

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

<b>Date and Time of Meeting:</b>	Tuesday 26 <sup>th</sup> November 2019, 10.00am – 12.00pm
<b>Venue:</b>	Boardroom, Ystwyth Building, St. David's Park, Carmarthen

<b>Present:</b>	Mr Michael Hearty, Associate Member (Committee Chair) Mr Mike Lewis, Independent Member (Committee Vice Chair) Mr Paul Newman, Independent Member Mr David Powell, Independent Member Mr Huw Thomas, Director of Finance Mr Steve Moore, HDdUHB Chief Executive Mr Andrew Carruthers, Turnaround Director Mrs Lisa Gostling, Director of Workforce & Organisational Development (part)
<b>In Attendance:</b>	Miss Maria Battle, Chair of Hywel Dda University Health Board Mr Ben Garside, KPMG LLP (part) Mr Shaun Ayres, Assistant Director of Value Based Contracting Mrs Joanne Wilson, Board Secretary Mrs Sarah Bevan, Committee Services Officer (Secretariat)

AGENDA ITEM	ITEM	
FC(19)210	<b>INTRODUCTIONS AND APOLOGIES FOR ABSENCE</b>	<b>Action</b>
	The Chair, Mr Michael Hearty, welcomed all to the meeting.  Apologies were received from: <ul style="list-style-type: none"> <li>Mrs Judith Hardisty, Vice Chair of Hywel Dda University Health Board (HDdUHB)</li> </ul>	

FC(19)211	<b>DECLARATIONS OF INTERESTS</b>	
	There were no declarations of interest made.	

FC(19)212	<b>MINUTES OF PREVIOUS MEETING HELD ON 21<sup>st</sup> OCTOBER 2019</b>	
	<b>RESOLVED</b> – that the minutes of the Finance Committee meeting held on 21 <sup>st</sup> October 2019 be <b>APPROVED</b> as a correct record.	

FC(19)213	<b>MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 21<sup>st</sup> OCTOBER 2019</b>	
	An update was provided on the Table of Actions from the meeting held on 21 <sup>st</sup> October 2019 and confirmation received that all outstanding actions had been progressed or were forward planned for a future Committee meeting, with the exception of: <ul style="list-style-type: none"> <li><b>FC(19)199 Draft Indicative Financial Plan 2020/21 – to ascertain the cost of the Major Trauma Unit and costs relating to Localities and Primary Care funding, and to feedback to the Committee.</b> Mr Huw Thomas requested that this action rolls over to the December</li> </ul>	

	<p>2019 Committee meeting as the finance team are currently working through the costs. Members were happy with this request.</p> <p>It was noted that all remaining items on the Table of Actions are reflected on the agenda for today's Committee meeting.</p> <p>In terms of any Matters Arising, Mr Mike Lewis highlighted that, in relation to minute reference <b>FC(19)198 Contracts Update</b>, he had queried the use of the term 'over-performance', which he noted was still used within this month's Contracts Update report. Mr Shaun Ayres undertook to remedy this for future Contracts Update reports to Committee.</p>	<b>SA</b>
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<b>FC(19)214</b>	<p><b>FINANCIAL PERFORMANCE PRESENTATION/ FINANCE REPORT MONTH 7</b></p> <p>Members were presented with the Financial Performance Presentation and the Finance Report Month 7.</p> <p>Mr Thomas informed Members of the proposal to revise the forecast from the previous £15m control total to an interim forecast position of £25m, highlighting the significant risk of this to the £10m additional Welsh Government (WG) funding as this was predicated on delivery of the required £15m control total. Mr Thomas advised that although this has not been formally confirmed, this was the basis of the additional £10m from WG, and would serve to move the forecast position to £35m. Members were reminded that the change in forecast is interim, pending completion of normal governance process through today's Finance Committee meeting and the Public Board meeting on 28<sup>th</sup> November 2019.</p> <p>Mr Thomas informed Members that the Month 7 position is £0.9m operational variance to plan and £4.7m Year to Date (YTD). The Month 7 YTD variance to breakeven is £14.5m. Mr Thomas highlighted the significant adverse variances against plan, including operational surge with the resultant vacancies covered by premium cost staff, drugs within Unscheduled Care (USC), and the deteriorating trend of Medicines Management Primary Care prescribing.</p> <p>Mr Thomas advised Members of the Welsh Risk Pool (WRP) risk sharing agreement being invoked, which is now expected to total £1.6m, and is a risk affecting all Health Boards in Wales.</p> <p>Mr Thomas provided an overview of the presentation slides in relation to the key cost drivers of bed pressures, USC Directorates, and Secondary Care drugs. Mr Thomas highlighted that rebates have benefited the position in Oncology and the growth of homecare has delivered VAT savings, however Mr Thomas also highlighted the recent surges within Critical Care, driven by patient acuity rather than the number of beds.</p> <p>In relation to the graph demonstrating the numbers of medically fit patients, Mr Paul Newman queried the absence of Bronglais Hospital data, and it was agreed that Mr Keith Jones should review a means of inclusion for future reporting purposes.</p>	<b>KJ</b>
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With regard to Primary Care prescribing, Mr Thomas advised that the Category M price increase has disproportionately hit HDdUHB due to its relative reliance on Primary Care compared to Secondary Care, with the main driver being the disproportionate use of generics. There is also continued pressure as a result of New Oral Anticoagulants (NOAC).

