

Appendix 2



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Bwrdd Iechyd Prifysgol
Cwm Taf Morgannwg
University Health Board

Planning, Performance & Finance (PPF) Committee

Annual Report 2021/22

PLANNING, PERFORMANCE & FINANCE (PPF) COMMITTEE ANNUAL REPORT 2021/22

1. FOREWORD

I am pleased to present the Annual Report of the Cwm Taf Morgannwg UHB Planning, Performance & Finance (PPF) Committee for 2021-2022. The purpose of this report is to formally report on the work of the PPF Committee for the year ending 31 March 2022 in accordance with the Committee's Terms of Reference.

During the year my fellow Independent Members – Nicola Milligan, Ian Wells, Nicola Milligan and Patsy Roseblade once again offered their considerable knowledge and wide-ranging experience to the Committee. We were delighted to welcome our newest Committee Members, Carolyn Donoghue in October 2021 and Geraint Hopkins in January 2022, who have added to the range of expertise available via this Board Committee.

I would like to extend my sincere condolences to the family of Councillor Philip White, Independent Member of the Committee, who very sadly passed away in 2021. Councillor White had been a key member of the Committee and his contribution and knowledge was appreciated by all.

I would like to express my thanks to all the officers of the Committee who have supported and contributed to the work carried out and for their commitment in meeting important targets and deadlines. I also wish to record my appreciation for the support and contribution given by the Independent Members.

In June 2021 the Committee extended a wider invitation to all Members of the Board who joined the meeting to ensure that there was a robust discussion and scrutiny of the Integrated Medium Term Plan and Annual Plan priorities responding to the continuing escalation status and the immediate recovery and resetting agenda, prior to its submission to Welsh Government at the end of June 2021.

The Annual Committee Cycle of Business was approved by the Committee at the meeting held in February 2022, which outlined the forward planning for the work of the Committee for 2022-2023. I continue to advocate the promotion of a culture of continual improvement, and as usual look forward to the learning that will come from the self-assessment which is undertaken each year to reflect on the Committee's effectiveness.

Mel Jehu

Chair, Planning, Performance and Finance Committee

2. INTRODUCTION

The key function of the Planning, Performance & Finance Committee (PPF) is to provide scrutiny on behalf of the Board on all matters relating to Planning, Performance and Finance. The Committee provides a level of assurance to the Board that all appropriate actions are being taken to reduce risks in these areas.

The Committee meets on a bi-monthly basis following the Strategic Leadership Group where the initial management debate / scrutiny / action is taken. The Committee Chair presents exceptional issues to the Quality & Safety Committee. There is also the opportunity to refer key risks back to the Strategic Leadership Group or through reports from Committee Chair at full Health Board meetings.

All papers relating to the Committee (unless held 'in-committee') are available on the Health Board [website](#). The Committee aims to meet up to six times per annum to scrutinise the Health Board's planning, performance and financial management aligned to its Integrated Medium Term Plan commitments.

Key areas of activity for the Committee during 2021-2022 are outlined below:

- Active involvement in the development and approach to the 2022-2023 Integrated Medium Term Plan and Annual Plan.
- Routinely reviewed and scrutinised the Health Board's integrated performance dashboard.
- Routinely, reviewed and scrutinised financial performance, such as the development of savings plans, budget setting, delivery of agreed savings plans including efficiency savings and the Monthly Monitoring Returns to Welsh Government.
- Routinely, reviewed and scrutinised the delivery of the Planned Elective Care Recovery Programme.
- Routinely, reviewed and scrutinised the organisational risks assigned to the Committee.
- Reviewed and scrutinised a report on the Budget Setting Arrangements.
- Reviewed and scrutinised a report on Child and Adolescent Mental Health Services (CAMHS) Performance Improvement.
- Reviewed and scrutinised a report on Ophthalmology Performance Improvement.
- Reviewed and scrutinised a report on Winter Response Planning.
- Reviewed and scrutinised a report on Access to GP Practices.
- Reviewed and scrutinised a report on Estates Performance.



3. MEMBERSHIP

Only the Independent Members are formal members of the Committee, however, they are joined at the meeting by Executive Directors and other Senior Officers as appropriate. Other Independent Members from other Health Boards, representatives from Internal Audit, Audit Wales and Welsh Government have also attended the meetings on occasions.

