

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

<b>Date and Time of Meeting:</b>	Friday 13 <sup>th</sup> March 2020, 1.00 pm – 4.00 pm
<b>Venue:</b>	Boardroom, Ystwyth Building, St. David's Park, Carmarthen

<b>Present:</b>	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
<b>In Attendance:</b>	Miss Maria Battle, Chair, Hywel Dda University Health Board (part) Mr Huw Thomas, Executive Director of Finance Mrs Lisa Gostling, Executive Director of Workforce & Organisational Development Mrs Libby Ryan-Davies, Strategic Programme Director Mr Keith Jones, Assistant Director of Acute Services (part) Mr Chris Williams, Senior Value Business Partner (part) Mr Iwan Williams-Evans, Value Business Partner (part) Ms Sonja Wright, Committee Services Officer (Secretariat)

<b>AGENDA ITEM</b>	<b>ITEM</b>	
<b>FC(20)21</b>	<b>INTRODUCTIONS AND APOLOGIES FOR ABSENCE</b>	<b>Action</b>
	<p>The Chair, Mr Michael Hearty, welcomed all to the meeting.</p> <p>Apologies were received from:</p> <ul style="list-style-type: none"> <li>• Mr Steve Moore, Chief Executive Officer (CEO)</li> <li>• Dr Philip Kloer, Executive Medical Director (deputising for CEO)</li> <li>• Mr Andrew Carruthers, Executive Director of Operations</li> <li>• Mr Mark Bowling, Assistant Director of Finance</li> <li>• Mrs Joanne Wilson, Board Secretary</li> </ul> <p>Mr Michael Hearty informed the Committee that due to the late scheduling of a Gold Command Executive briefing in response to operational exigencies relating to Covid-19, the meeting would necessarily finish earlier than planned, and for this reason certain items would be covered by exception only.</p> <p>Members welcomed Mrs Libby Ryan-Davies, Hywel Dda University Health Board (HDdUHB) Strategic Programme Director, present at the meeting to reflect the linkage between financial planning and transformation work, and as such would be attending future Committee meetings.</p>	

<b>FC(20)22</b>	<b>DECLARATIONS OF INTERESTS</b>	
	There were no declarations of interest.	

FC(20)23	<p><b>MINUTES OF PREVIOUS MEETING HELD ON 27<sup>th</sup> JANUARY 2020</b></p> <p>The minutes of the Finance Committee meeting held on 27<sup>th</sup> January 2020 were <b>ACCEPTED</b> as an accurate record.</p> <p><b>RESOLVED</b> – that the minutes of the Finance Committee meeting held on 27<sup>th</sup> January 2020 be <b>APPROVED</b> as an accurate record.</p>	
FC(20)24	<p><b>MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 27<sup>th</sup> JANUARY 2020</b></p> <p>An update was provided on the Table of Actions from the meeting held on 27<sup>th</sup> January 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"> <li>• <b>FC(20)09: Workforce Pay Controls</b> - <i>To provide an update regarding timescales for the proposed option to introduce a single Emergency Department (ED) rota.</i> Mrs Lisa Gostling explained that the proposal to introduce a single ED rota, which formed part of HDdUHB’s response to a KMPG recommendation regarding rota management, is closely linked to other service issues, and could therefore not be taken forward in isolation as an action. This would be expressed formally via email to the Secretariat to confirm closure of this action.</li> </ul> <p>It was noted that all other remaining items on the Table of Actions are reflected on the agenda for today’s Committee meeting.</p>	LG
FC(20)25	<p><b>FINANCE COMMITTEE TERMS OF REFERENCE</b></p> <p>Members were presented with the Finance Committee Terms of Reference (ToR), in order to consider whether the Committee’s structure, purpose and responsibilities continue to be fully and accurately represented within the current version.</p> <p>Mr Huw Thomas suggested that any amendments to the Committee’s ToR would best be informed by current Public Health emergency requirements and future governance arrangements, and, while the current ToR remained fit for purpose for the present, they would be subject to review over the following months. Members agreed to further reflect upon the ToR in light of future developments, and to submit the current version to the Board for renewed approval at its meeting on 26th March 2020.</p> <p>Mrs Maria Battle confirmed that, as HDdUHB Chair, her attendance should be in the capacity of ‘<i>ex officio</i>’ Member.</p>	
	The Committee <b>AGREED</b> the Finance Committee Terms of Reference	