The projection, including savings risk, is an adverse variance to plan of £14.8m; this would equate to a year end deficit position of £27.8m. Operational forecasts are in excess of budget of £7.9m, together with recognition of the Health Board's £1.6m WRP share.

Mr Thomas provided Members with an update from the Joint Executive Team (JET) meeting held on 22<sup>nd</sup> November 2019, at which there was an agreement to fund the core team to £1.6m. A decision was also made to not pursue a contract with KPMG of £0.9m. These changes, when taken together, have no overall net change effect on the forecast.

Comments were invited from Members on both the report and presentation. Mr Lewis referred to the potential £2m savings identified by KPMG and queried whether these savings could still be delivered without further external support. Mr Thomas acknowledged that the core team's focus of work would need to be reprioritised. Mr Andrew Carruthers informed Members that the workforce schemes all have an effective team in place, with momentum on patient flow and USC schemes. However, schemes relating to Theatres and Endoscopy may be more challenging.

Whilst acknowledging that many of the cost drivers are outside of HDdUHB's control, Mr Lewis queried the level of confidence in achieving the proposed revised forecast. Mr Thomas responded that a control total approach is being taken with Directorates. Mr David Powell enquired whether a higher forecast position should be proposed to limit the need to make further revisions in the future. Mr Thomas emphasised the need to strike a balance of risks between being prudent and containing costs to reduce the deficit. Mr Moore suggested that the ability to forecast has improved over the previous two years and that whilst remaining a risk at this stage, the recommended forecast position is the best attempt at balancing prudence and reducing costs. Mr Moore also highlighted the risks associated with increasing costs over the coming winter due to the level of medically fit patients and pressures at the front door.

Miss Battle queried the rationale behind JET's decision not to support further working with KPMG and Mr Thomas advised that he would be having a discussion with Mr Alan Brace on 27<sup>th</sup> November 2019 in order to provide an update to the Board.

Miss Battle further enquired whether, if HDdUHB did go for a contract with KPMG, would there be a clause that KPMG would only be paid if the savings are delivered. Mr Thomas responded that this is not likely and that the contract would involve taking a project management approach with weekly performance meetings to monitor delivery of the contract.

Mr Newman queried the Committee's confidence in containing the £5.9m savings gap. Mr Thomas responded that the level of savings is set to

increase in the second part of the year. Mr Newman commented that previous performance has not always ensured delivery of savings and queried the worst case scenario. Mr Thomas responded that further work is being undertaken with regard to trajectories, and that the Holding To Account (HTA) process maintains focus on delivery of the schemes.

Mr Hearty highlighted that savings from Month 6 were broadly on plan and that being behind at Month 7 should be of concern. Mr Carruthers advised that Month 7 is undergoing a change around workforce savings tying in with USC pressures, therefore the ability to deliver variable pay savings has had to be reassessed.

