Swansea Bay University Health Board
Unconfirmed
Minutes of the Performance and Finance Committee
held on Tuesday, 24 June 2025
Microsoft Teams

Present:		
Stephen Spill	(SS)	Vice Chair
Anne-Louise Ferguson	(ALF)	Independent Member
Reena Owen	(RO)	Independent Member
Patricia Price	(PP)	Independent Member (In the Chair)
In Attendance:		
Ffion Ansari	(FA)	Head of IMTP Development & Implementation
Richard Bowmer	(RB)	Finance & Business Partner
Darren Griffiths	(DG)	Director of Finance and Performance
Lisa Harte	(LH)	Audit Wales
Sophie Herbert	(SH)	Corporate Governance Officer **(Notes)**
Deb Lewis	(DL)	Chief Operating Officer
Ian Macdonald	(IM)	Assistant Director of Finance **(For item 105/25)**
Samantha Moss	(SM)	Deputy Director of Finance
Dermot Nolan	(DN)	Interim Service Group Director – Mental Health & Learning Disabilities **(For item 102/25 & 106/25)**
Brian Owens	(BO)	Director of Recovery and Sustainability
Meghann Protheroe	(MP)	Head of Performance
Apologies:		

Marie Davies	(MD)	Executive Director of Planning & Partnerships
Hazel Lloyd	(HL)	Director of Corporate Governance

The meeting commenced at 10.00am.

Minute No.	Item
PART 1: PRELIMINARY MATTERS	
99/25	**WELCOME AND INTRODUCTIONS**
	PP opened the meeting and welcomed all present to the meeting of the Performance and Finance Committee. Apologies were received from; • Marie Davies (MD) Executive Director of Planning & Partnerships. • Hazel Lloyd (HL) Director of Corporate Governance.
100/25	**DECLARATIONS OF INTEREST**
	There were no additional declarations outside of those already on the Declarations of Interest Register.
101/25	**MATTERS ARISING**
	There were no matters arising.
102/25	**SERVICE GROUP FINANCIAL POSITION: MENTAL HEALTH & LEARNING DISABILITIES**

	The Committee **received** the Service Group Financial Position: *Mental Health & Learning Disabilities.* DN drew attention to the following points: - The Service Group commenced the financial year with an underlying deficit of £5.7m, carried forward from the previous year. An additional £2.2m in funding was received from the Health Board (HB), resulting in an unfunded deficit of £3.5m. - The high variable pay expenditure remained a major contributor to the deficit. Expenditure to month 2 was £2.09m, measures were being undertaken to reduce this expenditure to within the agreed variable pay cap. The cap was set at £836k for the service group in recognition of the pressures facing MHLD due to sickness, vacancies and levels of acuity. - There was a recognised need to increase nursing staffing levels to maintain safe service delivery. This was complicated by the non-implementation of the Staffing Act for Mental Health and Learning Disabilities (MH&LD). - The Service Group was tasked with achieving savings of £5.7m, contributing to a broader expenditure reduction target of £9.2m for the year when the unfunded underlying deficit was included. - Continuing Healthcare (CHC) costs continued to apply pressure, despite receiving £2.8m for inflationary growth. The Service Group managed approximately 420 CHC packages. - The service group was experiencing increased expenditure due to funding 22 adults in private mental health placements at a cost of £0.65m per month. - As of month two, the Service Group reported a year-to-date overspend of £2.5m, attributed to the underlying deficit £0.4m, shortfalls in savings delivery £0.87m, and pressures within adult mental health services resulting in placements with private providers £1.3m. - There were efforts ongoing to reduce variable pay expenditure, particularly within nursing, and to manage CHC costs through

