

**PWYLLGOR ADNODDAU CYNALIADWY
SUSTAINABLE RESOURCES COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	23 August 2021
TEITL YR ADRODDIAD: TITLE OF REPORT:	Finance Committee (FC) Self-Assessment 2020/21 – Analysis of Findings
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Winston Weir, Finance Committee Chair Michael Hearty, Strategic Advisor to the Board Huw Thomas, Executive Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Board Secretary Karen Richardson, Corporate & Partnership Governance Officer

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The purpose of this report is to present to the Sustainable Resources Committee (SRC), the analysis of findings following discussions on the outcome of the annual self-assessment exercise at the Finance Committee meeting on 25th May 2021.

Cefndir / Background

For 2020/21, a new approach to self-assessment was introduced to elicit greater feedback which can shape and influence the agenda of the Sustainable Resources Committee going forward.

Members of the Finance Committee were asked to complete a questionnaire to consider the Committee's effectiveness during 2020/21, with the outcome report presented to Finance Committee on 25th May 2021. Further to this, Members were also asked to identify any areas for improving the Committee's effectiveness.

Asesiad / Assessment

In order to influence the agenda of the Sustainable Resources Committee going forward, the outcomes were reviewed by the Finance Committee Chair(s), the Board Secretary and Lead Executive Director to consider and respond to the suggested areas for improving the Committee's effectiveness, with the outcome detailed below:

Finance Committee (FC) Self-Assessment 2020/21

1. The Committee seeks assurances in regard to:

- *Financial performance and delivery against Health Board (HB) financial plans and objectives, giving early warning of potential performance issues, making recommendations for action to continuously improve the financial position of the*

<p><i>organisation, and focusing in detail on specific issues where financial performance is showing deterioration, or there are areas of concern.</i></p> <ul style="list-style-type: none"> <i>Financial and revenue consequences of investment planning (both short term and in relation to longer term sustainability) and the financial implications of major business cases, projects, and proposed investment decisions on behalf of the Board.</i> <i>The management of principal risks within the Board Assurance Framework and Corporate Risk Register allocated to the Committee (financial risks), providing assurance to the Board that risks are being managed effectively and that any areas of significant concern are reported.</i> <i>Regular review of contracts with key delivery partners, to ensure they continue to deliver value for money.</i> <i>The development and regular review of the financial performance management framework and reporting approach, ensuring that it includes meaningful, appropriate, integrated and timely performance data and clear commentary relating to the totality of the services for which the Board is responsible.</i> <i>The Committee constantly seeks to strengthen the ways in which it achieves this, challenging itself to avoid tokenism, welcoming contributions, engaging with criticism and accounting for and learning from failings.</i> 	
Suggestions for Improvement	Health Board Response
Develop a longer term timeframe for financial recovery.	This is linked to the HDdUHB Annual Recovery Plan, which will be the focus of discussion at the weekly Executive Team meetings. In addition as one of the planning objectives aligned to the SRC, this will be monitored on a regular basis by the Committee.
Develop a clearer work plan which responds to: <ul style="list-style-type: none"> Value, including Social Value and Foundational Economy How we shift resources across the system Digital response Commissioning response 	These four identified areas are all components of planning objectives that have been approved by the Board. Delivery against the planning objectives will be monitored on a regular basis at either SRC or Strategic Development & Operational Delivery Committee (SDODC).
Continue with in-depth scrutiny of specific areas, such as scrutiny of the contracts and financial arrangements for the Field Hospitals, but also carry out deep dive reviews into other areas.	Where risks or planning objectives aligned to the Committee are not delivering in accordance with their agreed timescales, a deep dive report would be presented.
Use the monthly performance information to identify areas of concern and carry out deep dive reviews in areas of on-going concern.	As in the above, it is proposed to agree a schedule of deep dive reports at the next agenda setting meeting for the remainder of the year to be included within the Committee work plan.
It is anticipated that during the coming year a speedy response to 'normal' will occur, with an improved focus on delivery of the Financial Plan, putting a spotlight	Whilst the new Committee structure ensures the Committees are aligned to the Health Board's strategic and planning objectives, the Committee will receive an

