FC(20)185</b>	<b>FINANCE REPORT AND FINANCIAL FORECAST MONTH 8, 2020/21</b>
	<p>The Committee received the Month (M)8 2020/21 Finance Report, outlining the Health Board's (HB) financial position to date against the Annual Plan and providing an assessment of the key financial projections, risks and opportunities for the financial year 2020/21, together with the financial forecast position for 2020/21, as assessed at M8.</p> <p>Mr Huw Thomas highlighted the projected delivery of the planned deficit of £25m, which is being managed through an understanding of potential financial flexibility in the year-end position, and by pursuing opportunities to apply this flexibility in the management of HB resources.</p> <p>Members were advised of concerns relating to the non-delivery of savings in 2020/21, and the impact of this non-delivery upon the HB's savings programme in 2021/22, and were informed that Hywel Dda University Health Board (HDdUHB) is an outlier in this respect compared with other Welsh Health Boards. Members were assured, however, that the Finance Directorate is working closely with HB Strategic Enabling Groups to identify further potential savings.</p> <p>Members further noted the following key points with regard to the M8 position:</p> <ul style="list-style-type: none"><li>• Before recognising Welsh Government (WG) funding in-month to meet costs incurred as a result of COVID-19, the M8 variance to breakeven is £8.0m (M7, £8.4m).</li><li>• A significant increase in the HB's expenditure profile is forecast for future months, relating to a delay in Local Authority invoicing for Test Trace Protect and Integrated Care Fund schemes, the HB's required contribution to the Welsh Risk Pool, Field Hospital decommissioning costs, required HMRC provisions, and the HB's investment in Delta Wellbeing services. There is also an increased requirement to fund bed and mattress replacements, in addition to replacing obsolete medical equipment.</li><li>• PPE costs have increased due to price increases for specific PPE items in Months 6, 7 and 8 (fully recognised from M7 following validation); this increase is anticipated to continue for some months.</li><li>• Influenza immunisation programme and Field Hospital costs are tracking in line with the forecast.</li></ul>

- No significant cost pressures have been identified in relation to EU exit; it is anticipated that any unforeseen costs will be mitigated by the application of financial flexibility identified in the end-of-year position.
- There is an increase in payments for annual leave carry-over provision. An All-Wales methodology will be agreed with regard to calculations, and projected sums are therefore subject to refinement.

Members were informed of a positive WG response to the HB's M8 financial submission.

Referring to the 'medium' status rating applied to the risk of a significant increase in workforce expenditure (given the restricted supply of staff), Mr Maynard Davies queried whether the policy of rapid recruitment which the HB has necessarily pursued in response to the COVID-19 pandemic will increase this risk. Mr Thomas assured Members that any increases in expenditure have been factored into HB plans and, responding to a further query from Mr Davies regarding whether the HB has sufficient staffing capacity to meet the significant assumptions relating to surge capacity within Field Hospitals, advised that workforce challenges relate mainly to Registered Nursing capacity, given current requirements among this staff cohort to self-isolate, and informed Members that operational assumptions are mirrored by the HB's financial projections.

While recognising reasons for a reduced focus upon savings delivery, given COVID-19 demands, Mrs Judith Hardisty expressed concern in relation to a low savings achievement across a number of areas reported at this point in the financial year, and queried whether further savings are anticipated. Mr Thomas explained that a significant element of savings is predicated upon the closure of beds within acute hospitals, with a corresponding move towards community-based services, and that, while there has been some 'shift' to community service provision, any savings realised as a result have been offset by other financial issues associated with the HB's COVID-19 response, including requirements to keep acute beds open.

Mr Thomas reflected upon the need to evaluate the success of the HB's shift towards community services, and to determine whether this represents a saving which has not yet been realised in cash terms, adding that this will be included within a wider financial function of identifying savings which have been delivered but not 'cashed out'. Mr Thomas confirmed that an update regarding areas where unrealised savings have been identified will be provided to Members at the next Finance Committee meeting on 26<sup>th</sup> January 2021, and Mr Michael Hearty, noting this assurance, reflected that a clearer indication of savings delivered during the current financial year, and the impact of these upon the HB's financial position in 2021/22 will engender increased confidence in the organisation's financial planning.