	rightsizing and care package reviews. A further priority was to reduce reliance on private sector beds for adult inpatient care. DN emphasised the significant financial challenges faced by the Service Group and the continued need for targeted action to deliver savings and manage overall financial pressures. PP thanked DN and welcomed questions. RO raised two key questions: (i) she expressed concern regarding the impact of the HB's cap on variable pay, including the use of bank and agency staff, and questioned whether the Service Group could achieve the required reductions. (ii) She inquired about the long-term strategy to reduce inpatient beds and asked whether delayed transfers of care were contributing to service pressures. In response, (i) DN advised that the Service Group had already planned a 30% reduction in agency expenditure and was working with DG and others to mitigate the impact of the variable pay cap on bank usage. (ii) He also confirmed that Adult Mental Health inpatient bed numbers were broadly in line with national averages but highlighted significant delayed transfers of care in older people's services resulting in length of stay that was above the national average. He noted that weekly meetings were being held to review patient needs and emphasised the importance of working with regional partners to address these challenges. Alternatives to admission were being looked at using home treatment teams. JC made two observations: (i) she asked for clarification on the alliance model for substance misuse services and its implementation across the region. (ii) She queried the underspend in digital investment, particularly in the context of reduced productivity caused by continued reliance on manual administrative processes. (i) DN explained that the alliance model was a regional commissioning approach involving a range of stakeholders to support delivery of substance misuse services. (ii) DN acknowledged the digital underspend and confirmed that a programme of digital transformation was underway to address infrastructure limitations and improve operational efficiency. PP raised a question regarding the CHC budget, she sought information on actions being taken to deliver savings from the CHC budget and requested clarification on the challenges faced. DN reported that the Service Group was working towards £1.2m in CHC savings through right-

	sizing care packages. He noted that the service group is working with MD on more ambitious work around joint funding with the Local Authorities and pooled budgets, DN noted there is a need for more support nationally on this work. SS asked about the Service Group's control over high-cost patient placements, he requested assurance on the decision-making process for patients placed in expensive settings. DN confirmed that each case was subject to detailed scrutiny, including clinical input and community team involvement, to manage admissions appropriately and avoid unnecessary placements. **The Committee:** - **Advise** the Board of the Service Group Financial Position: Mental Health & Learning Disabilities on significant challenges and the continuing efforts to manage them.
103/25	**MONTH TWO FINANCIAL POSITION**
	The Committee **received** the Month Two Financial Position. SM drew attention to the following points: - At Month Two, the year-to-date financial position reflected an overspend of £17.04m against a planned overspend of £9.7m, resulting in a £7.3m adverse variance. - The primary cause of the overspend was an £8m shortfall in savings delivery, with only £1.2m achieved in the first two months against a planned target of £9m. SM noted that savings delivery had not increased over the last ten days. - In comparison to the new £42.5m savings target set by the Welsh Government, the HB was expected to be overspent £7.08m by Month Two. The actual overspending of £17m represents a £10m deviation from the revised target. - The key drivers of the financial position included: continued high costs of Adult Mental Health placements £1.3m, ongoing high variable pay expenditure £10.4m, off-set to some extent by non-recurrent financial benefits within Primary Care and Corporate Directorates.

	- As of 16 June 2025, the HB had identified £18.8m in potential savings, with only £6m rated as green and amber in terms of deliverability. - The Welsh Government owed £93.8m to the HB, including £14m for National Insurance increases and £53m linked to the previous year's pay award. It was noted that the full £14m for National Insurance would not be received. - It was recommended that the financial risk score remain at 25, and the capital risk score be increased from 12 to 20, reflecting increased uncertainty. SM emphasised the need for continued and intensified efforts to close the savings gap and manage emerging financial pressures. PP thanked SM and welcomed questions. RO raised the following queries: (i) She sought clarification on concerns expressed by senior managers regarding the sign-off of Accountable Officer's letters,and questioned the implications should individuals choose not to sign. (ii) She inquired about the CHC Executive Led Programme, requesting further detail on CHC costs and programme management to deliver the centralisation of the function within the Health Board. In response, SM advised that most Service Group Directors had signed their Accountable Officer's letters, with follow-up underway for the few outstanding. She confirmed the process promotes transparency and accountability and noted that further discussions would take place if signoffs remained incomplete. SM also confirmed that the Executive Director of Planning and Partnerships would be providing an update on the CHC Executive Led Programme at the upcoming Recovery & Sustainability (R&S) Board, with a detailed CHC report to be presented at the next Committee meeting. JC commented on the importance of ensuring clear accountability and adherence to reporting deadlines, particularly in the context of the Accountable Officer's letters. SM confirmed that deadlines for the return of the letters had been set, and that appropriate follow-up actions were in place to ensure compliance. **The Committee:**