FC(20)26	<b>FINANCE COMMITTEE SELF ASSESSMENT OF PERFORMANCE 2019/20</b>	
	Members were presented with the proposed <i>Self-Assessment of Committee Effectiveness Questionnaire</i> template, with a request to consider any additions and amendments required to ensure that the questionnaire remains fit for purpose for the Committee's annual self-assessment exercise for 2019/20.	
	The Committee <b>SUPPORTED</b> the Finance Committee Self-Assessment of Performance questionnaire for use in the annual self-assessment exercise 2019/20.	

FC(20)27	<b>FINANCIAL PERFORMANCE PRESENTATION/ FINANCE REPORT MONTH 11</b>	
	<p>Members were presented with the Month 11 Finance Report.</p> <p>Mr Huw Thomas outlined the following key issues:</p> <ul style="list-style-type: none"> <li>• Pay control pressures continued in month, particularly those relating to increased usage of Agency Nursing staff, whilst acknowledging that some expenditure pressures in this area were attributable to alterations in processes for recognising accruals. Mr Thomas added that lessons had been learned with regard to the recognition of month-end accruals and improving processes relating to the use of Agency Nurses through the <i>Allocate</i> workforce management system, which formed critical elements of HDdUHB's response to challenges impacting operational and financial controls.</li> <li>• Increases in the Continued Healthcare (CHC) budget in Month 11 and Month 12 relate to inflationary uplift, which had been included. It was hoped to achieve a 2020/21 position which would enable the allocation of inflationary uplifts to the relevant Directorates at the start of the year, recognising that achieving this aim would prove challenging in light of current public health pressures.</li> <li>• An improvement in drugs costs was highlighted and Members' attention was drawn to the cyclical pattern of drugs-related pressures over the previous 6 months which reflected recent prescribing patterns for high-cost drugs, particularly in the treatment of Rheumatology and Cancer. However, the introduction of a new system relating to Secondary Care drugs prescribing towards the end of 2020/21 is expected to support better management of cost pressures and to provide improved metrics.</li> <li>• Pressures continuing in Primary Care prescribing, in line with forecast trends, recognising delays in collating relevant data.</li> </ul> <p>In terms of the current trajectory, Mr Thomas provided an increased level of assurance that HDdUHB would meet the Plan target of £35m, notwithstanding some slippage, however expressed frustration relating to consistently late identification of non-recurrent benefit (unspent funds from individual Directorate budgets) at the end of each year, which only allowed</p>	

for reactive mitigations in response to cost pressures. Mr Thomas indicated his intention to develop processes which would enable earlier identification of non-recurrent benefits and thereby maximise flexibility with regard to their use.

Whilst acknowledging the increased levels of staff sickness, Mrs Judith Hardisty queried the reasons underlying the spike in levels of Agency Nurse usage, particularly in light of the recording of 'grip and control' as a key area of concern with regard to workforce management. Mrs Lisa Gostling clarified that while the use of agency staff had remained constant over the last quarter of the current year, the variable factor had been the use of Thornbury staff, with increased use in both Withybush and Glangwili General Hospitals, and a corresponding increase in agency pay costs. However, staff vacancies are running at a consistent level, and are being actively advertised.

In response to a query regarding the high level of agency-related expenditure in month, Mr Thomas explained that accrual tracking calculations based upon hours worked at an average rate does not apply to Thornbury staff, and might therefore be skewed to a degree, however acknowledged that agency costs are likely to remain a challenge, over the short-term in particular.

Members were informed of a current Finance Team project to develop a method of tracking the financial consequences of decisions taken in month, which would be included on the agenda for the following Committee meeting, in order to provide assurance to the Committee regarding the effective tracking of spending for 2020/21.

HT

Mrs Hardisty requested assurance with regard to the effective management of Radiology services, referencing the use of variable pay, outsourcing of reporting, high vacancy levels and on-call issues as areas of concern. Members were advised of a significant overspend in Radiology Directorate of £1.3m, given its budget of £15m; failure to deliver on the part of a scheme to improve management of on-call rotas; and challenges affecting the MRI scanner in Bronglais General Hospital (BGH) which had all contributed to the overspend, whilst recruitment to Radiology posts is widely recognised as a national challenge.

