

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

<b>Date and Time of Meeting:</b>	Tuesday 25 <sup>th</sup> June 2019, 2 - 5pm
<b>Venue:</b>	Boardroom, Ystwyth Building, St. David's Park, Carmarthen

<b>Present:</b>	Mr Michael Hearty, Associate Member (Committee Chair) Mrs Judith Hardisty, Interim Chair of Hywel Dda University Health Board (HDdUHB) Mr Paul Newman, Interim Vice Chair, HDdUHB Mr Mike Lewis, Independent Member (Committee Vice Chair) Mrs Lisa Gostling, Director of Workforce & Organisational Development Mr Huw Thomas, Director of Finance Mr David Powell, Independent Member Mr Andrew Carruthers, Turnaround Director
<b>In Attendance:</b>	Ms Michelle James, Head of Workforce Intelligence (part) Mr Adam Moore, Information and Data Analyst (part) Mrs Fiona Powell, Assistant Director of Finance Mr Hywel Jones, Director, Finance Delivery Unit (part) Mr Shaun Ayres, Interim Commissioning Manager Mr Mark Bowling, Assistant Director of Finance Ms Rhian Davies, Assistant Director of Finance – Corporate Finance Ms Rebecca Hayes, Senior Finance Business Partner Ms Alison Gittins, Head of Corporate and Partnership Governance Mrs Sarah Bevan, Committee Services Officer (Secretariat)

<b>AGENDA ITEM</b>	<b>ITEM</b>	
<b>FC(19)97</b>	<b>INTRODUCTIONS AND APOLOGIES FOR ABSENCE</b> The Chair, Mr Michael Hearty, welcomed all to the meeting.  Apologies were received from: <ul style="list-style-type: none"> <li>• Mr Steve Moore, Chief Executive</li> <li>• Mrs Ann Taylor-Griffiths, Union Representative</li> <li>• Mr Joe Teape, Director of Operations/Deputy Chief Executive</li> <li>• Mr Keith Jones, General Manager</li> </ul>	<b>Action</b>
<b>FC(19)98</b>	<b>DECLARATIONS OF INTERESTS</b> There were no declarations of interest made.	
<b>FC(19)99</b>	<b>MINUTES OF PREVIOUS MEETING HELD ON 20<sup>TH</sup> MAY 2019</b> <b>RESOLVED</b> – that the minutes of the Finance Committee meeting held on 20 <sup>th</sup> May 2019 be <b>APPROVED</b> as a correct record.	
<b>FC(19)100</b>	<b>MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 20<sup>TH</sup> MAY 2019</b> An update was provided on the Table of Actions from the meeting held on 20 <sup>th</sup> May 2019 and confirmation received that all outstanding actions had been progressed or were forward planned for a future Committee meeting.	

In terms of matters arising, Mr David Powell raised a query in regard to the following action:

- **FC(19)70/71:** Finance Month 1/Turnaround Report Month 1 – to include a timeline of when the Committee should begin to have concerns over the delivery of savings scheme

Progress against the action had been forward planned for inclusion in the Turnaround Report Month 2 which Mr Powell noted is not included within the Turnaround Report on this Committee's agenda.

Mr Powell requested that this action remains on the table of actions, rated as amber, to enable the Committee to be sighted on any concerns regarding delivery of savings schemes.

## **FC(19)101 FINANCE REPORT MONTH 2**

Members were presented with the Finance Report Month 2 which had been presented to the Board Seminar meeting on 20<sup>th</sup> June 2019. Mr Thomas provided Members with the key headlines, notably:

- The total required savings is £28.7m for the year
- The gap in savings plan to deliver the £25m control total stands at £7.6m
- Month 2 position is £0.6m variance to plan, which brings the cumulative variance to £1.0m
- The current gap in identified assured savings schemes is £8.5m against which there are identified pipeline opportunities of £6.4m.

Mr Thomas informed Members that the finance team maintain a weekly log of the position and that current data, updated from the circulated report, indicates £13.6m of secure plans in place (green) and £7.5m of plans with some risk to delivery (amber), resulting in a risk to delivery of £7.6m to reach the £28.7m total savings requirement to meet the control total.

Current projections indicate a gap of £7.6m in fully identified savings schemes, together with operational forecasts in excess of budget of £5.4m, resulting in a projection of a £13m adverse variance to plan. This would equate to a year end deficit position of £38m. However, pipeline schemes are being developed which would reduce the position by £6.4m, and further actions are in place to identify opportunities to close the gap.

