

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

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| Date and Time of Meeting: | Thursday 25th February 2021, 9.30am – 12.30pm |
| Venue: | Board Room, Ystwyth Building, St. David's Park, Carmarthen |

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| Present: | Mr Michael Hearty, Associate Member, Committee Chair (VC) Mr Mike Lewis, Independent Member, Committee Vice Chair (VC) Mr Paul Newman, Independent Member (VC) Mr Maynard Davies, Independent Member (VC) |
| In Attendance: | Mr Huw Thomas, Director of Finance Mrs Joanne Wilson, Board Secretary (VC) <i>part</i> Mrs Lisa Gostling, Director of Workforce and Organisational Development (VC) Mrs Sarah Welsby, Finance Business Partner (VC) Mr Shaun Ayres, Assistant Director of Value Based Contracting (VC) <i>part</i> Mr Anthony Tracey, Assistant Director of Digital Services (VC) Mr Mark Bowling, Assistant Director of Finance (VC) Mr Gareth Rees, Deputy Director of Operations (VC) <i>part</i> Mrs Rhian Dawson, Integrated System Director Carmarthenshire (VC) <i>part</i> Mr John Heneghan, Associate Director, CLES (VC) <i>part</i> Mr John Seymour (PWC) Modelling Project Lead (VC) <i>part</i> Mr Alpesh Shah (PWC) Modelling Partner (VC) <i>part</i> Ms Eloise Oakley (PWC) Workforce Expert (VC) <i>part</i> Miss Alison Gittins, Head of Corporate and Partnership Governance (VC) Ms Sonja Wright, Committee Services Officer (Secretariat) |

| AGENDA ITEM | ITEM | |
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| FC(21)21 | INTRODUCTIONS AND APOLOGIES FOR ABSENCE | Action |
| | The Chair, Mr Michael Hearty, welcomed all to the meeting. Apologies for absence were received from: <ul style="list-style-type: none"> Mr Steve Moore, Chief Executive Miss Maria Battle, HDdUHB Chair Mrs Judith Hardisty, Vice Chair, HDdUHB Mr Andrew Carruthers, Director of Operations | |

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| FC(21)22 | DECLARATIONS OF INTERESTS | |
| | There were no declarations of interest. | |

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| FC(21)23 | MINUTES OF PREVIOUS MEETING HELD ON 26th JANUARY 2021 | |
| | <p>The minutes of the Finance Committee meeting held on 26th January 2021 were ACCEPTED as an accurate record.</p> | |
| | <p>RESOLVED – that the minutes of the Finance Committee meeting held on 26th January 2021 be APPROVED as an accurate record.</p> | |
| FC(21)24 | MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 26th JANUARY 2021 | |
| | <p>The Table of Actions from the meeting held on 26th January 2021 was reviewed, and confirmation received that all outstanding actions had been completed or were forward-planned for a future Finance Committee meeting.</p> | |
| FC(21)25 | ANNUAL REVIEW OF FINANCE COMMITTEE TERMS OF REFERENCE | |
| | <p>Members were presented with the Finance Committee’s Terms of Reference (ToR), in order to consider whether the Committee’s structure, purpose and responsibilities continue to be fully and accurately represented within the current version.</p> <p>Members were advised of a preliminary revision to the section order of the ToRs in order to present the Purpose and Responsibilities of the Committee ahead of the membership, to reflect the fact that it is from the Committee’s purpose that its membership derives.</p> <p>With regard to the inclusion of items relating to Digital Planning on the Finance Committee’s Work Programme, Members were advised of an action for the Board Secretary from the In Committee meeting of the Audit and Risk Assurance Committee held on 23rd February 2021 i.e. to discuss reporting structures relating to digital issues with other Welsh Health Board colleagues in order to determine the most appropriate Committee to receive reports relating to Hywel Dda University Health Board’s (HDdUHB) Digital Programme. Members also noted that, given its regular inclusion on the Finance Committee agenda, no reference is made within the current version of the Committee ToRs to reflect a focus upon Digital issues.</p> <p>In reviewing the Committee’s membership, it was noted that the definition of meeting quoracy applied to ‘In Attendance’ members i.e. ‘<i>A quorummust include as a minimum....a third of the In Attendance Members</i>’ might necessitate a review of In Attendance’ membership in order to ensure appropriate representation of the required service areas, while recognising that the consolidation of Director attendance at HB Committee meetings has been agreed according to the approach advocated in the ‘<i>Maintaining Good Governance</i>’ COVID-19’ report presented to the Board at its meeting on 28th January 2021, which recognises the reality of Executive focus and time constraints during the COVID-19 pandemic. It was therefore agreed that the ‘In Attendance’ membership of Finance Committee would be reviewed by the Director of Finance and the Board Secretary.</p> | <p>HT/ JW</p> |

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| | <p>Members agreed that reference should be made in the ToRs to reflect the reporting structure applicable to the Committee’s Sub-Groups i.e. the Agile Digital Business Group (established October 2020) and the Commissioning Group (established November 2020).</p> <p>It was agreed that Chair’s Action would be taken to approve the revised ToRs, which would be presented for ratification at the Board meeting to be held on 25th March 2021.</p> | <p>SW</p> <p>MH</p> |
| | <p>The Committee REVIEWED its Terms of Reference and AGREED that revisions would be approved via Chair’s Action prior to submission to Board on 25th March 2021.</p> | |

