

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

Date and Time of Meeting:	Tuesday 28 th April 2020, 9.30am to 12.30pm
Venue:	Boardroom, Ystwyth Building, St David's Park, Carmarthen

Present:	Mr Michael Hearty, Associate Member (Committee Chair) Mr Mike Lewis, Independent Member (Committee Vice Chair) Mrs Judith Hardisty, Vice Chair, Hywel Dda University Health Board Mr Paul Newman, Independent Member Mr Maynard Davies, Independent Member
In Attendance:	Miss Maria Battle, Chair, Hywel Dda University Health Board Mr Huw Thomas, Executive Director of Finance Mrs Joanne Wilson, Board Secretary Miss Sadie North, Finance Value Business Partner, Secretariat

AGENDA ITEM	ITEM	
FC(20)47	INTRODUCTIONS AND APOLOGIES FOR ABSENCE	Action
	<p>The Chair, Mr Michael Hearty, welcomed everyone to the meeting.</p> <p>Apologies for Absence were received from:</p> <ul style="list-style-type: none"> • Mr Steve Moore, Chief Executive Officer (CEO) • Mr Andrew Carruthers, Executive Director of Operations • Mrs Lisa Gostling, Executive Director of Workforce & Organisational Development <p>Mr Michael Hearty informed the Committee that a break would be taken at 11.00 am to mark the minute's silence to honour healthcare workers who have died from Covid-19.</p> <p>Mr Michael Hearty advised that the Committee would need to discuss:</p> <ol style="list-style-type: none"> 1. Current arrangements and whether the Committee has sufficient assurance that robust record keeping arrangements are in place. 2. How the Health Board will restart the organisation and demonstrate it is financially well-managed. 3. How the Health Board would continue on its transformation journey. 	
FC(20)48	DECLARATION OF INTERESTS	
	There were no declarations of interest.	
FC(20)49	MINUTES OF PREVIOUS MEETING HELD 13TH MARCH 2020	
	The minutes of the meeting of the Finance Committee held on 13 th March 2020 were ACCEPTED as an accurate record.	

RESOLVED – that the minutes of the Finance Committee meeting held on 13th March 2020 be **APPROVED** as an accurate record.

FC(20)50	MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 13th MARCH 2020	
	<p>An update was provided on the Table of Actions from the meeting held on 13th March 2020 and confirmation received that all outstanding actions had been progressed or were forward-planned for a future Finance Committee meeting, with the exception of:</p> <ul style="list-style-type: none">• FC (20) 17: Draft Financial Plan – Mr Huw Thomas to provide an update at the next meeting about the delivery of savings for 2020-21 in light of the unprecedented events;• FC(20) 21: Primary Care Prescribing – Mr Huw Thomas to reflect on prescribing information available now and in the future, and to work with Mark Bowling on this;• FC(20) 22: Corporate Risks – Mr Huw Thomas noted a new risk has been identified on the Register for Covid-19.	HT
FC(20)51	FINANCE COMMITTEE ANNUAL REPORT 2019-20	
	<p>Mr Mike Lewis asked if there was any feedback from Welsh Government around the report from KPMG.</p> <p>Mr Huw Thomas replied that there had not been any further response. The focus is now on:</p> <ul style="list-style-type: none">• Understanding the level of duplication in the service across the Health Board;• Focus on the impact to patients since lockdown was imposed. The need to understand how much reduced activity is expected to recover to pre-Covid-19 levels, and how much may not.• The need to capture the benefits that had occurred as part of the changes that had been required to be made <p>Mr Michael Hearty commented that the Finance Committee work plan would need to continue to look at the underlying deficit work.</p> <p>Miss Maria Battle stated that there was good intelligence behind the underlying deficit work. There is the need to look at safe ways of working in primary and secondary care, and that there are lessons to be learned, noting that the work of the soon-to-be established Recovery, Learning and Innovation Group was key.</p> <p>Mr Paul Newman asked for consideration to be given to the use of deep dives as emerging areas of the work plan to understand what drives the financial position. It was agreed that Women and Children’s services and Radiology services would be considered for a review within this financial year. Mr Huw Thomas commented that the challenge is to understand how the risk landscape has changed with Covid-19 and undertook to bring some views on this to the next meeting</p>	HT

	<p>Mr Michael Hearty re-iterated that the Health Board needs to use the Covid-19 experience to look into deep dives and revise the work plan accordingly.</p> <p>Mr Huw Thomas stated that budgets have been established and issued to budget holders for 2020-21. However, accountability letters had not been issued at this time due to the challenge of getting sign-off, given the unknown impact of Covid-19. Audit Wales have confirmed this is a sensible approach and that in due course something will be issued to include the impact of Covid-19.</p> <p>Mr Michael Hearty acknowledged the need for flexibility at this moment in time, but also a need to return to normality in the future.</p>	
<p>The Committee ENDORSED the Finance Committee Annual Report 2019-20 for onward submission to the Board.</p>		

FC(20)52	FINANCE REPORT MONTH 12	
	<p>Mr Huw Thomas reported:</p> <ul style="list-style-type: none"> • That the deficit in 2019/20 stood at £34.9m; • There was £1.6m additional resource from Welsh Government. This included £1.6m for Covid-19 expenditure on clinical services and supplies; • Stock takes were not undertaken at year end due to safety issues for staff undertaking these and the planning which was being undertaken for the pandemic; • Nurse agency usage continued to be an issue which was raised through Gold Command; • Expenditure on homecare drugs increased, believed to be a response to practitioners making sure patients were prescribed sufficient medication to cover during the initial phase of Covid-19. <p>Miss Maria Battle noted that decisions on spend in Month 12 had been based on correct decisions at the time from the modelling of patient activity for Covid-19, and that if the Health Board had not made the decisions it had, then the supply chain could have been compromised.</p>	
<p>The Committee NOTED the financial position for Month 12</p>		

