

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

<b>Date and Time of Meeting:</b>	Tuesday 29 <sup>th</sup> September 2020, 9.30 am – 11.30 am
<b>Venue:</b>	Board Room, Ystwyth Building, St. David's Park, Carmarthen

<b>Present:</b>	Mr Michael Hearty, Associate Member, Committee Chair (VC) Mr Mike Lewis, Independent Member, Committee Vice Chair (VC) Mrs Judith Hardisty, Vice Chair, Hywel Dda University Health Board (VC) Mr Paul Newman, Independent Member (VC) Mr Maynard Davies, Independent Member (VC)
<b>In Attendance:</b>	Miss Maria Battle, Chair, Hywel Dda University Health Board (VC) Mr Huw Thomas, Director of Finance Mrs Lisa Gostling, Director of Workforce and Organisational Development Mrs Joanne Wilson, Board Secretary Mrs Rebecca Hayes, Senior Finance Business Partner Mr Anthony Tracey, Assistant Director of Digital Services (VC) Mr Shaun Ayres, Assistant Director of Value Based Contracting (VC) Mr Chris Williams, Senior Value Business Partner (VC) Mr John Evans, Assistant Director, Medical Directorate (VC) Ms Sonja Wright, Committee Services Officer (Secretariat)

AGENDA ITEM	ITEM	
FC(20)121	<b>INTRODUCTIONS AND APOLOGIES FOR ABSENCE</b>	<b>Action</b>
	The Chair, Mr Michael Hearty, welcomed all to the meeting. Apologies for absence were received from: <ul style="list-style-type: none"> <li>• Mr Steve Moore, Chief Executive</li> <li>• Mr Andrew Carruthers, Director of Operations</li> <li>• Dr Philip Kloer, Medical Director/ Deputy Chief Executive</li> </ul>	

FC(20)122	<b>DECLARATIONS OF INTERESTS</b>	
	There were no declarations of interest.	

FC(20)123	<b>MINUTES OF PREVIOUS MEETING HELD ON 26<sup>th</sup> AUGUST 2020</b>	
	The minutes of the Finance Committee meeting held on 26 <sup>th</sup> August 2020 were <b>ACCEPTED</b> as an accurate record.	

**RESOLVED** – that the minutes of the Finance Committee meeting held on 26<sup>th</sup> August 2020 be **APPROVED** as an accurate record.

<b>FC(20)124</b>	<b>MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 26<sup>th</sup> AUGUST 2020</b>  The Table of Actions from the meeting held on 26 <sup>th</sup> August 2020 was reviewed, and confirmation received that all outstanding actions had been completed or were forward-planned for a future Finance Committee meeting.  With reference to action <b>FC(20)112: Financial Forecast – Month 4: To present the outcomes of System Engagement Group (SEG) reviews in report form to the Committee in future meetings</b> , Mr Huw Thomas clarified that this information will be included as an appendix in future forecast reports submitted to the Committee, and will provide an overview of any issues impacting upon the financial performance of individual HB Directorates. Mr Michael Hearty confirmed that this will be sufficient to provide Members with assurance relating to Finance Directorate’s management and scrutiny of the HB’s finances.
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<b>FC(20)125</b>	<b>FINANCE REPORT AND FINANCIAL PRESENTATION MONTH 5, 2020/21</b>  The Committee received the Month (M)5 2020/21 Finance Report and Financial Presentation.  Members’ attention was drawn to the following key points: <ul style="list-style-type: none"><li>• As compared with the M4 position (£6.9m variance to plan, and a variance to breakeven position of £9.0m), M5 operational variance to plan is £4.4m and variance to breakeven is £6.5m.</li><li>• Additional costs incurred in M5 due to the COVID-19 pandemic stand at £10.7m (compared with £8.9m for M4), with underspends of £2.8m re-purposed and Welsh Government (WG) funding for Field Hospital (FH) set-up costs totalling £3.4m.</li><li>• In-month savings delivery of £0.1m, which is £0.3m below plan, is directly attributable to the COVID-19 pandemic.</li><li>• Green and Amber plans of £5.6m have been identified to M5, against which the forecast delivery is uncertain, given the impact of the COVID-19 pandemic. At this stage, with COVID-19 demand modelling indicating that the pandemic may impact the remainder of the financial year, it is assumed that delivery will be adversely affected for the full year.</li><li>• Should the HB progress all the schemes identified to mitigate the impact of the implementation of social distancing measures and other COVID-19 requirements, and should no further funding be available from WG, the potential over-commitment against the Capital Resource Limit would be £16.2m. This risk is being actively managed.</li></ul>
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- There has been an increase in non-contracted income, linked to the increased volume of tourism within the HB area following lifting of lockdown restrictions.