Given that directorates have already signed off their budgets, Mr Hearty queried whether this indicates a profiling issue i.e. that budgets were not forecast correctly, or that there were unforeseen pressures. Mr Thomas responded that this was a mix of both, citing the significant surge pressures experienced recently in Witherbush Hospital.

Mr Thomas informed Members that of the projected £14.9m adverse variance to plan, £4.2m represents non-recurrent savings and £10.7m recurrent. As it is anticipated that savings will not materialise on the profile until Month 4, there is a requirement to de-risk and accelerate what is planned. Whilst the amber schemes may take some time to come to

fruition, delivery of these needs to be tracked to ensure that they do not deviate from plan after Month 4, especially on their variance from Month 4.

Mr Andrew Carruthers assured Members that an amber tracker is being developed to provide clarity on the key decision points to ensure delivery later in the year i.e. to demonstrate what should be achieved at what point in the year. Milestones will be tracked against key delivery points to establish whether schemes are on track.

Mr Mike Lewis commented on the recovery actions required to recover the £1m Year To Date (YTD) position overspend at Month 2. It was acknowledged that at the beginning of 2019/20, only risks associated with the aseptic unit, oncology drugs, etc. had been apparent however further risks have since arisen. Mr Thomas advised that there is a significant margin for error in forecasting this early in the financial year.

Mr Powell referred to the recent Targeted Intervention letter from Welsh Government suggesting that not enough savings are frontloaded with an attendant need for improved profiling throughout the year, and enquired what is being done to address this. Mr Thomas assured Members that de-risking and accelerating savings schemes are discussed as part of the Holding To Account (HTA) process. Mr Thomas acknowledged that a steadier profiling would illustrate a flatter line but that in reality, the profiling reflects the more likely delivery profile and should not reflect an artificial acceleration of savings. Mr Thomas added that a large element of the savings challenge is attributed to the £4.8m additional challenge required to deliver the control total. Mr Carruthers agreed that the current profile may serve to demonstrate a more stark position due to the £4.8m control total and that closure of this gap needs to be considered.

Mrs Judith Hardisty enquired whether clinical leads attend HTA meetings, reiterating the need for clinical engagement. Mr Thomas confirmed that this is the case although attendance can vary at each meeting. Mrs Hardisty remarked, in relation to projections and planning, that the current bed surge position suggests planning is not taking place in this area.

Mr Thomas advised of a taskforce group visiting Withybush Hospital and Pembrokeshire to review the processes involved with a view to improving activity planning.

Mr Hearty acknowledged that bed surge and capacity challenges remain a consistent theme and recommended that the Turnaround programme and pan-organisation led initiatives need to be mapped in terms of intelligence, to avoid these challenges in the future. Mr Thomas suggested a briefing could be provided on the outcome of the taskforce group to the July 2019 Committee meeting.

Mr Carruthers also suggested reviewing the management of the emergency care system, informing Members of an offer of further potential funding from Welsh Government, which raises the question of whether establishing mitigation plans throughout the year would help to avoid or reduce surge capacity required in the Winter. Mr Carruthers undertook to provide further detail to the July 2019 Committee meeting.

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	The Committee <b>NOTED</b> and <b>DISCUSSED</b> the financial position for Month 2.	

<b>FC(19)102</b>	<b>FINANCIAL PROJECTIONS REPORT MONTH 2</b>	
	<p>Mr Thomas presented the Financial Projections Report Month 2 informing Members that delivery of the £25m control total requirement will be a challenge. Details of the key operational pressures were outlined together with the process adopted:</p> <ul style="list-style-type: none"> <li>• Day 5: Finance team present forecast</li> <li>• Forecast validated through Directorates</li> <li>• Forecast discussed at Chief Executive HTA meetings where it is signed off</li> </ul> <p>Mr Hearty enquired where the mitigating actions against each of the operational pressures can be evidenced and Mr Thomas assured Members in discussions with Directorates.</p> <p>Mr Thomas highlighted additional risks, notably the work associated with the recent Tuberculosis (TB) outbreak which is creating a significant amount of additional activity which will incur associated costs. Mr Newman queried whether there is any scope to recover these from Welsh Government and Mr Thomas advised that this would be raised with Welsh Government once the activity/cost is quantified.</p> <p>Mr Thomas informed Members that the annual plan is high risk currently and that discussions being held with Welsh Government on an ongoing basis.</p> <p>Mr Thomas presented Members with information on the Financial Assurance Framework and the links with operational cost drivers. The slides provide a clear vision of the priority areas requiring implementation of appropriate mitigating actions, for example in respect of Mental Health &amp; Learning Disabilities, where over a third of its costs relate to Continuing Health Care (CHC), identifying a priority to address financial controls.</p> <p>Mr Thomas informed Members that, in addition to providing each Director with an overall savings challenge, reports will also be provided on the Directorate's overall theme of expenditure. This will highlight the requirement to allocate nominated leads for individual contracts.</p> <p>Mrs Hardisty enquired where community hospitals and services feature within the Financial Assurance Framework. Mr Thomas responded that only 3 examples are currently provided and that counties have not yet been included.</p>	
	The Committee <b>NOTED</b> and <b>DISCUSSED</b> the financial projection for the year.	