In light of these challenges, Mr Thomas confirmed that a review of line management and reporting structures relating to the Radiology Directorate would be planned for 2020/21, to be led by the Executive Director of Operations, in order to provide assurance to Members regarding the effective management of HDdUHB Radiology services.

Mr Michael Hearty queried whether there is an existing framework or process which enabled the collation of findings and intelligence from the various reviews of HDdUHB Directorates and services in order to build a 'rich' picture for each specialty. Mr Thomas confirmed that this would be achieved through the HDdUHB Performance Management Framework process, which is based upon a structure of regular meetings held with individual Directors to discuss all aspects of their respective service areas.

The Committee **NOTED** the financial position for Month 11

**FC(20)28 REFERRAL TO TREATMENT TIME (RTT) MONTH 10**

Members were presented with the RTT Month 10 report, providing progress in respect of the Financial Plan and planned expenditure trajectory to support RTT, Diagnostic and Therapy service waiting times.

Members were assured that Month 11 data confirms the Month 10 RTT position, which indicates that, in terms of year-end spend, the Health Board remains on course to meet the target of £6.45m against the current Financial Plan. Members were further assured that an operational Delivery Plan is in place which will enable attainment of target positions.

Mr Keith Jones advised that delivery of the Plan has been dependent upon additional funding (£1.5m) which has been secured from Welsh Government (WG) to support the cost of planned outsourced Orthopaedic activity. It was anticipated that approximately £1.1m of this fund would be committed, with full expenditure of the sum being partly dependent upon the level of patient take-up of offers of outsourced treatment. Members were reminded of the need to consider how to meet future costs incurred through a slight increase in activity for 2020/21 as a result of decisions on the part of some patients to defer their treatment.

On behalf of the Committee, Mr Hearty expressed thanks to Mr Keith Jones and the Planned Care Team in managing pressures over a prolonged period, whilst acknowledging the potential challenges to the current position and planned targets linked to the current Covid-19 outbreak. Mr Jones, in turn, referenced the high level of commitment of all staff involved in the delivery of Planned Care. Miss Maria Battle requested suggestions from Mr Jones as to how the dedication and hard work on behalf of patients displayed by the Planned Care Team could best be officially recognised.

*Mr Keith Jones left the Committee meeting*

KJ

The Committee **DISCUSSED** and **NOTED** the progress to Month 11 in respect of the Financial Plan and planned expenditure trajectory to support RTT, Diagnostic and Therapy service waiting times delivery for 2019/20.

**FC(20)29 DRAFT FINANCIAL PLAN 2020/21**

Members received the HDdUHB Draft Financial Plan 2020/21 and an accompanying presentation, providing an assessment of the Health Board's financial position for 2020/21.

Noting gaps in the HDdUHB Savings Plan, Mr Hearty confirmed that the Finance Committee could not sign off the Draft Financial Plan as it currently stood, and requested clarification with regard to the Health Board's current and future financial position.

Mr Thomas acknowledged the shortcomings within the Financial Plan, recognising that time and resources assigned to the recent external finance review had detracted from applying full focus to financial planning for 2020/21, and confirmed that in terms of lessons learned, planning for 2021/22 would commence at the beginning of the 2020/21 financial year.

As discussed at Board Seminar on 12<sup>th</sup> March 2020, Mr Huw Thomas reiterated the key budgetary points:

- £10m WG funding will be made recurrent.
- £27m will be part of the HDdUHB baseline, with a resulting significant benefit of future inflationary uplift (approximately £700k plus), which will provide significant benefit over a 3-year cycle.
- RTT funding of £5.9m has been removed for 2020/21, to be retained centrally by WG.
- The decision to allow £10m additional funding allocation to feed the bottom line will support the delivery of a £25m position for 2020/21; this will serve to maintain a stable position rather than to ameliorate the deficit position.