	- **Alert** the Board to the critical financial challenges that were outlined, including the significant overspend, savings shortfall, variable pay pressures, and risks related to outstanding income. It was recommended that the Board be alerted to these issues to ensure appropriate actions are taken to address the financial situation.
104/25	**RECOVERY AND SUSTAINABILITY UPDATE**
	The Committee **received** the Recovery and Sustainability update. BO drew attention to the following points: - The recent R&S Board meeting was refocused, with targeted discussions to prevent recurrence of the Month One and Two financial position. - It was confirmed that the Pay Group structure had matured, with nursing, medical, HP, and admin sub-groups now aligning under a single steering group, with executive leads assigned. The group aimed to deliver variable pay savings and improve management of staff absence and unavailability. - The Community Services Review was progressing, with support from DL, and opportunities from the Red List being explored. - It was highlighted that cost base analysis showed several specialties, particularly in Morriston, were operating above English benchmark tariffs, indicating opportunities for efficiency and cost reduction. PP thanked BO and welcomed questions. RO inquired about the management of vacancies through internal staff movement, particularly considering the HB's no compulsory redundancy policy and the increase in establishment over recent years. BO confirmed that the vacancy panel process reviews opportunities within the current redeployment pool, although the pool remained small and may not sufficiently support the scale of reduction required. PP queried the progress of executive led programmes, including stakeholder identification, engagement activity, and the definition of responsibilities. PP emphasised the importance of having the savings delivery structures in place so that the external support could come alongside to provide valuable insight, capacity and expertise. DL noted the

	complexity of the Urgent and Emergency Care (UEC) review, emphasising the need for collaborative working with local authorities. BO reiterated the maturity of the pay group and the upcoming steering group meeting. DG highlighted progress within the procurement group and the importance of establishing clear expectations for executive leads. DG advised the committee that a savings deep dive had been planned for July so that Board members could hear from executive directors and service groups on savings plans and delivery. **The Committee:** - **Advise** on the ongoing efforts to manage variable pay, identify savings opportunities, review community services, explore medical staffing options, and develop executive led programs were reported. It was recommended that the Board be advised of these actions to maintain continued focus on recovery and sustainability.
105/25	**CAPITAL RESOURCE PLAN**
	The Committee **received** the Capital Resource Plan report. In introducing the report, IM drew attention to the following points: - The capital plan commenced the year in a balanced position, with an anticipated income requirement of £1.8m to maintain this balance. - The major allocations included £13.2m for the new PET scanner at Singleton Hospital and £7.3m in targeted estates funding. - Two additional bids had been submitted: £2.165m to accelerate test schemes and; £12 million under the National Imaging Fund. - Approval had been received for £7.2m to replace CT1 and refurbish the Roscomber Room at Morriston Hospital. - The programme contingency remained limited to £254k. - A recent letter from the Welsh Government confirmed that all capital schemes were paused until a robust revenue savings plan was in place to deliver the £42.5m target deficit, unless there were urgent safety concerns or contractual obligations. While this had