<b>FC(19)103</b>	<b>TURNAROUND REPORT MONTH 2</b>	
	Members were presented with the Turnaround Report Month 2. Mr Carruthers advised that the information within Appendix 1 is based on the	

outcomes of the HTA meetings held in May 2019, rather than the most recent round of HTA meetings.

Sections 1 and 2, detailing the position for Directorates who are being monitored through the Chief Executive HTA meetings and through the Turnaround Director HTA meetings respectively, provides their position in previous months in brackets. This comparison provides a confidence in the delivery of savings and the de-risking of plans.

Mr Carruthers highlighted significant improvements in plans within Facilities, Mental Health, Pathology and Scheduled Care in Glangwili and Withybush Hospitals. However, there are still some areas of concern, such as Oncology and Cancer, which is impacted upon by the Aseptic Unit issues. Mr Carruthers informed Members that progress of the plans in Prince Phillip and Bronglais Hospitals, and confidence in their delivery, continues to be escalated to the Chief Executive Officer HTA meetings. Weekly updates on the plan are provided to the Chief Executive and Welsh Government to provide assurance on the position. Last month saw a de-risk value of approximately £2.5m due to plans being able to move from amber to green or from red to amber.

Mr Carruthers invited feedback from Members on Section 3 of Appendix 1 in terms of how the content of the thematic oversight being developed could usefully be presented back to Committee.

Questions on the detail of the report were also invited from Members. Mr Newman commented that it appears that the majority of the plans are allocated to the Director of Operations with none allocated to the Medical Director. Mr Carruthers responded that four of the Directors will not be identified as leads, however will be brought in to support others. Mr Carruthers assured Members that this is intentional as they are predominantly engaged with more specific as opposed to thematic projects.

Mr Lewis referred to Appendix A, querying the rationale behind instances of the Part Year Effect (PYE) being higher than the Full Year Effect (FYE). Mr Thomas responded that this can occur when there is non-recurrent gain as it will mean that the PYE will be greater as it is only accounted for in 2019/20 and not in the FYE for 2020/21.

Mr Hearty queried wording in a sentence on page 2 of the report and Mr Carruthers advised that it should read 'The CEO has made it clear that schemes cannot **negatively** impact on quality and safety of patient care or Tier 1 performance. Mr Carruthers added that the presence of the Director of Quality, Safety & Experience at the CEO HTA meetings assists in identifying any quality and safety issues.

Mr Carruthers informed Members that the estimation of the quantum the scheme could generate was either incorrect or due to the timings of the savings commencing. The current message is that the year to date figure is not as expected, however, it is anticipated to balance out across the year.

Mr Hearty highlighted the importance of transformation, as a cultural challenge, in addition to enabling efficient profiling of savings plans. Consideration needs to be given to at what point a turnaround plan becomes transformational. Mr Carruthers responded that there are certain schemes which are looking likely to reach transformational status.

Members were presented with the Turnaround Programme Structure for 2019/20, consisting of 8 Executive Director-led delivery programmes, which will focus on pan-organisational opportunities to drive patient focused benefits and savings, and will provide oversight and co-ordination of the overall Turnaround Programme across HDdUHB.

Mr Hearty queried the relationship between the Programme Board and the Finance Committee, and concerns over the deficit and control totals and closure of the gap being delivered where it is needed, acknowledging that consideration needs to be given by the Delivery Programme Group on the generation of sufficient pipeline opportunities for 2020/21. Mr Hearty recommended the need for a reporting mechanism and suggested one of the operational leads is invited to provide an update to the Finance Committee.

