

Enw'r Pwyllgor / Name of Committee	Finance Committee
Cadeirydd y Pwyllgor/ Chair of Committee:	Mr Michael Hearty, Chair
Cyfnod Adrodd/ Reporting Period:	Meeting held on 26 th January 2021
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. The primary role of Hywel Dda University Health Board's (HDdUHB's) Finance Committee 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 26th January 2021, with the following items highlighted:</p> <ul style="list-style-type: none"> • Long Term Financial Model and Strategic Workforce Model - the Committee received a report outlining the development of a Strategic Workforce Model and a Long-Term Financial Model which will support financial and workforce capacity forecasting and thereby inform decision-making within the organisation, together with a presentation demonstrating the functionality of working draft versions of the models. Members noted the high degree of potential evidenced, whilst recognising certain weaknesses where further refinements would be required, and were advised that further development of the models would be presented to Finance Committee at its next meeting on 25th February 2021. • Finance Report and Financial Forecast Month 9 – the Month 9 (M9) 2020/21 Finance Report was received by the Committee. Members were advised that the M9 position represents a continuation of year-to-date trends, showing a variance to breakeven of £7.6m (M8, £8.0m) and an expenditure level similar to M8, with a reduction in staffing costs (£0.2m) attributable to COVID-19, predominantly due to a reduction in usage of Nursing agency resources. Members noted an in-month reported position of breakeven against a deficit plan of £2.1m, and a Year to Date variance to breakeven of £18.8m (in line with the planned deficit), and were advised of additional costs incurred in M9 due to the impact of the COVID-19 pandemic of £8.1m (M8, £7.7m). Members were informed that £30.8m savings requirement included in the Financial Plan are not expected to deliver due to the operational focus being diverted to respond to COVID-19, and were assured that discussions are on-going regarding the implications of this for the HB's underlying deficit. <p>The Committee received a presentation outlining the HB's end-of-year financial forecast position for 2020/21 as assessed at M9. Members were assured that the HB remains on course to meet its year-end deficit target of £25m, noting a risk of underspending against this figure, and were advised</p>	

that further reductions in levels of elective care activity would manifest in the M10 position. Members were informed that the HB has taken a decision to utilise a proportion of its deficit funding from WG to invest in the replacement and upgrading of medical equipment which will put the organisation in a good position in terms of patient care and safety for 2021/22. 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 on 25th February 2021.

- **Capital Financial Management** – the Capital Financial Management report was received by the Committee, providing an update in regard to the All-Wales Capital Programme, the Capital Resource Limit for 2020/21 and the value of capital expenditure currently committed to deal with the COVID-19 pandemic for 2020/21. Members were advised of 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 within tolerance levels. Members noted WG End of Year (EoY) allocation slippage of £1.98m, for which the HB has compiled a prioritised list for funding allocation, and were assured regarding the 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 HB's Discretionary Capital Programme.
- **Digital Planning** – the Committee 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. Members were advised that the Digital Response would place the HB in a strong position to take 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. 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 drive efficiency in working practice within the organisation. Members were further 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.
- **Procurement Analysis – CLES Interim Report** - the Committee 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. Members were informed that while the HB is at an early stage in developing this approach, it currently leads among Welsh Health Boards in this respect, and noted 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. Members were advised that the interim report provides an important response to challenges associated with the organisation's commitment to a foundational economy, and noted that the final CLES report

would be presented to Finance Committee at its next meeting on 25th February 2021.