Mr Hearty remarked upon the iterative nature of the actions proposed in relation to key subjective analysis within the monthly Finance Reports presented to the Committee, and queried the degree of progress made in relation to these 'next steps'. Mr Thomas explained that the actions are ongoing, and are consciously refreshed.

The Committee **NOTED** and **DISCUSSED** the financial position for Month 5 2020/21.

## FC(20)126 FINANCIAL FORECAST – MONTH 5

The Committee received a presentation outlining Hywel Dda University Health Board's (HDdUHB) financial forecast position for the year 2020/21, as assessed at M5.

Summary detail relating to the M5 forecast position, having previously been discussed by Members in their In Committee session, was provided, and the following points were raised or re-iterated:

- The M5 forecast represents an improvement of £13.9m, as compared with the forecast for the previous month, and the Finance Team continue to challenge HB Directorates in relation to their costs.
- The improved position for M5 is linked to a negotiated reduction in rental costs for Bluestone FH site, confirmation of Quarter (Q)3 WG funding for BMI Werndale Hospital costs and the assumption that other FH sites within the HB are decommissioned or hibernated.
- A reduction of £0.9m in staffing costs, due to the redeployment of existing HB staff to fill testing centre rotas, reducing the need to use agency staff in this capacity.

Members were advised that further development of the profiles for Months 7 to 12 is required, based upon assumptions that HB reserves are fully committed and recognising costs linked to workforce and winter period demands, and were informed that work is ongoing to align the HB's financial position with Q3 and Q4 operational plans.

Members' attention was also drawn to risks and opportunities relating to the financial forecast, with risks presented in terms of cost pressures arising from Acute activity demands, Primary Care prescribing, and Public Health requirements in the form of COVID-19 and influenza vaccination programmes. Members were assured that close scrutiny of current reserves and funding streams is being undertaken by the Finance Team in order to identify any savings opportunities, and Mr Thomas drew attention to notional additional WG funding which will support a return to the HB's pre-COVID-19 deficit position of £25m.

Mrs Judith Hardisty reiterated a request made in the previous Finance Committee meeting held on 26<sup>th</sup> August 2020 that a clear overview of financial flow within Acute and Community settings be provided in order to understand the financial relationship between increased agency staff usage, reduced FH capacity and underspends in staff pay, and to identify as accurately as possible the areas in which money is being spent and saved. Mr Thomas explained that a significant level of spending variation is driven by the deployment of the HB's workforce, adding that work with Workforce and Organisational Development colleagues is required in order to better understand the allocation of staff to different areas of healthcare.

**HT/  
LG**

In response to a further query from Mrs Hardisty relating to progress of discussions regarding the ring-fencing of Integrated Care Funding to support Mental Health (MH) services, given that a WG review of the funding allocation formula relating to this service area may result in a funding loss (or gain), Mr Thomas advised that, although the level of spend for MH services within the HB area can only be accurately assessed at year-end, and it is therefore difficult to provide assurance in year, the level of spend within the Mental Health and Learning Disabilities Directorate has not reduced, and any variation may be attributable to an increase in the number of patients with MH issues presenting in Primary Care, and a reduction in numbers accessing Secondary Care services. Mr Thomas added that these considerations have been discussed with MH colleagues.

In light of these concerns relating to MH funding, Mr Thomas agreed to review the current position against that of the previous year with regard to the ring-fencing of funds.

**CW**

Mr Thomas noted consistent difficulties in monitoring funding spend and in maintaining assurance that funding streams are fully utilised, adding that HB plans to return to a £25m deficit position assume a slippage of approximately £3m in spend for central funding streams. Mr Thomas assured Members that challenges regarding funding spend are consistently directed to the relevant teams by the Finance Directorate, given that financial decisions are based upon assurances from these teams that all central funding will be spent in year. Members agreed that discussions regarding how best to manage the scrutiny of additional funding be held outside of the Committee meeting.

Members noted a degree of duplication in the information presented within the Finance and Forecast reports, and proposed that, for future Committee meetings, a presentation be provided which includes a clear and succinct summary of expenditure, savings, and central funding. Mr Thomas advised that the Finance Report is submitted to WG to comply with central monitoring requirements, and highlighted WG's expectation that this monitoring return should also be presented to a Board Committee. Recognising, however, Members' wishes to receive a concise overview of the monthly financial position, Mr Thomas proposed that the Day 1 reporting dashboard will be presented to the Committee as an item for information at future meetings, together with details of the in-year financial position.