Mr Hearty queried whether the schemes detailed within Section 3.5 are transformational or savings schemes. Mr Carruthers responded that these are a mix of transformational, savings and service redesign.

Mrs Hardisty raised the issue of interdependencies and how these schemes link across to transformation fund bids; for example, length of stay reductions and transformation monies to prevent admissions and speed up discharge. Mr Carruthers confirmed that this scheme forms part of the transformation fund.

Mrs Hardisty queried whether the infrastructure is in place to enable electronic test requesting within Pathology. Mr Carruthers confirmed that this scheme is part of the demand optimisation funding. Mr Powell informed Members that a Business Case had been submitted to the Board in January 2019 in regard to a new pathology solution. Significant costs are to be met by the savings described. Mr Carruthers undertook to liaise with the Director of Planning, Performance & Commissioning as the Executive Director lead for the Pathology scheme, in regard to the progress of electronic test requesting. Mr Powell informed Members that a Chief Clinical Information Officer is in place to prioritise digital schemes and would need to link in with HDdUHB plans.

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Mr Hearty concluded that the Committee needs to understand the governance structure in relation to the Turnaround Programme structure e.g. links with the Programme Board, BPPAC, the Health and Care Strategy Delivery Group and the Integrated Enabling Group, and requested these links be mapped out. Mr Hearty acknowledged that the Transforming Clinical Services Programme should have underlying strategies in place i.e. workforce, technology, etc, and that these links need to be established to understand where plans are to be submitted and where decisions are to be made. Mr Thomas confirmed this had recently been discussed at Executive Team and undertook to report back to the Committee.

**AC/HT**

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	The Committee <b>DISCUSSED</b> and <b>NOTED</b> the Turnaround Programme update report.	

<b>FC(19)104</b>	<b>REFERRAL TO TREATMENT TIME (RTT) MONTH 2</b>	
	Members were presented with the RTT Month 2 report, noting that the initial assessment of the forecast cost of delivery stands at £5.5m to support RTT, Diagnostics and Therapy delivery proposals for 2019/20. Mr Thomas informed Members that, following work on cataract and orthopaedic pathways, HDdUHB is currently on plan to deliver savings targets and delivery against these plans would reduce the resource requirement to £4m.	
	The Committee <b>NOTED the</b> progress to Month 2 in respect of the financial plan and planned expenditure trajectory to support Referral to Treatment Time (RTT), Diagnostic and Therapy service waiting times delivery for 2019/20.	

<b>FC(19)105</b>	<b>ESTABLISHMENT CONTROL</b>	
	<p>An interactive demonstration was presented to Members by Mrs Michelle James, Head of Workforce Intelligence and Mr Adam Moore, Information and Data Analyst. Members were informed that the tool had been developed by the workforce team to be used by finance and business partners and represents a refinement to the previous spreadsheets presented to the Finance Committee in April 2019.</p> <p>Members noted that the tool will enable managers to view vacancy rates within each department in each directorate, providing information on the monthly budget and the actual contracted Whole Time Equivalent (WTE) in the Electronic Staff Record (ESR) system, which in turn indicates where departments are over or under established. Mrs James informed Members that the system and its additional functionality will be reviewed by Executive Team on 2<sup>nd</sup> July 2019 to understand its contribution to the establishment control work.</p> <p>Mrs Hardisty queried whether the data relates to funded establishment and Mrs James confirmed that the data covers what has been budgeted for in 2019/20. Mrs James added there are data cleanse issues in terms of equating the information with TRAC to address. Maternity and notional cover data currently represents work in progress and sickness data will also be included in future reporting to provide further value.</p> <p>Mr Hearty queried whether the tool can be used predictively and it was confirmed that the tool can only provide information on what has happened to date. Mrs Lisa Gostling advised Members that the e-Rostering reports would enable managers to look ahead.</p> <p>Mrs James provided an example of how the tool can be utilised by looking in detail at the Psychiatric Intensive Care Unit (PICU) within the Mental Health &amp; Learning Disabilities directorate.</p> <p>Mrs Gostling informed Members that the ESR system has removed the facility to provide notification when a service is under or over establishment. Mrs Gostling further informed Members that a review of the</p>	