Mr Thomas outlined the rationale underlying the approach to the 2020/21 Plan in that the savings challenge for 2020/21 (£35m) includes £6m recurrent funding and £9m non-recurrent funding - the latter sum being based upon previous non-recurrent gains of approximately £5m - £7m per year, to which a supplement of £2m will be added to cover Winter pressures and surge. Achievement of £26m recurrent savings now needs to be addressed in order to demonstrate that the underlying deficit can be reduced.

Members' attention was drawn to the fact that the 2020/21 Financial Plan brought all cost pressures within the HDdUHB budget framework, representing an important message for WG in terms of the Health Board's willingness to assume ownership of issues and challenges. Members were further advised by Mr Thomas of his intention to classify costs within the Plan in terms of controllability in order to identify key decision points (representing around £2.6m in monetary terms), whilst recognising that this would prove a challenging exercise.

Members were advised that opportunities exist within HDdUHB baseline expenditure, and this is reflected in the approach taken to savings for 2019/20, which had been predicated upon using the Opportunities Framework to identify savings and 'own' opportunities rather than to apply savings across all Directorates on a percentage basis.

Whilst acknowledging that the timing for adoption of this approach had not allowed for adequate demonstration of the effectiveness of the process, Mr Thomas expressed his belief that, once matured, the Opportunities Framework would yield future benefits, as the inherent discipline underlying the Framework processes would serve to test Board risk appetite with regard to savings opportunities and, through regular testing, enable clear identification of the nature of the underlying deficit.

Given this position, which had been communicated to the organisation, plans were required to achieve approximately 4% savings across the board. However due to current challenges, the organisational response had been delayed, and the current position represented a significant savings gap (approximately £10m plus).

Members were assured, however, that work is underway with Directorates to identify savings plans that can be implemented, and Mr Thomas summarised current key savings schemes:

- Re-organising configuration of Planned Care to make Prince Philip Hospital an increasingly Elective 'Cold' site, moving some Orthopaedic activity from WGH and GGH, resulting in potential savings opportunities of £3.5m.
- Implementation of the 'shift left' model in Unscheduled Care, with staff now in place across the 3 Counties to support this, and bed closures to be transacted (albeit over a longer period).

Noting the acknowledgement of a shortfall in the 2020/21 Financial Plan as it currently stands, Mr Paul Newman queried timescales for achieving the required savings position, in response to which Mr Huw Thomas outlined the work currently being undertaken, acknowledging challenges in gathering the required information, given the emergence of national public health issues:

- A further round of meetings has been held with Directorates in order to identify further savings, during which further, as yet unquantified, savings have been identified;
- Savings plans relating to Mental Health and Oncology Directorates have yet to be worked through, with the anticipation that these would deliver further savings;
- A further round of Holding To Account (HTA) meetings with Directors has been scheduled, whilst acknowledging that these may be forestalled by future Covid-19 planning requirements.

Mr Thomas confirmed that, following these meetings, he would brief the Board with regard to the current position.

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Mr Mike Lewis requested and received confirmation for the record that the sum of £10m would be made recurrent for 2020/21, but would not be made available for 2019/20, and requested confirmation of the most recent savings position of £1.7m (as shared at the Board Seminar meeting held on 12<sup>th</sup> March 2020). Mr Thomas agreed to circulate a slide presented at the Board Seminar meeting detailing the current savings position, updated with the latest position, to Committee Members.

HT

Noting the complexity of remaining savings opportunities due to the spread of costs across Directorates, Mrs Judith Hardisty queried whether this would prompt a change of approach in terms of thinking outside budget silos in order to plan solutions to financial challenges, track and monitor staff and finances and deal with demand.

In response, Mr Thomas cited examples of increased maturity in cross-system discussions, including joint working between the Unscheduled Care Team and County teams, Although this interplay has not yet been replicated in Mental Health and Planned Care, promising developments were evident, for example the development of the Shared Care Ward in BGH. Further potential savings have been identified in the development of a 2020/21 Savings Scheme for Liaison Psychiatry in GGH, which will cost the Mental Health Directorate £0.5m, but will potentially deliver £1.9m savings for GGH.

Mrs Hardisty highlighted that whilst Mental Health money is ring-fenced, it nevertheless covered a broad range of services, providing possible opportunities to utilise this funding to alleviate other pressures.