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| <p>FC(21)26</p> | <p>LONG TERM FINANCIAL AND WORKFORCE MODEL (WORKSHOP SESSION)</p> <p><i>Mrs Lisa Gostling joined the Committee meeting</i></p> <p>The Committee received a live demonstration of a Strategic Workforce Model and a Long-Term Financial Model (LTFM), which had been developed to support financial forecasting and to link workforce projections with financial modelling to inform strategic decision-making.</p> <p>Members were informed that further refinements to the functionality of the models had been made since their previous presentation at the Finance Committee meeting held on 26th January 2021, and advised that, as the models are still being tested, further iterations of the working Power BI dashboards may be presented at future Committee meetings.</p> <p>Mr John Seymour, Mr Alpesh Shah and Mrs Eloise Oakley provided an overview of the LTFM and Strategic Workforce model, advising Members that the numbers included in the demonstration are not representative of actual financial value and workforce establishment, but are illustrative and included solely to demonstrate functionality and the insights which can be generated using the modelling dashboards.</p> <p>Members were informed that detailed draft versions of the models are currently being tested by HB colleagues, and were advised that the PWC team would be able to assist users in utilising the full functionality of both models, recognising their inherent flexibility in terms of the application of forecasting assumptions.</p> <p>Responding to an observation from Mr Hearty regarding the need, from an organisational design perspective, to be able to show individual staff job roles in workforce analyses, Mrs Oakley explained that individual job types are grouped within staff and pay band fields in order to present modelling outcomes at a strategic level, adding that the model is not necessarily based upon workforce planning requirements, but rather intended to show overall workforce costs.</p> <p>Noting Mr Hearty’s remarks, Mrs Gostling advised Members that while the model would provide a high-level mapping function with regard to staff groups and pay banding, more granular detail relating to individual roles would continue to be captured separately by the Workforce Development Team.</p> | |
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| | <p>Mr Huw Thomas reiterated that the models had been designed to generate strategic, rather than operational, forecast outcomes, adding that the level of detail for inclusion had been discussed with HB colleagues, recognising the need to build in sufficient granularity to enable meaningful forecasting while avoiding over-complication of projected outcomes. Mr Thomas expressed his intention that further graphical functionality be developed within the models.</p> <p>Mr Thomas thanked all involved for their work in developing the LTFM and the Strategic Workforce models, recognising that both models fulfil the objectives set by the Finance Team in terms of enabling long-term financial forecasting which incorporates workforce pay cost outputs, and noting the potential to further develop the granularity of individual analytical assumptions.</p> <p><i>Mr Seymour, Mr Shah and Mrs Oakley left the Committee meeting</i></p> | |
| | <p>The Committee REVIEWED and DISCUSSED the functionality of the Strategic Workforce Model and the Long-Term Financial Model.</p> | |

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| <p>FC(21)27</p> | <p>FINANCE STRATEGIC OBJECTIVES</p> | |
| | <p>The Committee received a presentation summarising the key strategic objectives for the HB's Finance function for 2021/22, which link to the development of long-term plans to achieve financial balance and which will provide the basis for the development of a 'tracking' dashboard for the Committee, enabling Members to monitor the progress during 2021/22 of plans and initiatives which are intended to support these key objectives.</p> <p>Responding to a query from Mr Hearty regarding the effectiveness of Finance Business Partnering (FBP) arrangements in supporting key financial decision-making within the organisation, Mr Thomas advised that while the partnering approach is being driven both within the HB and across Wales, and FBP models are to be embedded within workforce and digital teams, further work remains to be undertaken in promoting adoption of the model within the HB, particularly given the need to reinstate robust scrutiny and control of finances within individual Directorates in 2021/22.</p> <p>Members were additionally advised that discussions would be held with the Director of Strategic Development & Operational Planning (upon commencement in post) regarding options to develop a Planning Business Partnering model.</p> <p><i>Mrs Jo Wilson left the Committee meeting</i></p> | |
| | <p>The Committee REVIEWED and DISCUSSED the Finance Strategic Objectives for 2021/22.</p> | |