FC(20)53	REFERRAL TO TREATMENT TIME (RTT) MONTH 12	
	<p>Mr Huw Thomas asked the Committee to note the summary, which had been issued by email.</p>	

FC(20)54	CAPITAL FINANCIAL MANAGEMENT	
	<p>Mr Huw Thomas reported:</p> <ul style="list-style-type: none"> • Underspend of £1.1m; • This sum was returned to Welsh Government, who in turn have allowed this to be rolled forward; 	

- The reason for the underspend was interruption to the plan as a result of COVID-19;
- After adjustments there was a £32k underspend for the year.

Mr Paul Newman noted that the Internal Audit report for Women and Children's Phase 2 had a number of issues which may need to come back to the Finance Committee.

The Committee

- **NOTED** the Capital Resource Limit outturn position for 2019-20 and the opening position for 2020-21;
- **NOTED** the impact of COVID-19 upon the 2019-20 CRL and the value of capital expenditure currently committed to respond to COVID-related demand for 2020-21.

FC(20)55

COVID-19 VFM AND GOVERNANCE FRAMEWORK

Mr Huw Thomas presented a report and made the following observations:

- Significant work has been undertaken in response to COVID-19;
- The Committee was asked to recognise that some decisions have been made outside of HDdUHB's Scheme of Delegation and there is therefore a need to recognise that the Health Board will need to demonstrate value for money (VFM) and regulate the expenditure through governance processes, noting these would need to be discussed at the Audit and Risk Assurance Committee
- The Health Board will be required to assess what items purchased could, or could not be utilised after the pandemic.

Mr Michael Hearty recognised that there had been an easing of the Scheme of Delegation in these exceptional times and queried what happens after it is discovered that a decision has failed the VFM test. Mr Huw Thomas responded that the review process is on-going, and the next steps are to dovetail with the work being undertaken by Mrs Jo Wilson on Gold Command decision logs. He confirmed that the Scheme of Delegation remains extant. There will be a need to present this report at Audit and Risk Assurance Committee in due course. Mrs Wilson noted it would be helpful to share the letter, which had been issued to budget holders in relation to compliance with standing order to Committee members noting this clearly noted the need to ensure that the Scheme of Delegation is fully complied with moving forward.

Mr Michael Hearty queried whether there would be external scrutiny of decisions made, especially around field hospitals. Mr Huw Thomas confirmed he expected this, and is pulling together a pack of evidence in readiness for future scrutiny. In addition internal audit will also be undertaken a bespoke piece of work in relation to decision making surrounding the field hospitals.

Mrs Judith Hardisty questioned whether the Health Board has received better VFM from the new suppliers.

	<p>Mr Huw Thomas responded that the Health Board had used new and local suppliers, but as part of on-going work there would be the need to review quality and whether different procurement options are available in the future to secure items, especially PPE.</p> <p>Miss Maria Battle supported the continuation of resourcing locally and the need to look at opportunities going forward.</p>	
	<p>The Committee NOTED the COVID-19 VFM and Governance Framework.</p>	

FC(20)56	COVID-19 HEALTHCARE CONTRACTS	
	<p>Mr Huw Thomas presented the COVID-19 Healthcare Contracts report and observed:</p> <ul style="list-style-type: none"> • There is less concern for Welsh contracts; • An instruction has been issued by NHS England to set up block contracts, with Mr Thomas highlighting the concerns from a Hywel Dda perspective, particularly relating to RJAH and UHBT in Bristol. • Non-contracted activity will not be occurring in any significant level at the moment. Mr Thomas noted that as a net importer of this type of activity the Health Board could potentially lose funding up to £3.5m for non-contracted activity. Mr Hearty requested this be incorporated within the risks associated with COVID 19 and be discussed with Welsh Government. 	
	<p>The Committee NOTED the COVID-19 Healthcare Contracts report.</p>	

FC(20)57	FINANCE COMMITTEE ANNUAL WORKPLAN	
	<p>Mr Michael Hearty observed there would need to be flexibility around the Finance Committee work plan.</p> <p>Mr Huw Thomas asked if he could work together with the Committee Chair to refine the paper.</p>	
	<p>The Committee NOTED the Finance Committee Annual Workplan 2020-21.</p>	

FC(20)58	REFLECTIVE SUMMARY	
	<p>Mr Huw Thomas outlined the topics discussed by the Committee:</p> <ul style="list-style-type: none"> • The Health Board achieved the £34.9m deficit position following receipt of £1.6m from Welsh Government for COVID-19 costs; • RTT achievement reflecting a favourable performance; • Capital has been delivered within the resource limit with £1.1m taken and returned; • COVID-19 principles discussed and agreed; • Contracts position reviewed with a view to the financial consequences of COVID-19. 	

	The Committee NOTED the key topics discussed during the meeting for inclusion in the Finance Committee Update Report to the next Public Board meeting.	
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FC(20)59	ANY OTHER BUSINESS	
	No other business raised.	

FC(20)60	DATE AND TIME OF NEXT MEETING	
	Tuesday 26 th May 2020 9.30-12.30, Boardroom, Ystwyth Building, St David's Park	