

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

Date and Time of Meeting:	Tuesday 26th January 2021, 10.00 am – 12.30 pm
Venue:	Board Room, Ystwyth Building, St. David's Park, Carmarthen

Present:	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)
In Attendance:	Mr Huw Thomas, Director of Finance Miss Rebecca Hayes, Senior Finance Business Partner Mrs Rhian Davies, Assistant Director of Finance - Service & Cost Improvement/ Performance (VC) Mr Shaun Ayres, Assistant Director of Value Based Contracting (VC) <i>part</i> Mr Anthony Tracey, Assistant Director of Digital Services (VC) Mr Alan Binks, Head of Procurement (VC) <i>part</i> Mr Dylan Jones, Blood Science Service Lead (VC) <i>part</i> Mrs Jennifer Thomas, Senior Finance Business Partner (VC) Mr John Seymour (PWC) Modelling Project Lead (VC) <i>part</i> Mr Alpesh Shah (PWC) Modelling Partner (VC) <i>part</i> Ms Eloise Oakley (PWC) Workforce Expert (VC) <i>part</i> Ms Sonja Wright, Committee Services Officer (Secretariat)

AGENDA ITEM	ITEM	Action
FC(21)01	INTRODUCTIONS AND APOLOGIES FOR ABSENCE	
	<p>The Chair, Mr Michael Hearty, welcomed all to the meeting.</p> <p>Apologies for absence were received from:</p> <ul style="list-style-type: none"> Mr Steve Moore, Chief Executive Miss Maria Battle, HDdUHB Chair Mrs Lisa Gostling, Director of Workforce and Organisational Development Mrs Joanne Wilson, Board Secretary Mr Andrew Carruthers, Director of Operations 	

FC(21)02	<p>DECLARATIONS OF INTERESTS</p> <p>Mr Maynard Davies declared an interest in item FC(21)05 Long Term Financial and Workforce Model, advising the Committee that a family member is a senior manager within Price Waterhouse Cooper (PWC).</p>	
FC(21)03	<p>MINUTES OF PREVIOUS MEETING HELD ON 22nd DECEMBER 2020</p> <p>The minutes of the Finance Committee meeting held on 22nd December 2020 were ACCEPTED as an accurate record.</p> <p>RESOLVED – that the minutes of the Finance Committee meeting held on 22nd December 2020 be APPROVED as an accurate record.</p>	
FC(21)04	<p>MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 22nd DECEMBER 2020</p> <p>The Table of Actions from the meeting held on 22nd December 2020 was reviewed, and confirmation received that all outstanding actions had been completed or were forward-planned for a future Finance Committee meeting.</p> <p>Mr Huw Thomas advised that action FC(20)193 <i>To present a business case for the PPH Vanguard proposal to Finance Committee at a future meeting</i> refers to an operational issue, and that it would therefore be added to the Finance Committee’s forward work programme.</p>	SW
FC(21)05	<p>LONG TERM FINANCIAL AND WORKFORCE MODEL (WORKSHOP SESSION)</p> <p>The Committee received a report outlining processes followed in the development (in collaboration with PWC) of a Strategic Workforce Model and a Long-Term Financial Model (LTFM) to support financial forecasting and inform decision making, together with a presentation from the PWC team demonstrating the functionality of working draft versions of the models.</p> <p>Members were advised of challenges arising from the historic disconnect between Financial and Workforce planning, and of the need to link workforce plans with demand and capacity assessment, as shown, for example, in the work undertaken on behalf of the Health Board (HB) by Lightfoot Solutions Ltd.</p> <p>Members were informed that the LTFM is not yet finalised, and advised that the focus of the model is set at a strategic level which allows the high-level impacts of scenarios to be modelled and compared, while the Strategic Workforce Model would support the forecasting of financial outcomes and scenarios by feeding workforce elements into the LTFM.</p> <p>In presenting the draft working models to the Committee, Mr John Seymour, PWC, invited comment and queries from Members, recognising that the models had yet to be finalised, and confirmed that further</p>	

developments in the LTFM and the Strategic Workforce Model would be presented to Finance Committee at its next meeting to be held on 25th February 2021.