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| FC(21)28 | <p data-bbox="304 143 1342 174">FINANCE REPORT AND FINANCIAL FORECAST MONTH 10, 2020/21</p> <p data-bbox="304 206 1326 383">The Committee received the Month (M)10 2020/21 Finance Report, outlining the HB's 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 M10.</p> <p data-bbox="304 405 903 436">The following key points were highlighted:</p> <ul data-bbox="352 465 1374 1099" style="list-style-type: none"> <li data-bbox="352 465 1374 719">• The M10 variance to breakeven is £10.7m (M9, £7.6m). The increase in expenditure for M10 reflects increased Nursing and Medical Establishment and Bank costs (£0.7m) and Nursing Agency costs (£0.3m) in response to fulfilling acute demand and covering absences, together with expenditure in support of Adult Social Care Providers (£0.5m) and Transformation to Optimise Patient Flow (£0.4m). <li data-bbox="352 741 1374 882">• The in-month reported position is breakeven against a deficit plan of £2.1m, and Year to Date variance to breakeven is therefore £20.8m, in line with the planned deficit, with the HB forecasting delivery of the planned deficit of £25m. <li data-bbox="352 904 1374 972">• Additional costs of £9.8m were incurred in M10 due to the impact of the COVID-19 pandemic (M9, £8.1m). <li data-bbox="352 994 1374 1099">• £30.8m savings requirement included in the Financial Plan are not expected to deliver due to the operational focus being diverted to respond to COVID-19 <p data-bbox="304 1122 1358 1447">Members were informed of projected significant additional costs of £12m for M12, which are largely due to pay costs for the accrual of annual leave in 2021/22. Members were informed that this cost pressure represents a material issue for all Welsh Health Boards, and were assured that WG funding would be made available to address these costs. Members were further advised of cost impacts relating to the HB's decision to allow an annual leave carry-over of 5 days into 2021/22, given the additional National Insurance and pension contribution costs involved, all of which are factored into the HB's financial projections.</p> <p data-bbox="304 1491 1326 1559">The Committee NOTED and DISCUSSED the financial position and the End of Year Forecast for M10 2020/21.</p> | |
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| FC(21)29 | <p data-bbox="304 1655 871 1686">CAPITAL FINANCIAL MANAGEMENT</p> <p data-bbox="304 1718 1374 1895">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 data-bbox="304 1917 903 1948">The following key points were highlighted:</p> <ul data-bbox="352 1977 1318 2045" style="list-style-type: none"> <li data-bbox="352 1977 1318 2045">• The HB remains on course to meet its AWCP and Discretionary Capital Funding targets; | |
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| | <ul style="list-style-type: none"> • Although the disposal of Cardigan Health Centre did not take place by the end of January 2021 as anticipated, assurance has been received from the purchaser that exchange of contracts will be completed by 31st March 2021; • The Department of Health has confirmed its intention that all equipment issued to Welsh Health Boards as part of the COVID-19 response which are not identified for return will be legally transferred by 31st March 2021; • WG has approved a targeted funding programme totalling £37m for 2021/22 which is intended to assist NHS organisations in Wales in responding to estates physical condition and statutory compliance backlog costs, investment in the upkeep and development of infrastructure engineering services, pressures on the Mental Health estate and national commitments to achieving net-zero carbon targets by 2030. <p>Members recognised the approval of funding for estates upkeep and refurbishment as a positive step, particularly given that the funding allocation also includes an element to improve fire safety across sites.</p> <p>Responding to a query from Mr Paul Newman regarding progress in resolving issues linked to the Women & Children Phase II scheme, and whether slippage in the scheme is likely to impact upon WG’s view of the HB’s project plans, Mrs Sarah Welsby explained that conversations are regularly held with the scheme’s suppliers, and assured Members that all associated risks are regularly communicated to WG</p> | |
| | <p>The Committee:</p> <ul style="list-style-type: none"> • NOTED WG COVID-19 funding and a reduction in the value of the funding risk for COVID-19 schemes; • NOTED the value of capital expenditure currently committed to deal with the COVID-19 pandemic and funding released to date; • NOTED the update regarding the Estates Funding Advisory Board and Women and Children Phase II Scheme. | |

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| <p>FC(21)30</p> | <p>OPERATIONAL RISKS</p> <p>Members were presented with the Finance Operational Risks report, providing a summary of 15 operational risks which have been extracted from the Datix database and assigned to the Finance Committee as the ‘Assuring Committee’.</p> <p>Mr Thomas expressed concern that a number of operational risks had been designated for assurance purposes to Finance Committee, given that many of them relate to issues other than Finance, and suggested that consideration should be given to reviewing both the allocation of these risks and to refreshing the mitigations provided.</p> <p>While noting that scrutiny of these operational risks is required, Members recognised the necessary diversion of operational focus to respond to the</p> | |
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| | <p>COVID-19 pandemic and expressed their assurance that the operational risks presented in the report are being managed within the overall corporate risk framework.</p> <p>It was agreed that these observations would be fed back to the HB Risk and Assurance Team.</p> | AG/ HT |
| | <p>The Committee NOTED the operational risks assigned to Finance Committee for assurance.</p> | |