Responding to a query from Mr Mike Lewis as to whether there is any operational risk inherent in the reduction in the balance of capital risk for 2020/21 (from £14.3m reported in M7 to £0.8m in M8), Mr Thomas referred to feasibility schemes which the HB has been unable to progress due to the impact of the COVID-19 pandemic, however advised that associated

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	<p>risks related mainly to backlogs in estates maintenance, which are being addressed in conjunction with the Director of Estates, Facilities and Capital Management, and which will be reviewed in terms of potential long-term impact.</p> <p>In response to a query from Mr Paul Newman regarding the possibility of differentiating between recurrent and in-year savings when assessing savings non-delivery, Mr Thomas explained that concern lay mainly with the impact of non-delivery of recurrent savings upon the HB's financial position, and the need to identify a reduced baseline in 2021/22.</p>	
	<p>The Committee <b>NOTED</b> and <b>DISCUSSED</b> the financial position and the End of Year Forecast for M8 2020/21, noting the assumption that the HB will deliver its planned deficit of £25m, and recognising concerns relating to the future impact of the non-delivery of savings..</p>	

<b>FC(20)186</b>	<b>CAPITAL FINANCIAL MANAGEMENT</b>	
	<p>Members received the Capital Financial Management report, providing the most recent update in regard to the All-Wales Capital Programme (AWCP), the Capital Resource Limit (CRL) for 2020/21 and the value of capital expenditure currently committed to deal with the COVID-19 pandemic for 2020/21.</p> <p>Mr Thomas assured Members that the HB remains on course to meet its capital targets, and highlighted the robust management which has enabled the organisation to anticipate and plan for emerging risks to its capital position, together with a significant reduction in the balance of capital risk following receipt of WG funding.</p> <p>Members were advised that, while there remain schemes which the HB would wish to progress but is unable to realise due to capital restraints, there is a possibility of further central funding for medical devices and for healthcare arrangements across Digital and Estates portfolios. Mr Thomas added that these opportunities have been discussed by the People, Planning and Performance Assurance Committee (PPPAC), and that the HB is prepared to respond quickly to allocate any additional funding.</p> <p>Mrs Eldeg Rosser informed Members that two additional allocations have been made for Digital Eye Care (£287k) and for Energy and Decarbonisation schemes (£255k), and advised that the balance of capital risk of £840k which had been reported in the M8 Monthly Monitoring Return to WG will be reduced by a further tranche of COVID-19 funding (£459k), leaving a balance of £381k. Members were further assured that any opportunities to progress schemes within the available capital resource would be reported to PPPAC.</p> <p>Responding to a query from Mrs Hardisty as to whether any slippages in construction timescales for the Women and Children Phase II scheme have been indicated by contractors, given the local increase in COVID-19 prevalence, Mrs Rosser advised that the current phase of this scheme is staggered, with the main building work due for completion in January 2021, and equipment for the unit due to arrive in January or February 2021,</p>	

	<p>which provides a degree of accommodation for any slippage within the capital allocation for 2020/21.</p> <p>With more general regard to Discretionary Capital Programme schemes, Members were informed that while construction workers have been provided with Key Worker letters to allow attendance on site, there is a risk that self-isolation requirements among construction staff may inhibit building progress, and were advised that this risk would be highlighted to WG.</p> <p>Mr Thomas drew Members' attention to the current restrictions upon cross-channel travel at ports, which might impact upon the HB's ability to import digital and medical devices which are normally purchased by the HB utilising end-of-year capital funds. Mr Thomas nevertheless assured the Committee that Digital and Estates teams have plans in place to mitigate these risks.</p> <p>Responding to a query from Mr Hearty regarding whether further capital expenditure is anticipated in response to the pandemic, Mrs Rosser informed Members that, while no further spending is expected for the current financial year, with additional funding allocations utilised to deliver capital schemes up to 31<sup>st</sup> March 2021, any outstanding schemes will be included for consideration and prioritisation with schemes for 2021/22.</p> <p>Mr Hearty summarised the HB's capital position in terms of increased stability anticipated for year-end, noting that plans are in place to mitigate any remaining capital risk for 2020/21.</p>	
	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> a further tranche of WG COVID-19 funding and the reduction in the value of the funding risk for COVID-19 schemes reflected in an amendment to Risk 956 (<i>Risk to Delivery of the CRL for 2020/21</i>);</li> <li>• <b>NOTED</b> the value of capital expenditure currently committed to deal with the COVID-19 pandemic for 2020/21 and funding released to date;</li> <li>• <b>NOTED</b> the update regarding the Women and Children Phase II Scheme (Glangwili General Hospital).</li> </ul>	