Members reviewed slides which were presented in the meeting, and the PWC team highlighted the following key aspects regarding the functionality of the models:

- The models are based upon Excel, for input of working data, and Power BI, which provides flexible and interactive interrogation of a range of scenarios based upon this background data;
- The logic flows for both models are presented in diagrammatic form, showing the feed of data sets and assumptions to generate forecast outcomes;
- While, for demonstration purposes, 2018/19 and 2019/20 income and expenditure (I&E) data is used, this can be updated to provide outcomes more reflective of the impact of COVID-19;
- Figures reflecting assumptions regarding activity growth and cost inflation can be entered when running scenarios;
- Activity growth (in workforce terms) needs to be converted to monetary value, and an initial set of elasticity assumptions have been agreed with the HB Finance team;
- Up to 5 alternative scenario outputs may be generated and presented against a base scenario to reflect the impact of different parameters;
- A term of 6 years is used in the presentation of outputs, which reflects the period up to the operationalisation of the new hospital.

Members were informed that the next stage of the modelling development process will focus upon specific changes which will impact upon I&E over the following years, for example, recurrent and one-off investments which will impact upon activity.

Responding to a query from Mr Michael Hearty as to whether the unit of outcome calculation within the LTFM is fixed on a Directorate basis, Mr Seymour explained that while this breakdown component may be replaced to reflect a different denominator, the structure of the model would thereby be altered, and requested that the PWC team be advised of any additions to calculation factors within the existing model which may be required. Mr Huw Thomas added that for the time being, he was content with the use of Directorate (including County Directorates) as a base for outcome calculation, given that this unit is widely used within the HB for planning and performance purposes, and reflected that the model may be flexed to reflect any changes at a later stage if required.

Responding to a query from Mrs Judith Hardisty regarding how short term income streams (e.g. Integrated Care funding) may be input into the LTFM, Mr Thomas confirmed that the model possesses the flexibility to reflect the impact of this income.

Mr Hearty emphasised the need to clarify that the LTFM is a tool, and not the HB's Financial Plan; Mr Thomas agreed, reflecting that the accuracy of

outputs is determined by the assumptions which feed them, and cautioning that while the LTFM is a valuable tool, it is important to recognise its limitations. Members were additionally advised that further work is required to develop the granularity of the model, allowing for more local outcome analysis.

Mr Hearty queried when a strategic workforce plan will be available, given that the LTFM requires detail relating to staff pay costs, and that the capacity for long-term scenario modelling will necessarily be based upon future workforce data. Mr Thomas agreed that once the HB moves into recovery stage, there will be an imperative to develop a workforce plan at pace.

Mr Alpesh Shah, PWC, informed Members that while further detail relating to workforce costs is required, current HB workforce data has been input into the Strategic Workforce Model.

Ms Eloise Oakley, PWC, described the following elements feeding the Strategic Workforce Model:

- With regard to costing, Month 7 budgeted establishment figures have been used as a base point, with assumptions predicated upon this data, although this base may be updated with current establishment data;
- Elasticity assumptions provide options to input changes relating to specific work activities and to build upon assumptions relating to recruitment (currently expressed in terms of monthly percentage parameters), staff turnover and staff sickness/ absence in order to build a representation of actual staffing levels within the HB to enable the generation of accurate outputs;
- Headroom assumptions are used to avoid double-counting of staff numbers;
- Staff on-costs and assumptions are factored in to the model;
- Data covering the previous 18-month period has been used to determine the gap in substantive Full Time Equivalent staff members which will need to be filled, shown by pay band and type, and based upon current pay rates, which can be amended as required.