In the context of cross-system and transformational working, Mr Thomas apologised that existing initiatives were not currently represented, due to the need to focus upon financial values, and suggested that, as a business strategy, the Finance Committee focus its discussions upon what is evolving within the system in terms of strategic schemes, and operational improvements, in line with a revised focus across Directorates. Miss Battle endorsed this shift in focus, advising Members that Transformation would lead to a balanced budget.

Mr Thomas confirmed that it was as yet unknown when the Plan would be ready for Finance Committee sign-off, however he would aim to produce a further draft to share with the Committee prior to the 26<sup>th</sup> March 2020 Public Board meeting.

Noting that sign-off by Finance Committee is required before the 2020/21 Financial Plan is submitted to the 26<sup>th</sup> March 2020 Board Meeting for approval, Committee Members confirmed that they were content for Mr Hearty to take Chair's Action on their behalf to work through the Draft Financial Plan with Mr Thomas and confirm approval of the Plan, or otherwise, on the Committee's behalf.

On behalf of the Committee, Mr Hearty expressed his expectation that, given the uncertainties inherent in current planning assumptions, the Executive now focus upon developing a Financial Plan for 2021/22 and beyond, shaped around identified Executive priority areas, with a clear audit trail linking these areas to the three Transformation Groups overseen by the Strategic Programme Director, and a Savings Plan implemented within a transformational setting, informed by the Opportunities Framework and lessons learned from the current Covid-19 crisis (in terms of joint operational work with Local Authorities), and Committee ambitions to adopt a strategic focus. Members were advised that this approach would reflect an opportunity for the Committee to review its core business, to be reflected in the Committee's ToR, workplan and agenda from 2020/21.

Members endorsed these expectations; Mrs Libby Ryan Davies confirmed that the Committee's revised focus, as articulated, aligned with her aims in terms of achieving a position whereby plans could be expedited at pace, and that linkages with the Finance Directorate would optimise the effectiveness of Transformation work.

Recognising the exceptional circumstances which would prevail over the following months, Mr Thomas suggested that it may be helpful to re-focus

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	<p>the Finance Committee's governance arrangements, with a proposal that the Committee no longer include representation from the Operations Directorate (in order to allow the Executive Director of Operations to focus upon current operational necessities), and a further proposal to include more representation from other Executive Directors, in order to develop a joint organisational strategy and response to financial challenges which is based upon a thorough review of corporate functions, a proper understanding of the underlying deficit and recognition of opportunities afforded by the current crisis in terms of identifying changes to services which it would be beneficial to retain. Mr Thomas and Mr Hearty advised Members that they would review the Finance Committee Workplan, which may result in amendments to be reflected in the Committee's ToR. Mr Hearty requested that Mrs Libby Ryan Davies be included as a regular invitee.</p> <p>Miss Battle advised the Committee that a streamlining exercise would be undertaken with regard to Board level Committee and Sub-Committee meetings in order to free up staff to deal with the current Covid-19 pressures.</p>	<b>SW</b>
	The Committee <b>DISCUSSED</b> the Draft Financial Plan 2020/21	

<b>FC(20)30</b>	<b>ACCOUNTABLE OFFICER DELEGATIONS 2020/21</b>	
	Members were presented with the 2020/21 Accountable Officer Budget Designation Letter issued by the Chief Executive Officer to all HDdUHB Budget Managers.	
	The Committee <b>NOTED</b> the Accountable Officer Budget Designation Letter.	

<b>FC(20)31</b>	<b>WORKFORCE PAY CONTROLS</b>	
	<p>Members were presented with the Workforce Pay Controls report, outlining the approach for the delivery of the Workforce Efficiency and Effectiveness Programme for the Financial Year 2020/21.</p> <p>No queries or issues were raised by Members with regard to the content of the Report; Mr Hearty commented upon the maturity of the work undertaken, and the potential financial implications inherent in the approach to delivery of the Programme.</p>	
	The Committee <b>NOTED</b> the Workforce Pay Controls - Delivery of the Workforce Efficiency and Effectiveness Programme for the Financial Year 2020/21.	