	<p>controls within the Bank Office in terms of blocking any surplus requests for staff resulting in over establishment, is currently being considered.</p> <p>Mr Lewis queried how the tool would identify instances of grade drift. Mrs James informed Members that the tool now includes detail on overtime and additional hours. Conversations will be required as part of the HTA meetings/performance meetings, to identify where directorates have gone over establishment and the reasons for this.</p> <p>Mrs James presented the second element of the tool, which provides predictive data on rostering levels and highlights extra staff on shifts above establishment. The current data illustrates there is some over rostering occurring in July 2019, raising the interesting question on who is controlling the number of surge beds and the rationale behind ward managers determination of the need for extra rostering. Mrs Gostling suggested this tool could tie in with the Financial Delivery Unit findings in regard to inefficient rostering systems.</p> <p>Mr Hearty noted this to be a very powerful and impressively enhanced tool and Mrs Hardisty congratulated the team involved for their hard work on its development and implementation.</p> <p>Mrs James informed Members that reports would be produced monthly and trialled within Glangwili Hospital prior to roll out across HDdUHB.</p> <p><i>Mrs James and Mr Moore left the Committee meeting</i></p>	
<p>The Committee <b>NOTED</b> the Establishment Control presentation.</p>		
<p><b>FC(19)106</b></p>	<p><b>CAPITAL FINANCIAL MANAGEMENT</b></p> <p>Members were presented with the Capital Financial Management Report. Mr Thomas informed Members that the Business, Planning and Performance Assurance Committee (BPPAC) receives the content of the report for assurance purposes.</p> <p>In terms of Cylch Caron, Mr Newman highlighted the risk around the expiration of the second best tender price, and the need therefore for a certain degree of urgency for approval by Welsh Government.</p> <p>Mr Hearty assured Members that the finance team have regular sight of this and would be in a position to flag issues as necessary.</p> <p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> the Capital Resource Limit for 2019/20 together with expenditure allocations and profile;</li> <li>• <b>NOTED</b> the work being undertaken to manage the financial risks identified.</li> </ul>	
<p><b>FC(19)107</b></p>	<p><b>EXTERNAL FINANCE REVIEW</b></p> <p>Mr Thomas provided Members with a verbal update on the External Finance Review, advising that the procurement process is currently being concluded. Members noted that the contract has not yet been awarded although the initial start date had been 24<sup>th</sup> June 2019. It is anticipated that the successful supplier will be announced over the next 2 weeks, and will</p>	

	<p>be subject to an immediate commencement process. Mr Thomas informed Members that the requirement is to understand the underlying deficit and assess how much can be attained on a short, medium and long term basis. It is expected that there will be a degree of inherent deficiencies, which will leave HDdUHB with a pipeline of opportunities to address over the next 3 years.</p> <p>Mr Thomas informed Members that it is critical for tangible outputs to be delivered to enable real gains to be illustrated. The review will also enable HDdUHB to consider how the £7.6m gap can be addressed in 2019/20.</p> <p>Mr Thomas informed Members that the successful supplier will be invited to attend a future Finance Committee meeting as an observer, possibly in July 2019.</p>	<b>HT/SB</b>
	The Committee <b>NOTED</b> the External Finance Review.	