<p><b>FC(20)187</b></p>	<p><b>CORPORATE RISKS</b></p> <p>Members were presented with the Corporate Risks report, providing a summary of 3 principal risks assigned to the Finance Committee from the 28 currently recorded in the Corporate Risk Register:</p> <ul style="list-style-type: none"> <li>• 646: Ability to achieve financial stability over the medium term;</li> <li>• 856: Risk to delivery of the Financial Plan for 2020/21;</li> <li>• 956: Risk that the HB will breach its Capital Resource Limit in 2020/21.</li> </ul> <p>Mr Thomas drew Members' attention to changes in the scores allocated to these risks since the previous report, which had been presented to Finance Committee at its meeting held on 29<sup>th</sup> September 2020, advising that an</p>	
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	<p>increased score for risk 646 is attributable to the challenge to the delivery of savings, while reduced scores for risks 856 and 959 can be ascribed respectively to WG confirmation of non-recurrent funding to support the financial impact of the pandemic and to cost reductions driven by lower patient activity, and to a reduction in the balance of capital risk, as described in the Capital Financial Management report.</p> <p>Members were informed that, given a level of difficulty in accessing the <i>Datix</i> clinical incident recording system, the HB has developed a risk dashboard which will enable interactive interrogation of all risks, and which will provide detail regarding how these manifest at corporate and operational levels. Noting confirmation from Mr Thomas that this dashboard would be circulated to Members, the Committee agreed that the facility to interrogate and overlay risks in a 'live' setting would prove extremely useful and aid discussion in future Finance Committee meetings.</p>	<b>HT</b>
	<p>The Committee <b>NOTED</b> the corporate risks assigned to the Finance Committee.</p>	

<b>FC(20)188</b>	<p><b>DIGITAL PLANNING</b></p> <p>Members received a verbal update detailing outcomes from the meeting of the Agile Digital Business Group (ADBG) held during the week commencing 14<sup>th</sup> December 2020.</p> <p>Mr Anthony Tracey highlighted the following key points:</p> <ul style="list-style-type: none"> <li>• Good levels of attendance at the Digital Champions Event held on 18<sup>th</sup> December 2020, with an informative presentation delivered by Microsoft representatives in relation to the role of Digital Champion. The HB aims to recruit 500 Digital Champions within the organisation by the end of 2021.</li> <li>• The business case template for use in proposing digital development plans was agreed by ADBG members.</li> <li>• Local and national development opportunities will be pursued by the ADBG, ensuring that there is linkage and alignment between HB and NHS Wales Informatics Service (NWIS) projects, and that these projects are supported by appropriate resources.</li> </ul> <p>Further updates regarding current and planned digital projects were also provided to Members:</p> <ul style="list-style-type: none"> <li>• The Nursing Care Record system is on schedule to go live in HB hospitals between January and March 2021.</li> <li>• Initial meetings have been held with Bronglais General Hospital (BGH) managers and Ceredigion County Council representatives with regard to the establishment of a Digital Hospital/ Digital County.</li> <li>• Discussions are in progress with Delta Wellbeing regarding the roll-out of Digital Home and other Technology-Enabled Care support services.</li> </ul>	
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- Malinko clinical scheduling software has been rolled out within Ceredigion and is due to complete roll-out in Pembrokeshire by the end of February 2021.
- Work with Lightfoot Solutions is progressing, with staff training planned within Ceredigion, and live daily information within an operational setting to be introduced in BGH in early January 2021.
- The Welsh Immunisation System is now fully operational across the HB, following a short development period.
- The Digital Dictation Project is currently behind schedule by approximately 6 weeks due to supplier issues and challenges to successful integration with NWIS systems.
- The roll-out of bedside iPads for patients in BGH and South Pembrokeshire Hospital will be completed in March 2021.
- Further delivery of mobile devices to support staff working from home is expected by the end of March 2021; to date, an additional four thousand digital devices have been distributed to HB staff.
- The roll-out of enhanced functions of Microsoft Project within the HB will be supplemented by a review of the potential for use of further Microsoft Office 365 functionality within the organisation.
- A live 'Cloud' data back-up solution will be in place across the HB by the end of February 2021 and it is anticipated that the use of the 'Cloud' will improve the HB's interactive dashboard functionality, enabling users to interrogate data and to create analyses tailored to individual requirements.