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| FC(21)31 | <p>HEALTHCARE CONTRACTING UPDATE</p> <p>Members received a report outlining the HB’s approach to contracting in 2021/22 and providing an update regarding initial conversations across Wales intended to support the development of a common approach to contracting in the new financial year, based upon robust contract management and Value For Money principles.</p> <p>Mr Shaun Ayres informed Members of outcomes from an all-Wales meeting held on 15th February 2021 to discuss the approach to Long Term Agreements (LTAs) in 2021/22, with a particular focus upon a pan-Wales financial approach. Members were advised of agreement between representatives with regard to the following points:</p> <ul style="list-style-type: none"> • Any agreed solution needs to cover both LTAs and Service Level Agreements; • Agreements must be reached in a timely manner in order that all Health Boards have certainty going into 2021/22; • The Indicative Activity Plan is to be based on the 2019/20 outturn position; • Any recovery funds should be allocated to commissioners and not issued on a provider basis (WG normally allocates funding to providers and not to commissioners; therefore this would represent a step change); • Meeting representatives would put forward recommendations (where applicable) to Directors of Finance (DoFs) within their respective Health Boards. <p>Being informed that contracting discussions had focused mainly upon revenue and funding, with little focus upon the qualitative elements of contracts to date, Members were additionally advised of areas where representatives could not agree a common approach – i.e. contracting arrangements for 2021/22, including the continuation or otherwise of current block contracting arrangements, and whether the re-imbursment of commissioners through a marginal rate for performance which is below plan (predicated on 2019/20 outturn) could be invested in alternative healthcare providers.</p> <p>Mr Ayres highlighted inherent risks in different contracting approaches, informing the Committee that while coming off a block arrangement could potentially result in double payments, given that some payments for patient treatments would have been made during the block period, an agreement</p> | |
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| | <p>to operate based on a 'cost and volume' approach would lead to a significant reduction in income for some providers.</p> <p>Members were informed that while a further meeting between Welsh Health Board Contracting Teams had been arranged for week commencing 1st March 2021, there was currently no consensus regarding the treatment of healthcare contracts for 2021/22.</p> <p>Referencing discussions held at the previous Finance Committee meeting on 26th January 2021, where clarification from WG had been sought on whether financial risk would be assigned to healthcare commissioners or healthcare providers (recognising that if existing contracting arrangements are continued, commissioners would continue to pay for services not received), Mr Newman queried how these risks might be addressed. Mr Thomas suggested that it is likely that DoFs will reach a consensus regarding contracting arrangements which would be based upon a Quarter-by Quarter review and decision-making process.</p> <p>Sharing the Committee's frustration that no consensus regarding a common contracting approach for 2021/22 had yet been reached, and assuring members of his commitment to ensuring that the interests of the HB's communities and patients are fully represented in contract discussions, Mr Ayres undertook to provide a further update to the Committee at its next meeting on 23rd March 2021.</p> | SA |
| | <p>The Committee NOTED outcomes from all-Wales Healthcare discussions regarding the development of a common approach to healthcare contracting arrangements in 2021/22.</p> | |

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| FC(21)32 | UNDERLYING DEFICIT AND ANALYSIS APPROACH | |
| | <p>Members received a report outlining a WG request regarding the method of analysis to be utilised by the HB in describing its underlying deficit as an element of 2021/22 financial planning.</p> <p>Members were reminded that the results of the HB's previous work to analyse its deficit drivers have been reported at Finance Committee meetings during 2019 and 2020, including in-depth investigations into variation of cost at cluster population level and a demonstration of the initial version of an interactive Locality Resource Tool (presented in the meeting held on 22nd October 2020).</p> <p>Mr Mark Bowling explained that in recent weeks, as part of finalising 2021/22 financial plans, WG and the Finance Delivery Unit (FDU) have requested that all Health Boards utilise the Financial Ledger to describe underlying deficits. Members were advised that this is incompatible with the HB's adopted internal approach and that, while the HB can comply with WG's request to revert to previous methods of describing its deficit, there are concerns that the proposed Ledger-based deficit analysis is unhelpfully rooted in history, in addition to which the approach, while supporting the delegation of budget lines to individual managers, does not provide the overarching focus required to identify opportunities to address the deficit.</p> | |

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| | <p>Members were presented with a proposal from the Finance Team that the organisation continue to progress its activity-based deficit analysis, using population weightings to analyse income to county levels, thereby enabling estimation of income and expenditure (by key income stream) at county as well as HB level, and describing the deficit within a context of both the allocation received and the activities that the allocation generates.</p> <p>In summarising the contextual information and proposed approach presented to Members, Mr Hearty reflected that the HB has developed a detailed understanding of its structural deficit, and that while there is scope to accommodate the Ledger-based analytic approach requested by WG and the FDU, the Finance Team would wish to continue its current activity-based analysis, recognising that this delivers a better understanding of the deficit.</p> <p>While supporting the methods by which the organisation has developed this understanding, Mr Newman queried the potential consequences of any discord on the part of WG regarding the HB's proposed approach to deficit analysis. Mr Thomas reflected that it was likely that the HB would adopt a pragmatic stance and continue to employ its current analysis methodology, while reconciling and reporting outputs in terms of underlying deficit description in the format requested by the FDU. Mr Thomas added that this approach would be highlighted and explained in future structural assessments undertaken by Wales Audit Office.</p> <p>Mr Bowling informed Members that, having previously tested the HB's current analytical methodology with FDU teams, there was an understanding of the reasons for the utilisation of this approach, and a recognition that internal monitoring could run in tandem with the delivery of reporting within a centrally-endorsed format.</p> <p>Being advised of reasons to support the continuing use of the current deficit analysis methodology, and having reviewed the recommendation made in the report (<i>'To maintain the HB's current approach, and further develop its activity-based approach to deficit analysis, rather than to utilise the Financial Ledger to describe underlying deficits as an element of 2021/22 financial planning...</i>), Members agreed that the recommendation should be amended to reflect a recognition that, internally, the HB Finance Team will continue to analyse the structural deficit utilising a methodology which differs from that which it uses in describing the deficit to WG.</p> | SW |
| | <p>The Committee NOTED the deficit analysis methodology requested for use by WG, and DISCUSSED proposals that the HB continue to use current analysis methods in addition to complying with WG reporting requirements.</p> | |

