Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

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

Date of last meeting/ Dyddiad y cyfarfod diwethaf: 30 June 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:

Alert[1] (may require discussion)/ **Rhybuddio** (efallai y bydd angen trafodaeth)

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

- The Health Board's financial and performance position highlighted a projected £4.7 million adverse variance, an £8.7 million gap in unidentified savings, and the challenge of improving performance while delivering financial recovery. Concerns from the Committee centred on the lack of a clear route map, insufficient operational planning capability, and the need for stronger alignment between workforce, financial and performance plans.

  Particular attention was drawn to ongoing pressures in delayed transfers of care in urgent and emergency care services, cancer services, elective care, radiology, therapies, and reliance on variable pay, with members noting that areas of financial overspend often mirrored poorer performance. Members called for organisational focus on a small number of key priorities, greater accountability from managers and sustainable solutions rather than short-term measures. The Board is alerted to this as it will need to seek additional assurance that plans have progressed since the Finance and Performance Committee meeting.

- Pausing the **urgent and emergency care** investment, following the In Committee Board decision, is likely to increase winter pressures and adversely affect patient safety, quality of care, ambulance handovers, variable pay and agency staffing costs. Ambulance handover performance is likely to remain in the low 60% range rather than improve towards 70–71%, and further delays may jeopardise current recruitment activity and require the process to be restarted. This is alerted to the Board so that the Board can seek assurance over mitigating actions or additional savings which will be required were this funding to be unpaused.

  Concerns were raised about the absence of clear mitigating actions and the wider unresolved financial risks, including uncertainty around delivery of savings plans and the remaining savings gap. The discussion highlighted

[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.*

frustration that financial recovery and service improvement continued to be treated separately, with members emphasising that organisational priorities should be aligned so that savings achieved in one area could support investment in another. Members were also reminded that the Board's decision had not yet been ratified publicly. Overall, there was concern that failure to proceed with the investment would worsen quality, safety and experience performance.

Advise[2] (to monitor)/ **Cynghori** (i fonitro)

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

- Several operational risks identified in the **Risk and Assurance Report** will be revisited, with stronger ownership, challenge and operational responses. Members highlighted the high volume of very high-scoring risks, particularly within the Operational Allied Health Professional Clinical Care Group. Concerns were also raised about the quality of risk descriptions and whether they demonstrated effective mitigation and active management.

  Members considered risks rated at the maximum score of 25 to be materialising issues requiring urgent action, clear ownership and Board-level support. While officers confirmed that these risks reflect genuine operational challenges and are regularly reviewed, members sought stronger accountability, greater challenge from care groups, and a clearer focus on operational solutions rather than financial constraints alone.

- A deteriorating performance position across several key areas was reported through the **Integrated Performance Assurance Report**, particularly in cancer services, urgent and emergency care, and planned care, with increasing therapies breaches, deteriorating 12-hour emergency care performance. Members noted some positive developments, including sustained improvements in eye care, reductions in delayed outpatient follow-ups, and decreases in moderate harm incidents and complaints, although questions were raised about whether lower complaint numbers reflected changes in reporting processes rather than improved patient experience which was confirmed.

  Significant workforce-related cost pressures were highlighted, particularly agency nursing expenditure and long-term sickness absence, and their impact on service delivery and financial sustainability. Targeted work is underway with senior managers to reduce long-term sickness absence across services. Members also sought greater assurance regarding vaccination and immunisation performance. While the report provided a helpful overview of the organisation's challenges, Members concluded that it did not offer full assurance and that clearer recovery plans, strategic direction and evidence of improvement were still required.

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[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*.

- **Continuing Healthcare** commissioned services expenditure remained a significant financial pressure at £69.1 million. While spending growth compared favourably with the national position and largely reflected legacy package growth, there were concerns about the long-term sustainability of the current care market model. Discussion focused on the Health Board's reliance on a fragmented private-sector market, particularly in West Wales, and the associated risks. Members highlighted the need for a broader strategic review of the care home sector, including consideration of alternative models such as market incentives, greater public-sector provision, and partnerships with housing associations or local authorities. They also noted the limited market intelligence available to the NHS compared with independent providers. While satisfied that appropriate controls were currently in place, the Committee requested a clearer, solution-focused long-term strategy to support the sustainability of Continuing Healthcare provision.

Assure[3] (to note)/ Sicrhau (i nodi)

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

- An action plan has been developed to address the Health Board's continued reliance on **medical variable pay,** with a significant proportion of predictable core activity still being delivered through additional paid sessions rather than substantive job plans, creating both financial and workforce sustainability risks.

  Workforce challenges required a broader strategic response encompassing service redesign, alternative workforce models and the conversion of variable pay into sustainable capacity. Concerns were raised about the scale of the financial challenge, including medical additional hours costing around £2.6 million per month. Whilst the Committee accepted the current plan as providing assurance, it emphasised the need for stronger operational support, clearer strategic workforce planning and regular progress updates on implementation and delivery.

- **Procurement** proposals covering the electronic document and records management system, the oral surgery contract for five years, the ophthalmology position, and the approval and delegated authority arrangements for procurement activity within the Health Board were supported, with further Welsh Government support to be sought as appropriate. A separate report on value-based procurement in healthcare was also flagged as an important strategic development linked to work with Swansea University and Swansea Bay University Health Board.

Review of Risks/ Adolygiad o Risgiau

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

- 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 Electronic Document and Records Management System (EDRMS) Renewal contract from the 01 September 2026 to the 31 March 2032 with an option to extend to 31 March 2034 at a total contract value of £1,244,903.00 ex VAT. This contract will have onwards submission to HDdUHB Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) and Welsh Government for approval.
- **APPROVE** the award for Oral Surgery contract for five (5) years from 01 October 2026 to 30 September 2031 with the option to extend for a further five (5) year, by way of three (3) plus two (2) years, with total contract value of £5,060,000.00 ex VAT. This contract will have onwards submission to HDdUHB Public Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) and Welsh Government for approval.
- **APPROVE** the commencement and subsequent award of the procurement process for Outsourcing Ophthalmology contract for up to two (2) years from 01 August 2026 to 31 July 2027 with no option to extend, with total contract value of up to £12,000,000.00 ex VAT. This contract will have onwards submission to HDdUHB Public Board, and Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership). This requirement does not require Welsh Government approval.
- **APPROVE** the approval and delegated authority arrangements for procurement activity within the Health Board.

The Board is also asked to:

- **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.