Responding to concern expressed by Mrs Hardisty that developments within NWIS may potentially hinder the progress of HB digital projects, Mr Tracey agreed to inform Finance Committee of any issues arising, but assured Members that as the majority of the HB's digital projects fall entirely within the organisation's remit, any impediment from NWIS is unlikely to arise.

Mr Thomas emphasised the benefits to the HB afforded by the existence of organisations such as NWIS, which support the co-ordination of digital healthcare capabilities, and highlighted the need to progress partnership working with the service.

Miss Maria Battle requested that outcomes from work with Lightfoot Solutions in BGH be presented to the Listening and Learning Sub-Committee in order to assess how any improvements demonstrated may be incorporated within future planning, and queried whether commonly reported harm to patients arising during electronic handovers and discharge from hospitals will be addressed in plans for the integration of digital technology in HDdUHB hospitals. Mr Tracey confirmed that digital solutions which incorporate these processes have been planned for introduction within BGH, and that these solutions are easily scalable to further hospital sites.

It was agreed by Members that further detail of work upon the integration of digital technology within BGH undertaken with Lightfoot Solutions would be included within a Digital Response Plan report to be presented at the next Finance Committee meeting on 26<sup>th</sup> January 2021, and that a

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	<p>of Value-Based Healthcare (VBHC) schemes within the HB, recognising that HDdUHB is currently leading in this area.</p> <p>Responding to two points raised by Mr Hearty – namely regarding indications that WG will wish to increase funding for healthcare schemes at a national level, and that work to integrate workforce and digital planning within the HB will prove beneficial should central funding be predicated upon the quality and content of organisational plans, Mr Thomas suggested that the HB may wish to review its approach to seeking central funding, and agreed that an element of future WG funding will be based upon planning outcomes.</p>	
	<p>The Committee <b>NOTED</b> the update regarding the HB’s financial planning for 2021/22.</p>	

<p><b>FC(20)190</b></p>	<p><b>ROUTE MAP TO FINANCIAL BALANCE 2021/ 22</b></p>	
	<p>Members received a presentation summarising the organisation’s plans to achieve financial balance over the medium-to-long term.</p> <p>Mr Thomas informed Members that, since the previous presentation of the Route Map to the Committee at its meeting on 30<sup>th</sup> November 2020, external support had been received by the Finance Team in order to consolidate learning points from transformational, workforce, digital and VBHC planning in order to add further detail to the outline structure of the Route Map, and confirmed that a further iteration would be presented to the Committee at its next meeting on 26<sup>th</sup> January 2021, which will focus upon value-based, digital and workforce components which represent opportunities to facilitate change and innovation in current ways of working.</p> <p>Members’ attention was drawn to the development of the HB’s long-term financial and workforce models as outlined in the Route Map, which will address the historical disconnect between workforce, financial and operational planning. Members were advised that the workforce model would be linked to work undertaken by Lightfoot Solutions in order to better understand and model the impact of healthcare demands upon workforce capacity, recognising that the HB’s financial deficit has historically been largely driven by a workforce deficit which has in turn been actuated by operational decisions.</p> <p>Responding to a query from Mr Hearty regarding management of the transition to longer-term planning when implementing those aspects of the HB’s 2021/22 Financial Plan which relate to the organisation’s long-term strategy, Mr Thomas emphasised the need to avoid short-term decision-making and to effect a shift in approach within HB Directorates in terms of addressing challenges and in viewing quality as a fundamental element of business strategy.</p> <p>Mr Hearty reflected upon the need to track planning for the delivery of savings in 2021/22, particularly given that non-delivery of savings in 2020/21 will impact upon the savings programme for the following financial year. Responding to this observation, Mr Thomas explained that the focus upon savings has been largely a result of a historical lack of confidence on the part of the organisation in identifying and progressing health and social</p>	<p><b>HT</b></p>