Responding to queries from Mr Paul Newman as to whether the budgeted establishment is the same as the actual establishment and whether the 2020/21 Month 7 figure used is distorted by recruitment in response to the COVID-19 pandemic, Ms Oakley explained that budgeted establishment data is set at the beginning of 2020 and is therefore based upon pre-pandemic figures.

Mr Thomas highlighted significant complexities in compiling accurate workforce data, which may not be reflected in the Strategic Workforce Model, while Mrs Hardisty queried whether workforce costs may be distorted by the inclusion within the model of staff who, while delivering healthcare services, are employed by other organisations. Ms Oakley agreed to follow up this point and to investigate whether the model may be adapted to identify and separate out this staff cohort. Mr Shah added that

	<p>it is possible to add overlays to the model in order to reflect step-changes in the transfer of healthcare services to other organisations.</p> <p>In response to a query from Mr Hearty as to whether it is possible to overlay the HB's current staffing position with the target model which the organisation wishes to reach over the longer term and to use the tool to generate key milestones which will need to be met in order to reach a target establishment profile, Mr Shah explained that while the model will not calculate trajectories, or 'back-solve' existing gaps, it will work upon assumption options which users wish to test in order to reach a target position and allow scenario-modelling once this is identified.</p> <p>Responding to a query from Mr Newman as to whether errors in budgeted establishment figures would distort data which flows from the model, Ms Oakley confirmed that this would be the case, and advised that, provided that the development team are apprised of any errors, these can be corrected via a manual override facility. Members were additionally informed that unexpected variations in output scenarios will flag up potential errors in establishment data.</p> <p>Mr Hearty queried whether the LTFM and Strategic Workforce Model would be utilised to provide audit evidence of financial and workforce modelling feeding into the Programme Business Case (PBC) for the new hospital. Mrs Rhian Davies explained that she is currently working with PWC to develop financial elements of the business case, and informed Members that while the workforce model is not sufficiently sensitive to enable capacity modelling to feed the PBC, the Finance Team is working with PWC to link capacity change with resulting impact, and with the Digital Team to link these elements with other related workstreams.</p> <p>Members agreed that the LTFM and the Strategic Workforce Model, as demonstrated in the meeting, showed a high degree of potential, recognising some weaknesses and further refinements required, and noted that developments in the models would be presented to Finance Committee at its next meeting to be held on 25th February 2021.</p>	
	<p>The Committee REVIEWED and DISCUSSED the Strategic Workforce Model and the Long-Term Financial Model, noting requirements to link financial and workforce elements in modelling outcomes.</p>	

<p>FC(21)06</p>	<p>FINANCE REPORT AND FINANCIAL FORECAST MONTH 9, 2020/21</p> <p>The Committee received the Month (M)9 2020/21 Finance Report, outlining the HB's financial position to date against the Annual Plan and providing an assessment of the key financial projections, risks and opportunities for the financial year 2020/21, together with the financial forecast position for 2020/21, as assessed at M9.</p> <p>The following key points were highlighted:</p> <ul style="list-style-type: none"> • The M9 position represents a continuation of year-to-date trends, showing a variance to breakeven of £7.6m (Month 8, £8.0m) and an expenditure level similar to Month 8, with a reduction in staffing costs (£0.2m) attributable to COVID-19. 	
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- An increase in Field Hospital decommissioning costs of £0.4m.
- The in-month reported position is breakeven against a deficit plan of £2.1m, recognising the risk of an increase in the HB's expenditure profile, attributable partly to the replacement of out-dated medical equipment.

Members noted that the HB remains on course to meet its year-end deficit target of £25m, with a risk of underspending against this figure, and were advised that further reductions in levels of elective care activity would show in the M10 position.