- **Procurement of Haematology and Coagulation Managed Service Agreement** - the Committee received a report seeking support to proceed with the procurement of Haematology and Coagulation equipment, reagent and consumables via a Managed Service Agreement, being advised that further sign-off will be required at WG level (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. 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 sign-off will be required by WG.
- **EU Exit** – the Committee received a verbal update with regard to the implications of EU exit upon the HB's healthcare services provision. Members were advised of the need to ensure that all affected HB staff submit applications under the Settled Status scheme by the deadline in June 2021, and a reduction in the score for the risk relating to EU Exit which is recorded on the Corporate Risk Register (Risk 635: *No deal Brexit affecting continuity of patient care*).
- **M9 Balance Sheet** - 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. Members were informed 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 has been awarded to Blackline Solutions. Members were assured that the Blackline solution will enable a move away from manual month-end Balance Sheet reconciliations and will enable reconciliations to be undertaken with greater transparency, efficiency and completeness, thereby providing greater assurance that all controls and approvals are in place. Being advised that the size of settlement figures for some medical negligence claims reflects the need in some cases to make long-term provision for the individuals involved, Members requested that further detail of medical negligence provision be included in the next Balance Sheet report to Finance Committee (29th April 2021).
- **Financial Procedures** - Members reviewed and approved the following financial procedures:
 - Cash Procedure
 - Project Bank Accounts
- **Update from Agile Digital Business Group Meeting** - the Committee received, for information, a report of discussions and outcomes from the meeting of the Agile Digital Business Group held on 17th December 2020.

- **Monitoring Returns – Month 9** – the Committee received, for information, the HB's Monitoring Returns for Month 9 submitted to WG.
- **Ministerial Directions** - Members received a report providing the Committee with a status update and assurance that the HB is compliant with the Non-Statutory Instruments (Ministerial Directions) issued by WG between 7th July 2020 and 13th January 2021.

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

- Procurement of Haematology and Coagulation Managed Service Agreement.

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

- £30.8m savings requirement included in the Financial Plan are not expected to deliver due to the operational focus being diverted to respond to COVID-19. Discussions are on-going regarding the implications of this on funding or for the HB's underlying deficit.
- A risk of underspending against the target year-end deficit figure of £25m. A plan to manage the year-end position will be presented to Finance Committee at its next meeting on 25th February 2020.
- The risk of slippage in the HB's Discretionary Capital Programme, which is being actively managed, with contingency plans in place for spending on alternative schemes before year-end.

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 February 2021 Finance Committee meeting will include the following items:

- Procurement Analysis – CLES Final Report
- Long Term Financial and Strategic Workforce Models - Workshop Demonstration
- Telehealth Business Case
- Digitisation of Health Records Business Case

Dyddiad y Cyfarfod Nesaf / Date of Next Meeting:

25th February 2021

Enw'r Pwyllgor / Name of Committee	Finance Committee
Cadeirydd y Pwyllgor/ Chair of Committee:	Mr Michael Hearty, Chair
Cyfnod Adrodd/ Reporting Period:	Meeting held on 25th February 2021
Y Penderfyniadau a'r Materion a Ystyriodd y Pwyllgor / Key Decisions and Matters Considered by the Committee:	
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- **Finance Strategic Objectives** - the Committee received a presentation summarising the key strategic objectives for the HB's Finance function for 2021/22, which link to the development of long-term plans to achieve financial balance and which will provide the basis for the development of a 'tracking' dashboard for the Committee, enabling Members to monitor the progress during 2021/22 of plans and initiatives which are intended to support these key objectives.
- **Finance Report and Financial Forecast Month 10** – the Month 10 (M10) 2020/21 Finance Report was received by the Committee. Members noted a M10 variance to breakeven of £10.7m (M9, £7.6m), and were advised that increased expenditure for M10 reflects increases in Nursing and Medical Establishment and Bank costs (£0.7m) and Nursing Agency costs (£0.3m) in response to acute demand and requirements to cover staff absences, in addition to expenditure in support of Adult Social Care Providers (£0.5m) and Transformation to Optimise Patient Flow (£0.4m). Members noted an in-month reported position of breakeven against a deficit plan of £2.1m, and a Year to Date variance to breakeven of £20.8m (in line with the planned deficit). The Committee also received a presentation outlining the HB's end-of-year financial forecast position for 2020/21 as assessed at M10. Members were informed that £30.8m savings requirement included in the 2020/21 Financial Plan are not expected to deliver due to the operational focus being diverted to respond to COVID-19, but were assured that the HB remains on course to meet its year-end deficit target of £25m. Members were informed of projected significant additional costs of £12m for M12, which are largely due to pay costs for the accrual of annual leave in 2021/22. Members were further informed that this cost pressure represents a material issue for all Welsh Health Boards, and were assured that WG funding would be made available to address these costs. Members were advised of cost impacts relating to the HB's decision to allow an annual leave carry-over into 2021/22, given the additional National Insurance and pension contribution costs involved, all of which are factored into the HB's financial projections.
- **Capital Financial Management** – the Capital Financial Management report was received by the Committee, providing an update in regard to the All-Wales Capital Programme, the Capital Resource Limit for 2020/21 and the value of capital expenditure currently committed to deal with the COVID-19 pandemic for 2020/21. Members were assured that the HB remains on course to meet its AWCP and Discretionary Capital Funding targets and were informed that WG has approved a targeted funding programme totalling £37m for 2021/22 which is intended to assist NHS organisations in Wales in responding to estates physical condition and statutory compliance backlog costs, investment in infrastructure engineering services, pressures on the Mental Health estate and national commitments to achieving net-zero carbon targets by 2030. Members were further advised that the Department of Health has confirmed its intention that all equipment issued to Welsh Health Boards as part of the COVID-19 response which are not identified for return will be legally transferred by the 31st March 2021, and received assurance that although the disposal of Cardigan Health Centre did not take place by the end of January 2021 as anticipated, assurance has been received from the