Mr Moore commented that whilst it is hugely disappointing to have to revise the forecast position, there are many factors that could not be foreseen such as the cost pressures associated with Primary Care prescribing and Category M prices (£4.4m) and Welsh Risk Pool. Compared to delivery last year, HDdUHB would remain marginally better than the previous deficit position and would therefore not want the teams involved to lose sight of the fact that the work they are doing is having a positive impact. Mr Moore advised that HDdUHB is still able to demonstrate improvement across the organisation and that plans need to be in place for 2020/21. There will be work to be undertaken over the following year to transform systems such as domiciliary care and rehabilitation placements.

Mr Thomas informed Members that he would bring to the Board's attention that the £4.4m and £1.6m associated with Primary Care prescribing and Welsh Risk Pool costs respectively are new costs compared to two months ago.

Members approved the request to recommend to the Board a change in the forecast deficit position from £15m to £25m. This would allow the change to be discussed and ratified at the Board meeting on 28<sup>th</sup> November 2019.

The Committee:

- **DISCUSSED** the financial position for Month 7
- **NOTED** the key drivers to the increased deficit and the expected gap in savings delivery for the year
- **APPROVED** the recommendation to the Board to a change in the forecast deficit position from £15m to £25m.

**FC(19)215 SUPPLEMENTARY FINANCE REPORT MONTH 7**

Members were presented with the Supplementary Finance Report Month 7. Mr Thomas advised that the purpose of the report is to provide Committee with the granular detail of the Directorates spend.

The Committee **NOTED** the Supplementary Finance Report Month 7 report.

**FC(19)216 TURNAROUND REPORT MONTH 7**

Members were presented with the Turnaround Report Month 7.

	<p>Mr Newman highlighted the absence of an indication of the timescales for change within the appendix and suggested it would be useful to include this within future reports. Mr Carruthers undertook to provide this information for future Committee meetings.</p> <p>Mr Carruthers informed Members that, in terms of realigning central resources particularly in regard to workforce and USC, by focusing on appropriate actions the mitigation of cost pressures, if not savings, is anticipated. These actions are also in alignment with KPMG's recommendations and the Committee should take an assurance from the fact that KPMG did not uncover many more opportunities than those already identified by HDdUHB.</p> <p>Mrs Joanne Wilson requested that an update on the procurement process of the KPMG contract is included within the Table of Actions for the December 2019 Committee meeting.</p>	<p><b>AC</b></p> <p><b>HT</b></p>
<p>The Committee <b>NOTED</b> the Turnaround Report Month 7.</p>		