Mr Thomas explained that the HB has taken a decision to utilise a proportion of its deficit funding from WG to invest in improvements which will put the organisation in a good position in terms of patient care and safety for 2021/22, citing the replacement and upgrading of medical equipment (including, for example, the introduction of Wi-Fi enabled syringe drivers). Responding to a query from Mrs Hardisty regarding how the impact of such improvements in quality may be quantified in order to identify whether these measures will result in better value for the HB and for patients, Mr Thomas informed Members that the Head of Clinical Engineering, Mr Chris Hopkins, would be invited to a future meeting of the Finance Committee in order to provide members with an opportunity to discuss the value arising from investment in clinical equipment in 2020/21, and means of exploring value-based interventions.

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In response to a query from Mr Maynard Davies in terms of what is included in savings of £1.6m designated as 'Corporate Other', as shown on the *In Month Variance by Directorate* summary, Miss Rebecca Hayes explained that these relate to slippage in areas of previously committed reserves, and confirmed that she would provide additional detail to Mr Davies.

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Mr Davies further queried whether the HB is considering future staffing requirements in the event that the COVID-19 vaccination programme will be an annual requirement. Mr Thomas explained that the Finance Team is currently developing an analysis of 3 material areas of COVID-19 resource investment pre-committed for 2021/22, which will require Board approval, details of which would be presented to Finance Committee at its next meeting on 25th February 2020:

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- Test Trace Protect
- COVID-19 vaccination programme
- Site cleaning

Members were advised that further time is required for strategic consideration of the provision of COVID-19 vaccination programmes over the longer term, including identification of the staffing skill mix required for the delivery of these programmes.

Recognising the need to consider the risks relating to the delivery of the end-of-year deficit position of £25m, and provisions which will be required in order to achieve delivery, Mr Thomas advised Members that a plan to manage the year-end position will be presented to Finance Committee at its next meeting. Mr Hearty welcomed this assurance, reflecting that it

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	would serve to demonstrate both the accuracy of the HB's forecasting, and discharge of duties on the part of the Committee, in terms of providing assurance to the Board in respect of short, medium and long term financial performance and financial planning.	
	The Committee NOTED and DISCUSSED the financial position and the End of Year Forecast for M9 2020/21.	

FC(21)07	CAPITAL FINANCIAL MANAGEMENT	
	<p>Members received the Capital Financial Management report, providing the most recent update in regard to the All-Wales Capital Programme (AWCP), the Capital Resource Limit (CRL) for 2020/21 and the value of capital expenditure currently committed to deal with the COVID-19 pandemic for 2020/21.</p> <p>The following key points were highlighted:</p> <ul style="list-style-type: none"> • An increase in the CRL of £560k, with the release of Tranche 6 of WG COVID-19 funding, leaving a residual risk of £272k in the funding gap for COVID-19 costs, which is deemed by the organisation to be manageable. • WG End of Year (EoY) allocation slippage of £1.98m, for which the HB has compiled a prioritised list for funding allocation. • The risk of slippage in the HB's Discretionary Capital Programme (DCP) is being actively managed, with contingency plans in place for spending on alternative schemes before year end. <p>Members noted increased stability in the HB's capital position as compared to that in previous months, recognising the monitoring and management of potential slippage in the EoY WG allocation and the DCP.</p>	
	<p>The Committee:</p> <ul style="list-style-type: none"> • NOTED a further tranche of WG COVID-19 funding and the reduction in the value of the funding risk for COVID-19 schemes; • NOTED the value of capital expenditure currently committed to deal with the COVID-19 pandemic for 2020/21 and funding released to date; • NOTED the update regarding the Women and Children Phase II Scheme (Glangwili General Hospital). 	

FC(21)08	DIGITAL PLANNING	
	Members received the HB's Digital Response 2020-25, presenting the organisation's future strategic vision for investment in digital services for the next five years, in order to meet the priorities outlined within the HB's Health & Care Strategy, ' <i>A Healthier Mid and West Wales: Our Future Generations Living Well</i> ' and the 20-year vision for population health	

outcomes set out in the HB's Health and Wellbeing Framework, '*Future Generations: Living Well*'.