purchaser that exchange of contracts will be completed by the 31st March 2021.

- **Operational Risks** – the Committee received the Finance Operational Risks report, providing a summary of 15 operational risks which have been extracted from the Datix database and assigned to the Finance Committee for assurance purposes. Members were advised that a review of risks allocation may be required, given that a number of them relate to issues other than Finance.
- **Healthcare Contracting Update** – the Committee received a report outlining the HB's approach to contracting in 2021/22 and providing an update regarding initial conversations across Wales intended to support the development of a common approach to contracting in the new financial year. Members were informed of outcomes from an all-Wales contracting meeting held on 15th February 2021 to discuss the approach to Long Term Agreements in 2021/22, with a particular focus upon a pan-Wales financial approach. Members were advised of areas where representatives could not agree a common approach and advised that while a further meeting between Welsh Health Board Contracting Teams had been arranged for week commencing 1st March 2021, there was currently no consensus regarding the treatment of healthcare contracts for 2021/22. A further update would be presented to the Committee at its next scheduled meeting on 23rd March 2021
- **Underlying Deficit Analysis** – the Committee received a report outlining a WG request that a Ledger-based method of analysis be utilised by the HB in describing its underlying deficit as an element of 2021/22 financial planning. Members were advised that does not provide the overarching focus required to identify opportunities to address the deficit, and a position was supported whereby the Finance Team would continue to utilise its current activity-based analysis (recognising that this delivers a better understanding of the deficit) and would reconcile outputs to fit the reporting format requested by WG.
- **Financial Plan 2021/22 – Briefing** - Members received a presentation of key assumptions and principles underpinning the development of the HB's Financial Plan for 2021/22, being advised that the final draft of the Plan receive initial review and scrutiny from the Committee Chair and the Director of Finance, and be presented at the next Finance Committee meeting on 23rd March 2021, prior to presentation for approval at the Board meeting to be held on 25th March 2021.
- **Digital Planning** – the Committee received a report providing an update on the implementation of the HB's Digital Response and outlining the development of a Digital Transformation Programme to support the adoption and use of Microsoft 365 within the HB and to complement longer-term strategic objectives in realising step-change across the organisation in the adoption and use of digital technologies. Members noted progress made with regard to current digital projects and were advised that any opportunities to invest identified non-recurrent benefits in the 2021/22 financial position in digital transformation projects would be discussed to ensure maximum effectiveness in HB services.