**HT/  
RH**

The Committee **NOTED** and **DISCUSSED** the HB's Financial Forecast Position at Month 5.

**FC(20)127 CAPITAL FINANCIAL MANAGEMENT**

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.

Members' attention was drawn to the Capital Funding risks appended to the main report, and were assured that these do not represent a confirmation that the HB will overspend against its CRL, but rather reflect the rigorous scrutiny and prioritisation process which is being applied to capital schemes proposed by HB Directorates.

Members were advised that the sum of £7m presented in the Capital Funding Risk slides as a decrease in the Capital Funding gap reflects WG funding released to date, while the further figures shown as a reduction in the gap represent additional central funding which is anticipated.

Mr Thomas explained that the total figure of £11.2m (shown as residual risk once all funding, both delivered and assumed, is set against the overspend if all feasibility schemes are progressed and no further COVID-19 funding is received) reflects the HB's inability to progress capital schemes to this value, and assured Members that work is being undertaken to ensure delivery within the CRL.

In response to a query from Mrs Hardisty regarding the impact of capital funding challenges upon the Cross Hands Health and Wellbeing Centre project, and planned timescales for delivery, Mr Thomas acknowledged that there has been some slippage in progressing the scheme, but advised that a business case is being developed for submission to WG, and confirmed that any slippage can be managed between years. Members were assured that Hywel Dda Community Health Council and local community members are being kept abreast of developments by the HB Communications Team, and Mrs Hardisty highlighted the need to ensure that HB staff are kept similarly informed.

With reference to the Women and Children Phase II programme, Mr Paul Newman queried the basis for assumptions that WG will fund additional costs of £2.97m. Mr Thomas explained that this will form part of discussions between the HB and WG regarding the COVID-19 response for the Glangwili General Hospital site.

Mr Mike Lewis queried which feasibility schemes included within committed costs of £11m for 2020/21 have been identified as essential in terms of ensuring patient safety, given that the HB consistently faces demand in excess of its available capital. Mr Thomas responded that WG are fully aware of the risks carried by the HB with regard to revenue and capital, and advised Members of challenging discussions held at operational level

	<p>within the organisation, given that, while all the schemes proposed have individual merit in terms of benefit to service delivery and patient safety, the HB does not have sufficient capital to make the required investments.</p> <p>Mr Hearty referred to the respective remits of HB senior management groups, eg. Gold Command Group and the Transformation Steering Group in managing the allocation of capital resource, querying whether these reflect parallel albeit separate governance systems. Mr Thomas informed Members that capital delivery is managed through the HB's Capital Group, recognising that this group manages demands on a predominantly reactive basis, and does not necessarily link with and share reporting streams with the HB's strategic groups.</p>	
	<p>The Committee:</p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> the Capital Resource Limit for 2020/21;</li> <li>• <b>NOTED</b> the value of capital expenditure currently committed to deal with the COVID-19 pandemic for 2020/21 and funding released to date;</li> <li>• <b>NOTED</b> the financial risk associated with progressing COVID-19-related capital schemes at feasibility stage without confirmed funding;</li> <li>• <b>NOTED</b> the updates on the Women and Children Phase II (GGH) scheme.</li> </ul>	

<p><b>FC(20)128</b></p>	<p><b>OPPORTUNITIES FRAMEWORK</b></p> <p>The Committee received the Opportunities Framework report, together with a summary of the key opportunities for change identified to date, in order to provide an overview of the areas where the Finance Value Team have worked with operational managers to identify opportunities for the realisation of financial benefit and improved service delivery.</p> <p>Members were advised that further detail would be included in the Locality Expenditure Analysis report to be presented to the Committee at its next meeting on 22<sup>nd</sup> October 2020, which will demonstrate opportunities for allocative efficiency and support HB plans to achieve financial balance.</p> <p>Mrs Hardisty requested information with regard to:</p> <ul style="list-style-type: none"> <li>• Timescales for the delivery of benefits realisation;</li> <li>• Whether the Transformation Project Office (TPO) will support managers in the process of identifying and managing the realisation of opportunities;</li> <li>• How the Finance Committee may most effectively scrutinise the effectiveness of this process across the organisation.</li> </ul> <p>Mr Chris Williams explained that, following the establishment of the Opportunities Framework and initial progress which was reported to Finance Committee in its previous meetings, work with HB managers to identify opportunities and progress the realisation of benefits had</p>	
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necessarily been subject to constraints associated with the impact of the COVID-19 pandemic. Mr Williams advised that, with recent WG expectation that HBs return to a 'business as usual' approach in terms of identifying opportunities for savings, the report represents an aim to revive discussion with operational colleagues regarding the translation of opportunities to material benefits for the organisation.