<p>on the Route Map to Financial Balance and the Committee's responsibility for providing assurance around the delivery of some of the HB's Strategic Objectives.</p>	<p>assurance on any strategic and planning objectives linked to the successor Committee to the Finance Committee.</p>
<p>There could be more detailed information provided about the revenue/ expenditure consequences of capital expenditure. This could be negative and positive. The Committee has discussed during the year the need to improve our understanding of benefits realisation. These need not always be hard financial outcomes, but it would be helpful to simply state how the benefits of a particular investment will show in performance or some other measure - not just financial. Some things may need to be done because they are the right thing to be done - not just financially driven or expedient.</p>	<p>As part of the changes to the governance structure, this requested change to information reported to the Committee will be taken forward by the Director of Finance and the Finance Team.</p>
<p>2. The Committee works <i>strategically</i>. <i>This means it aligns its work with the Health Board's overarching strategic priorities and delivery plans. It commissions work in support of those priorities, providing the Board with the assurance necessary to have confidence in its ability to deliver.</i></p>	
<p>Develop a longer term timeframe for financial recovery.</p>	<p>This is linked to the HDdUHB Annual Recovery Plan, which will be the focus of discussion at the weekly Executive Team meetings. In addition as one of the planning objectives aligned to the SRC, this will be monitored on a regular basis by the Committee.</p>
<p>Suggestions for Improvement</p>	<p>Response</p>
<p>Develop a clearer work plan which responds to:</p> <ul style="list-style-type: none"> • Value, including Social Value and Foundational Economy • How we shift resources across the system • Digital response • Commissioning response 	<p>These four identified areas are all components of planning objectives that have been approved by the Board. Delivery against the planning objectives will be monitored on a regular basis at either SRC or SDODC.</p>
<p>It will be important to ensure that there are realistic savings programmes in place but also more scrutiny of how the budget is spent efficiently. The alignment of the strategic objectives of the Health Board with the assurance work of each committee will improve the effectiveness of the Committee. The Committee has received some reports</p>	<p>This is already incorporated within the ethos of the planning objectives and has been subject to regular discussions at Board.</p>

<p>already on how the Health Board can be a driver/ value-provider for the local economy. There is probably more we should do in this arena. By improving the economic wellbeing of our area we can help facilitate better-paid, more secure employment and act as a catalyst for change. These are potentially long term but far-reaching public health benefits. There is scope for greater focus on this with the identification of specific things the Health Board can do.</p>	
<p>The Committee could receive reports from other committees, where Members of those committees feel that strategic goals are being hindered by financial concerns.</p>	<p>This will be an item for consideration at the Committee Chairs' meetings commencing in September 2021.</p>
<p>Developing an effective reporting and monitoring arrangement for providing assurance to the Board regarding the delivery of a range of Strategic Objectives as part of the overall governance of the Annual Plan.</p>	<p>This is linked to the HDdUHB Annual Recovery Plan, which will be a focus for discussion at the weekly Executive Team meetings in addition to discussions at Board Seminar throughout the year.</p> <p>The Executive Director of Strategic Development and Operational Planning is further developing the monitoring and reporting arrangements which will be utilised by all Committees in due course.</p>
<p>3. The Committee works <i>systemically</i>. <i>This means it works effectively with the Board, other Board Committees, its sub-groups and other relevant parts of the organisation's governance and assurance system, in order to ensure that connections and themes are identified which have an impact upon financial performance and financial strategy. It guards against 'silo' working. It gives balanced and meaningful 'air time' to the full range of the Health Board's finance portfolio.</i></p>	
<p>Suggestions for Improvement</p>	<p>Response</p>
<p>As the demarcation of portfolios becomes increasingly blurred (e.g. VBHC linking the Medical Director, Director of Finance and Director of Nursing, Quality and Patient Experience), there is an increasing opportunity for closer working across Committees. We need to think about the best mechanism to do this (e.g. Board Seminars; how we use the Integrated Performance Assurance Report; role of Committee Chairs).</p>	<p>Each planning objective has an identified Executive Director Lead who is responsible for delivery of the planning objective, and other Executive Directors will support the delivery where this is cross portfolio.</p>
<p>By continuing to ensure that existing links (i.e. between VBHC and the Quality agenda) are maintained.</p>	<p>In agreement - propose regular updates are forward planned on to the Committee's work programme.</p>