	<p>care opportunities, and assured Members that the development and use of an effective Quality Management System would be integral in driving effective and sustainable working patterns and processes.</p> <p>Responding to a query from Mrs Hardisty regarding plans for the future supply of workforce, and links with training providers which will enable the HB to develop and retain staff members, Mr Thomas highlighted the need to ensure that trainee health professionals who are in receipt of funding from Health Education and Improvement Wales are provided with opportunities to work within Welsh Health Boards once qualified.</p> <p>Mr Hearty concluded that while the Route Map to Financial Balance currently represents the early stages of planning, recognising the incorporation of quality management principles and HB strategy in long-term plans, it would be helpful to receive further details of individual areas of planning, as advised previously, given that the organisation will soon be required to deliver its financial plans for 2020/21.</p>	
	<p>The Committee <b>NOTED</b> the HB's Route Map to financial balance.</p>	

<b>FC(20)191</b>	<b>NWSSP HB SUMMARY PERFORMANCE REPORT Q2</b>	
	<p>Members received a report containing summary performance data in respect of the services provided by NHS Wales Shared Services Partnership (NWSSP) for the quarter ended 30<sup>th</sup> September 2020 (Quarter 2 2020/21).</p> <p>Members were informed that the performance scores against key indicators for services provided to HDdUHB, as shown in the report, do not reflect normal working processes and behaviour across the organisation, being advised that improvements (i.e. reductions) in time to approve vacancies and to shortlist candidates reflect the recent focus upon staff recruitment in response to the COVID-19 pandemic. Members were further advised that slippage in meeting invoice turnaround targets did not warrant concern.</p> <p>Noting many positive aspects of the performance data presented in the summary report, Mr Lewis queried whether the measure relating to Resignation to Vacancy Approval Date (Nursing) differs from the Time to Approve Vacancies indicator, and reflected that the recorded time of 39.9 days to approve nursing vacancies represents a cause for frustration. Mr Thomas explained that assessing performance against this measure is particularly challenging, due to the delegation of vacancy approval to Nurse/ Ward Managers, and reflects the limitations in readily accessing relevant systems and documents which managers experience. Members were assured that additional support would be provided in order to increase efficiencies in vacancy approval processes, particularly given that delays in approving vacancies lead to an increase in the short-term usage of agency staff in order to meet any shortfall in the nursing cohort.</p> <p>Responding to a query from Mr Hearty regarding available options, should the HB not be entirely satisfied with the services provided by NWSSP (given the extent to which these services are utilised), Mr Thomas</p>	

	<p>emphasised that current arrangements are based upon a partnership approach and outlined the governance structure of NWSSP, advising Members of his position as Vice Chair of the partnership. Whilst acknowledging some scope for improvement in the services delivered by the Shared Services Partnership to the HB, Mr Thomas assured Members that plans are in train to address any shortfalls in service provision.</p> <p>Informing Members that 96% of the HB's spending is directed via shared services, Mr Thomas recognised challenges in capturing the outcomes of this spending and advised that, in order to address these, work is being undertaken with Board Secretaries to establish an Assurance Steering Group which will explore means of gaining assurance from the work undertaken by shared services, which would in turn be channelled to NWSSP by Mr Thomas in his role as Vice Chair.</p> <p>Mr Thomas reflected that it would be preferable to see an element of the savings delivered through the use of shared services re-invested in order to drive increased efficiencies in service provision on the part of NWSSP, rather than being returned to the HB as a dividend.</p>	
	<p>The Committee <b>NOTED</b> summary performance data in respect of the services provided by NWSSP for Quarter 2 2020/21.</p>	

<b>FC(20)192</b>	<b>FINANCE TEAM TRANSFORMATION – INTERNAL AUDIT REPORT</b>	
	<p>Members received a report detailing the findings of a review undertaken by NWSSP evaluating the progress made in the restructure and transformation of the HDdUHB Finance Directorate, in order to provide assurance to the Board that risks material to the achievement of the Directorate's objectives are managed appropriately.</p> <p>Members were advised that the audit report had been reviewed by the Audit and Risk Assurance Committee at its meeting held on 15<sup>th</sup> December 2020, where it had been agreed that the report be presented to Finance Committee in order to provide assurance to Members regarding the progress achieved in transforming the HB Finance Directorate.</p> <p>Members agreed that the findings of the review demonstrated substantial progress made over the previous 12 – 18 months, and requested that Mr Thomas convey thanks and congratulations to the Finance Team upon this achievement.</p>	
	<p>The Committee <b>NOTED</b> the findings of a review undertaken by NWSSP evaluating the progress made in the restructure and transformation of the HDdUHB Finance Directorate.</p>	