In reply to Mrs Hardisty's request for evidence that learning opportunities arising from the HB's response to the COVID-19 pandemic are incorporated within the Opportunities Framework, Mr Williams highlighted the successful and widespread adoption of digital opportunities within the HB, particularly in Planned Care settings, and emphasised an expectation within the organisation that these changes to service provision will be sustained for the future.

The significant role of the TPO in progressing opportunities was highlighted, for example, the re-design of patient pathways. Members were also advised of areas for improvement in the process by which identified opportunities are communicated to the HB's Digital Team, given the potential support provided by digital technology for the progression of these opportunities.

Mr Hearty considered that assurance can be taken from the structured and proactive approach applied to the identification of opportunities that the HB will continue to seek to improve its financial position and its service provision.

The Committee **NOTED** and **DISCUSSED** the update regarding key opportunities for change identified to date, and the renewed impetus applied to the identification of opportunities at operational and strategic level.

<b>FC(20)129</b>	<b>WORKFORCE PLAN</b>	
	<p><i>Miss Maria Battle joined the meeting</i></p> <p>Members received a verbal update detailing key elements of the HB's Workforce Plan, being advised that a written report containing further detail would be presented to the Committee at its meeting on 22<sup>nd</sup> October 2020.</p> <p>Mrs Lisa Gostling assured Members that workforce requirements and demands are reviewed and progressed through the HB's Workforce Task and Finish Group, which meets weekly.</p> <p>Members were apprised of significant challenges currently impacting upon workforce capacity:</p> <ul style="list-style-type: none"><li>• Existing vacancy levels</li><li>• Requirements to support Health Protection programmes and 'new' COVID-19 services,</li><li>• Requirements to service FH beds in the event of a surge in demand;</li><li>• Compliance with social distancing requirements.</li></ul>	

Members noted that the HB does not currently have sufficient staff to meet anticipated winter and COVID-19-related demand, being advised of a gap between current staff numbers and establishment levels of 650 whole-time-equivalent Registered Nurses (RNs), 860 Health Care Support Workers (HCSWs), 400 Domestic staff, together with shortfalls in numbers of Pharmacy and Medical staff.

Mrs Gostling summarised key actions developed to mitigate these challenges:

- A review of staff employed on temporary contracts to determine whether any of this cohort wish to extend contracts to the end of March 2021, and mapping expressions of interest to deficits in staffing capacity;
- Plans to re-employ Agency workers, recognising that the number of Agency staff employed by the HB has returned to pre-COVID-19 levels;
- Registration of newly-qualified RNs, together with the use of Bank nursing staff (at the same levels as those reported before the COVID-19 outbreak), which combine to reduce the RN gap to 390;
- Work with Military services to secure unregistered practitioner support for the operation of FH sites;
- A request for expressions of interest among current and Bank staff with regard to working additional hours, in order to provide enhanced workforce flexibility to meet demand;
- A replenishment of Bank HCSWs and a relaunch of the HCSW recruitment programme.

Members were advised that once all actions had been progressed, organisational decisions must be taken with regard to reviewing existing staffing ratios in order to relieve demand upon RNs, while maintaining safe patient care.

Mrs Gostling listed opportunities for the redeployment of staff:

- Redeployment within current service;
- Redeployment of approximately 250 staff members to alternative jobs (in which training has previously been received in order to accommodate vulnerable and shielding staff in a reduced risk capacity);
- Deployment of staff from Corporate teams to support operational services;
- Identification of services which may temporarily be stood down, and utilising those staff members in alternative capacities.

Members were informed of the establishment of dedicated groups of HCSWs to cover FH operations as required, and of plans to utilise this cohort to support the HB's vaccination programme, and were advised of joint work between the HB and Social Services partners to develop a

	<p>workforce bank which will be available as required to support Domiciliary Care services, thus reducing pressure upon Acute resources.</p> <p>Recognising the current challenges and demands presented within Mrs Gostling’s summary, Mr Hearty noted that, even having progressed all mitigations, there remains a gap in the HB’s workforce capacity, and expressed his assumption that any necessary decision to reduce or stand down services will feed into the Q3 and Q4 planning.</p> <p>Commenting upon shortcomings in planning for the most effective use of Locums, Mrs Hardisty proposed that it may be helpful to review the structure and processes underlying the delivery of services in order to reduce the use of Locums where appropriate and safe to do so.</p> <p>In relation to this suggestion, Mrs Gostling advised Members of the introduction of a new medical grade within the establishment, representing a more senior level of Specialty and Associate Specialist Doctor, adding that this will provide increased resilience in filling vacant posts, and will support decisions regarding requirements for current Consultant-led service models.</p> <p>Referencing the diversity of information included in the reports presented to Finance Committee, and noting the duplication in submission of individual reports to a number of Board Committees, Miss Maria Battle proposed that a meeting between Committee Chairs and Lead Executives be arranged in order to determine the most appropriate fora for review of individual reports and thereby reduce demand upon Members’ and Executives’ time.</p> <p><i>Mrs Lisa Gostling left the meeting</i></p>	JW
	<p>The Committee <b>NOTED</b> and <b>DISCUSSED</b> demand upon staffing capacity and plans to address the HB’s workforce deficit.</p>	