Recognising the importance of the Digital Response to the HB's wider strategy, Members suggested that the paper should be shared with the Board, and Mr Hearty sought Mrs Hardisty's views on whether, in order to reach a wider audience, it should also be shared with the Regional Partnership Board. Mrs Hardisty agreed that this would be appropriate and useful, advising, however, that the paper be presented in the first instance to the Integrated Executive Group.

Members were advised that the Digital Response would serve to place the HB in a good position with regard to taking full advantage of opportunities to improve service delivery, patient care and working practice, which will be provided through the adoption and roll-out of digital systems within the organisation. Members were informed that a measure of the robustness of the HB's digital plans lay in the adoption of some elements of the response at national level – namely by Digital Health and Care Wales.

Mr Davies proposed potential areas for enhancement within the Digital Response, recognising that these may entail financial costs:

- Further detail regarding how the organisation can contribute to digital inclusion, particularly in relation to enabling digital access for older members of the community, and given that this is also included in WG's equality agenda.
- Opportunities to utilise the digital agenda to enhance access to knowledge and best practice for medical staff in order to support decision-making and learning.

While drawing Members' attention to areas of opportunity relating to digital inclusion which are currently being developed by the HB in collaboration with partner organisations, for example the provision of bedside iPads for hospital patients and work with Delta Wellbeing to provide a range of peripheral devices which will assist patients in managing their health conditions within a home setting, Mr Thomas agreed that further consideration should be given by the organisation to the nature and scope of digital inclusion, and informed Members that concepts which would support this – such as the use of Integrated Care Centres as digital hubs - are being taken forward by the Assistant Director of Digital Services and his team.

Mr Anthony Tracey added that further work is required to develop digital inclusion elements within the HB's Digital Response, but assured Members that the next iteration of the paper will include these, recognising that work is required with Local Authority colleagues to ensure that Broadband infrastructure is in place.

In regard to enabling medical staff to access specialist knowledge and best practice, Mr Thomas drew Members' attention to the HB's collaboration in work to map out healthcare pathways, linking these to best practice, which enables clinicians to make decisions in real time and to manage out clinical variation in a consistent way.

	<p>Mr Mike Lewis commended the Digital Response, noting that digital capability is one of the 12 pillars supporting the HB’s Healthcare Strategy, and queried how the response would be funded. Mr Thomas informed Members of his intention that the projects included within the Digital Response initially be tested through the Agile Digital Business Group (ADBG) in order to determine which should be rolled out at pace, and which would require revision prior to implementation.</p> <p>Members were advised that £1.6m has been invested by the HB in its Digital Response, and it is therefore important to actively test the value of this investment through the ADBG. Members were assured that the Digital Team is extracting maximum value from this investment, and is progressing digital transformation work with Organisational Development colleagues to investigate options to digitise forms in order to drive efficiency in working practice within the organisation. Members were informed that the Digital Team is reviewing previous strategies in collaboration with a variety of services in order to determine whether these may now be progressed as a result of increased digital capability across the HB.</p>	
	<p>The Committee NOTED and DISCUSSED the HB’s Digital Response 2020-25.</p>	