<b>FC(19)217</b>	<p><b>REFERRAL TO TREATMENT TIME (RTT) MONTH 7</b></p> <p>Members were presented with the RTT Month 7 report, providing progress in respect of the financial plan and planned expenditure trajectory to support RTT, Diagnostic and Therapy service waiting times.</p> <p>Mr Newman highlighted the increase in 36 week breaches by 20 cases for Month 7 and queried how a zero target could be assured. Mr Newman also highlighted the imposition of fines by WG fines on breaches which would pose a further financial risk to HDdUHB. Mr Hearty responded that this would be discussed as part of the RTT Month 8 agenda item at the December 2019 Committee meeting, if necessary.</p> <p>The Committee <b>DISCUSSED</b> and <b>NOTED</b> the progress to Month 7 in respect of the financial plan and planned expenditure trajectory to support RTT, Diagnostic and Therapy service waiting times delivery for 2019/20.</p>	
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<b>FC(19)218</b>	<p><b>WORKFORCE PAY CONTROLS</b></p> <p>Members were presented with the Workforce Pay Controls report, providing an outline of the KPMG Grip and Control work stream, together with a progress update on agreed actions against the Action Plan in the accompanying appendix. Mrs Lisa Gostling advised that estimated dates of completion had now been assigned to each action as recommended at the previous Committee meeting.</p> <p>Mrs Gostling expressed disappointment regarding delays to the implementation of a new centralised rostering system, which would increase the capacity on Bank and result in financial savings. Whilst HDdUHB had been given the go ahead to proceed, this is currently on hold as there is the anticipation that an all-Wales deal is in the pipeline. Mr Hearty queried the timeline for an all-Wales solution and Mrs Gostling responded that although NHS Wales Shared Services Partnership (NWSSP) did not want to slow HDdUHB's plans down, NWSSP have not approved the procurement to enable HDdUHB to purchase the system.</p>	
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	<p>Mr Hearty enquired whether there is an interim solution and Mrs Gostling responded that HDdUHB is still able to continue with the preparatory work to transfer to the new system and that the existing system can be utilised in the interim.</p> <p>Miss Battle suggested that she could raise the issue of delay at her meeting with other Health Board Chairs and the Minister on 2<sup>nd</sup> December 2019. Miss Battle added that it would be useful to have an estimate of how much the delay is costing the Health Board per day, which Mrs Gostling undertook to establish and share with Miss Battle.</p> <p>Mr Powell queried progress against the action to create a review process, carried out by a central team, to ensure consistency against job plans. Mrs Gostling undertook to liaise with the Medical Director &amp; Director of Clinical Strategy for an update to be provided at the next Committee meeting.</p> <p>Mr Powell also queried the discrepancy in the action plan where it states that HDdUHB has a high sickness absence rate, when HDdUHB is in fact below the average rate for Wales. Mrs Gostling confirmed that this action is now closed and that HDdUHB is the strongest performer in Wales in terms of managing attendance.</p> <p>In relation to the action to target reduction in Thornbury usage and the specific action that no direct bookings are to be made with Thornbury, Mr Lewis queried why this has been implemented in only one hospital to date. Mrs Gostling responded that since preparing the report direct booking has ceased in all sites and assured Members that where instances of direct bookings are identified, these are raised with the service directly.</p> <p>Mr Lewis also queried the reasons for staff not signing up to undertake Bank work and Mrs Gostling responded that results from a recent survey conducted with staff suggests that weekly pay remains a factor; consequently an in-month pay system has been introduced. Other factors include staff joining the Bank but not being offered shifts. Mrs Gostling advised that in some wards, social media platforms such as WhatsApp groups, are used within teams to arrange staffing rather than using the Bank Office. Mrs Gostling informed Members that the new rostering system will flag available shifts directly with staff and enable them to book on to these directly.</p> <p>Mr Hearty enquired whether KPMG assign a financial value to each of the workforce schemes. Mrs Gostling confirmed that financial values are provided and undertook to include these within future Committee reports.</p> <p>Mr Hearty queried what would be required to enable the Thornbury action to be closed. Mrs Gostling responded that eradicating the use of Thornbury in its entirety would constitute this action being closed.</p>	<p>LG</p> <p>LG</p> <p>LG</p>
	<p>The Committee <b>NOTED</b> the Workforce Pay Controls report.</p>	