<b>FC(20)193</b>	<b>UPDATE FROM COMMISSIONING GROUP MEETING</b>	
	<p>Members received a report providing an update regarding outcomes and discussions arising from the inaugural meeting of the Commissioning Group held on 14<sup>th</sup> December 2020.</p>	

Mr Shaun Ayres highlighted the following key points:

- A discussion was held around the level of support required for the proposed Vanguard solution at Prince Phillip Hospital (PPH). Commissioning and contracting implications were discussed, recognising that the proposed unit would alter patient pathways and would require a longer term (i.e. a possible 3-year) commitment.
- Discussion was held regarding the management of the fees structure for Continuing Healthcare (CHC), recognising the need to commission CHC with clear outcomes, particularly given that the HB spends around £59m upon CHC services. Group members also recognised the need to focus upon the quality of services delivered through the use of patient reported outcome and experience measures, ensuring that any further commissioning of CHC pathways would integrate the work upon outcomes undertaken by the HB Value Team, in order to quantify and assess the quality of the current CHC provisions within HDdUHB.
- The current approach to the existing CHC fee structure was supported by the group - namely, to provide an input into the annual review of fee methodology, and to try and align this methodology as far as is reasonably possible across the three Counties.
- The Group agreed to review Long Term Agreements (LTAs), with an initial focus upon of the quality of commissioned services and a specific focus on specialities where there is greatest concern regarding patient experience and fragility. The Commissioning Group and Contracting Team, in conjunction with the Quality Team, will therefore work with Swansea Bay University Health Board (UHB) on the Spinal Surgery pathway, where levels of activity and cost require attention, given historic and current waiting lists and other ongoing issues.
- The Group agreed to identify specific aspects of LTAs for review, with consideration given to options relating to continuing or de-commissioning services, and to opportunities to re-patriate specific procedures within a number of specialities.

Mr Ayres advised the Committee that the Commissioning Group was agreed by all its members to represent a 'safe' forum in which direct and potentially contentious discussion could be held between representatives of the various teams and bodies involved in commissioning healthcare services in order to agree and align common aims.

In response to a query from Mr Hearty regarding whether the Group's remit would be directed to discussing, or to driving, improvements in healthcare commissioning, Mr Ayres confirmed that both elements are included within the Group's Terms of Reference, and advised Members that the agendas for future meetings would be primarily set by himself and by Mr Thomas in order to ensure that the focus of the Group is directed to supporting the HB in identifying and commissioning those services which it requires.

Responding to a request from Mr Davies for clarification (respectively) of the Vanguard proposal, the comparability of CHC fee structures across Wales and the linkage between LTA outcome measures and work

undertaken by the Value-Based Health Care (VBHC) Team, Mr Ayres explained that:

- The Vanguard solution proposes the establishment of two laminar flow theatres and an Endoscopy suite attached to PPH;
- Current disparity in CHC fee structures across the three counties renders it difficult to compare these with service rates agreed between other Welsh Health Boards and Local Authorities;
- While linkage between VBHC work and LTA outcome measures is currently being developed, this does not yet extend to services provided by other Welsh Health Boards. In order to support outcome measurement for these LTAs, the Contracting Team is considering the incorporation of Data Quality Improvement Measures within contracts held with Swansea Bay UHB and Cardiff and Vale UHB, which will demonstrate outcomes from commissioned services.

Responding to queries from Mrs Hardisty relating to whether CHC fee structures will be linked to service outcomes, and whether the focus upon CHC commissioning would include Mental Health and Learning Disability (MHL) services, including Specialist Child and Adolescent Mental Health Services (S-CAMHS), Mr Ayres confirmed an intention to clarify the link between fees structures and outcomes for CHC, and to support the sustainability of this sector, and assured Members that MHL services are included as a priority area in commissioning discussions. Mr Ayres further confirmed that S-CAMHS would be included within a review of CHC services.

Members were informed that a business case for the Vanguard proposal would be reviewed by Finance Committee at a future meeting, and advised that the proposal represents a significant financial investment for the HB.