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| FC(21)33 | <p>FINANCIAL PLAN 2021/22 - BRIEFING</p> <p>Members received a presentation of key assumptions and principles underpinning the development of the HB's Financial Plan for 2021/22, being advised that the final draft of the Plan would be presented at the next Committee meeting on 23rd March 2021, prior to presentation for approval at the Board meeting to be held on 25th March 2021.</p> | |
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| | <p>Given the short interval between the next Finance Committee meeting and the date of the next Board meeting, and recognising that the Plan would need to be reviewed by Committee Members prior to presentation to the Board, Members agreed that a meeting would be arranged between the Committee Chair and the Director of Finance in order to discuss the Plan prior to its inclusion on the agenda for the next meeting on 23rd March 2021.</p> | HT |
| | <p>The Committee NOTED timescales for review and presentation of the Financial Plan 2021/22 to the Board in March 2021.</p> | |

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| FC(21)34 | <p>DIGITAL PLANNING</p> <p>Members received a report providing an update on the implementation of the HB's Digital Response and outlining the development of a Digital Transformation Programme which has been developed by the Digital Team to support the adoption and use of Microsoft 365 within the HB and to complement the longer-term strategic objectives of the Digital Response in terms of realising step-change across the organisation in the adoption and use of digital technologies.</p> <p>Mr Anthony Tracey updated Members in regard to progress made in the following key digital projects:</p> <ul style="list-style-type: none"> • Digital Dictation – a delay in this project is due to the chosen supplier being taken over by a competitor who has ceased the service involved. The Digital Team is now looking to re-tender for the delivery of this service. • Nursing Documentation – Worthybush – due to the impact of COVID-19, it has been agreed by the Director of Nursing, Quality and Patient Experience to delay implementation until April/ May 2021. A decision has therefore been made to introduce the nursing documentation into South Pembrokeshire Hospital (in March 2021) to provide a 'lessons learned' approach before wider release across a larger site. • Malinko – Phases 1 and 2 have been completed and Malinko has been rolled out across Pembrokeshire and Ceredigion Counties. The Project Team is now working with Carmarthenshire County, and Phase 3 Teams to roll out Malinko. <p>Members were informed that the development of the Digital Transformation Programme reflects the need, given rapid progress made to date in the roll-out of the HB's digital projects, to integrate all elements of digital planning in order to drive and support the step-change improvement of operations and services through the use of digital technology.</p> <p>Responding to Mr Maynard Davies's request that financial and service benefits arising from the implementation of digital support systems be reported to Finance Committee, Mr Thomas confirmed that any opportunities to invest identified non-recurrent benefits in the 2021/22 financial position in digital transformation projects would be discussed to ensure maximum effectiveness in HB services.</p> | |
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The Committee **NOTED** the progress of digital projects and the development of a Digital Transformation Programme to optimise service provision within the Health Board.

FC(21)35 TELEHEALTH BUSINESS CASE

Mrs Rhian Dawson joined the Committee meeting.

Members received a business case for financial investment on the part of the HB in Technology Enabled Care (TEC), and its adoption within core elements of care pathways, which can realise significant benefits that support the HB's design assumptions and strategic aspirations. Members were requested to endorse the investment in TEC, which had received Executive Team approval on 24th February 2021, having reviewed a detailed appraisal of costs, benefits, deliverables and further opportunities presented in the business case.

Mrs Rhian Dawson provided contextual information relating to the request, explaining to Members that while Telehealth services are widely used on a mainly reactive basis to support the provision of social care, TEC services are increasingly being used to improve the wellbeing and independence of individuals in the community who have care and support needs, in addition to enabling the proactive management of individuals who do not have care and support needs e.g. those at risk of, or who are, living with chronic conditions.

Members were appraised of current opportunities linking to the business case:

- The drive of the HB's Digital Response which signals a commitment to the development of digital capabilities within the organisation to transform the delivery of care to local populations.
- The support provided by Delta Wellbeing as a key partner organisation which can facilitate core health monitoring functions and provide a holistic assessment of health and care needs, realising the aims of an integrated approach to TEC;
- Linked initiatives such as the Value Based Healthcare Programme and the pathway re-design priorities which will influence the implementation plan;
- Project management resource from the Transformation Programme Office to support the evaluation, rollout and continued development of the TEC project.

In addition to the wide-ranging benefits linked to investment in TEC, which include a reduction in hospital admissions and reduced outpatient appointments, improved quality of life with medical adjustments, reduced travel to access care and a reduction in dependency on Primary Care services, Members were also advised of the inherent risks in not investing in TEC services – i.e. continuing pressure upon the capacity of the HB and social care workforce to support patients in the community, and significant demand both in Primary Care and Community services, and also upon the

HB's acute system resulting from missed opportunities to proactively monitor patient cohorts.