<p><b>FC(19)219</b></p>	<p><b>CAPITAL FINANCIAL MANAGEMENT</b></p> <p>Members were presented with the Capital Financial Management report, providing the latest update on the Capital Resource Limit (CRL) for</p>	
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	<p>2019/20. Mr Thomas advised that there were no concerns from the report to highlight to Members.</p> <p>However, Mr Thomas drew Members' attention to the update on Project Bank Accounts (PBA) and a policy which had been implemented via Welsh Health Circular (2018)043, to support supply chains on capital programmes. All WG construction and infrastructure contracts valued at £2m or more (excluding VAT), which are funded through the All Wales Capital Programme (AWCP), must comply with PBA policy. This also includes funding through discretionary programmes. PBAs will not be required for schemes such as equipment replacements or where the associated works costs are below £2m, the aim being to alleviate cash flow pressures which can have a considerable impact on smaller companies in a supply chain. Members noted that further guidance is expected shortly from WG on the use of PBAs.</p> <p>Mr Lewis suggested that the sentence in relation to the impact upon smaller companies represents a sweeping statement and that it would also be a reputational risk for the Health Board. Mr Thomas noted that the aim of the PBA policy is to support the whole supply chain and acknowledged that how this will be implemented would be critical. Mr Thomas assured Members that a procedure outlining the implementation of the PBA policy would be brought to a future Committee meeting for approval.</p>	<b>HT</b>
	<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>	
<b>FC(19)220</b>	<p><b>CONTRACTS UPDATE</b></p> <p>Members were presented with the Contracts Update report, providing the Month 7 and forecast position in relation to Long Term Agreements (LTA).</p> <p><i>Mr Huw Thomas left the Committee meeting</i></p> <p>Mr Shaun Ayres apologised to Members regarding the continued use of under and over performance terminology within the report and clarified that over performance in contracting terms is a negative value.</p> <p>Mr Ayres informed Members that the contract with Swansea Bay University Health Board (SBUHB) is currently under plan. Activity has accelerated and, although still under plan, the situation has worsened due to high cost drugs within SBUHB. Mr Ayres advised that this has been driven by emergency inpatient and outpatient procedures, which are currently being reviewed to ascertain whether cases can be redirected into HDdUHB.</p> <p>Mr Ayres informed Members that the key drivers for Cardiff and Vale University Health Board (CVUHB) are high cost drugs and Critical Care. Further work is required to commence discharge planning at an earlier stage. Mr Ayres informed Members that a meeting has been held with CVUHB to discuss rebasing of the contract.</p>	

	<p><i>Mr Benjamin Garside joined the Committee meeting</i> <i>Mr Huw Thomas re-joined the Committee meeting</i></p> <p>Mr Ayres further informed Members that the Welsh Health Specialised Services Commission (WHSSC) contract has seen an improvement from previous months, which has been driven by being financially under plan due to the release of reserves.</p> <p><i>Mrs Lisa Gostling left the Committee meeting</i></p> <p>Mr Ayres queried whether Members would wish the report to consider RTT by provider. Mr Powell responded that whilst it would be helpful to have sight of this, it may be better placed within the RTT report to Committee. Mr Moore recognised that there are issues with how RTT is allocated on a provider basis and that a provider perspective be considered. Mr Hearty requested that Mr Ayres works with Mr Keith Jones to take this action forward.</p> <p>Mr Thomas highlighted to Members that the consequence of non-delivery of RTT by providers is a financial risk for the providers. However, if this activity is diverted it would then pose a financial risk for HDdUHB.</p> <p>Mr Newman commented upon the RTT target of zero breaches by end March 2020 and recognised that the RTT report does not currently include numbers of RTT by other providers.</p>	SA/KJ
	<p>The Committee <b>NOTED</b> the content of the Contracts Update report and took assurance that the steps taken are in line with expectations.</p>	