<b>FC(19)108</b>	<p><b>BENCHMARKING NETWORK SUMMARY REPORT</b></p> <p>Members were presented with the Benchmarking Network Summary report produced by the Financial Delivery Unit. Mr Thomas informed Members that the Summary Improvement Opportunity Reports for HDdUHB are contained within Appendix 1, with a summary of the areas being pursued within HDdUHB contained within Appendix 2. Members noted that this will contribute to the direction of work for long term financial management.</p> <p>Mr Hearty assured Members that existing savings plans have been established, however, there are some additional areas for focus, with updates on the work underway to be brought to future Committee meetings.</p> <p>Members were informed that the next Executive Team Turnaround meeting will review the savings requirement for 2020/21, which will be informed by this Benchmarking Network Report.</p> <p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> the significant amount of work underway</li> <li>• <b>DISCUSSED</b> these proposed savings opportunities and <b>AGREED</b> their onward cascade throughout the Health Board.</li> </ul>	<b>HT</b>
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<b>FC(19)109</b>	<p><b>FINANCE COMMITTEE TERMS OF REFERENCE</b></p> <p>Members were presented with the Finance Committee Terms of Reference for information, which had been approved by Board on 30<sup>th</sup> May 2019.</p> <p>The Committee <b>NOTED</b> the Finance Committee Terms of Reference.</p>	
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<b>FC(19)110</b>	<p><b>STRATEGIC FINANCIAL PLANNING GROUP UPDATE REPORT TO THE INTEGRATED ENABLING GROUP (FROM MEETINGS HELD ON 14TH NOVEMBER 2018, 2ND MAY 2019 AND 3RD JUNE 2019)</b></p> <p>Members were presented with the Strategic Financial Planning Group Update report. No comments were received.</p> <p>The Committee <b>NOTED</b> the Strategic Financial Planning Group Update Report.</p>	
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<b>FC(19)111</b>	<p><b>FINANCE COMMITTEE UPDATE REPORT TO BOARD FROM PREVIOUS COMMITTEE MEETING</b></p>	
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	Members were presented with the Finance Committee Update Report to the Board from the Committee meeting held on 20 <sup>th</sup> May 2019 for information. No questions or comments were received.	
	The Committee <b>NOTED</b> the Finance Committee Update Report to Board	
<b>FC(19)112</b>	<b>FINANCE COMMITTEE ANNUAL WORKPLAN</b>	
	Members were presented with the Finance Committee Annual Workplan. Mr Newman queried the inclusion of a deep dive into MH&LD commissioning from a ring-fenced money perspective, in addition to the deep dive from a CHC perspective, which is scheduled for the Committee meeting in July 2019. Mrs Sarah Bevan undertook to confirm its inclusion within the workplan with Mr Thomas.	<b>SB</b>
	The Committee <b>NOTED</b> the Finance Committee Annual Workplan.	
<b>FC(19)113</b>	<b>REFLECTIVE SUMMARY</b>	
	Mr Thomas outlined the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting: <ul style="list-style-type: none"> <li>• Concern over the Month 2 financial position, with the forecast that the control total will not be achieved, and actions taking place to address this position. Work is ongoing to determine when, in year, achievability can be achieved</li> <li>• Discussions around the Turnaround report and understanding how the Turnaround Programme can identify connectivity with assurance groups and incorporate other assurance processes within HDdUHB.</li> <li>• Discussions around the Benchmarking Report and its contribution to the direction of work on long term financial management.</li> </ul>	
	The Committee <b>NOTED</b> the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting.	
<b>FC(19)114</b>	<b>ANY OTHER BUSINESS</b>	
	No other business was raised.	
<b>FC(19)115</b>	<b>FINANCE DELIVERY UNIT</b>	
	Mr Thomas informed Members that Mr Hywel Thomas, Finance Delivery Unit (FDU) Director, had been invited to attend the Committee meeting to provide an overview of the FDU and the assessment of HDdUHB's financial position which is provided at every Targeted Intervention (TI) meeting.	
	Members were presented with the FDU presentation, consisting of the following 3 sections: <ul style="list-style-type: none"> <li>• FDU objectives; the team; priorities 2019/20; Patient Level Costing (PLC)/National Data Resource (NDR) Integration</li> <li>• HDdUHB Month 2 Position and Forecast – reflection on review of individual Health Board's expenditure trends, savings and opportunities</li> <li>• National Efficiency Framework – context/objectives; content and access (FDU SharePoint site); plans in development/pipeline; NHS Benchmarking Network; Ward based Nursing.</li> </ul>	

	<p>Mr Jones demonstrated the use of Health Maps Wales software, providing useful information on a geographical basis, accessible as part of the Framework. Mr Ayres suggested this information is essential in commissioning services.</p> <p>Mr Jones agreed to share the presentation for onward circulation to Members following the meeting.</p> <p>Members agreed that it would be useful to consider a piece of work on the HDdUHB opportunities identified within the presentation at a future Committee meeting.</p>	<p><b>SB</b></p> <p><b>HT</b></p>
	<p>The Committee <b>NOTED</b> the Finance Delivery Unit presentation.</p>	