FC(20)130	<p><b>DIGITAL PLAN</b></p> <p>Members received a presentation detailing the HB’s digital response to planning requirements arising from the COVID-19 pandemic, the HB’s digital planning objectives, and future ambitions for the provision of digitally-enabled healthcare services.</p> <p>Members were advised of essential requirements for the development of a digitally skilled workforce, supported by a robust WIFI infrastructure across the HB in order to enable the roll-out of digitised services and processes. In this context, Mr Anthony Tracey explained that the first step in this process requires a culture change among HB staff in terms of willingness to adopt and use digital technology, while recognising that the COVID-19 pandemic has accelerated this transition within many services.</p> <p>Members were assured that patient-centred care forms the central tenet of plans to develop the HB as a digitally integrated care organisation, and</p>	
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received a summary of key benefits, plans and considerations linked to the digital response:

- Provision of enhanced analytical and forecasting capability to provide accurate business intelligence and enable simulation of the cost and delivery implications of service change;
- An upgrade of IT equipment provided to HB patients will improve the provision of care at home, and reduce the number of patients attending hospital;
- Continued investment in resources is required in order to support cyber security measures;
- In order to ensure that IT solutions are robust, 4 'Technical Wards' have been identified within the HB in which RNs and clinicians will test technology within a live setting;
- In order to ensure a consistent flow in the delivery of IT solutions across the HB, the Digital Team will focus upon 3 or 4 key projects every 5 to 6 months;
- Projects to introduce and use virtual patient consultation software have been progressed at pace, with a roll-out of the second phase of virtual consultation platforms (Attend Anywhere and Microsoft Teams - MT) to a further 20 HB services by December 2020;
- Plans to embed MT in all HB virtual conferencing equipment will be progressed, with exploration of the possibility that the HB may be nominated as an exemplar to demonstrate effective use of MT, and thereby attract financial support for further IT equipment and infrastructure within HB sites;
- A strategic partnership is being considered with Apple Inc. involving the purchase or lease of iPads for the use of all HB patients, and for distribution among clinicians to complete documentation and record patient observations.
- An 'aggressive' programme of work has been developed to support testing of the Welsh Community Care Information System (WCCIS) mobile application;
- A business case is being developed to roll out digital dictation and voice recognition software across the HB.

In response to a query from Mrs Hardisty regarding linkages between the HB's digital schemes and community schemes supported by Transformation funding, eg. Delta Wellbeing, Mr Tracey advised of a meeting planned with the Infrastructure Manager to ensure links are established between schemes to deliver technology-enabled care, and to ensure best use of resources to avoid duplication of work by the organisations involved.

Mr Maynard Davies queried whether any challenges to the delivery of digital plans within timescales are anticipated, given historical delays in the delivery of national projects, and was assured that the HB's plans, as detailed in the slides presented to the Committee, have been shared with NHS Wales Informatics Service (NWIS), which is looking to align its planning with that of the HB. Mr Thomas added that the HB's business

	<p>relationship with NWIS will be defined in terms of a partnership, as opposed to a provider-customer model.</p> <p>Mr Davies sought assurance that support will be provided to patients in the community with reduced levels of IT literacy, informing Members of sponsored schemes to establish Digital Champions who will support the roll-out and use of digital technology within local communities, and describing the joint exploration with mobile network providers of opportunities to utilise their platforms to support community access to healthcare IT systems.</p> <p>Responding to a further query from Mr Davies regarding quantification of financial benefits resulting from digital projects, given that by far the largest proportion of benefit materialises within services which have been digitally enabled, and not within Digital Services, Mr Tracey confirmed that work is being undertaken in conjunction with Finance Business Partners to identify areas in which savings and benefits are realised, and to quantify these.</p> <p>Members acknowledged the significant progress made by the Digital Team in delivering ambitions for the development of a digital Health Board, and Mr Thomas commended the impressive work and level of achievement on the part of the team in response to the COVID-19 pandemic.</p> <p>Mr Thomas suggested that Finance Committee is the most appropriate forum for the future review of digital delivery within the organisation, and requested expressions of interest from Independent Members (IMs) for membership of a Digital Delivery Group, which will be developed in conjunction with Audit Wales, with the purpose of planning and supporting the rapid testing and roll-out of digital technologies within the HB. Mr Thomas added that Terms of Reference for the group will reflect the inclusion of NWIS representation among the membership, and the meeting frequency (quarterly).</p>	HT/ IMs
	<p>The Committee <b>NOTED</b> and <b>DISCUSSED</b> the HB's digital response to planning requirements arising from the COVID-19 pandemic, the HB's digital planning objectives, and future ambitions for the provision of digitally-enabled healthcare services.</p>	

