



COMMITTEE UPDATE REPORT/ ADRODDIAD DIWEDDARU'R PWYLLGOR – FINANCE AND PERFORMANCE COMMITTEE

Date of last meeting/ Dyddiad y cyfarfod diwethaf: 27 July 2026 and 27 August 2026

Quoracy/ Cworwm: Met

Report by/ Adroddiad gan: Michael Imperato, Chair

KEY DISCUSSION POINTS AND MATTERS FROM THE DISCUSSION AT THE MEETING/ PWYNTIAU TRAFOD ALLWEDDOL A MATERION I'W HUWCHGYFEIRIO O'R DRAFODAETH YN Y CYFARFOD:

Alert¹ (may require discussion)/ **Rhybuddio** (efallai y bydd angen trafodaeth)

The Finance and Performance Committee wish to **alert** the Board that:

- Corporate Risk 2326 ('Risk to achieving 26/27 Target Control Total due to underlying deficit, insufficient savings & reliance on non-recurrent funding') has been raised to the highest level of risk score of 25. In light of the highest possible risk score, a response is required to outline how the choices that the Health Board would need to consider address the reduction of its year-end deficit position, the delivery of its in-year savings requirements and identification of the additional deliverable savings schemes required to achieve the Health Board's 2026/27 target control total.
- The trajectories within the **Clinical Care Group Savings Plans** currently do not meet the in-year savings target position for 2026/27 or contain sufficient detail on the desired outcomes. The Committee requested that the Board test the Clinical Care Group savings position more rigorously, to drive in-year savings to improve the trajectory.
- The **Month 4 2026/27 Financial Performance Assurance Report** highlighted a deteriorating financial position and achieving the Health Board's forecast deficit of £41.0m remains a challenge. The Committee requests that the Board considers the actions required to deliver a further £19.4m of further mitigating measures and close the £13.0m savings identification gap through increasing the level of recurrent savings and reducing operating expenditure, to improve the underlying financial position and support the delivery of long term financial sustainability.

¹ There is a lack of confidence that any action in place is sufficient to address the issue satisfactorily and/or within the scope of the operational team or executive to resolve. Engagement, action or intervention required.



Advise² (to monitor)/ **Cynghori** (i fonitro)

The Finance and Performance Committee wish to **advise** the Board that:

- A significant number of audit recommendations identified in the **Risk and Assurance Report** remain overdue, with limited narrative on the reasons for continued delays, insufficient evidence of progress against a number of recommendations and several recommendations did not have target completion dates. While the Committee was advised that work is underway to implement the outstanding recommendations, it concluded that further evidence of progress is required before it can provide assurance to the Board. The next report which includes audit recommendations should provide clear evidence of progress and delivery, otherwise, there will be further escalation of its concerns to the Board.
- **Medical Variable Pay** continues to be a significant challenge to the delivery of required levels of savings without having a consequential adverse impact on performance. While the Committee was **assured** by the approach being taken including the controls implemented to improve the oversight of medical variable pay through the adoption of a revised medical rate card, the deployment of the Allocate roster software system, the Medical Stabilisation Programme and through enhanced financial and workforce reporting, it recognised the fundamental challenge of being able to deliver this work at pace, given the cultural and structural issues. The Committee will review progress made to reduce medical variable pay at its meeting on 15 December 2026 to seek further assurance on the progress made.
- The **Integrated Performance Assurance Report** indicated that several areas of performance were considered fragile with improvements reliant on the continued receipt of external funding or on corrective actions that were not considered to be sustainable. There is concern that several areas of performance trajectories are at risk of not showing the desired level of improvement to meet or remain on target.

Assure³ (to note)/ **Sicrhau** (i nodi)

The Finance and Performance Committee wish to **assure** members of the Board that:

- At its Extraordinary Meeting on 27 July 2026, assurance was received that delivery of the **Planned Care Recovery Plan**, submitted in response to Welsh Government requirements, would achieve no more than 5,507 Referral To Treatment (RTT) 104-week pathway breaches, 9,316 RTT 26-week Stage 1 breaches and 5,564 Diagnostic Direct Access 8-week breaches. The Planned Care Delivery and Sustainability Plan was endorsed by the Committee and subsequently approved by Board, through delegated authority, for submission to Welsh Government by the required deadline of 31 July 2026.