Mr Thomas reflected upon the broad range of representation within the membership of the Commissioning Group, which would serve to provide assurance regarding the active involvement of all stakeholders within healthcare services commissioning, and highlighted opportunities provided to share good practice and learning across the organisations involved.

Mr Thomas further assured Members that opportunities to assess outcomes from individual packages of care are explored - for example, through the use of patient and family-reported experience and outcome measures – in order to ensure a focus upon value as a key element of commissioning work.

Responding to a query from Mr Newman as to whether the difference in CHC fee structures between Pembrokeshire, Carmarthenshire and Ceredigion is acting to distort the market in terms of service rates charged, Mr Ayres explained that while a degree of distortion had initially been anticipated, this had not yet materialised, and assured Members that any inflation of fees would be carefully monitored, that the possibility of CHC rate increases is articulated as a risk on the Corporate Risk Register, and that any issues would be highlighted to Finance Committee Members.

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	<p>Noting that the independent setting of rates by the Local Authorities within the HDdUHB area represents a challenge to the HB's CHC arrangements, Mr Davies queried whether a solution could be provided by actively placing individuals requiring packages of care within Carmarthenshire and Ceredigion care homes. Mr Ayres explained that this was not a viable option in view of the resultant risk of de-stabilising care home capacity across the 3 counties, and given that the Local Authorities are the Lead Commissioners for care home services. Miss Battle additionally highlighted patients' rights to be placed near to their home area and families.</p> <p>Mr Hearty thanked Mr Ayres for a helpful report which summarised the Group's work to develop and support the HB's commissioning intentions and arrangements, noting positive progress within a challenging area.</p>	
	<p>The Committee <b>NOTED</b> and <b>DISCUSSED</b> matters arising from the Commissioning Group's meeting held on 14<sup>th</sup> December 2020 and the aims of the Group with regard to driving improvements in the HB's commissioning arrangements.</p>	

<p><b>FC(20)194</b></p>	<p><b>STRATEGIC CASH REQUEST</b></p> <p>Members received a report outlining the process for requesting Strategic Cash Support for 2020/21 and the reason for the request.</p> <p>Members were informed that the HB's request for Strategic Cash Support is £16m for 2020/21, being advised that this figure assumes the delivery of the current forecast deficit of £25m. Mr Thomas explained that cash assistance is not sought to the level of the forecast deficit, as some areas of cost would be managed by year-end. Members were advised that the process for requesting cash support is in line with that followed in 2019/20.</p> <p>Finance Committee supported the HB's request for Strategic Cash Support for 2020/21.</p>	
	<p>The Committee <b>NOTED</b> and <b>SUPPORTED</b> the request for Strategic Cash Support for 2020/21</p>	

<p><b>FC(20)195</b></p>	<p><b>FINANCIAL PROCEDURES</b></p> <p>Members reviewed the following financial procedures:</p> <ul style="list-style-type: none"> <li>• FP084: Oracle E Business Suite System Access and General Ledger Security</li> <li>• FP420: Charitable Funds Financial Governance and Administrative Procedure 2020</li> </ul> <p>A review of the Charitable Funds Financial Governance and Administrative Procedure 2020 prompted discussion regarding the governance of the Charitable Funds Committee (CFC) and its remit to approve its own procedures.</p> <p>Mr Thomas suggested that CFC should act independently and approve its own procedures in future, given that any proposed changes to this</p>	
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	<p>procedure would necessarily revert to the CFC for agreement. Mr Newman and Miss Battle agreed, reflecting that CFC is ultimately responsible to its Trustees, and should therefore approve its own procedures.</p> <p>Two points for consideration in regard to CFC were raised by Mr Thomas – namely, the need for a legal agreement relating to a property owned by Hywel Dda Charities and rented by the HB, and the need to establish a Service Level Agreement (SLA) which clarifies arrangements and roles relating to the HB’s provision of services to HDdUHB Health Charities. Mr Ayres assured Members that a SLA applicable to the services provided is currently being developed.</p> <p>Recognising the need to clarify certain elements of current arrangements between the HB and the CFC, Members agreed that advice would be sought from the Board Secretary and fed back to Finance Committee.</p> <p>Finance Committee approved the Financial Procedures presented.</p>	<b>HT/ JW</b>
	<p>The Committee <b>APPROVED</b> the following financial procedures:</p> <ul style="list-style-type: none"> <li>• FP084: Oracle E Business Suite System Access and General Ledger Security</li> <li>• FP420: Charitable Funds Financial Governance and Admin Procedure 2020</li> </ul>	

<b>FC(20)196</b>	<b>MONTHLY MONITORING RETURNS AND HDdUHB COMMENTARY</b>	
	Members received for information the M8 Monthly Monitoring returns submitted to WG.	
	The Committee <b>NOTED</b> the HB’s M8 Monitoring Returns to WG.	