- **Telehealth Business Case** - Members received a business case for financial investment on the part of the HB in Technology Enabled Care (TEC), and its adoption within core elements of care pathways. Members reviewed a detailed appraisal of costs, benefits, deliverables and further opportunities arising from the implementation of TEC and Telehealth services and, being assured that all associated risks and mitigations had been subject to consideration, Finance Committee supported the proposed investment in TEC, noting that the proposal had been submitted to the HB Executive Team for approval on 24th February 2021.
- **Digitisation of Health Records Business Case** - Members received an update on the future direction of the Digitisation of Health Records programme and an Outline Programme Plan produced with project management support from the Transformation Programme Office which is based upon the key principles of reducing or eradicating paper generation in all health records, identification of areas where the use of e-records is achievable, and developing scanning capacity as a solution where the use of e-records is not practicable. Members were advised of significant risks associated with current paper record storage arrangements, particularly those relating to fire safety, and were also made aware of costs and logistical challenges linked to the scanning of records. Members were assured that funding has been identified by the Director of Finance to expedite the delivery of the Outline Programme Plan i.e. a time-limited recurrent annual sum of circa £300,000 for a period of approximately 3 years.
- **Enhanced Cleaning Standards** - Members received a report detailing new cleaning standards which will become the baseline for cleaning requirements in Healthcare environments, and setting out the need for the HB to invest in its environmental cleaning programme, thereby increasing and enhancing its cleaning resource capacity in order to meet the new standards set by WG. Members were advised that, given the significant investment required in terms of human resourcing to comply with the enhanced standards (approximately £2.8m additional staff costs as well as non-pay costs of approximately £0.1m), the recommendation for investment would be presented to the Executive Team on 24th February 2021 before being presented to the Board for approval at its meeting on 25th March 2021.
- **Procurement Analysis – CLES Final Report** - Members received a report published by the Centre for Local Economic Strategies (CLES), which has been commissioned by the HB to develop the HB's role as a key anchor organisation, as part of a Community Wealth Building approach which focuses initially upon progressive procurement. Members were informed that this final report follows an interim report which was presented to Finance Committee at its meeting on 26th January 2021, and includes a summary of key findings from interviews with the Health Board's Procurement Team and senior staff members, together with recommendations relating to the development of a progressive procurement agenda within the UHB. Members supported the aims and recommendations presented in the report, recognising that this work signals the HB's intentions in terms of utilising procurement to support community wealth-building to the local economy.

- Strategic Cash Assistance - Members received for assurance a paper setting out the process for requesting Strategic Cash Support of £16m for 2020/21 and confirming that this request has been approved by WG.
- **Financial Procedures** - Members reviewed and approved the following financial procedures:
 - Single Tender Action
 - Budgetary Control
- **Update from Commissioning Group Meeting** - the Committee received, for information, a report of discussions and outcomes from the meeting of the Commissioning Group held on 11th February 2021. Members were advised of three key areas of focus for the Group in terms of commissioning arrangements i.e. Planned Care, Domiciliary Care and the fee structures applying to Continuing Healthcare services.
- **Monitoring Returns – Month 10** – the Committee received, for information, the HB’s Monitoring Returns for Month 10 submitted to WG.

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

- Ratification of the Finance Committee ToRs following their approval via Chair’s Action (Appendix 1).
- Recommendation for investment in enhanced cleaning standards.

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

- £30.8m savings requirement included in the Financial Plan are not expected to deliver due to the operational focus being diverted to respond to COVID-19;
- Projected significant additional costs of £12m for M12, which are largely due to pay costs for the accrual of annual leave in 2021/22. Costs are factored in to financial forecasts.
- Cost impacts relating to the HB’s decision to allow an annual leave carry-over into 2021/22, which are factored into the HB’s financial projections.
- Lack of agreement regarding the development of a common approach to healthcare contracting for 2021/22. Further discussions are scheduled to develop a consensus, and Welsh Health Board DoFs are regularly updated.
- Risks associated with current health record storage arrangements, particularly fire safety risks. Work is ongoing and investment has been identified to develop solutions, through a combination of scanning and identification of opportunities to enable health care recording via e-forms.

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

Adrodd yn y Dyfodol / Future Reporting:

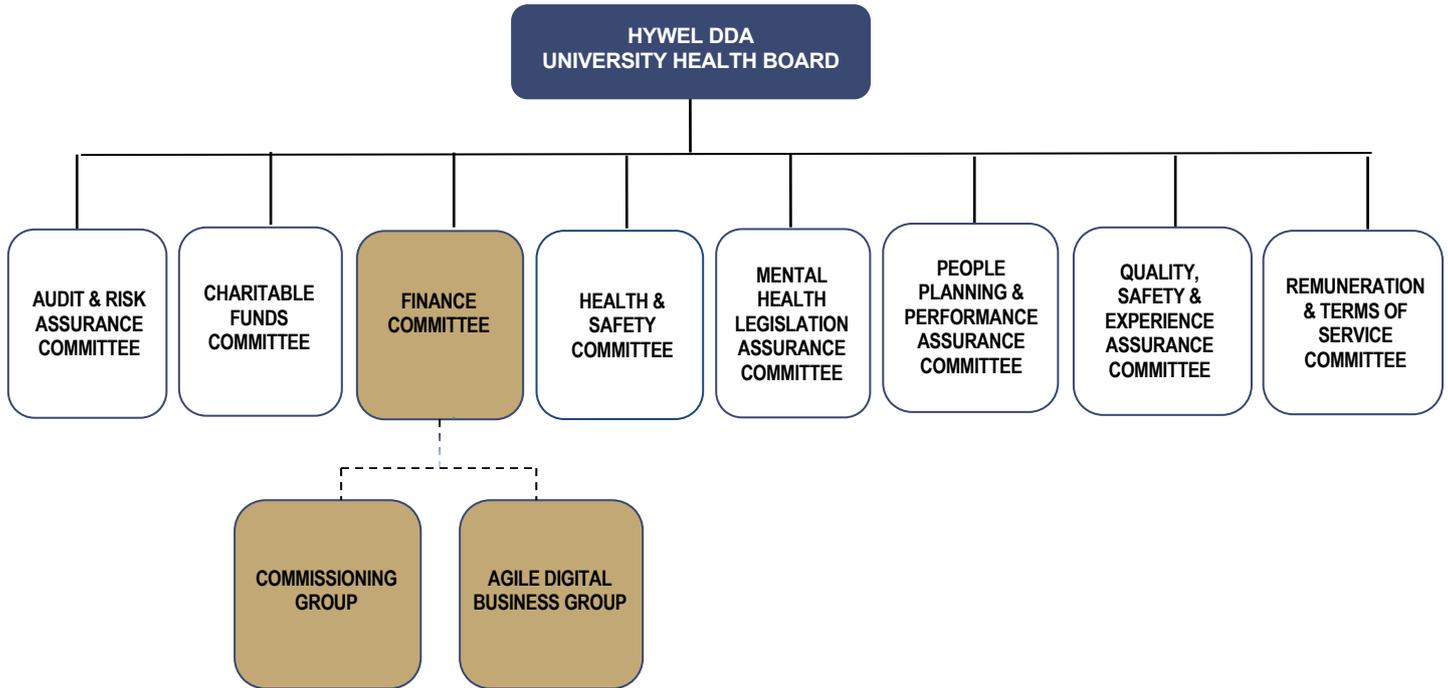
In addition to the standing agenda items, the March 2021 Finance Committee meeting will include the following items:

- Finance Committee Self-Assessment of Performance 2020/21 - Review of Questions

- Financial Plan 2021/22
- HDdUHB Procurement Strategy for Community Wealth Building
- Value from Investment in Clinical Equipment
- VAT and Tariff Accounting Arrangements for Imports from EU

Dyddiad y Cyfarfod Nesaf / Date of Next Meeting:

23rd March 2021



FINANCE COMMITTEE

TERMS OF REFERENCE

Version	Issued to:	Date	Comments
V1	Finance Sub-Committee	08.11.2017	Discussed
V2	Finance Sub-Committee	13.12.2017	Approved
V2	Business Planning & Performance Assurance Committee	19.12.2017	Approved
V3	Finance Sub-Committee	19.07.2018	Discussed
V4	Finance Sub-Committee	23.08.2018	Discussed
V5	Hywel Dda University Health Board	27.09.2018	Approved
V6	Hywel Dda University Health Board	30.05.2019	Approved
V7	Finance Committee	13.03.2020	Discussed
V7	Hywel Dda University Health Board	26.03.2020	Approved
V8	Finance Committee Finance Committee Chair	25.02.2021 18.03.2021	Discussed Approved via Chair's Action
V9	Hywel Dda University Health Board	25.03.2021	For Approval

FINANCE COMMITTEE

1. Constitution

- 1.1 The Finance Committee has been established as a formal Committee of the Board and constituted from 1st October 2018.