Welcoming the report, Mr Davies queried the following:

- Whether the existing contracts upon which the delivery of TEC and Telehealth services are based are monitored to provide assurance that they are sufficiently robust, and do not breach tendering regulations.
- Whether information-sharing processes have been developed to ensure that there is interoperability between different dashboards and electronic data recording systems, to enable health records held on the databases of different providers e.g. Delta Wellbeing to be shared with HB clinicians and General Practitioners.
- The degree to which the successful roll out of TEC services is reliant upon digital access within the home, given current variance in broadband access across the HB area.

Responding to these queries, Mrs Dawson explained that HB and Carmarthenshire County Council have shared insight into the management of the Delta Wellbeing contract via the Llesiant Delta Wellbeing Ltd Governance Group (which includes the HB Director of Finance as a member), and that a robust assessment of patients' needs will be undertaken to determine equipment requirements, with equipment purchased as necessary, and that requirements to develop interoperability between different patient record systems are included within the TEC business case. Members were advised that notwithstanding identified challenges in implementing TEC systems, there is a consensus among clinicians that potential issues are outweighed by the benefits.

Mr Thomas explained that the implementation of TEC has initially been focused upon specific health conditions within individual clusters, for example Chronic Obstetric Pulmonary Disorder in order to ensure effective linkage between HB and Primary Care services, and advised Members that the Chronic Conditions Lead Nurse has been embedded within this process.

Mr Thomas cautioned Members regarding the need for awareness of the sustainability of the Delta Wellbeing model, and highlighted the requirement to extract maximum value from the services which it supports, noting that while access to these services is currently on an unpaid basis, payment agreements are to be introduced at some point in the future.

While expressing overall support for the proposed investment in TEC, Mr Hearty queried whether a pilot is planned in order to identify any unintended consequences arising from the provision of home-based digital health services, citing as an example an increased demand upon healthcare services resulting from the availability of self-monitoring facilities. Mrs Dawson explained that TEC and Telehealth services have been provided on a small-scale basis for a number of years, and that project evaluation to date indicates positive outcomes for patients and healthcare professionals alike. Members were further assured that in rolling out this wider TEC initiative, initial measures to mitigate potential

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| | <p>risks would be taken through the clinical selection of patients to ensure that the most appropriate cohort are identified to use monitoring equipment.</p> <p>Mrs Dawson advised the Committee that while, from a Primary and Secondary Care perspective, there would be a slow start to the implementation of TEC, the roll out of the initiative will be phased, allowing the identification of any issues to be made as the roll-out proceeds, and assured Members that the project would receive robust support from an Implementation Group which includes clinical representation.</p> <p>Recognising the benefits of TEC in terms of improved patient care and reduced demand upon acute and Primary Care services, and being assured that all associated risks and mitigations had been subject to consideration, Finance Committee supported the proposed investment in TEC, noting that the proposal had received HB Executive Team for approval on 24th February 2021.</p> <p><i>Mrs Rhian Dawson left the Committee meeting</i></p> | |
| | <p>The Committee DISCUSSED the benefits and risks associated with the roll out of Telecare Services and SUPPORTED the proposed investment NOTING that the proposals had received HB Executive Team approval.</p> | |

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| <p>FC(21)36</p> | <p>DIGITISATION OF HEALTH RECORDS BUSINESS CASE</p> | |
| | <p><i>Mr Gareth Rees joined the Committee meeting</i></p> <p>Members received an update on the future direction of the Digitisation of Health Records programme and an Outline Programme Plan produced with project management support from the Transformation Programme Office which focuses on several key principles which will underpin the proposed approach, and which will be highlighted clearly in all future engagement:</p> <ul style="list-style-type: none"> • Reduction or eradication of paper generation in all health records; • Robust analysis across the organisation to identify where e-records are achievable; • Where this is not possible, emphasis on scanning at the point of production of a health record. <p>Being advised that previous plans to implement Electronic Patient Records (EPR) systems and to establish in-house records scanning capacity had not been progressed due to financial and workforce resourcing challenges, Members were assured of the HB's commitment to providing additional resources in terms of funding and project management support for this work, with funding having been identified by the Director of Finance to expedite the delivery of the Outline Programme Plan (i.e. a time-limited recurrent annual sum of circa £300,000 for a period of approximately 3 years).</p> <p>Mr Gareth Rees highlighted inherent complexities in the digitisation of patient records, given the number of different planning elements involved, and advised Members of work undertaken by the HB Estates Teams with Digital Health and Care Wales and the HB Digital Team to develop a</p> | |

solution to the challenges and risks presented by current hard copy storage arrangements.

Mr Rees proposed that, given logistical challenges in moving directly to a digital storage system, it would be sensible to implement records scanning solutions as an interim measure, notwithstanding the costs involved (approximately £8m), and the need to conduct a preliminary process of identification and preparation of records which need to be retained and scanned. Mr Rees also highlighted the acquisition or rental of deep storage facilities as a further interim solution, pending the digitisation of all records.