<b>FC(20)131</b>	<b>WELSH GOVERNMENT SUPPORT FOR CONTINUING HEALTH CARE (CHC)</b>	
	<p>Members received a report detailing a WG allocation to the HB of £22.4m to directly support HB-commissioned care and joint packages of care within domiciliary and residential care settings, which will apply from 1st April to 30th September 2020 to cater for the additional costs which providers have incurred over this period, and which will be allocated to HBs on a formula basis in order to support providers in their response to COVID-19.</p> <p>Members were advised that this is a distinct and time-limited scheme to provide financial support and is not permanent uplift funding, details of</p>	

	<p>which will be presented in a report entitled ‘Annual CHC Fee Uplifts’, which will be presented to Members at the next Committee meeting on 22<sup>nd</sup> October 2020.</p> <p>In regard to the allocation of WG funding, Mrs Hardisty sought assurance that the HB will not use available funds to reinstate the use of care home beds which had previously been closed due to quality concerns relating to care providers.</p> <p>Mr Shaun Ayres confirmed that funding will be applied to opening beds and Care Homes which had been closed as a result of the COVID-19 pandemic, and will not be allocated to providers who had been the subject of quality concerns, and advised that in this respect, it is important that the HB works as an active partner with LAs in negotiating and managing joint commissioning arrangements in order to gain assurance that payments are not made to providers who do not meet the required quality standards.</p> <p>Members commented upon the challenges in separating the contents of this report from broader discussions relating to care homes, and requested that the Director of Primary Care, Community and Long Term Care attend the next Committee meeting in order to provide Members with a strategic overview and details of staffing challenges facing the Domiciliary Care sector with HDdUHB.</p>	HT/ JP
	<p>The Committee <b>NOTED</b> and <b>DISCUSSED</b> the allocation of WG funding to the HB in order to provide direct support for Domiciliary Care services.</p>	

FC(20)132	<p><b>EU EXIT RISKS</b></p> <p>Members received a report providing an update with regard to the potential financial implications of the UK’s exit from the European Union (EU), with additional costs highlighted relating to areas where an impact in Q4 is anticipated (a cost increase of up to 5%, which equates to £2.6m for one Quarter).</p> <p>Members were assured that risks relating to EU exit are being actively monitored, and that NHS Wales Shared Services Partnership (NWSSP) colleagues are actively working to secure equipment supply chains. Mr Thomas advised that further detail relating to potential risks will be available after the EU Leaders’ Summit on 15<sup>th</sup> October 2020, at which point it will be confirmed whether or not a trade deal has been reached between the UK and the EU.</p> <p>Mrs Hardisty noted that EU risks represents an area which sits within the remit of more than one Board Committee, and queried whether, given the workforce implications associated with EU exit, reports are also provided to the People, Planning and Performance Assurance Committee (PPPAC), and whether (given current demands upon HB Lead Executives), any related Public Health risks should be raised with a member of the Public Health Team who has the capacity to monitor and address these.</p> <p>Members were advised that, given the high levels of demand and planning requirements currently faced by the Public Health Directorate, formal ownership of EU exit risks has transferred to the Director of Finance, and</p>	
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	that details of further developments, following the confirmation or otherwise of a trade agreement, will be reported to Members at the next Committee meeting on 22 <sup>nd</sup> October 2020.	<b>HT</b>
	The Committee <b>DISCUSSED</b> steps taken to mitigate EU exit risks, and <b>NOTED</b> that further detail would be reported at the next Committee meeting on 22 <sup>nd</sup> October 2020.	

<b>FC(20)133</b>	<b>FIELD HOSPITAL CONTRACTS UPDATE</b>	
	Members received a report summarising the progress made regarding the on-going FH contract (Licence to Occupy - LTO) negotiations which have arisen as a result of the original LTOs expiring in September 2020.  Having previously discussed LTO negotiations and proposed options for an agreement in relation to occupancy of the Bluestone FH site, Members noted the contents of the report, and expressed their appreciation of the work undertaken by the Value-Based Contracting Team in achieving a position which enables a clearer understanding of the HB's contracts.	
	The Committee <b>NOTED</b> the FH Contracts Update, and <b>COMMENDED</b> the work and negotiations undertaken by the Value-Based Contracting Team.	