<p>The Committee could establish more formal links with the other committees (possibly via shared membership) so that areas of financial concern can be more regularly passed to the Finance Committee for consideration.</p>	<p>Through Committee Chairs meetings, each Committee Chair could potentially highlight areas to other Committee Chairs to add to their annual work plan.</p> <p>Reports that impact upon the work programme of other Committees are already shared for information purposes. However, it is imperative that each Committee operates within its ToRs and avoids duplication of discussion.</p>
<p>The Chair, Chief Executive and Board Secretary are looking again at the governance and sub-committee structures, including the relationship with the Improving Together agenda and the Strategic Enabling Group. This is with the intention (hopefully) of ensuring a greater, more integrated view of the Board's strategic agenda. It is anticipated that this work will also (sensibly) see 'performance' move from PPPAC to Finance Committee. However, the constant challenge the HB faces is to improve the quality of its short, medium and longer-term planning – in particular the ability to demonstrate a cohesive plan which connects money, workforce and activity in a way which ensures quality and avoids harm. This will require greater involvement and leadership of clinicians – something which has been lacking until now but which will need to be addressed.</p>	<p>This is an operational matter and therefore outside of the scope of the Committee's terms of reference. For assurance, the areas identified will be shared with the relevant Executive Director leads.</p>
<p>There is probably scope for a periodic meeting of chairs of committees to provide a forum to discuss issues which may be of concern to each individual but which, because of the remote working or limited opportunity for informal discussion, may go unsaid. At the conclusion of each meeting there could be a stock-take as to whether there are any issues or discussions which could be shared with other committees which may be better placed to take forward, or at least to ensure the IMs on those committees are aware of the discussion which has taken place in Finance Committee. This may reduce any notion of silo working.</p>	<p>Already agreed, the Committee Chairs' meetings will commence in September 2021.</p>

<p>4. The Committee works <i>intelligently</i>. This means it draws on a diverse range of reliable data (both quantitative and qualitative) to triangulate information and reveal themes or patterns in regard to financial performance. It uses a dashboard of key indicators to monitor the performance of plans and initiatives in terms of financial and qualitative benefits. This relies upon the provision of accurate data, and upon accurate interpretation of the data provided.</p>	
Suggestions for Improvement	Response
More integration of all resources such as Transformation Funds, Integrated Care Fund, Cluster Funds as well as traditional budget allocations.	This is outside of the remit of the Committee's terms of reference. For information purposes, this is being taken forward by the HDdUHB Vice Chair as Chair of the Regional Partnership Board.
Not sure if it's possible, but could Statistical Process Control (SPC) charts be used to improve the understanding of some spend areas?	Links to the work undertaken at Board Seminar on the development of performance management arrangements and the transition to SPC reporting.
We have asked the Finance Team to develop a scorecard which demonstrates the inter-connectedness of the various pieces of analysis and initiatives to ensure that they are all moving us in the right direction, initially towards successfully delivering the 2021-22 Annual Plan and longer-term strategic ambitions.	Propose that this is discussed at the next agenda setting meeting to agree a timescale for receiving the scorecard, and for this to be added to the Committee work plan.
The roll out of the use of SPC charts will enable the Committee to have a better understanding of issues affecting the Health Board, the areas for attention and type of attention required.	Links to the work undertaken at Board Seminar on the development of performance management arrangements and the transition to SPC reporting.
<p>5. The Committee facilitates <i>learning</i>. This means it works openly and honestly, encouraging contributions from attendees which represent a fair and reasonable reflection of the realities faced across all services. The Chair sets the leadership tone and is supported by other Independent Members and Executive Members in facilitating and protecting this learning space. The style is based upon robust support/ robust challenge.</p>	
Suggestions for Improvement	Response
Papers have sometimes been late, which doesn't allow IMs sufficient time for scrutiny.	Preparing papers for a monthly meeting has been challenging, therefore bi-monthly meetings should improve the timely dissemination of meeting papers.
Supporting the Executives in developing local economy initiatives and challenging the shared services approach where appropriate.	In agreement – Independent Members should hold the Executive to account for the delivery of the strategy; and offer purposeful, constructive scrutiny and challenge, where necessary.
It would be good if presentations could be arranged to cover areas that are of concern to other committees but which	Through Committee Chairs meetings, the Finance Committee Chair could potentially highlight areas to other