<b>FC(20)32</b>	<b>CAPITAL FINANCIAL MANAGEMENT</b>	
	Members were presented with the Capital Financial Management report, providing the most recent update in regard to the All-Wales Capital Programme (AWCP) and the Capital Resource Limit (CRL) for 2019/20.	

	<p>No queries or issues were raised by Members with regard to the content of the report.</p> <p>Mr Thomas advised members that HDdUHB remains on course to meet its CRL for 2019/20.</p>	
	<p>The Committee</p> <ul style="list-style-type: none"> <li>• <b>NOTED</b> the Capital Resource Limit for 2019/20 together with expenditure allocations and profile;</li> <li>• <b>NOTED</b> the work being undertaken to manage the financial risks identified.</li> </ul>	

<b>FC(20)33</b>	<b>INTERNATIONAL FINANCIAL REPORTING STANDARD (IFRS) 16</b>	
	<p>Members were presented with a report providing an update on progress with regard to steps being taken to prepare for the implementation of the International Financial Reporting Standard (IFRS) 16 Leases Accounting Standard.</p> <p>The Committee was advised that the new Reporting Standard was moving towards an increase in leases to the Balance Sheet, resulting in an accounting adjustment which the Finance Team is currently working through. Members were assured that the effect of any adjustment would be mitigated by WG, and that there would be no financial consequences.</p>	
	<p>The Committee <b>NOTED</b> the content of the IFRS 16 report and work undertaken to prepare for the implementation of the IFRS16 Leases Accounting Standard.</p>	

<b>FC(20)34</b>	<b>PENSIONS CONTRIBUTION TECHNICAL ACCOUNTING</b>	
	<p>Members were presented with an update report providing a technical accounting update regarding the increase in the NHS Employers Pensions Contribution 2019-20.</p> <p>Mr Thomas advised Members of an increase in the employer contribution rate for the NHS Pensions Scheme, with a subsequent agreement with Wales Audit Office (WAO) and WG in February 2020 that HDdUHB 2019-20 Annual Accounts must account for employer contributions in full and on a gross basis.</p> <p>Mr Thomas reassured Members that there would be a nil effect upon the bottom line, in that this would be cost neutral.</p>	
	<ul style="list-style-type: none"> <li>• The Committee <b>NOTED</b> the content of the Pensions Contribution Technical Accounting Update.</li> </ul>	

<b>FC(20)35</b>	<b>EXECUTIVE TEAM OPPORTUNITIES FRAMEWORK</b>	
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*Mr Chris Williams and Mr Iwan Williams-Evans joined the Committee meeting*

Members were presented with a report and verbal update in regard to process and the outcomes from the Opportunities Framework approach.

Members were informed of opportunities for technical efficiency which had been identified, such as increasing the proportion of patients for whom surgery is provided via a day-case pathway rather than via admission. Whilst in theory, these opportunities appear quick-to-deliver, they require a significant level of whole-system discussion. It was recognised that more challenging conversations would be required to address demand and activity management, involving more transformative approaches to delivering care, which would not deliver initial savings, but which would potentially result in more impactful savings at a later stage.

Members were advised that, while the Opportunities Framework would not deliver all savings required, potential savings of £10m-£12m over the next 12-18 months, generated by opportunities identified to date through the Framework approach, had been identified.

Mrs Hardisty suggested that the Framework could be used to test potential opportunities relating to pilots undertaken in individual GP clusters, which might be scaled up and applied to all Practice sites. Mr Chris Williams responded that in many cases, ideas had already been tested elsewhere, adding that it was important not to replicate work already undertaken.

Mrs Ryan-Davies informed Members of the work undertaken by the Transformation Team in terms of pulling together and evaluating pilots to provide a clear picture of benefits and outcomes, referring to work already undertaken in gathering evaluations of GP cluster projects, and suggesting that it would be beneficial to undertake further work in this area.

Miss Battle queried how and where discussions regarding re-configuration of services were reflected in governance terms at Board level. Mrs Ryan-Davies responded that any Transformation Programme work would come through the Healthcare Strategy Delivery Group, and would feed into the Board via the CEO's Update Report. Miss Battle suggested that Transformational work required increased visibility at Board level in order to appraise Board Members of changes that would be incorporated as standard business in order to inform members of the public of developments.