<b>FC(20)134</b>	<b>CORPORATE RISKS</b>	
	Members were presented with the Corporate Risks report, providing a summary of 3 organisational risks assigned to the Finance Committee from the 28 currently recorded in the Corporate Risk Register: <ul style="list-style-type: none"> <li>• 856: Risk to delivery of the Financial Plan for 2020/21;</li> <li>• 646: Ability to achieve financial stability over the medium term.</li> <li>• 956: Risk that the HB will breach its Capital Resource Limit (CRL) in 2020/21</li> </ul> Following previous discussions regarding capital pressures detailed in the report presented to the Committee as agenda item <b>FC(20)127 – Capital Financial Management</b> , Mr Thomas suggested that the wording of risk 956 be amended to reflect the close monitoring of capital schemes by the Finance Directorate in order to ensure that the HB does not overspend against its CRL, and to articulate the risk that the HB will be unable to deliver all the capital schemes proposed.	<b>HT/ ER</b>
	The Committee <b>NOTED</b> the organisational risks assigned to the Finance Committee.	

<b>FC(20)135</b>	<b>NWSSP HB SUMMARY PERFORMANCE REPORT Q1</b>	
	Members received a report containing summary performance data in respect of the services provided by NWSSP for the period from 1st January 2020 to 30th June 2020.	

	<p>Noting previous comments in relation to the cross-cutting subject matter of certain reports presented to Finance Committee, Mr Thomas considered that the NWSSP Summary Performance report should appropriately be presented to the Committee for Members' information, and advised that the report had also been reviewed at a meeting of PPPAC held on 27<sup>th</sup> August 2020, where it had been agreed that this would transfer to the Finance Committee.</p> <p>Mr Thomas added that he would be happy to discuss Members' queries relating to the services provided to the HB by NWSSP outside of this Committee meeting.</p>	
	<p>The Committee <b>NOTED</b> the NWSSP Summary Performance Report</p>	

<p><b>FC(20)136</b></p>	<p><b>FINANCE DELIVERY UNIT Q2 PLANNING – PEER REVIEW</b></p>	
	<p>Members received a presentation summarising the Finance Delivery Unit's (FDU) feedback following a peer review undertaken by HDdUHB and Cardiff and Vale University Health Board (CVUHB) of their respective Quarter 2 Operational Plans in response to the COVID-19 pandemic.</p> <p>Mr Thomas informed Members that it had been helpful to share the planning processes followed by another HB as part of the peer review exercise, highlighting a degree of learning on the part of HDdUHB Finance Directorate in relation to consistency in financial planning.</p> <p>Referencing areas for improvement included in the presentation, specifically the subject of budget accountability, Mrs Hardisty noted that this represents an ongoing issue and queried whether it constitutes a challenge to the ability of the organisation to effectively manage its finances, given that local ownership of budgets and funding is critical to effective financial control within individual Directorates and service areas. Mr Thomas acknowledged that the centralisation of fiscal responsibility within Finance Directorate reflects a reactive response to the COVID-19 pandemic in Quarters 1 and 2, and assured Members that delegation of financial accountability to HB Directorates would be progressed in order to support effective local control of individual budgets.</p> <p>Having reviewed the areas for improvement identified in the review, Members requested that updates relating to each area be provided, to include comments from the Director of Finance and details of actions planned in order to address each issue, for presentation to Members as a separate briefing.</p>	<p><b>HT</b></p>
	<p>The Committee <b>NOTED</b> and <b>DISCUSSED</b> findings from the peer review between HDdUHB and CVUHB, and <b>REQUESTED</b> assurance that areas for improvement identified will be addressed.</p>	

<p><b>FC(20)137</b></p>	<p><b>FINANCIAL PROCEDURES</b></p>	
	<p>Members reviewed and approved the following financial procedures:</p>	

	<ul style="list-style-type: none"> <li>• FP02/03 Injury Costs Recovery Scheme</li> <li>• FP12/01 Retention of Financial Records</li> </ul>	
	<p>The Committee <b>APPROVED</b> the following financial procedures:</p> <ul style="list-style-type: none"> <li>• FP02/03 Injury Costs Recovery Scheme</li> <li>• FP12/01 Retention of Financial Records</li> </ul>	