<p>FC(21)09</p>	<p>PROCUREMENT ANALYSIS – CLES INTERIM REPORT</p> <p>Members received an interim report published by the Centre for Local Economic Strategies (CLES), which has been commissioned by the HB to develop HDdUHB’s role as a key anchor organisation as part of a Community Wealth Building approach, focusing initially upon progressive procurement. Summary slides providing a review of key points included in the interim report were also presented to members.</p> <p>Mr Thomas informed the Committee that the report has been commissioned as part of the new covenant between the HB and local communities and reflects a moral imperative upon the organisation to repay the support which it has received from its local populations during the COVID-19 pandemic by developing plans to recruit locally, to train and develop staff and to utilise the HB’s assets to best effect in commissioning and purchasing goods and services to effect change within a wider economic, social, and environmental background, recognising that this may present additional challenges to the organisation’s procurement function.</p> <p>Mr Alan Binks advised Members that while the HB is at an initial stage in developing this approach to procurement, it currently leads among Welsh Health Boards in this respect, and explained that the organisation has already engaged with local government bodies and with NHS Wales Shared Services Partnership (NWSSP) to promote community wealth building and social value.</p> <p>Mr Binks drew Members’ attention to the following points:</p> <ul style="list-style-type: none"> • A spend analysis review and gap analysis shows ‘leakage’ of £16.5m (i.e. HDdUHB spend with suppliers based outside Wales). 	
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	<p>Reconciliation work will be required to determine what this figure represents, as it is not based upon the HB's source financial data from Oracle, and does not use NHS 'E-Class' classification.</p> <ul style="list-style-type: none"> • Given the significant level of flexibility and opportunity within the food services sector, the HB has engaged with NWSSP All Wales Sourcing to explore ways of extending localised supply within existing contractual frameworks. • Given the potential to increase costs through localising supply, which may not deliver lowest costs of acquisition, there needs to be commitment from WG that central funding will reflect this, should this be the case. • The HB is actively considering the integration of Social Value (via <i>socialvalueportal.com</i>) into its higher value contracts and tenders, utilising the portal's software to enable weighted evaluation criteria to be included within tender processes to inform award of contracts. <p>Mr Thomas reflected that the interim report provides an important response to challenges associated with the organisation's commitment to a foundational economy, advising Members that the final CLES report would be presented to Finance Committee at its next meeting on 25th February 2021, and that the HB's Procurement Strategy would be presented to the Committee at its meeting on 23rd March 2021.</p> <p>Mrs Hardisty commended the report and requested that an analysis of challenges for the HB as weighed against benefits for the local economy be included in the final report, to include the degree to which increased procurement costs for the organisation might be offset by factors such as a decrease in carbon costs.</p> <p>Mr Thomas considered that, given the number of local small and medium-sized enterprises (SMEs) which have engaged with the HB to progress procurement opportunities, it is unlikely that local procurement would increase costs, and highlighted opportunities to work with Local Authority business teams in sourcing local suppliers.</p> <p>In the interests of transparency, Mr Davies and Mr Lewis declared an interest, in that both have a personal friendship with the Operational Director of a local firm which produces medical equipment.</p>	HT
	<p>The Committee DISCUSSED the CLES Interim Report, welcoming the proposals whilst recognising that further work is required.</p>	

FC(21)10	PROCUREMENT OF HAEMATOLOGY AND COAGULATION MANAGED SERVICE AGREEMENT	
	<p>Members received a report seeking Finance Committee's support to proceed with the procurement of Haematology and Coagulation equipment, reagent and consumables via a Managed Service Agreement, and were advised that further sign-off will be required at WG level</p>	

(following Board approval) due to the total contract value being greater than the £1,000,000 threshold.

Members were informed that this represents a significant contract which will necessarily be put out to tender, and were assured that the contract value lies within the HB's current budget.

Mr Dylan Jones explained that laboratory Haematology and Coagulation service provision is currently provided by many different service providers on short-term contracts across the HB, and informed Members that possessing different equipment platforms in each laboratory produces result comparability challenges across sites, while holding multiple short-term contracts is not financially competitive.

Members were advised that the aim of the current tender is to standardise Haematology and Coagulation service provision in order to meet clinical requirement across the network, enabling consistency in analysis results across HB sites and providing increased value for money.

Recognising historic issues relating to the fragility of the HB's Haematology Consultant establishment, Mrs Hardisty queried whether the standardisation of equipment would serve to attract Consultants to work within HDdUHB. Mr Jones explained that while this is not a major factor in procurement, an improvement in software and equipment would undoubtedly assist Consultant Haematologists with their workload, in addition to providing improvements in Haematology and Coagulation services for patients.