Mr Hearty underlined the fundamental importance of the Opportunities Framework process, and expressed his expectation that this approach would be progressed at pace to feed into the HDdUHB Savings Plan.

*Miss Maria Battle left the meeting*

*Mr Chris Williams and Mr Iwan Williams-Evans left the Committee meeting*

The Committee **NOTED** the Executive Team Opportunities Framework update.

	<p>Members were presented with the Primary Care Prescribing report, for assurance regarding actions planned and implemented by the Pharmacy and Medicines Management Directorate to identify priority areas and mitigate pressures.</p> <p>Members commented upon the richness of detail and intelligence contained within the report and requested that this be conveyed to Mrs Jenny Pugh-Jones, Clinical Director of Pharmacy and Medicines Management. Mr Thomas also undertook to feedback Mr Lewis' query regarding whether further opportunities for efficiencies had been identified within Primary Care Prescribing which were not included in the report.</p> <p>Mrs Hardisty requested further detail regarding the reasons for, and implications of, prescribing changes described in the report, in terms of savings, staff involved, and patient care (citing by way of example a move from Secondary to Primary Care prescribing within Urology services), and querying how these could be tracked. Mr Thomas responded that Primary Care prescribing data would now feed into a new dashboard</p> <p>Mrs Hardisty suggested that it would prove helpful to triangulate prescribing data with other demographic, socio-economic and specialties performance data in order to identify best practice. Mr Thomas highlighted opportunities to use intelligence available from GP practices and to marry this with the opportunity to test theories and identify spend on individual illnesses and conditions within Primary Care.</p> <p>Mr Thomas further highlighted the significant savings that have been delivered by the Pharmacy and Medicines Management Team, advising members that were it not for the impact of Category M drugs in-year, the Directorate would have met its budget for 2019/20.</p> <p>Mr Newman identified a number of Quality aspects connected with prescribing and drugs usage, and suggested that these could feed into the Quality, Safety &amp; Experience Assurance Committee.</p> <p>Mr Maynard Davies referenced the Cluster Analysis within the report, noting 'Red' performance ratings consistently applied to individual GP practice clusters and prescribed drugs, and queried opportunities available to use the richness of the data within the report to investigate reasons for poor performance. Mr Thomas confirmed that the analysis of prescribing patterns by cluster is overlaid upon other performance metrics to provide a clear indication of those areas where consideration of alternative methods of service provision are warranted.</p>	HT
	<p>The Committee <b>NOTED</b> and <b>DISCUSSED</b> the Primary Care Prescribing report.</p>	

FC(20)37	<p><b>CORPORATE RISKS</b></p> <p>Members were presented with the Corporate Risks report, identifying 3 risks assigned to the Committee from the 30 currently recorded in the Corporate Risk Register:</p>	
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	<ul style="list-style-type: none"> <li>• 730: Failure to realise all the efficiencies and opportunities from the Turnaround Programme in 2019/20;</li> <li>• 735: Ability to deliver the Financial Plan for 2019/20, affecting the whole Health Board;</li> <li>• 646: Ability to achieve financial sustainability over the medium term.</li> </ul> <p>In light of current challenges and uncertainty, Mr Thomas advised Members of the need to refresh the risks identified in the Corporate Risk Register, and agreed to reflect upon Finance-related risks and refresh these for the 26<sup>th</sup> March 2020 Board meeting.</p> <p>Mr Hearty agreed the need to review risks, including those currently assigned to the Finance Directorate.</p>	<b>HT</b>
	The Committee <b>NOTED</b> the Corporate Risks report.	

<b>FC(20)38</b>	<b>FINANCE OPERATIONAL RISKS</b>	
	<p>Members were presented with the Finance Operational Risks report providing a summary of 13 operational risks which have been extracted from the <i>Datix</i> database and assigned to the Finance Committee as the 'Assuring Committee'.</p> <p>Mr Hearty suggested that a useful test of future Transformational work would be to check whether these risks were still recorded as such following implementation of Transformational programmes.</p>	
	The Committee <b>NOTED</b> the Financial Operational Risks report.	