<b>FC(20)138</b>	<b>MEDICAL JOB PLANS RE. COVID IMPACT</b>	
	<p>As requested in the previous Committee meeting held on 26<sup>th</sup> August 2020, Members received for information a report providing an update in relation to medical job planning processes within HDdUHB, specifically in relation to Consultants and Staff and Associate Specialist (SAS) Doctors.</p> <p>Members were advised of a significant improvement in job planning processes, as identified by the Auditor General for Wales, and increased compliance with job plan targets during 2020/21.</p> <p>Mr John Evans informed the Committee that, following the suspension of medical job plans at the beginning of the COVID-19 pandemic, planning had resumed in June 2020, following an approach agreed with the Audit and Risk Assurance Committee, recognising the flexibility required in job plans for medical staff within Unscheduled Care. Members were assured that the HB's progress in exercising control of job planning had been maintained over the previous and current year, while enabling the level of flexibility required in order to effectively address the demands arising from the COVID-19 pandemic.</p> <p>Members' attention was drawn to the material importance of the number of job plans recorded via the Allocate e-job planning system, being advised that this will enable Finance colleagues to interrogate and report upon job plans, and will provide benefits in terms of planning and supporting the response to demands upon medical staff over the next 6 to 8 months.</p> <p>Mrs Hardisty commended the achievement of the Medical Directorate in the improved performance with regard to Consultant and SAS Doctor job plans, recognising that, as medical staff constitute an essential, and significant, element of the HB's resources, it is vital that the organisation exercises oversight of the effective use of this staff cohort. Mrs Hardisty commented that the use of the Allocate system to support job planning processes will enable effective scrutiny of the use of medical resources, which will in turn translate to the realisation of a financial benefit for the HB.</p> <p>In response to a query from Mr Newman with regard to whether a financial reconciliation of costs for the Allocate system will be undertaken, given that the system had originally been funded via the 'Invest to Save' scheme, Mr Evans assured Members that benefits included within the original business proposal for procurement of the system have been realised within individual HB services, and that identification of savings arising will be achieved through in-depth reviews at specialty level. Mr Evans advised</p>	

	<p>Members that any savings resulting from use of the system will not be recognised within the Medical Directorate.</p> <p>Mr Evans confirmed that all newly-recruited medical staff are allocated a job plan, and informed Members of the HB's ambition to achieve a target level of 95% in relation to job plans completed and signed off by the end of the financial year 2020/21.</p>	
	<p>The Committee <b>NOTED</b> increased compliance with job plan targets during 2020/2, and the further ambition to achieve 95% in relation to job plans completed and signed off by the end of the financial year 2020/21.</p>	

<b>FC(20)139</b>	<b>REFLECTIVE SUMMARY</b>	
	<p>Mr Thomas highlighted the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting:</p> <ul style="list-style-type: none"> <li>• Helpful discussion in relation to the M5 financial position and forecast, noting that additional WG funding has not been confirmed;</li> <li>• Discussion of the HB's CRL, recognising constraints upon the HB's ability to progress capital schemes, given the requirement to deliver the CRL;</li> <li>• Renewed focus upon the Opportunities Framework, noting linkages between the framework and work undertaken by the Transformation Steering Group and TPO;</li> <li>• A useful and informative update with regard to current workforce capacity and plans to increase staff resource and flexibility in the deployment of the HB's workforce;</li> <li>• Assurance derived from existing achievements and further plans to support the digital enablement of the organisation;</li> <li>• An update regarding WG allocation of funds to the HB to directly support HB-commissioned care and joint packages of care within domiciliary and residential care settings;</li> <li>• A briefing in relation to emerging risks associated with EU exit, noting that further detail will be made available at the next Committee meeting;</li> <li>• A position update with regard to FH contracts held by the HB;</li> <li>• Presentation of corporate risks allocated for scrutiny to Finance Committee;</li> <li>• Discussion of findings from the FDU peer review between HDdUHB and CVUHB, noting areas for improvement identified for the HB;</li> </ul>	

	<ul style="list-style-type: none"> <li>An update in relation to medical staff job planning, noting improvement in the HB's performance, and ambitions to further increase compliance against job planning targets.</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(20)140</b>	<b>ANY OTHER BUSINESS</b>	
	Mr Thomas advised Members of a meeting of the Federation of Small Businesses to be held on 29 <sup>th</sup> September 2020, and highlighted the high level of interest expressed by local businesses in working with the HB.	

<b>FC(20)141</b>	<b>DATE OF NEXT MEETING</b>	
	Thursday 22nd October 2020, 2.30 pm - 5.00 pm, Boardroom, Ystwyth Building, St. David's Park, Carmarthen	