Mr Thomas recommended that consideration be given to the use of artificial intelligence in Radiology and other diagnostic services in order to supplement human decision-making and to consolidate physical activity, thereby reducing time spent upon sample analysis. Members were informed that this will be discussed by HDdUHB Blood Sciences, Digital and Finance Leads.

Responding to a query from Mr Davies as to whether the cost of providing an interface between the HB's Haematology services and the Laboratory Information Management System (LIMS) are built into the contract, Mr Jones explained that separate interfaces already exist between LIMS and the HB's current providers. Mr Davies suggested that a further benefit for the organisation in procuring a single managed service arrangement would therefore lie in having access to centralised middle-ware which will enable Haematology Consultants to review test results in the event of a failing in the LIMS system.

Members inquired whether there are any contingency plans to mitigate risk to the HB in the event of sub-standard performance on the part of a single service provider, and queried the length of time required to replace the service should the HB choose to terminate the contract due to service quality issues. Mr Jones explained that a suite of key performance indicators would be used to monitor service performance, and that an escalation process and termination clause would be included within the contract.

Mr Thomas assured Members that risks associated with the utilisation of a single service provider are low, given that the service would necessarily

	<p>utilise a range of suppliers to manage different elements of the service, thus spreading potential risk.</p> <p>Responding to Mr Hearty's query regarding WG's view of the proposal for the HB to adopt a Managed Service Agreement to provide Haematology services, Mr Thomas explained that this represents a standard procurement arrangement, advising Members that the HB is not seeking additional funding to cover contractual costs, and highlighted potential opportunities for savings which may arise from the arrangement.</p> <p>Having discussed the proposal, and reviewed potential risks and anticipated benefits, Members supported the request to proceed with the procurement of Haematology and Coagulation equipment via a Managed Service Agreement, noting that Board approval for the proposal would be sought and that further sign-off will be required by WG.</p>	
	<p>The Committee DISCUSSED and SUPPORTED the request to proceed with the procurement of Haematology and Coagulation equipment via a Managed Service Agreement, prior to seeking Board approval.</p>	

<p>FC(21)11</p>	<p>EU EXIT</p> <p>Members were advised that EU Exit would be retained as a standing item on the Finance Committee agenda in order to monitor future developments, and were informed that the HB Brexit Steering Group would continue to meet on a monthly basis until June 2021.</p> <p>Mr Thomas highlighted the following points:</p> <ul style="list-style-type: none"> • The need to ensure that all affected HB staff submit applications under the Settled Status scheme by the deadline in June 2021; • A reduction in risk relating to changes in Ireland's ports arrangements; • A reduction in the score for the risk relating to EU Exit which is recorded on the Corporate Risk Register (Risk 635: <i>No deal Brexit affecting continuity of patient care</i>). 	
	<p>The Committee NOTED the update regarding EU Exit.</p>	

<p>FC(21)12</p>	<p>BALANCE SHEET</p> <p>The Committee received a report outlining the HB's Balance Sheet position at Month 9, including an explanation of key movement and outlining the monthly scrutiny of the Balance Sheet and further developments.</p> <p>Members were advised of a movement of £2m from the opening balance position, which is primarily linked to medical negligence claims, and informed of a decrease in the Welsh Risk Pool debtor due to closure of medical negligence claims and a small reduction in the number of claims.</p> <p>Mrs Jennifer Thomas informed Members that the procurement process for a Balance Sheet closedown system (as reported to Finance Committee at its meeting on 22nd October 2020) has concluded, and that the contract</p>	
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	<p>has been awarded to Blackline Solutions. Members were advised that the Blackline solution will enable a move away from manual month-end Balance Sheet reconciliations, which will be undertaken with greater transparency, efficiency and completeness, thereby providing greater assurance that all controls and approvals are in place.</p> <p>Members were advised that potential risk to the organisation is often apparent in the monthly analysis of the HB's Balance Sheet, and it is therefore submitted to Finance Committee for scrutiny. Mr Thomas highlighted the thorough work undertaken by the HB Financial Accounts Team, informing Members that the adoption of the Blackline system will mitigate risks in monthly reconciliation processes, and will enable members of the Accounts Team to focus upon additional value-added activities.</p> <p>Responding to a query from Mr Hearty regarding the HB's position in relation to medical negligence claims, Mrs Thomas explained that the organisation is currently in a more stable position, recognising, however, that it is difficult to accurately predict numbers and profile such cases.</p> <p>Being advised that the size of the settlement figure for some medical negligence claims reflects the need in some cases to make provision for individuals involved for the remainder of their lives, Members requested that further detail of medical negligence provision be included in the next Balance Sheet report to Finance Committee at its meeting on 29th April 2021.</p>	JT
	<p>The Committee NOTED the HB's Balance Sheet position as at Month 9, and the award of a contract for a Balance Sheet closedown system to Blackline Solutions.</p>	