Members' attention was drawn to the significant operational risks relating to issues at the off-site records storage facility - not least the potential for issue of a Fire Safety Notice from the Fire Authority - and to challenges arising from the fact that many HB departments are unaware of the scale of their hard copy records. Members were also informed that the digitisation of records requires a culture change within the organisation, in addition to digital capability and funding.

Mr Rees highlighted the need to have made sufficient progress in developing a records storage solution to preclude requirements to factor the storage of large numbers of hard copy records into plans for new HB accommodation and the re-purposing of existing sites.

Mr Thomas emphasised the need to develop a clear indication of what can be achieved in terms of benefits and savings in progressing scanning and digital solutions, in order that work can be progressed at pace, particularly given safety issues linked to hard copy storage, and recognising that there has historically been little investment in the development of EPR capability.

While expressing concern in relation to the expense and time involved in scanning all records and in deciding which records to keep (which would require clinician involvement), Mr Mike Lewis acknowledged the need to move away from paper-generating processes in the creation of health records as soon as possible, particularly given the existing volume (approximately 1.5m individual records), which is exacerbated by two active destruction embargoes applied to NHS records.

In response to a query from Mr Davies regarding whether options to utilise the services of commercial companies who specialise in records scanning and storing had been considered as an interim solution, Mr Rees confirmed that this option is included within HB plans.

Recognising the need to proceed at pace in the development of interim and long-term digital solutions to records management, and to identify actions which can be progressed immediately, Mr Tracey undertook to work with the Deputy Director of Operations to produce an interim business case which would be presented at a future meeting of the Finance Committee.

Mr Gareth Rees left the Committee meeting.

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The Committee **NOTED** risks associated with current health records storage arrangements, and the allocation of funding to support the development and implementation of a digital solution.

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| FC(21)37 | ENHANCED CLEANING STANDARDS | |
| | <p>Members received a report detailing new cleaning standards which will become the baseline for cleaning requirements in Healthcare environments, and setting out the need for the HB to invest in its environmental cleaning programme, thereby increasing and enhancing its cleaning resource capacity in order to meet the new standards set out by WG.</p> <p>Members were advised that, given the significant investment required in terms of human resourcing to comply with the enhanced standards (approximately £2.8m additional staff costs as well as non-pay costs of approximately £0.1m), the recommendation for investment would be presented to the Executive Team on 24th February 2021 before being presented to the Board for approval at its meeting on 25th March 2021.</p> <p>Members were further advised of the recommendation presented in the report that Board approval of investment must be contingent upon confirmation of WG funding to support the implementation of the standards.</p> <p>In response to a query from Mr Newman regarding whether the HB's infection control programme (in terms of site cleaning) would be impacted should no central support be forthcoming, Mr Thomas assured Members that resourcing options to support the implementation of cleaning programmes had been fully explored, and confirmed that a further update in regard to funding to support the implementation of cleaning standards would be provided at the next Committee meeting on 23rd March 2021.</p> | HT |
| | <p>The Committee NOTED the investment required to support the implementation of enhanced cleaning standards, as required by WG, and NOTED that this investment would be subject to Board approval in March 2021.</p> | |

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| FC(21)38 | PROCUREMENT ANALYSIS – CLES FINAL REPORT | |
| | <p><i>Mr John Heneghan joined the Committee meeting</i></p> <p>Members received a report published by the Centre for Local Economic Strategies (CLES), which has been commissioned by the HB to develop HDdUHB's role as a key anchor organisation, as part of a Community Wealth Building approach which focuses initially upon progressive procurement.</p> <p>Members were informed that this final report follows an interim report which was presented to Finance Committee at its meeting on 26th January 2021, and includes a summary of key findings from interviews with the Health Board's Procurement Team and senior staff members, together with recommendations relating to the development of a progressive procurement agenda within the UHB.</p> <p>Mr John Heneghan provided contextual background detail, explaining the key principles upon which Community Wealth Building (CWB) strategies are based (i.e. procurement, employment, land and assets, financial power</p> | |

and plural ownership of the local economy), and informing Members of the methodology underlying the CLES review of the HB's current procurement in terms of a review of strategy, a review of evidence, and stakeholder engagement.

Members were advised that recommendations made in the final report relate to the following actions:

- The creation and promotion of a cross-cutting Community Wealth Building approach;
- A review of opportunities to localise spend;
- Further development of market engagement processes;
- Development of a local, strategic approach to procurement.

Members noted that future phases of work undertaken by the HB Procurement Team in conjunction with CLES would support the development of a Procurement Strategy and Social Value Framework for the HB, working with other stakeholders to develop the processes to embed this, including quantification of benefits and the development of reporting methodologies. Members were further informed that diagnostic work would be undertaken in regard to other CWB pillars i.e. workforce, land, property assets and financial assets in order to support a more holistic CWB narrative for the HB.

Reflecting that the findings presented in the report and slides represent exciting opportunities for the local economy, Mr Hearty queried the linkage between the recommendations made by CLES and the HB's overarching healthcare strategy ('*A Healthier Mid and West Wales*'), and whether there is executive ambition to develop an organisational procurement strategy based upon CWB principles.