	the potential to impact on the capital programme, no such issues had yet materialised. - Reworks at Morriston Hospital were confirmed to be contingent on the availability of decant space, which was currently in use for the Emergency Department's six-week test-to-fit scheme. PP thanked IM and welcomed questions. PP enquired whether the decant space at Morriston remained available. IM confirmed that it was presently in use for the Emergency Department's six-week test-to-fit scheme, and reworks would only proceed when the space became available. SS queried the funding envelope the Welsh Government was prepared to discuss for the pathology project. IM stated that he had proposed a range between £10m and £20m to the Welsh Government but had not yet received feedback. The final amount would depend on whether a new build or an existing facility was utilised. **The Committee:** - **Took assurance** from Capital Resource Plan report.
106/25	**DAN Y DERI DEVELOPMENT**
	The Committee **received** the Dan Y Deri Development report. DN drew attention to the following points: - DN outlined that the development aimed to replace the existing unit with a newly designed five-bedroomed flat-based specialist challenging behavior unit. - He reported that the project cost had increased to £9.2m, up from the initial estimate of £7.7m, with funding to be phased out over a two to three-year period, supported by the Regional Partnership Board (RPB) and the Welsh Government. - The unit was intended to prevent out-of-county placements and repatriate individuals currently placed outside Wales to services closer to home, and to work with them in a high-quality

	environment to improve outcomes and potentially move them onto appropriate step-down community-based care. - Swansea Bay University Health Board (SBUHB) provides services for Cardiff and Vale and Cwm Taf. The development formed part of a wider long-term vision to establish two main learning disabilities service sites - one in the east and one in the west - with similar units distributed regionally. Revenue costs for the unit were to be managed by reducing capacity in other residential units and reallocating resources. - DN provided an example of a young man who had been repatriated from a high-cost placement in England to a local unit, resulting in improved family contact and reduced costs. PP thanked DN and invited questions. JC queried whether the scale of the project was proportional to the identified need. In response, DN explained that while the proposed unit would not meet the full demand, further scaling-up of the five-bed unit would be unmanageable, and additional units would be required in other regions in the future. PP sought clarification on the revenue costs and whether the unit would be jointly operated with social services. DN confirmed that the unit would be health-led, with funding arrangements jointly agreed by all relevant organisations. SS emphasised the importance of ensuring that the unit did not become a long-term placement and that patient flow was maintained. DN acknowledged this point, noting that although patient turnover would not be rapid, the unit's focus would be on stabilisation and effective step-down care planning. **The Committee:** - **Took assurance** from the Dan Y Deri Development report. - **Approved** the Business Justification Case to seek £9.930m capital funding from the Welsh Government via the RPB HCF, ahead of Board ratification. - **Approved** the procurement outcome and award of a 16-month contract for the construction of the Dan Y Deri Challenging Behaviour Unit (CBU) – Appendix 1.

107/25	**ESCALATION AND OVERSIGHT REPORT AND INTEGRATED PERFORMANCE REPORT FOR MONTH TWO**
	The Committee **received** the Escalation and Oversight Report and Integrated Performance Report (IPR) for month two. PP commented on the work programme and suggested a more streamlined approach to reporting. She proposed that, rather than producing separate reports for specific areas, more detailed updates be incorporated into either the Escalation Report or the Integrated Performance Report. The approach was intended to address time constraints and provide increased time for financial oversight. DG outlined the current approach being taken to ensure absolute clarity regarding items in escalation. He explained that this involved the production of a single narrative report alongside a slide deck, which now constitutes the new performance report. The slide deck would remain flexible to reflect the priorities of the work programme and any matters the Committee wished to escalate. DG proposed discontinuing the third report, which had previously served to indicate that an additional report would follow. The narrative element relating to escalation would be retained, with the remainder of the reporting structure proceeding as described. DL advised that there was potential for the de-escalation of planned care, noting that the HB had consistently met the 104-week targets and remained the only Health Board in Wales, to have sustained this level of performance. However, she acknowledged that challenges remained, particularly in relation to delayed outpatient appointments, which would need to be addressed. The Committee agreed to proceed with the work programme on this basis, with updates on areas such as cancer, planned care, and clinically optimised patients to be included within the existing reporting structure. **ACTION: SH** - *Integrated Performance Report for month two & Escalation and Oversight Report* Referring to the report, MP drew attention to the following points:

	- A comprehensive overview of the Integrated Performance Report for Month Two, outlining key areas of focus and associated actions. - The Committee received detailed updates on the status of escalated areas, including actions taken and progress made. - Population Health: Key updates were presented on population health metrics and ongoing initiatives. - High Quality, Safe, and Efficient Care: The report included updates on Accident and Emergency (A&E) performance, delays in care pathways, and stroke data. - Diagnostics and Therapies: MP highlighted breaches in Therapies reported for April and May 2025, along with actions implemented to improve endoscopy performance. - Infection Prevention and Control: An update was provided on the number of reported cases and measures taken to address performance targets. - Cancer Performance: Performance for April 2025 was reported at 60%, with detailed information on the backlog and actions undertaken to support recovery. - Mental Health and Learning Disabilities: Updates were given on progress towards meeting key targets and efforts to correct reporting errors affecting performance data. - Patient Experience and Concerns: The Committee received information on patient survey results, serious incidents, and risk management activities. - Workforce and Finance: Updates included data on mandatory training compliance, workforce sickness rates, and agency expenditure as a percentage of the total pay bill. DL noted that the Welsh Government had agreed to fund an additional mobile unit to support the reduction of the backlog in Endoscopy services. She advised that the unit operate over an eight-week period, providing Endoscopy procedures and associated Pathology services. The initiative aimed to support achievement of the eight-week target by the end of March 2026.

	DL also highlighted noted that Swansea Bay University Health Board (SBUHB) continued to have the lowest cancer backlog in Wales. She highlighted that, unlike other HB's which had experienced a resurgence in backlog numbers, SBUHB had maintained its position. She further advised that this position was expected to be sustained through June 2025. PP highlighted a decline to 22% in April 2025 for CAMHS 70% of therapeutic intervention started within 28 days of assessment. DL responded that this decrease was anticipated to be a temporary issue resulting from a reporting error and confirmed that work was underway to resolve the matter. MP advised that the Welsh Government had requested an update in the next Integrated Quality, Planning and Delivery (IQPD) meeting. She confirmed that detailed updates against the new actions would be prepared in advance of that meeting. PP thanked MP and asked DL to raise any points on Clinically Optimised Patients (COP). DL provided an update on the position regarding clinically optimised patients and reported the following: - The number of COP had reduced to 192, in line with the planned trajectory to reach 100 by the end of March 2026. - There had been significant improvements achieved in Gorseinon, where turnaround times had decreased from 50–60 days to 10–14 days. - Morriston Hospital continued to face challenges related to patient categorisation, with four complex patients contributing to high bed day usage due to ongoing Court of Protection issues. - Singleton Hospital had only one COP with a short waiting time, and further improvements had been observed within Mental Health services in Neath Port Talbot Hospital. - DL emphasised the importance of managing resources effectively to sustain progress and address the remaining challenges. PP thanked DL and welcomed questions.

	RO requested further clarity on the interventions undertaken in A&E, including the use of the term "your next patient" and the associated costs of the trial. DL explained that "your next patient" referred to a model aimed at placing patients on the most appropriate ward based on clinical need, rather than ward capacity. The approach prioritised patient-centred care and supported the decongestion of the Emergency Department (ED) by facilitating timely ward transfers. She noted that the trial had been progressing well and advised that a review meeting had been scheduled to evaluate the first three weeks of implementation and to consider plans for long-term sustainability RO raised two queries in relation to stroke care and theatre efficiency: (i) Stroke Pathway: She queried the implementation of the fast-track process for stroke patients, specifically the direct-to-CT scan protocol. (ii) She expressed concerns regarding theatre efficiency and its influence on performance outcomes. In response, (i) DL confirmed that the pathway was in place and functioning effectively, particularly for patients arriving by ambulance. She noted that not all stroke patients arrive by ambulance, which impacts the overall direct-to-CT scan figures. For example, during a recent week, all eight stroke patients who arrived by ambulance were taken directly to the CT scanner. (ii) DL acknowledged the complexity of improving theatre efficiency and advised that efforts were being made to improve the start times of theatre lists. She further reported that work was underway in collaboration with the Welsh Government to develop consistent, meaningful measures for theatre efficiency across Wales, aimed at better reflecting actual performance. JC thanked MP and DL for the information provided. She echoed RO's concerns regarding theatre efficiency, highlighting that there were significant associated costs that were not currently being fully identified. She emphasised the importance of addressing the issue to ensure that patients received appropriate and timely treatment. JC recommended that the issues relating to Healthcare-Associated Infections (HCAIs) and the occurrence of never events in April and May be referred to the Quality and Safety Committee for further consideration. She expressed concern regarding these matters and emphasised the need for additional scrutiny and oversight. **ACTION: SH**