<b>FC(19)116</b>	<b>IMPLEMENTING VALUE</b>	
	<p>Members were presented with the Implementing Value presentation, providing an overview of the Intelligence and Value Strategy, combining intelligence and a Value Based Health Care (VBHC) approach to predicting what could happen and to articulate and advise what the options are. Mr Mark Bowling informed Members that the strategy had been launched in January 2019 and provided the following overview:</p> <ul style="list-style-type: none"> <li>• Business Intelligence and Benchmarking,</li> <li>• VBHC</li> <li>• Development of training packages for the finance team</li> <li>• Next phase: July – September 2019; HDdUHB is the pilot site for Wales ahead of roll out to other Health Boards.</li> </ul> <p>Mr Bowling requested the Committee include HDdUHB’s development and implementation of VBHC into the Finance Committee’s annual workplan for regular review. Mr Hearty agreed with this request and invited Mr Bowling to attend a future Committee meeting to provide an update.</p> <p>Mrs Hardisty requested that outcomes are specified when reporting back to the Committee to enable Members to understand the difference in adopting this approach. Mr Thomas advised that this would be evidenced by the various projects taking place. Mr Hearty reiterated that value is more than money and should provide a rich and interesting discussion.</p>	<p><b>MB</b></p>
	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>CONSIDERED</b> and <b>NOTED</b> the progress and proposed direction of the Intelligence and Value Strategy.</li> <li>• <b>CONSIDERED</b> and <b>AGREED</b> the inclusion of HDdUHB’s development and implementation of VBHC into the Finance Committee’s annual workplan for regular review.</li> </ul>	

<b>F (19)117</b>	<b>IMPLEMENTING CONTRACTING</b>	
	<p>Members were presented with the Implementing Contracting presentation providing an overview of the contracts strategy. Highlights included:</p> <ul style="list-style-type: none"> <li>• Current contract structure; current expenditure on Long Term Agreements (LTAs) excluding Service Level Agreements (SLAs) expenditure held by directorates</li> <li>• Gaps in standardised documentation in place</li> </ul>	

	<ul style="list-style-type: none"> <li>• Gaps in leads aligned to LTAs</li> <li>• Urgent need to focus on contract management and commissioning principles and to be visible on the ground with operational staff</li> <li>• Need to move to commissioning LTAs on a population needs basis</li> <li>• Safeguarding and information governance to be at the forefront; the mechanisms that are in place if HDdUHB and patients are not receiving a good service.</li> </ul> <p>Mr Shaun Ayres outlined the implementation of priorities and the proposed approach to future contracting and service commissioning arrangements.</p> <p>Mr Hearty queried whether the current structure in place is appropriate to enable delivery of this approach. Mr Thomas agreed that this needs to be reviewed to ensure it is fit for purpose and the need to reflect the support of value based commissioning.</p> <p>Mr Powell queried the link with the commissioning framework and Mr Thomas undertook to liaise with the Head of Planning to determine the connection between the proposed contract strategy and the commissioning framework.</p> <p>Mrs Hardisty expressed concern over what HDdUHB is and is not doing with regard to contracting and where this strategy fits with other work being undertaken on commissioning. Members agreed that the presentation raised concerns on what is not being undertaken in terms of contracting and invited Mr Ayres to return to the Finance Committee meeting in July 2019 to provide further understanding of the proposed plans in place.</p> <p>Mr Newman queried to what extent these improvements/plans are achievable, particularly in light of cases where only one major provider is available. Mr Ayres highlighted that there are a great deal of services that can be provided internally and that only those services that cannot be undertaken internally should be outsourced. Mr Newman maintained his concern regarding a potential imbalance of power where there is only one main provider, however acknowledged that links could be forged with the main commissioner to address this.</p>	<p>HT</p> <p>SA</p>
	<p>The Committee <b>AGREED</b> the proposed approach to future contracting and service/commissioning arrangements, as detailed in the Contract Strategy Approach at Appendix 1.</p>	

<p><b>FC(19)118</b></p>	<p><b>IMPLEMENTING FINANCE STRATEGY</b></p> <p>Members were presented with the Implementing Finance Strategy presentation. Due to time constraints the slides were not presented during the Committee meeting. Ms Rhian Davies informed Members that the presentation provides an update on the status of the finance team, and the development of a finance function to support better decision making within HDdUHB.</p> <p>Mr Hearty acknowledged the positive outcome and progress of the strategy. Mrs Hardisty informed Members that feedback received had been positive in the way that finance business partnering functions are working and the support provided by the finance team.</p>	
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	The Committee <b>NOTED</b> the Implementing Finance Strategy.	
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<b>FC(19)119</b>	<b>DATE OF THE NEXT MEETING</b>	
	Monday 22 <sup>nd</sup> July 2019, 9.30am, Boardroom, Ystwyth Building, St. David's Park, Carmarthen.	