have an impact on the financial position of the Health Board. This would help the Committee in its discussions on financial pressures.	Committee Chairs to add to the annual work plan. Reports that impact upon the work programme of other committees are already shared for information purposes.
The appointment of a new IM (Finance) plus a range of other new IMs, together with the need to urgently demonstrate that the Board is serious about achieving financial balance, will drive the Finance Committee to improve knowledge and awareness about the overall financial position and the hard choices that will need to be taken if we are to navigate our way through the next 3 to 5 years.	The new Committee structure ensures that Committees are aligned to the Health Board's strategic and planning objectives, which should assist in this regard.
In a non-judgemental way, it would be useful to focus/ carry out deep dives into parts of the organisation with the greatest challenges. As a mirror to that, it would also be good to look at those parts which have achieved the most progress, learn what they did and share it.	It is proposed to agree a schedule of deep dive reports at the next agenda setting meeting for the remainder of the year to be included within the Committee work plan. Each planning objective has an identified Executive Director Lead who is responsible for delivery of the planning objective, and other Executive Directors will support the delivery where this is cross portfolio.
6. The Committee champions <i>continuous improvement</i>. This means it adopts a mindset and methodologies which enable it to lead and oversee a clear journey of improvement in respect of the Health Board's Financial Strategy and delivery of Financial Balance over the medium-to-long term.	
Suggestions for Improvement	Response
Carrying out/ commissioning deep dive reviews into individual service areas, seeking assurance of cross-organisational working being undertaken.	It is proposed to agree a schedule of deep dive reports at the next agenda setting meeting for the remainder of the year to be included within the Committee work plan. Each planning objective has an identified Executive Director Lead who is responsible for delivery of the planning objective, and other Executive Directors will support the delivery where this is cross portfolio.
Make better use of the Health Board's modelling expertise to analyse different options.	This is outside of the remit of the Committee's terms of reference, however could be taken forward by finance colleagues.
More of the same, but with the added challenge of ensuring all IMs are up to speed and understand the significance of	This will form part of the Board Seminar sessions that will focus on delivery of the 2021-22 Annual Plan.

<p>the various tools and models being developed to support and enable the delivery of the 2021-22 Annual Plan.</p>	
<p>In a non-judgemental way it would be useful to focus upon/ conduct deep dives into parts of the organisation with the greatest challenges. As a mirror to that, it would also be good to look at those parts which have achieved the most progress, to learn what they did and to share it.</p>	<p>It is proposed to agree a schedule of deep dive reports at the next agenda setting meeting for the remainder of the year to be included within the Committee work plan.</p> <p>Where risks or planning objectives aligned to the Committee are not delivering in accordance with their agreed timescales, a deep dive report would be presented.</p>
<p>7. The Committee works <i>proactively</i>. <i>This means it is organised in its workplan, sensitive to the dynamic environment in which the Health Board operates, and searching in its enquiries. It is curious, and willing to pursue demanding issues in the interests of achieving financial balance and in promoting the sustainable use of resources to achieve better outcomes. It uses the organisation's risk management processes effectively to scrutinise risks and ensure that long-standing risks and issues do not become normalised or tolerated beyond the Board's risk appetite.</i></p>	
<p>Suggestions for Improvement</p>	<p>Response</p>
<p>More time may be required to reflect on what Committee members want to see on future work plans for the Committee. It may be worth doing this as a workshop following this feedback.</p>	<p>Whilst suggestions from Members are welcomed, these will need to be within the scope of the Committee's terms of reference.</p> <p>For assurance, it has been agreed that any suggestions regarding topics for the work plan will be taken forward by the Chair and Executive Lead for consideration, which should negate the requirement for a workshop.</p>
<p>Using the risk register, areas of concern with financial implications could be escalated to the Committee.</p>	<p>It is proposed that the risk register is reviewed at agenda setting meetings, with a deep dive report added to the agenda from areas of concern. This process is currently undertaken at QSEAC agenda setting meetings.</p>
<p>See answer to Q4. (i.e. We have asked the Finance Team to develop a scorecard which demonstrates the interconnectedness of the various pieces of analysis and initiatives to ensure that they are all moving us in the right direction, initially towards successfully delivering the 2021-22 Annual Plan and longer-term strategic ambitions).</p>	<p>It is proposed that this is discussed at the next agenda setting meeting to agree a timescale for receiving the scorecard and for this to be added to the Committee work plan.</p>

<p>One of the biggest challenges facing the Health Board is the enormous backlog in Planned Care. The need to work towards financial balance, but at the same time addressing this, will be challenging to say the least. Looking at how finance will act as an enabler to do what we are charged with - <i>i.e.</i> to treat patients - should be an area that merits attention.</p>	<p>Additional funding to address the Planned Care backlog has now been received from WG, which will be included within the HDdUHB Annual Recovery Plan.</p> <p>For assurance, this will be a focus at the weekly Executive Team meetings in addition to discussions at Board Seminar throughout the year.</p>
<p>8. Are there any domains of effective assurance which you think are not covered above? What are they?</p>	
<p>Suggestions for Improvement</p>	<p>Response</p>
<p>Too soon to say.</p>	<p>No response required.</p>
<p><i>See answer to Q3. (i.e. the Chair, Chief Executive and Board Secretary are looking again at the governance and sub-committee structures, including the relationship with the Improving Together Agenda and Strategic Enabling Group. This is with the intention (hopefully) of ensuring a greater, more integrated view of the Board's strategic agenda. It is anticipated that this work will also (sensibly) see 'performance' move from PPAC to FC. However, the constant challenge the HB faces is to improve the quality of its short, medium and longer term, planning – in particular the ability to demonstrate a cohesive plan which connects money, workforce and activity in way which ensures quality and avoids harm. This will require greater involvement and leadership of the clinicians – something which has been lacking until now but will need to be addressed).</i></p>	<p>This is an operational matter and therefore outside of the scope of the Committee's terms of reference. For assurance, the areas identified will be shared with the relevant Executive Director leads.</p>
<p>9. Extraordinary question for 2020/21 relating to COVID-19 –</p> <p><i>The Committee has sought to play a proactive role in the COVID-19 response, specifically in terms of assurance around financial risks and other implications arising from the pandemic. It has made a range of adjustments to reflect the rapidly changing circumstances that the Health Board has faced. In your view: Even better if...?</i></p>	
<p>Suggestions for Improvement</p>	<p>Response</p>
<p>As we go into the new year, it's important that there is more attendance from key Executives. We need to better define who we need to attend and the frequency of their attendance. The Finance</p>	<p>As part of the changes to the governance structure, it has been proposed that Board Level Committees have a more streamlined membership, with EDs only attending to present their agenda items.</p>