<b>FC(20)39</b>	<b>GRIP AND CONTROL EXPECTATIONS 2020/21</b>	
	<p>Members received a Finance Delivery Unit presentation summarising findings from the external 'Grip and Control' reviews, detailing minimum expectations for HDdUHB control environments and good practice relating to annual budget planning and delegation.</p> <p>Mr Thomas assured Members that many of the review recommendations had already been implemented within HDdUHB, and that further work would be undertaken to reinforce the discipline relating to business case benefits realisation testing and opportunities testing, which would lead to a sound control environment for HDdUHB, which in any case is already embedded within the <i>Hywel Dda Way</i>.</p> <p>Members endorsed a proposal to amend the terminology in order that 'Grip and Control' would be referred to as 'Control Environment'.</p>	
	The Committee <b>NOTED</b> findings from the external Grip and Control review.	

<b>FC(20)40</b>	<b>GRIP AND CONTROL REVIEW OF DELIVERY FRAMEWORK 2020/21</b>	
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	Members received a presentation outlining findings from the external review of the Delivery Framework 2019/20, and a high-level summary of key improvements to be implemented in response to the review's recommendations.	
	The Committee <b>NOTED</b> key improvements to be implemented in response to the external review's recommendations.	

<b>FC(20)41</b>	<b>HDdUHB GRIP AND CONTROL RESPONSE</b>	
	Members received a report detailing HDdUHB's response to actions recommended by the external review to address identified cost pressures within the Health Board.  Mr Thomas drew Members' attention to one of the recommendations within the report suggesting consideration should be given to the establishment of a Finance and Performance Committee, and the HDdUHB response i.e. that the Finance Committee had been established specifically to cover the financial agenda of an organisation in Turnaround, adding that while this remains the case, Finance reporting would be developed to include linkage of Financial and Operational performance; however this would not require any amendment to the Committee's ToR.	
	The Committee <b>NOTED</b> the Health Board's responses to the proposed measures.	

<b>FC(20)42</b>	<b>ONCE FOR WALES AGREEMENT</b>	
	Members were presented with a Statement of Agreement paper, confirming HDdUHB Executive Director of Finance's commitment to the application of a single, standardised approach to the implementation of NHS Wales Finance Academy improvement programmes.  Mr Thomas assured Members that no 'Once For Wales' initiatives would be signed up to that would in any way disadvantage the Health Board.	
	The Committee <b>NOTED</b> the 'Once for Wales' Statement of Agreement.	

<b>FC(20)43</b>	<b>STRATEGIC FINANCIAL PLANNING GROUP UPDATE REPORT</b>	
	Members were presented with the Strategic Financial Planning Group (SFPG) Update Report to Strategic Enabling Group (SEG) from the meeting held on 10 <sup>th</sup> February 2020, for information.	
	The Committee <b>NOTED</b> the Strategic Financial Planning Group Update Report to Strategic Enabling Group.	

<b>FC(20)44</b>	<b>REFLECTIVE SUMMARY</b>	
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	<p>Mr Thomas outlined 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>• With regard to the In-Year position, assurance was provided regarding delivery of the £35m deficit;</li> <li>• RTT - position noted, and thanks extended to the Planned Care Directorate for providing a clear trajectory in terms of achieving the zero breaches target for year-end;</li> <li>• Financial Plan – good discussion, acknowledging challenge in terms of savings identification, and the need for work to be undertaken before presentation of the Plan to the Board on 26<sup>th</sup> March 2020 in order to provide assurance regarding the financial outlook to the Board;</li> <li>• Discussion relating to the future use and development of the Executive Team Opportunities Framework in contributing to the delivery of savings, whilst acknowledging increased pace required in developing the Framework to enable impactful contribution to savings planning;</li> <li>• Primary Care Prescribing – commendation of the report presented to the Committee, prompting good discussion among Members.</li> </ul>	
	<p>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.</p>	
<b>FC(20)45</b>	<p><b>ANY OTHER BUSINESS</b></p> <p>No other business was raised.</p>	
<b>FC(20)46</b>	<p><b>DATE OF NEXT MEETING</b></p> <p>Tuesday 28<sup>th</sup> April 2020, 9.30 am - 12.30 pm, Boardroom, Ystwyth Building, St. David's Park, Carmarthen</p>	