<b>FC(20)197</b>	<b>FINANCE COMMITTEE WORKPLAN</b>	
	The Committee’s annual work plan for 2020/ 21 was presented to the Committee for information.	
	The Committee <b>NOTED</b> the items listed on its annual work plan for 2020/ 21.	

<b>FC(20)198</b>	<b>REFLECTIVE SUMMARY</b>	
	<p>Mr Thomas highlighted 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>• A positive financial position reported at M8, recognising a reduced risk to the delivery of the HB’s forecast deficit, while noting an increased risk in terms of the impact of the non-delivery of savings in-year upon the financial position for 2021/22;</li> </ul>	

	<ul style="list-style-type: none"> <li>• A significant reduction in the balance of capital risk;</li> <li>• Provision of assurance with regard to the achievements and progress made by the Digital Team, noting that a further update would be provided to Finance Committee at its next meeting on 26<sup>th</sup> January 2021;</li> <li>• Review of the Route Map for Financial Balance, and agreement that further detail relating to disruptors and opportunities would be provided at the next meeting;</li> <li>• Assurance provided to Members regarding progress made in the restructure and transformation of the HDdUHB Finance Directorate;</li> <li>• A useful summary of aims and actions agreed by the Commissioning Group at its inaugural meeting;</li> <li>• Scrutiny of the HB's request for Strategic Cash Assistance of £16m for 2020/21;</li> <li>• Helpful discussion with regard to the governance of CFC and recognition of the need to clarify elements of joint arrangements.</li> </ul>	
	<p>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.</p>	

<b>FC(20)199</b>	<b>ANY OTHER BUSINESS</b>	
	<p>Two further items of business were raised by Mr Thomas:</p> <p><b>Contract with Bluestone Resorts Ltd (Bluestone)</b></p> <p>Members were advised of a request made by Bluestone that the HB pay an advance element of the £3.5m re-instatement funds agreed in order to cover costs, including purchase of equipment. Mr Ayres advised that, having considered this request, the HB could either make an advance payment of £1.35m, or introduce a provision into the existing contract between the HB and Bluestone which would cover re-instatement costs in the form of an up-front payment, and sought Members' views in relation to these proposals.</p> <p>Members were advised that further discussions relating to this request would be held with the Chief Financial Officer for Bluestone Resorts Ltd, and that an options and risk appraisal paper to support a decision would be presented to a Finance Committee In Committee session to be held on 26<sup>th</sup> January 2021.</p> <p><b>EU Exit Impact upon Supply and Costs</b></p> <p>Members' attention was drawn to current issues relating to border controls imposed in response to the COVID-19 pandemic, together with potential restrictions in the supply of medical devices and other equipment arising from EU-exit trade deal negotiations, which would require active management.</p>	<b>SA</b>

	<p>Mr Thomas assured the Committee that robust measures have been put in place by the HB with NWSSP and through mutual aid arrangements with other Health Boards to mitigate any impact to the supply chain, and advised Members that the greatest impact of EU exit would be upon costs after 31<sup>st</sup> March 2021, which could increase significantly in the event of a no-deal exit.</p> <p>Responding to a query from Mr Hearty regarding whether the organisation had reviewed its plans, given recently-imposed border restrictions, Mr Thomas assured Members that while the impact of these developments is as yet unknown, current arrangements provide for 8 to 10 weeks' supply capacity within the system, which will support the HB in addressing any immediate impact of disruption to supply chains.</p>	
	<p>The Committee <b>DISCUSSED</b> two items of additional business:</p> <ul style="list-style-type: none"> <li>• Contract with Bluestone Resorts Ltd;</li> <li>• EU Exit Impact upon Supply and Costs.</li> </ul>	

<b>FC(20)200</b>	<b>DATE OF NEXT MEETING</b>	
	Tuesday 26th January 2020, 9.00 pm - 12.00 pm, via Microsoft Teams	