	DG highlighted the need to include glossaries in reports to support understanding of acronyms and abbreviations. He suggested reviewing glossaries used in other HB's performance reports to inform and improve clarity within local reporting. Additionally, DG reported significant improvements in urgent and emergency care over the previous three weeks. He noted that recent changes had enhanced patient flow and improved the ability to challenge and optimise the functioning of the ED. **The Committee:** - **Assures** the Board noting the positive impact of recent development work in UEC, improved performance in relation to numbers of clinically optimised patients and the continued delivery of the 104-week target in planned care.
108/25	**OUTPUT OF THE DEMAND AND CAPACITY MODELLING**
	The Committee **received** an update on the output of the demand and capacity modelling. In introducing the PowerPoint, DL drew attention to: - DL reported a slight increase in the total patient cohort, rising from 13,000 in 2024/25 to 13,420 in the predicted cohort for 2025/26. - There was an increase of 696 patients already at the treatment stage for 2025/26 compared to the previous year, with a notable concentration of cases in Ophthalmology. - The modelling provided a breakdown of capacity and demand by specialty, categorised by urgency levels (RCS 2, 3, and 4). The analysis identified the need for improved balance between capacity allocated to urgent and routine patients. - The modelling outlined the monthly activity required to meet demand, incorporating adjustments for Removal Other than Treatment (ROT) rates. As an example, Ear Nose and Throat (ENT)

	would require an increase in activity from 40 to 75 patients per month to meet demand projections. - DL advised that the revenue requirement for 2025/26 was projected to be like that of the previous year, approximately £6m. - DL emphasised the need for a more sophisticated approach to demand and capacity modelling in future years, particularly in anticipation of potential changes to performance targets. PP thanked DL and welcomed questions: DL explained that although some benchmarking was carried out using the CHKS system, the reliability of clinical coding was not sufficient to provide a consistent basis for comparison. She noted that discussions with other health boards and colleagues in NHS England indicated that SBUHB was regarded as an example of good practice. However, she acknowledged that further work was required to improve efficiency and productivity, with particular focus on theatre utilisation. **The Committee:** - **Took assurance** from the update on the output of the demand and capacity modelling.
109/25	**MINUTES OF PREVIOUS MEETING**
	The minutes of the meeting held on 27 of May 2025 were **received** and **confirmed** as a true and accurate record.
110/25	**ACTION LOG**
	The action log was **received** and **noted.**
111/25	**WORK PROGRAMME 2025-26**
	The Committee **approved** the 2025-26 Committee Work Programme.
112/25	**MONTH TWO FINANCIAL MONITORING RETURN**
	The Committee noted the Month two Financial Monitoring Return.

113/25	**JCC PLANNING, PERFORMANCE AND FINANCE HIGHLIGHT REPORT**
	The Committee noted the JCC Planning, Performance and Finance sub-committee Highlight Report
114/25	**ITEMS FOR REFERRAL TO OTHER COMMITTEES**
	There were no items for referral to other Committees.
115/25	**ANY OTHER BUSINESS**
	There wasn't any other business.
116/25	**DATE OF NEXT MEETING**
The next Performance and Finance Committee was confirmed as: Tuesday, 29 July 2025.	

The meeting closed at 12.09pm.