The role of the Independent Member of the Committee is to provide appropriate scrutiny and assurance to the Board independently of the management decision-making processes. The tables below outline the membership of the PPF Committee during 2021/22:

Table 1 – Composition of Independent Members

Independent Member
Mel Jehu (Chair)
Patsy Roseblade
Ian Wells
Nicola Milligan
Philip White (until October 2021)
Carolyn Donoghue (From October 2021)
Geraint Hopkins (From January 2022)

3.1 MEETING ATTENDANCE

The Planning, Performance & Finance Committee met on seven occasions during 2021/22:

Name:	27/04/21	22/06/21	24/08/21	18/10/21	21/12/21	22/02/22	26/04/22
Core Membership							
Mel Jehu	✓	✓	✓	✓	✓	✓	✓
Patsy Roseblade	✓	✓	✓	✓	✓		
Ian Wells	✓	✓	✓	✓	✓	X	✓
Nicola Milligan	✓	✓	✓	✓	✓	✓	✓
Philip White							
Carolyn Donoghue				✓	✓	✓	✓
Geraint Hopkins						X	✓



4. MAIN AREAS OF FINANCE PERFORMANCE & WORKFORCE COMMITTEE ACTIVITY

The agenda for each meeting follows a standard format as outlined below:

- Preliminary Matters
- Consent Agenda
- Governance (Including the Organisational Risk Register)
- Improving Care (Performance Activity)
- Sustaining our Future (Finance Update Reports)
- Forward Work Programme, Highlight Report, How did we Do Today? and items to be referred to other Committees

PART 1

Preliminary Matters

This section provides the apologies for absence, welcome and introduction, declarations of interest, previous meeting minutes, matters arising and the action log.

PART 2 – MAIN AGENDA

Planning

This section of the meeting reviews and monitors the process for the development of the Integrated Medium Term Plan (IMTP), scrutinises strategic or major service plans, monitors and scrutinise the efficient prioritisation of capital schemes, capital plans, capital programmes and business cases.

Performance

This section of the meeting reviews the Integrated Performance Dashboard, which covers all Tier 1 targets set by the Welsh Government as well as critical, local targets.

The dashboard accompanied by a covering report highlights key performance areas which include those:

- under formal escalation with Welsh Government,
- where a cause for concern to the Committee has been raised due to fluctuations in performance levels being attained,
- demonstrating considerable improvements in performance.

The Dashboard is reviewed for changes from the previous month, trends throughout the year and determines the areas that will be discussed in more detail. The report highlights areas that will be brought forward onto the 'Forward Look', which is generally determined by those areas that have shown

deterioration over two consecutive months. The Director of Planning and Performance or a suitably nominated deputy presents the Integrated Performance Dashboard. Key areas for further detailed discussion are then produced for exception reporting or are requested as part of a 'deep dive' financial presentation or for clinical efficiency review and discussion. Comparative information is also presented and discussed on a quarterly basis.

As of June 2020 the Workforce Dashboard is being scrutinised by the newly formed People and Culture Committee, in line with the revised changes to Sub Committees of the Board.

Finance

This section of the meeting monitors risk to financial delivery including mitigating actions to manage risk. Monitors the delivery of financial plans and savings programmes. Monitors activity and productivity including operational efficiency and effectiveness.

Items for exception reporting, information or update

Throughout the year, various high profile issues have been presented to the Finance, Performance & Workforce Committee by way of exception. These include reports produced by Wales Audit Office on an all-Wales basis.

Forward Work Programme and items to be referred to other Committees

Items for Information/Update

Items that have previously been presented may be placed on a future agenda for a written update or further information. These are received at this point by the Committee. In addition, papers of interest to members may be included in this section.

Forward Look

The 'Forward Look' plan for the Committee is reviewed at each meeting to ensure that it is still targeted at the appropriate risk areas. Issues raised during the Health Board's monthly meetings with Welsh Government's "Quality and Delivery Group" are presented as required.

Links with Other Committees/Boards

The Directors on the Committee provide this linkage to the Executive Board. Key risk areas from the Planning, Performance & Finance Committee were highlighted at the Quality & Safety Committee and/or full Board meetings by the Committee Chair.

Key elements, including any patient specific risks, were also taken into account at the Quality and Safety Committee; an important link is made by the Chair of the Quality and Safety Committee and lead directors as appropriate.

The Committee Chair is able to refer items to other Board Committees as felt appropriate. There are three questions that the Committee are required to consider: What is the issue being referred? Why are the Committee seeking the referral? What is the outcome anticipated as a result of the referral.

During this period the following referrals were made:

- Performance Dashboard – Return to Work Compliance – Referred to People and Culture Committee.