<b>FC(19)221</b>	<p><b>EXTERNAL FINANCE REVIEW</b></p> <p>Members were presented with a verbal update on the External Finance Review by Mr Benjamin Garside, KPMG.</p> <p>Mr Garside summarised the work undertaken to date in relation to Grip and Control and the strength of the support structure, to deliver opportunities. Mr Garside commended the Executive Team decision to provide specialised support to operational teams for the delivery of savings.</p> <p>Mr Garside informed Members that the current update focuses upon the baseline drivers of the deficit with the accompanying presentation outlining the Directorate expense growth from 2014/15 to 2018/19, mainly attributable to USC, Planned Care and LTA cost pressures. Pay and Non-Pay as a driver was also discussed, of which inflation has had a significant impact.</p> <p>Mr Garside informed Members of the need for a methodology in place to determine drivers and that a number of datasets are used across Wales. KPMG are currently working with the Finance team to assess the extent of disaggregating the financial impact of volume of activity and the cost of meeting this demand.</p> <p>The graphs and table in the presentation demonstrate that the majority of the excess cost of care in HDdUHB, when compared to the Welsh</p>	
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	<p>average, is driven by excess activity, and that volume variance as opposed to cost variance is driving the excess expenditure.</p> <p>Members discussed the content of the graphs within the presentation.</p> <p>Mr Moore queried whether it is possible to analyse this data in terms of strategic direction to envisage how far the strategy will allow HDdUHB to deliver efficiencies. Mr Thomas responded that the key is to identify patient costing and to consider the level of activity that can be addressed in the community or whether there is an expectation and acceptance of pressures within HDdUHB due to its demography.</p> <p>Mr Hearty commended the value of the report and acknowledged the need to discuss at Board the shift in approach from the focus of Turnaround to a focus on how care is to be provided differently, linking in with the Health and Care Strategy. Mr Moore suggested discussions need to be held with WG on the amount of money allocated to support demography and whether historically this has been adequate. Mr Moore further suggested that efficiency still needs to increase, however transformation is anticipated to address this.</p> <p>Mr Garside informed Members that the KPMG reports are to be finalised and will be submitted to the December 2019 Committee meeting.</p> <p><i>Mr Benjamin Garside left the Committee meeting</i></p>	<b>BG</b>
	The Committee <b>NOTED</b> the External Finance Review.	
<b>FC(19)222</b>	<p><b>EFFICIENCY OPPORTUNITIES: FINANCIAL DELIVERY UNIT EFFICIENCY FRAMEWORK</b></p> <p>Members were presented with the Efficiency Opportunities: Financial Delivery Unit Efficiency Framework report, for noting, identifying the ways in which the analysis provided by the Finance Delivery Unit (FDU) has been used to shape the financial strategy.</p> <p>Mr Thomas highlighted that the report reflects issues relating to population health and that this work shifts the focus beyond efficiency and into demand management.</p>	
	The Committee <b>NOTED</b> the Efficiency Opportunities: Financial Delivery Unit Efficiency Framework report.	
<b>FC(19)223</b>	<p><b>WINTER PREPAREDNESS 2019/20 REPORT TO BOARD ON 28TH NOVEMBER 2019</b></p> <p>Members were presented with the Winter Preparedness 2019/20 Report to Board on 28th November 2019, for information.</p> <p>Mr Thomas drew Members' attention to the over commitment of funding, however provided assured that plans would be managed within the funding available. Slippage is anticipated, however cannot be quantified as yet. Mr Thomas also referred to additional schemes to mitigate the impact upon bed capacity. Mr Thomas informed Members that this represents a</p>	

	<p>planned approach to dealing with an unplanned issue and that there is the ability within the budget to flex accordingly.</p> <p>Mr Hearty concluded that from a Finance Committee perspective, there is recognition of the budget and pressures and that assurance has been noted in terms of additional money and ability to flex in response to any emerging pressures.</p>	
	The Committee <b>NOTED</b> the Winter Preparedness 2019/20 Report to Board on 28th November 2019.	

<b>FC(19)224</b>	<b>STRATEGIC FINANCIAL PLANNING GROUP UPDATE REPORT TO STRATEGIC ENABLING GROUP</b>	
	Members were presented with the Strategic Financial Planning Group Update Report to Strategic Enabling Group (SEG) from the meeting held on 14 <sup>th</sup> October 2019, for information.	
	The Committee <b>NOTED</b> the Strategic Financial Planning Group Update Report to Strategic Enabling Group.	

<b>FC(19)225</b>	<b>CORPORATE RISKS</b>	
	<p>Members were presented with the Corporate Risks report identifying 3 risks aligned to the Committee from the 30 currently on the corporate risk register in the accompanying appendix:</p> <ul style="list-style-type: none"> <li>- 730: Failure to realise all the efficiencies and opportunities from the Turnaround Programme in 2019/20</li> <li>- 735: Ability to deliver the Financial Plan for 2019/20 affecting the whole Health Board</li> <li>- 646: Ability to achieve financial sustainability over medium term</li> </ul> <p>Mr Thomas informed Members that once the revised forecast is agreed by the Board, this will be reflected within risk 735. Mrs Wilson advised that all risks would need to be revised in light of the recommendations to Board on 28<sup>th</sup> November 2019.</p> <p>In relation to risk 646, Mr Thomas informed Members that the Health Board is about to enter this year's funding round, however, in terms of a medium plan, the focus will need to be volume related, as identified by the KPMG work.</p> <p><i>Mrs Lisa Gostling re-joined the Committee meeting</i></p>	<b>HT</b>
	The Committee <b>NOTED</b> the Corporate Risks report.	

