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| Enw'r Pwyllgor / Name of Committee | Finance Committee |
| Cadeirydd y Pwyllgor/ Chair of Committee: | Mike Lewis, Vice Chair |
| Cyfnod Adrodd/ Reporting Period: | Meeting held on 19 th December 2019 |
| Y Penderfyniadau a'r Materion a Ystyriodd y Pwyllgor / Key Decisions and Matters Considered by the Committee: | |
| <p>The Finance Committee has been established to advise the Board on all aspects of Finance and the revenue implications of investment decisions. Hywel Dda University Health Board's (HDdUHB's) Finance Committee's primary role is, as such, to provide assurance on financial performance and delivery against HDdUHB financial plans and objectives and, with regard to financial control, to provide early warning of potential performance issues and to make recommendations for action to continuously improve the financial position of the organisation.</p> <p>This report summarises the work of the Finance Committee at its meeting held on 19th December 2019, with the following highlighted:</p> <ul style="list-style-type: none"> • Finance Report Month 8 – the Month 8 Finance Report was presented to Committee, reiterating the revision of the forecast position from the confirmed £15m Control Total to a forecast position of £25m, as ratified by the Board. The Committee was advised of the resulting risk to additional Welsh Government (WG) funding (£10m), as this had been predicated on delivery of the required £15m control total. The Committee was further advised that the Health Board's financial position at the end of Month 8 represented an adverse variance against plan of £2.0m, bringing the cumulative Year to Date (YTD) variance to £6.7m. The Month 8 YTD variance to breakeven figure is £17.5m. Improvement on Month 7 position reflected WG funding of the Core Team (£1.6m). The Committee was advised of key areas of concern: <ul style="list-style-type: none"> ○ The effectiveness of grip and control particularly in workforce management; ○ The Savings Requirement Plan has not yet been fully identified; ○ Significant pressures on drugs are manifesting in both Secondary and Primary Care; ○ Significant risk to £10m additional Welsh Government (WG) funding, as this had been predicated on delivery of the required £15m control total. <p>The Committee noted that projection, including savings risk, is an adverse variance to plan of £10.0m, equating to a year-end deficit position of £25.0m (in line with the current forecast).</p> • Supplementary Finance Report Month 8 - The Committee was advised of significant YTD pressure in Unscheduled Care (£3.7m, driven by bed capacity, medical staffing in medical specialities and A&E) and Medicines Management (£2.4m, driven by Primary Care Prescribing, mainly due to price increases for Category M drugs). | |

- **Turnaround Report Month 8** – the Turnaround Report Month 8 was presented to Committee, summarising activities and progress against schemes. Members noted that work would commence on Critical Care and Unscheduled Care from January 2020, with resulting improvements in run rate and financial spend anticipated. Some impact from Winter Planning had been identified, potentially affecting end of year forecast spend, with requirements to increase surge capacity, due to infection control issues, expected to ease imminently.
- **Referral to Treatment Time (RTT) Month 8 Report** – the Month 8 RTT Report was presented to Committee providing progress in respect of the financial plan and planned expenditure trajectory to support RTT, Diagnostic and Therapy service waiting times. Members were informed that HDdUHB remains on course to achieve zero 36-week breaches within the £6.4m RTT financial plan, notwithstanding current USC pressures, and subject to close management of identified risks.
- **Workforce Pay Controls** – the Workforce Pay Controls report was presented to Committee, providing an update of ongoing work to review dashboards, utilising Electronic Staff Record (ESR) data, and Task and Finish Groups working to establish the current position with regard to the medical workforce and Estates and Facilities staff. Members were informed that a Designated Lead had been appointed to drive the introduction of the centralised rostering system for nurses. Further detail of planned deadlines and expected deliverables would be reported to the next Committee meeting.
- **Capital Financial Management** – the Capital Financial Management report was presented to Committee, providing the latest update regarding the All-Wales Capital Programme (AWCP) and the Capital Resource Limit (CRL) for 2019/20. Members were informed that it had been agreed at a recent Business Planning and Performance Assurance Committee (BPPAC) meeting to monitor expenditure against the profile as presented in the report.
- **Contracts Update** – the Contracts Update report was presented to Committee, providing the Month 8 and forecast position in relation to Long Term Agreements (LTA). Members were informed of collaborative work underway with Swansea Bay University Health Board (SBUHB) to review repatriation pathways and quantify expenditure around high-cost drugs. It was agreed to include a breakdown of HDdUHB 36-week breaches resulting from provider delays at the next Committee meeting.
- **External Finance Review** – Members were updated regarding the progress of the External Financial Review and informed of work to identify the drivers behind HDdUHB's deficit position, with volume identified as key, and further analysis to identify individual specialties and localities. Findings would be presented at the January 2020 Committee meeting.
- **Development and Implementation of Value-Based Healthcare -**

Members received a presentation illustrating the Locality Resource Tool (LRT), currently at first-stage of concept, but with work ongoing to refine data granularity. Members agreed the future usefulness of the LRT, and proposed its presentation to the next Board Seminar Session.

- **Strategic Cash Assistance** - Members were presented with the Strategic Cash Assistance report setting out the process for requesting Strategic Cash support for 2019/20, together with a copy of HDdUHB Chief Executive Officer's correspondence with Welsh Government in support of the request.
- **Strategic Financial Planning Group Update Report to Strategic Enabling Group** – the Strategic Financial Planning Group Update Report to Strategic Enabling Group was presented to Committee for information.

Materion y mae angen Ystyriaeth neu Gymeradwyaeth Lefel y Bwrdd ar u cyfer / Matters Requiring Board Level Consideration or Approval:

None.

Risgiau Allweddol a Materion Pryder / Key Risks and Issues/ Matters of Concern:

- Delivery of 2019/20 Savings Plan
- Risk to £10m additional Welsh Government (WG) funding which had been predicated on delivery of the required £15m control total.
- Significant financial pressures on drugs manifesting in both Secondary and Primary Care.
- Significant YTD pressure in Unscheduled Care and Medicines Management.
- Emergent risk relating to meeting Planned Care Referral To Treatment (RTT) targets, resulting from the number of elective procedures cancelled due to the recent norovirus outbreak.
- Potential risks should HDdUHB's request for Strategic Cash Support (£16m for 2019/ 20) not be met.

Busnes Cynlluniedig y Pwyllgor ar gyfer y Cyfnod Adrodd Nesaf / Planned Committee Business for the Next Reporting Period:

Adrodd yn y Dyfodol / Future Reporting:

In addition to the standing agenda items, the January 2020 Finance Committee meeting will include progress updates for the various actions identified above.

Dyddiad y Cyfarfod Nesaf / Date of Next Meeting:

27th January 2020