5. ACTION LOG AND REPORTS TO BOARD

In order to monitor progress and any necessary follow up action, the Committee has developed an action log that captures all agreed actions. This has provided an essential element of assurance both to the Committee and from the Committee to the Integrated Governance Committee and the Health Board. Following each meeting of the Committee a summary report is submitted to the next Board meeting to update all Board Members as to any decisions made, referrals to other committees or particular concerns the Committee had. These are available via our website.

6. GOVERNANCE

The Committee provides an essential element of the overall governance framework for the organisation and intends to develop its function still further in the forthcoming year. The Committee has an Annual Cycle of Business for each year which is approved at the first meeting of each year.

The Terms of Reference for the Committee provide a robust commitment to monitor performance, workforce and finance via the following methodologies:

- a formal escalation protocol, which allows the Committee to deal with concerns in relation to key areas of performance, ultimately bringing a matter to the attention of the UHB Board if necessary;
- the presentation of the most recent data (even where this is an un-validated position) to allow the organisation's performance to be benchmarked where necessary;
- scrutiny of efficiency measures and targets on a quarterly basis.

7. COMMITTEE ANNUAL SELF-ASSESSMENT

The Committee is required to complete an annual self-assessment and the questionnaire is undertaken via Survey Monkey. This year's self-assessment will be completed following the June 2022 meeting and the outcome will be received at the August 2022 meeting.

8. CONCLUSION AND ASSURANCE TO THE BOARD

The Planning, Performance & Finance Committee wishes to assure the Board that on the basis of the work completed by the Committee during 2021/22 there are effective measures in place both to ensure the delivery of the key financial, planning and performance targets and to effectively scrutinise and monitor this important area. There are no outstanding issues that the Committee wishes to bring to the attention of the Board.

In terms of its financial responsibilities, the Health Board reported a surplus of £0.17m in 2021/22 and has achieved the financial duty to break even against its Revenue Resource Limit over the 3 year period 2019/20 to 2021/22 with a cumulative surplus of £1.1m.

During 2021/22, the Health Board received £114.4m of Welsh Government Revenue funding and £5.3m of capital funding to deal with the ongoing impact of Covid-19.

The Health Board's recurrent deficit position has increased over the planned level during 2021/22 and, as at 31 March 2022, this is now estimated at £44.5m. This deterioration is mainly due to shortfalls in savings delivery due to focus on the response to Covid-19.

To support the Health Board's response to the Covid-19 Pandemic where non-essential work was necessarily reduced in order to free capacity and allow staff to focus on the emergency response to COVID-19, a Planned Care Recovery Programme has been developed to restart elective services. An Elective Care Recovery Programme Board has been established to deliver the recovery plan with meetings held weekly to agree detailed activities and monitor delivery.

In terms of the Integrated Medium Term (Annual) Plan (IMTP), the Health Board submitted its draft Annual Plan to Welsh Government at the end of April 2022. It is important to note that, at this stage, the Health Board does not have a balanced financial plan for 2022/23. The three key elements of the

financial plan are summarised below, with a Core plan deficit of £26.5m excluding Exceptional items and ongoing Covid response costs.

	Core plan £m	Exceptional items £m	Covid response £m
Recurrent deficit at 31 March 2020	17.6		
Recurrent savings shortfalls 2020/21	16.2		
Forecast recurrent savings shortfalls 2021/22	11.1		
Other recurrent underspends	(0.4)		
Forecast recurrent deficit at 31 March 2022	44.5	0	0
Planned surplus on Core plan	-18.0		
National insurance changes		5.0	
Energy inflation		11.6	
Real Living Wage for Social Care Workers		2.4	
Ongoing Covid response costs (Programme costs and Non Programme costs)			32.3
Total	26.5	19.0	32.3

In terms of Performance, the Board has been in receipt of monthly Integrated Performance reports which describe a challenging set of circumstances. The effect of the pandemic has been to leave us with longer waiting lists and wait times than we have ever seen. This, coupled with a serious backlog of demand for urgent care, where waits are also longer than desired is particularly difficult; however reflects the situation for the whole of Wales and the UK.

As we enter 2022/2023 there is a renewed focus on performance management and the establishment of key programmes of work to ensure appropriate prioritisation of funds, workforce and other resources to the most efficient and effective activities. We need to find new ways of working that put patients at the heart and utilise the scarce resources of staff where they are most needed. This is the purpose of the organisations strategy CTM: 2030 which continues to be refined and to address models of care and service configurations, making the most of digital opportunities with a positive approach to how our citizens and communities are assets to our cause.