<b>FC(19)226</b>	<b>FINANCE OPERATIONAL RISKS</b>	
	<p>Members were presented with the Finance Operational Risks report providing a summary of 9 operational risks. Members noted that the Finance Directorate has also undertaken a review of the Finance 'themed' risk register, reducing the risks from 100 previously submitted in August 2019, to 7 risks for this submission.</p> <p>Mr Thomas informed Members that risks 693 <i>Withybush Hospital will exceed the financial budget</i>, and 525 <i>Scheduled care financial pressure</i></p>	

	<p><i>due to continuation of the BGH theatres compensatory rest policy, are related to allocated budgets and therefore cannot be mitigated over the medium term. Members discussed what prevents the organisation generating risk as a budget bidding exercise. Mrs Wilson responded that Executive Team reviews the risks to determine which go onto the risk register. Mr Moore added that risks are also discussed at Performance Review meetings prior to appearing on the risk register. Mr Carruthers assured Members that the impact on finance would also be covered as part of the Turnaround process.</i></p> <p>Mrs Wilson informed Members that the Finance Directorate, through business partnership arrangements, would discuss and agree the level of risk, and work with operational services to ensure these risks are reflected on individual service risk registers and are provided with the appropriate support to manage these effectively.</p> <p>Members were presented with two template risk assessment forms to note prior to being shared with operational services.</p>	
	The Committee <b>NOTED</b> the Financial Operational Risks report.	

<b>FC(19)227</b>	<b>FINANCIAL PROCEDURES</b>	
	<p>Members were presented with the Financial Procedures report, highlighting that the following procedures have been reviewed and are presented to the Finance Committee for approval as one overarching procedure covering Income and Cash Collection:</p> <ul style="list-style-type: none"> <li>• 02/01 – Income and Cash Collection</li> <li>• 02/02 – Credit Control &amp; Debt Recovery</li> <li>• 02/04 – Income from Surgical Appliances</li> <li>• 02/05 – Hospital Cafeteria System Procedure</li> </ul>	
	The Committee <b>APPROVED</b> the Income and Cash Collection procedure.	

<b>FC(19)228</b>	<b>FINANCE COMMITTEE UPDATE REPORT TO BOARD FROM PREVIOUS MEETING</b>	
	Members were presented with the Finance Committee Update Report to the Board from the meeting held on 21 <sup>st</sup> October 2019 for information.	
	The Committee <b>NOTED</b> the Finance Committee Update Report to Board.	

<b>FC(19)229</b>	<b>FINANCE COMMITTEE ANNUAL WORKPLAN</b>	
	Members were presented with the Finance Committee Annual Workplan.	
	The Committee <b>NOTED</b> the Finance Committee Annual Workplan.	

<b>FC(19)230</b>	<b>REFLECTIVE SUMMARY</b>	
	<p>Mr Thomas outlined the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting:</p> <ul style="list-style-type: none"> <li>• Discussion on the financial position and the requirement to submit an interim forecast position to Board</li> </ul>	

	<ul style="list-style-type: none"> <li>• Debate around the level of forecast in the likely event that WG will retract their additional £10m funding as a result of not meeting the £15m control total</li> <li>• Risk for the remainder of 2019/20 in relation to Primary Care prescribing, USC, and the ability to deliver savings</li> <li>• Workforce Pay Controls update and the issues identified by KPMG</li> <li>• The delay in the new rostering system for nurses in HDdUHB as a result of pending implementation of an all Wales system</li> <li>• External Finance Review – impact on HDdUHB particularly around cost and volume variance compared to the rest of Wales</li> <li>• Winter preparedness – recognise the over allocation of funding with the ability to flex in response to pressures which might emerge.</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(19)231</b>	<b>ANY OTHER BUSINESS</b>	
	No other business was raised.	

<b>FC(19)232</b>	<b>DATE OF NEXT MEETING</b>	
	Thursday 19 <sup>th</sup> December 2019, 2pm – 5pm, Boardroom, Ystwyth Building, St. David’s Park, Carmarthen	