FC(21)13	FINANCIAL PROCEDURES	
	<p>Members reviewed the following financial procedures:</p> <ul style="list-style-type: none"> • Cash Procedure • Project Bank Accounts 	
	<p>The Committee APPROVED the following financial procedures:</p> <ul style="list-style-type: none"> • Cash Procedure • Project Bank Accounts 	

FC(21)14	UPDATE FROM AGILE DIGITAL BUSINESS GROUP MEETING	
	<p>Members received, for information, a report of discussions and outcomes from the meeting of the Agile Digital Business Group held on 17th December 2020.</p>	
	<p>The Committee NOTED the report of discussions and outcomes from the meeting of the Agile Digital Business Group held on 17th December 2020.</p>	

FC(21)15	MONTHLY MONITORING RETURNS AND HDdUHB COMMENTARY	
	Members received, for information, the M9 Monthly Monitoring Returns submitted to WG.	
	The Committee NOTED the HB's M9 Monitoring Returns to WG.	

FC(21)16	MINISTERIAL DIRECTIONS	
	Members received a report providing the Committee with a status update and assurance that all NHS Non-Statutory Instruments (NSIs), otherwise known as Ministerial Directions (MDs), received from WG in 2020/21 have been implemented or adopted by the HB.	
	The Committee NOTED that the HB is compliant with the NSIs (MDs) issued by WG between 7 th July 2020 and 13 th January 2021.	

FC(21)17	FINANCE COMMITTEE WORK PLAN	
	The Committee's annual work plan for 2020/ 21 was presented to the Committee for information.	
	The Committee NOTED the items listed on its annual work plan for 2020/21.	

FC(21)18	REFLECTIVE SUMMARY	
	<p>Mr Thomas highlighted the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting:</p> <ul style="list-style-type: none"> • A useful and informative workshop session delivered by PWC, demonstrating the potential benefits of long-term financial and strategic workforce modelling tools, recognising that further development of the models will be presented to Finance Committee at its meeting on 25th February 2021; • A continuation of previously reported trends in the HB's M9 financial position, recognising work to address risks in the 2020/ 21 outturn position and the risk of underspend against the year-end deficit position, and noting the HB's purchase of updated medical equipment; • Review of the HB's Digital Response 2020-25, recognising the need to realise benefits from the HB's investment in digital capability, which will be monitored by Finance Committee via monthly reporting; 	

	<ul style="list-style-type: none"> • A positive interim report from the Centre for Local Economic Strategies outlining opportunities for the HB to leverage its assets to support the foundational economy; • Committee support for a request to proceed with the procurement of Haematology and Coagulation equipment via a Managed Service Agreement, prior to seeking Board approval. 	
	The Committee NOTED the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting.	

FC(21)19	ANY OTHER BUSINESS	
	No other business was raised.	

FC(21)20	DATE OF NEXT MEETING	
	Thursday 25 th February 2021, 9.30 am - 12.30 pm, via Microsoft Teams	