² There are areas of concern where assurance has been taken on actions in place but requires close monitoring. An early warning of an emerging and potentially serious concern.

³ There is confidence that actions are robust and will be sufficient to address the issue or generally operating effectively. Routine monitoring.

- Following the development of robust **Radiology Demand and Capacity** data through the work of a Task and Finish Group to measure performance within the radiology service, the Committee gained assurance that there are measures in place to meet Welsh Government expectations for 2026/27. However, this is dependent on the receipt of Welsh Government funding, a significant uplift in resource allocation through the 2027/28 budget-setting process and the maximisation of productivity opportunities within the service. The Committee also recognised that the development of the longer-term plan for the stabilisation of the radiology service is required to address the workforce fragility and the service configuration challenges, including the exploration of a regional radiology solution.
- Work was progressing through the **Workforce Grip and Control** arrangements and the **Workforce Improvement Programme** to strengthen workforce sustainability, improve productivity and support the delivery of safe and effective patient care within available resources. An update on the progress of the Workforce Grip and Control and Workforce Improvement Programme was requested for scrutiny at the next meeting on 27 October 2026 to provide further assurance regarding delivery and impact.
- There was strong confidence in the process and oversight of the Nursing Workforce Stabilisation Programme with effective grip and control measures in place to manage the key drivers of **Nursing Variable Pay**. There was confidence that there was an effective governance framework in place to oversee the management of nursing variable pay as part of the wider Workforce Improvement Programme.
- The **NHS Wales Shared Services Partnership (NWSSP) Performance Report Q1 2026/27** gave strong assurance that the services being provided to the Health Board by NWSSP were being delivered to the expected standards.
- The **Macmillan Cancer Support Neighbourhood Investment Partnership** accorded with the strategic intent of the Health Board in relation to its prevention and community health resilience and the Committee recommended that the Board approves the strategic intent of the partnership, ahead of detailed consideration of the Full Business Case by the Executive Team, the Committee and the Board, following finalisation of the final contractual arrangements of what is considered to be a novel and innovative funding arrangement.

Review of Risks/ Adolygiad o Risgiau

- Contained within the report.

Sharing of learning/ Rhannu dysgu

- Not Applicable

Recommendation/ Argymhelliad

Within the Procurement Report which is appended to this document, the Board is asked to:

- **Approve** the award of the Rubrik Portfolio contract renewal from the 01 October 2026 to the 30 September 2030 with an option to extend to 30 September 2032 at a maximum anticipated total contract value of £2,100,000.00 ex VAT. This contract will have onwards submission to HDdUHB Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership).
- **Approve** the award of the Telephony Modernisation Subscription Renewal from 01 October 2026 to 30 September 2028 with the option to extend to 30 September 2029 with total contract value of £999,981.06 ex VAT. This contract will have onwards submission to HDdUHB Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership).
- **Approve** the Contract Change Notice for the Microsoft Enterprise Agreement increasing the total contract value to £23,513,256.61 ex VAT. This contract will have onwards submission to HDdUHB Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership).

The Board is also asked to:

- **Approve** the strategic direction of the Macmillan Cancer Support Neighbourhood Investment Partnership, ahead of further consideration of the legal, contractual and financial arrangements of the Full Business Case, to be presented to the Executive Team and the Finance and Performance Committee prior to submission to the Board for final approval.
- **Respond** to the items the Committee is alerting them to.
- **Note** the items the Committee is advising them of.
- **Take assurance** from the items that the Committee is providing assurance on.

Agenda, papers and minutes are available on our website/ Mae agenda, papurau a chofnodion ar gael ar ein gwefan: [Finance and Performance Committee](#).