Mr Thomas suggested that proactive support for the local economy (where possible) must form an element of the HB's key recovery objectives, given the organisation's strategic focus upon promoting community wellbeing. Members were informed that further work would be undertaken in relation to raising awareness of the need to embed CWB principles within the HB's procurement strategy at executive level, and that a focus upon procurement by Finance Committee would serve to raise the profile of plans to develop a procurement strategy which is based as much upon benefit to local communities as it is to the benefit of the organisation.

Members were also informed that a member of CLES would be embedded within the HB Procurement Team in order to support the implementation of practical changes at an operational level.

While expressing support for the procurement and wider CWB objectives articulated in the CLES report, Mr Newman expressed his concern that the initiatives described may not progress beyond a local ambition stage, and queried whether there are plans to promote 'buy-in' from HB staff and local communities.

Mr Newman also expressed some reservation that the recommendations and 'next steps' described in the report might lead to increased privatisation in the HB's procurement functions, and requested further detail regarding the organisation's longer-term plans for the procurement of goods and services, while Mr Maynard queried the level of flexibility which

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| | <p>WG would be expected to demonstrate with regard to the HB's procurement processes.</p> <p>Responding to these reservations, Mr Thomas explained that the development of a long-term procurement strategy would involve a significant degree of complexity, involving work to understand local supply chains and point of origin of goods.</p> <p>Mr Thomas highlighted the HB's wider, inter-linked ambitions to build financial resilience and to support wellbeing within local communities, and assured Members of his personal and professional commitment to driving the CWB agenda.</p> <p>Mr Hearty summarised discussions, noting the Committee's full support for the aims and ambitions presented in the CLES report, and recognising that the work undertaken to date represents not so much an exercise in analysing value and volume in the HB's current procurement strategy as a signal of the organisation's intentions, in terms of utilising procurement to support community wealth-building to the local economy.</p> <p><i>Mr John Heneghan left the Committee meeting</i></p> | |
| | <p>The Committee DISCUSSED the CLES Final Report and NOTED the findings and recommendations presented.</p> | |

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| FC(21)39 | STRATEGIC CASH ASSISTANCE | |
| | <p>Members received for assurance a paper setting out the process for requesting Strategic Cash Support of £16m for 2020/21 and confirming that this request has been approved by WG.</p> | |
| | <p>The Committee NOTED the HB's request for Strategic Cash Support of £16m for 2020/21, and WG confirmation of approval.</p> | |

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| FC(21)40 | FINANCIAL PROCEDURES | |
| | <p>Members reviewed the following financial procedures:</p> <ul style="list-style-type: none"> • Single Tender Action • Budgetary Control | |
| | <p>The Committee APPROVED the following financial procedures:</p> <ul style="list-style-type: none"> • Single Tender Action • Budgetary Control | |

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| FC(21)41 | UPDATE FROM COMMISSIONING GROUP MEETING | |
| | <p>Members received, for information, a report of discussions and outcomes from the meeting of the Commissioning Group held on 11th February 2021.</p> <p>Mr Ayres highlighted three key areas of focus for the Group in terms of commissioning arrangements:</p> | |

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| | <ul style="list-style-type: none"> • Planned Care; • Domiciliary Care • Continuing Healthcare (CHC) <p>Being advised that current CHC fee structures remain a significant concern, Members noted that a report relating to this issue would be presented at an In Committee session of the Finance Committee meeting to be held on 29th April 2021</p> | SA |
| | The Committee NOTED the report of discussions and outcomes from the meeting of the Commissioning Group held on 11 th February 2021. | |

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| FC(21)42 | MONTHLY MONITORING RETURNS AND HDdUHB COMMENTARY | |
| | Members received, for information, the M10 Monthly Monitoring Returns submitted to WG. | |
| | The Committee NOTED the HB's M10 Monitoring Returns to WG. | |

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| FC(21)43 | FINANCE COMMITTEE WORK PLAN | |
| | The Finance Committee's annual work plan for 2020/ 21 was presented to the Committee for information. | |
| | The Committee NOTED the items listed on its annual work plan for 2020/21. | |

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| FC(21)44 | REFLECTIVE SUMMARY | |
| | <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"> • A useful and informative workshop session delivered by PWC, demonstrating the potential benefits of long-term financial and strategic workforce modelling tools; • Presentation of business cases and plans relating to the digitisation of health records, the implementation of enhanced cleaning standards and the delivery of Telecare services across the HB; • Positive discussion relating to analysis of the HB's underlying deficit; • Presentation of outcomes from the CLES review of the HB's current procurement arrangements, noting that the recommendations made will feed into the development of the HB's procurement strategy; • The Financial Plan 2021/22 would be reviewed and discussed by the Committee Chair and the Director of Finance prior to its presentation at the next Committee meeting on 23rd March 2023; | |

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| | <ul style="list-style-type: none"> Members' agreement that the strategic objectives assigned to the Director of Finance be used as a basis for the development of the Committee dashboard | |
| | The Committee NOTED the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting. | |

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| FC(21)45 | ANY OTHER BUSINESS | |
| | No other business was raised. | |

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| FC(21)46 | DATE OF NEXT MEETING | |
| | Tuesday 23rd March 2021, 9.00am - 12.30pm, via Microsoft Teams | |