2. Purpose

- 2.1 To scrutinise and provide oversight of financial and revenue consequences of investment planning (both short term and in relation to longer term sustainability).
- 2.2 Review financial performance, review any areas of financial concern, and report to the Board.
- 2.3 Conduct detailed scrutiny of all aspects of financial performance, the financial implications of major business cases, projects, and proposed investment decisions on behalf of the Board.
- 2.4 Regularly review contracts with key delivery partners.
- 2.5 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, give early warning of potential performance issues, making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern.

3. Operational Responsibilities and Objectives

- 3.1 Advise the Chair, Chief Executive and Board on all aspects of finance and the revenue implications of investment decisions.
- 3.2 Provide assurance in respect of short, medium and long term financial performance and financial planning.
- 3.3 Seek assurance on the management of principal risks within the Board Assurance Framework and Corporate Risk Register allocated to the Committee (financial risks), and provide assurance to the Board that risks are being managed effectively and that any areas of significant concern are reported e.g. where risk appetite is exceeded, or where there is a lack of timely action.
- 3.4 Recommend acceptance of risks that cannot be brought within the Health Board's risk appetite/ tolerance to the Board through the Committee Update Report.
- 3.5 The Finance Committee will provide assurance, raising appropriate concerns, and make recommendations to the Board in accordance with the Committee's role in relation to short term focus, medium term focus and improving financial management, as follows:

Short Term Focus

- 3.5.1 Undertaking detailed scrutiny of the organisation's overall:

- Monthly, quarterly and year-to-date financial performance;
 - Performance against the Savings Delivery and the Cost Improvement Programme, providing assurance on performance against the Capital Resource Limit and cash flow forecasts;
 - Oversight and monitoring of the Health Board's Turnaround Programme.
- 3.5.2 Receiving assurances in respect of Directorate performance against annual budgets, capital plans and the Cost Improvement Programme and innovation and productivity plans.
- 3.5.3 Reviewing the future annual revenue and capital budget.
- 3.5.4 Reviewing the Treasury management and Working Capital Policy as required.

Medium Term Focus

- 3.5.5 Considering and keeping under review the organisation's medium term financial strategy in relation to both revenue and capital risks.
- 3.5.6 Reviewing financial proposals for major business cases (and investment decisions) and their respective funding sources.
- 3.5.7 Maintaining oversight of, and obtaining assurances on, the robustness of key income sources and contractual safeguards.
- 3.5.8 Reviewing major procurements and tenders, such as outsourcing, in relation to achieving Referral to Treatment targets.
- 3.5.9 Commissioning regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money.
- 3.5.10 Reviewing and monitoring progress against capital plans to be assured of delivery against the Capital Resource Limit.
- 3.5.11 Reviewing the financial aspects of the Estates, medical devices and IM&T strategy, ensuring:
- Appropriate funding arrangements are in place; and the
 - Appropriate utilisation of the strategy.
- 3.5.12 Receive reports relating to the Health Board's Digital Programme to ensure benefits realisation from the investment made.
- 3.5.13 Reviewing any investment/ disinvestment strategy, maintaining oversight of the investments and disinvestments, ensuring compliance with policies by:
- Establishing the overall methodology, processes and controls which govern investments and disinvestments, including the prioritisation of decisions;
 - Ensuring that robust processes are followed; and
 - Evaluating, scrutinising and monitoring subsequent investments/ disinvestments.

Improving Financial Management

- 3.5.14 Developing and implementing a financial management improvement agenda across the organisation.
- 3.6 Subject to the Board's direction and approval, develop and regularly review 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.
- 3.7 Review and approve financial procedures on behalf of the Health Board.
- 3.8 Approve policies within the scope of the Committee.
- 3.9 Agree issues to be escalated to the Board with recommendations for action.

4. Membership

- 4.1 Formal membership of the Committee shall comprise of the following:

Member
Associate Member of the Board (Chair)
Independent Member (Vice Chair)
Independent Member
Health Board Vice-Chair
*Invitation extended to the Chair of ARAC to attend (not counted for quoracy purposes)

- 4.2 The following should attend Committee meetings:

In Attendance
Chief Executive
Director of Finance
Director of Operations
Other key Executive Directors/ Directors to attend as and when the Committee request their attendance.

- 4.3 Membership of the Committee will be reviewed on an annual basis.

5. Quorum and Attendance

- 5.1 A quorum shall consist of no less than two of the membership and must include as a minimum the Chair or Vice-Chair of the Committee, and one other Independent Member, together with two of the In Attendance Members.
- 5.2 The membership of the Committee shall be determined by the Board, based on the recommendation of the UHB Chair, taking into account the balance of skills and expertise necessary to deliver the Committee's remit, and subject to any specific requirements or directions made by the Welsh Government.
- 5.3 Any Senior Officer of the UHB or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting, to assist with discussions on a particular matter.

- 5.4 The Committee may also co-opt additional independent external “experts” from outside the organisation to contribute to specialised areas of discussion.
- 5.5 Should any Officer Member be unavailable to attend, they may nominate a deputy with full voting rights to attend in their place subject to the agreement of the Chairman.
- 5.6 The Chair of the UHB reserves the right to attend any of the Committee’s meetings as an ex officio Member.
- 5.7 The Chair of the Finance Committee shall have reasonable access to Executive Directors and other relevant senior staff.
- 5.8 The Head of Internal Audit shall have unrestricted and confidential access to the Chair of the Finance Committee.
- 5.9 The Committee may ask any or all of those who normally attend but who are not Members to withdraw to facilitate open and frank discussion of particular matters.

6. Agenda and Papers

- 6.1 The Committee Secretary is to hold an agenda setting meeting with the Chair and/or the Vice Chair, at least **three** weeks before the meeting date.
- 6.2 The agenda will be based around the Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year and requests from Committee members. Following approval, the agenda and timetable for papers will be circulated to all Committee members.
- 6.3 All papers must be approved by the Lead/ relevant Director.
- 6.4 The agenda and papers for meetings will be distributed **five** working days in advance of the meeting.
- 6.5 The minutes and action log will be circulated to members within **five** working days to check the accuracy.
- 6.6 Members must forward amendments to the Committee Secretary within the next **five** working days. The Committee Secretary will then forward the final version to the Committee Chair for approval.

7. In Committee

- 7.1 The Committee can operate with an In Committee function to receive updates on the management of sensitive and/ or confidential information.

8. Frequency of Meetings

- 8.1 The Committee will meet monthly and shall agree an annual schedule of meetings. Any additional meetings will be arranged as determined by the Chair of the Committee.
- 8.2 The Chair of the Committee, in discussion with the Committee Secretary, shall determine the time and the place of meetings of the Committee and procedures for such meetings.

9. Accountability, Responsibility and Authority

- 9.1 The Committee will be accountable to the Board for its performance in exercising the functions set out in these terms of reference.
- 9.2 The Committee shall embed the UHB's vision, corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.
- 9.3 The requirements for the conduct of business as set out in the UHB's Standing Orders are equally applicable to the operation of the Committee.

10. Reporting

- 10.1 The Committee, through its Chair and Members, shall work closely with the Board's other committees, including joint /sub committees and groups, to provide advice and assurance to the Board through the:
 - joint planning and co-ordination of Board and Committee business;
 - sharing of information.
- 10.2 In doing so, the Committee shall contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.
- 10.3 The Committee may establish sub-committees, groups or task and finish groups to carry out on its behalf specific aspects of Committee business. The Committee will receive an update following each Group's meetings detailing the business undertaken on its behalf. The following have been established:
 - 10.3.1 Agile Digital Business Group;
 - 10.3.2 Commissioning Group.
- 10.4 The Committee Chair, supported by the Committee Secretary, shall:
 - Report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes the submission of a Committee update report as well as the presentation of an annual report within 6 weeks of the end of the financial year;
 - Bring to the Board's specific attention any significant matters under consideration by the Committee.
 - Ensure appropriate escalation arrangements are in place to alert the UHB Chair, Chief Executive, or Chairs of other relevant Committees, of any urgent/ critical matters that may compromise patient care and affect the operation and/ or reputation of the UHB.
- 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.

11. Secretarial Support

11.1 The Committee Secretary shall be determined by the Board Secretary.

12. Review Date

12.1 These terms of reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board.