Committee meets each month, so attendance from Executives is quite an onerous requirement. We need to better define the work plan, which may then require Executives not to attend each meeting, but to come in a managed way.	Further to this, going forward, the SRC will meet on a bi-monthly basis in line with other Board assurance Committees.
The HB had been able to directly control aspects of the above, (i.e. Test, Trace, Protect Strategy. Policy regarding Nursing and Care Homes. PPE procurement. Field Hospitals. Vaccination strategy), e.g. inviting people for vaccinations.	No response required.
Not sure – I have some concerns about the lack of savings achieved, but nothing specific springs to mind.	For assurance, savings delivery and their requirements will be a standing agenda item on SRC.
Hard to say in hindsight, given that the exigencies of the pandemic meant the normal rules of governance and assurance didn't really apply. However, I do think that relying on the Local Authorities to undertake the early running on the contractual/ financial arrangements for the Field Hospitals before handing the arrangements over left the HB financially exposed until it was clear what financial support would be available from WG.	The COVID-19 pandemic was unprecedented, however the decision to proceed with Field Hospital planning had been discussed and agreed at Board.
We had the benefit of hindsight!	No response required.
<i>What learning points should we take with us post-COVID?</i>	
The importance of local resilience and supporting local communities to develop local solutions.	In agreement, however this is outside of the Committee's terms of reference.
See previous answer (i.e. Hard to say in hindsight, given that the exigencies of the pandemic meant the normal rules of governance and assurance didn't really apply. However, I do think that relying on the Local Authorities to undertake the early running on the contractual/ financial arrangements for the Field Hospitals before handing the arrangements over left the HB financially exposed until it was clear what financial support would be available from WG).	The COVID-19 pandemic was unprecedented, with the Board required to act proactively in order to respond to rapidly changing modelling assumptions from WG. For assurance, the decision to proceed with Field Hospital planning had been discussed at Gold Command and agreed at Board.
The speed at which we act is more within our control than we may think.	No response required.
A greater focus on outcome rather than process.	This is linked to the HDdUHB Annual Recovery Plan, which will be a focus at the weekly Executive Team meetings in addition to discussions at Board Seminar throughout the year.

Do we really need so many management consultants? It has taught us that we know the answers and what we may have lacked is the confidence to do what we thought we needed to do.	This is a workforce matter and therefore outside of the Committee's terms of reference. For assurance, the Executive Director of Workforce & Organisational Development is developing a new process for management Consultants and Strategic Advisors.
Be receptive to ideas from others and learn from others but be confident in our own ability. Know when we know the answers, don't get others to look for the answer, but where appropriate, ask for help in delivering the answers if we lack the capacity to do so ourselves - but that should be a last resort, not a first resort.	In agreement, however this is outside of the remit of the Committee's terms of reference.
<p><u>Argymhelliad / Recommendation</u></p> <p>The Sustainable Resources Committee is asked to receive assurance and will consider the actions described above in light of its terms of reference and new membership.</p>	

Amcanion: (rhaid cwblhau) Objectives: (must be completed)	
Committee ToR Reference Cyfeirnod Cylch Gorchwyl y Pwyllgor	10.5 The Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee's performance and operation, including that of any sub-committees established.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:	
Ar sail tystiolaeth: Evidence Base:	Finance Committee Terms of Reference
Rhestr Termau: Glossary of Terms:	Included within the body of the report
Partion / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Finance Committee:	Finance Committee Members

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	Not Applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable
Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable