



GIG
CYMRU
NHS
WALES

Ymddiriedolaeth Brifysgol GIG
Gwasanaethau Ambiwlans Cymru
Welsh Ambulance Services
University NHS Trust

FINANCE AND PERFORMANCE COMMITTEE ANNUAL REPORT 2023/24

INTRODUCTION

1. The Trust's Standing Orders and Committee Terms of Reference require that Board Committees evaluate their effectiveness annually and present an annual report to the Trust Board.
2. As the factors underpinning effective governance can change, for example as people leave, organisations restructure, or strategy shifts, regular reviews of Board Committees ensure governance remains fit for purpose.
3. Standing Orders, Committee terms of reference, and Codes of Governance provide that Boards should routinely assess the effectiveness of their governance arrangements, of which the Board's Committees form an integral part.
4. The Committee met on 19 March 2024 and reviewed its terms of reference, responses to questionnaires completed by members and attendees, and its operating arrangements. Discussions were also held with the Committee Chair and Executive Leads ahead of that meeting. This Annual Report reflects on the effectiveness of the Committee in 2023/24 and proposes changes to terms of reference.

PURPOSE OF THE COMMITTEE

5. The Committee is established to enable scrutiny and review of the Trust's arrangements in respect of the:
 - overall financial position (both capital and revenue) of the Trust and its compliance with statutory financial duties.

- ability of the Trust to deliver on its core objectives as set out in the Integrated Medium Term Plan (IMTP).
- monitoring of the IMTP and ensuring achievement of key milestones.
- robustness of any cost improvement measures and delivery of key strategies and plans.
- ensure development of the long term strategy and delivery of the Trust's strategic aims in relation to value and efficiency, including an increased focus on benchmarking.
- scrutinise business cases for capital and other investment.
- oversight of the development and implementation of the digital, estates, fleet, and environmental strategies.
- business continuity including emergency preparedness, resilience and response, cyber security, and cyber resilience.

MEMBERSHIP AND ATTENDANCE

6. The Committee met six times in private and in public as scheduled in 2023/24 and was quorate on each occasion.
7. The Committee is supported by the Chair and three Non-Executive Directors as members, and several prescribed attendees with good attendance.
8. The chart below illustrates attendance of members and prescribed attendees as listed in the terms of reference for 2023/24. The Committee welcomed non prescribed attendees at various meetings as well as external guests.
9. It is not intended to change the membership of the Committee other than the introduction of Peter Curran, Non-Executive Director, as a member. This was welcomed particularly as he has a strong finance background.

COMMITTEE ATTENDANCE						
Name	15 May 2023	17 July 2023	18 Sep 2023	13 Nov 2023	15 Jan 2024	19 Mar 2024
Joga Singh						
Kevin Davies	Until 11.30am	Chair				
Bethan Evans						
Ceri Jackson						
Martin Turner		Left at 11.30	Left at 12.00			
Peter Curran						
Chris Turley		Navin Kalia				
Rachel Marsh		Hugh Bennett			Left 11-12	Hugh Bennett ¹
Lee Brooks	Sonia Thompson	Judith Bryce ²	Judith Bryce		Jon Edwards	
Liam Williams	Wendy Herbert			J Turnbull-Ross		Left 11.30 ³
Angie Lewis	Liz Rogers					Left 11.30
Jonny Sammut						
Leanne Smith			Aled Williams			
Hugh Parry						From 10.00am
Damon Turner						
Trish Mills				Julie Boalch		

	Attended
	Deputy attended
	Apologies received
	No longer member

COMMITTEE'S VIEWS ON EFFECTIVENESS

10. The Committee's effectiveness was assessed through a review of its terms of reference, responses to a questionnaire, discussion with the Chair and Executive Leads, and at the 19 March Committee meeting.
11. The questionnaires provided an opportunity to gauge opinion on areas of good practice and areas that require improvement. Sixteen questionnaires were sent out with seven responses being returned (a 43.75% return rate which is better than 2022/23).
12. Respondents were asked 27 questions and were encouraged to provide free text answers to explain or expand on their choices. It is often difficult to pinpoint the exact issue or example in mind when reviewing the free text, however all responses were discussed with the Chair and Executive Leads. The responses were also reviewed by the Committee on 19 March against the same questions from last year and the majority of the scores were an improvement from 2022/23.
13. With respect to the remit and volume work of the Committee, whilst it was felt that the agenda could be challenging at times, the remit is appropriate, balanced, and achievable. With respect to Trade Union Partner contributions, a more focused discussion with Committee Chairs and Trade Union colleagues is planned to ensure that they are supported in these meetings. With respect to team working, there

was a view that there was not a strong holding to account for late papers. This was discussed with the Chair and Executive Leads, and it was acknowledged that the MIQPR is often a late addition to ensure timeliness of data, but that it was important to ensure discipline for the majority of papers to be available seven days before the meeting to enable members plenty of time to read and digest them, and to seek any clarifications from Executives. This was usually achieved throughout the year.

14. Clarity on the role of this Committee regarding oversight of the Monthly Integrated Quality and Performance Report (MIQPR) was sought as opposed to the oversight of the People and Culture Committee and Quest Committee. A refresher on the MIQPR will be provided for the Board in 2024/25 to provide this.
15. Bringing in the full remit of the information governance and security was sought, which has been done for 2024/25. Other areas of focus included the need to ensure that agenda items and actions are closed off and that there is more time to offer up reflections at the end of the meeting. There were some mixed views on the Committee leadership, however there was no elaboration where respondents disagreed, noting however that Committee Chair encouraged free-flowing debate without asserting too strong a personal view on members.
16. As with other Board Committees, the question related to visibility of Committee members scored poorly. Given that there is a Board visits Standard Operating Procedure in place which illustrates members visibility, it is anticipated that this question will be omitted from the 2024/25 survey. The rationale being that it is unlikely, no matter how visible a Non-Executive or Executive Director may be, that that will always resonate with each Committee.
17. Good practice drawn out in responses included:
 - The Chair allows free flowing debate and does not impose strong personal views.
 - Feedback to the Board reflects challenge and scrutiny by members.
 - Reports / information given to the Committee is of high quality.
 - Clear reporting and escalations to the Board via AAA report.
 - Strong focus on appropriate business, with balanced agenda and diverse topics.

18. Areas to strengthen include:

- Clarity on which areas of the MIQPR the Committee should be reviewing vs other Committees.
- Increase those with finance skills / experience within the membership.
- Holding the Executive to account for delays or missing assurances.
- Greater clarity on managing and closing off actions.
- Improving visibility – more visits / publication of visits to relevant stakeholders.
- Greater contributions from TU Partners

19. The Committee has a cycle of business that is aligned to its terms of reference. All matters scheduled for oversight and review have been brought to the Committee and in this respect, it has discharged its responsibilities in providing assurance to the Board. The Committee's business in 2023/24 included the following, full details of which are in the Committee's AAA reports and minutes provided to the Board:

- 19.1. **Operational updates** are received at each meeting and often generate a good deal of discussion, particularly related to system pressures.
- 19.2. The proposed **Board and Committee Level Key Performance Indicators for 2023/24** were presented to the Committee and endorsed at their July meeting. Additionally, the **MIQPR** is monitored at each meeting, with a particular focus on handover delays, lost hours and system pressures and the effect of this on performance. Notwithstanding this, good performance was noted throughout the year on ROSC (return of spontaneous circulation), Ambulance Care, and 111 performance.
- 19.3. **Financial performance** was monitored at each meeting, including budget position on revenue and capital. In addition to reviewing risk 139 (*the failure to deliver our statutory financial duties in accordance with legislation*) at each meeting and following its change in scores in the latter part of the financial year. There was a deep dive conducted on the risk in Month 1. The Board was alerted in September and November with respect to the clarity of funding sources for the additional 100 WTE appointed in 2022/23.
- 19.4. The Initial **2024/25 Revenue Budget** was received and endorsed by the Committee in February 2024.

- 19.5. The final 2022/23 **financial performance report for Month 12** was presented at the May 2023 meeting with a small revenue surplus reported of £62k, capital expenditure fully spent, and gross savings of £4.392m have been achieved against a target of £4.300m. In addition, the Public Sector Payment Policy was reported as on track with performance, against a target of 95%, of 97.4% for the number, and 97.8% of the value of non NHS invoices paid within 30 days. The Committee congratulated all directorates for achieving this end of year position.
- 19.6. The Committee received regular reporting on the **financial sustainability programme** and the identified initiatives including the support services review; service review; recruitment control panel; operations savings group; and income generation group.
- 19.7. The **Capital Assurance: Vehicle Replacement Programme Internal Audit** (reasonable assurance) was received at the March 2024 meeting.
- 19.8. The Committee received an update on the delivery of the **Integrated Medium Term Plan** (IMTP) 2023-26 at each meeting with issues of delivery escalated where necessary. In May 2023 it reviewed the end of year position with respect to the 2022-25 IMTP and congratulated the team for the significant amount of work that was achieved against the backdrop of a very difficult Winter in 2022/23 and prolonged industrial action. Updates on the development of the IMTP 2024-27 were received, as was the final version for endorsement to the Board in March 2024.
- 19.9. The **Strategy Development Internal Audit** (reasonable assurance) was received at the March 2024 meeting.
- 19.10. The **structure and governance for the Strategic Transformation Board** and its programmes was reviewed and the Committee was assured that these were appropriate and clear
- 19.11. The Committee received a number of reports on **Emergency Preparedness, Resilience and Response (EPRR)** and were assured as to EPRR arrangements and leadership. The **Welsh Government Annual Emergency Planning Report** was also reviewed regarding the Trust's compliance and readiness to meet its obligations under the Civil Contingencies Act 2004. Later in the year risk 594 (the Trust's inability to provide a civil contingency response in the event of a major incident and

maintain business continuity causing patient harm and death) increased in score from 15 to 20 and was escalated to the Board.

- 19.12. The Committee was assured that good progress was being made against the applicable actions for WAST from the **Manchester Arena Inquiry**. The Trust's **Incident Response Plan v.2.0** was presented in private session in November 2023. The updates to the plan include recommendations from the Manchester Arena Inquiry.
- 19.13. The **Business Continuity Annual Report** was received in November 2023 and also presented at Board. The Committee were assured that the necessary plans and business continuity arrangements are in place for the most significant risks. The Trust also holds plans for terror attacks, disruption of telecommunications, extremes of weather, flooding etc.
- 19.14. The Committee has the review of matters relating to **demand and capacity** plans in their remit and an update was received at this meeting. The EMS, NEPTS and 111 demand and capacity reviews were discussed as were current packages of work. Notwithstanding the absence of a formal framework, the Committee was reassured that the Trust's focus on forecasting and modelling, with both external and internal support, was strong and has led to significant transformation work programmes. At the March 2024 meeting a verbal update was received on the **strategic demand and capacity review**. A tactical **Winter forecasting and modelling report for 2023/24** was received in November 2023.
- 19.15. An update on the Decarbonisation Action Plan (DAP) was received by way of the **Environment, Decarbonisation and Sustainability Update** for April 2023, September 2023 and January 2024. The DAP has a range of actions which frame the Trust's decarbonisation response. Notwithstanding the very positive progress, the sheer volume of work, resource and capacity constraints remains of concern for WAST's delivery of the DAP – an issue which all NHS Wales organisations are experiencing, as set out in the limited assurance **internal audit on Decarbonisation**. The Committee noted that this review was conducted across all NHS Wales Health Bodies and that all have been given a limited assurance rated, therefore WAST is not an outlier. The significant work the Trust has been undertaking to address the requirements of the DAP were recognised in the report, however the overall rating reflects the complexity and range of risks associated with this area

which, along with the financial shortfalls, impacts on the Trust's ability to deliver on the wider decarbonisation agenda.

- 19.16. In September the Committee escalated to the Board the fact that the **Sustainability Report**, which they later approved, presented a headline value of a significant increase in WAST's carbon emissions between 2021/22 and 2022/23. This significant increase is predominantly due to a change in the data collection required by Welsh Government and the inclusion of aspects of emissions data which were previously not applicable. Some areas of good progress and reductions in emissions were also highlighted. The Committee was assured that, in line with other NHS Wales organisations, WAST has conducted a detailed independent inspection of all sites within scope, which details a nil return in relation to the presence of **Reinforced Autoclaved Aerated Concrete (RAAC)** in all buildings up to 2000.
- 19.17. In September 2023 and March 2024 updates were received on progress against the April 2022 limited assurance **Waste Management Internal Audit** with revised actions noted for the outstanding recommendations. One recommendation was for the presentation to this Committee of an **Annual Waste Report** which was received at the September meeting.
- 19.18. The annual **Fire Safety Compliance** report was received by the Committee in January 2024 with no issues to escalate to the Board. The limited assurance (All Wales) **Estates Condition Internal Audit Report** was received, and it was noted that this was limited across all NHS Wales Health Bodies, therefore WAST is not an outlier. The rating is based on the lack of a funded strategy to address the backlog of maintenance and the inconsistency of reporting across Wales.
- 19.19. The **Electronic Patient Care Record (ePCR) Benefits Realisation** report was received in May 2023 which had streamlined the benefits and included a five year plan to realize benefits for ePCR which will now be transitioned to business as usual, and owners identified to take these forward. Assurance on the decommissioning of the digital pen patient clinical report system following an extension to ensure patient information was also provided.
- 19.20. A Welsh Government gateway review of the WAST **Mobile Data Vehicle Solutions** was received in September 2023, with an overall delivery confidence assessment of Amber/Green, meaning successful delivery

appears probable, however constant attention will be needed to ensure risks do not materialise into major issues threatening delivery. Five recommendations were made to assist in ensuring a successful project outcome is achieved and these have been satisfactorily progressed. A third and final project assessment review will be planned for 12 months post project completion.

- 19.21. In September 2023 the Committee noted the recent **review of the national commissioning functions**. This included the Welsh Health Specialised Services Committee (WHSSC), the National Collaborative Commissioning Unit (NCCU) and the emerging 111 commissioning arrangements. The key outcome is that by the 1 April 2024 WHSSC, the NCCU and the 111 commissioning arrangements, will be merged into one national commissioning function. Benefits are potentially to be realised by combining 111 commissioning with EMS and NEPTS (non-emergency patient transport service) commissioning. The **111 Commissioning Advisory Report** from Internal Audit was received in January 2024 looking at 111 commissioning arrangements with the Committee noting that there are elements of that which are within the control of commissioners rather than WAST and that new national commissioning arrangements will be in place from 1 April 2024.
- 19.22. **Value based healthcare updates** were received in November 2023 and March 2024 which set out the progress of the key workstreams within its portfolio. The work programme includes the following seven workstreams – Patient Recorded Outcome Measures (PROMS), Patient Data Linkage, Patient Recorded Experience Measures (PREMS), Patient Level Information and Costing System (PLICS), Revenue Business Case Process, Evaluation Framework & Methodology, and Benchmarking. All workstreams are progressing well.
- 19.23. The Committee reviewed the reasonable assurance **IM&T Infrastructure Internal Audit Report** (reasonable assurance), the overall objective of which was to provide assurance over the management and operation of the WAST Information Management and Technology (IM&T) Infrastructure. The reasonable assurance **ICT Capital Management Internal Audit** (reasonable assurance) was received at the March 2024 meeting.
- 19.24. A priority of the Committee for 2023/24 was the oversight and monitoring of the **digital strategy**. The Committee reviewed progress on the plan in

September and approved key digital system and service metrics to support monitoring of this area. Progress against the four missions in the strategy of 'digital patient', 'digital workplace', 'intelligence through data', and 'digital foundations' since 2022 has been significant and ranges from implementation of ePCR and ECNS, to EMS CAD, telephony and network upgrades, and clinical intelligence data layers and dashboards. Notwithstanding this excellent work, gaps in the plan have been identified as were vacancies in the team.

19.25. The initial suite of **Digital KPIs** was received in September 2023 to provide assurance on the performance, work activities and contribution of the Digital Directorate to the Trust's Strategy and IMTP. These were monitored in subsequent meetings. In private session members were presented with the cyber highlight report for the period April to July 2023 and a detailed cyber activity report for July 2023.

19.26. The reasonable assurance **Cyber Security Internal Audit Report** was reviewed in private session due to confidentiality.

19.27. Members **reflections** after each meeting included:

- Diversity of the agenda which was supported by a more structured cycle of business.
- Flexibility from the Chair and members in taking some items out of order to allow the free flowing of discussion was effective.
- Due to the lateness of papers for the May 2023 meeting (predominantly the open agenda) it was difficult to allocate time with predictability in the week prior and members sought to see improvements in this.
- It was noted that the completion of cycles of business for all Committees will provide predictability and that a paper will be presented to ELT on 7 June setting out meeting timelines.
- Good focus on the impact of the financial challenges on our patients and our people.
- The financial position of the Trust has a direct impact on the ability of the Trust to deliver a safe service and acknowledged the direct relationship between organisational performance and patient safety and outcomes. The Members were assured that all actions within the Trust's control were being taken to mitigate the risks and issues observed but expressed concern over the continued challenges exacerbated by wider system pressures.

- Challenge of balancing volume of papers and presentation time is one that will have particular focus at effectiveness reviews this year.
- Interaction with presenters who do not normally attend the meeting could be improved. Members felt that this was not in any way to indicate a lack of respect and thanked those presenters for the clarity of their papers and messages.
- Welcomed scrutiny, challenge, and support on the financial position.
- Internal Auditors and Audit Wales were present which was appreciated.
- The quality of papers was good which allows members to scrutinise and question, and responses from management were clear.
- From a financial perspective the papers were clear and transparent, and the answers were well made, so members were assured that the outturn for this year and next year's budget have been fully thought out.
- Good to see a pragmatic approach to closing down audit actions when nothing further can be advanced by the Trust.
- The focus on our people was welcomed as being considered alongside the financial and performance aspects.

19.28. The **backlog of policies** – particularly those relevant to this Committee - was reviewed and escalated to the Board as an alert. A priority order of policies for review in 2023/24 was endorsed.

19.29. The Committee **cycle of business** was approved.

19.30. In the February 2024 closed session members received an update on the **CAS replacement programme** with the Committee receiving assurance that the programme is on track for go live on 30th April 2024. The level of commitment demonstrated by the team working on this was recognised by the members and they were thanked for their intense focus.

19.31. **Risks** relevant to this Committee are reviewed at each meeting and the agenda is driven by these risks. The highest rated risks, 139 (failure to deliver our statutory financial duties in accordance with legislation) and 594 (the Trust's inability to provide a civil contingency response in the event of a major incident and maintain business continuity causing patient harm and death), were the focus and drive agenda setting. Other risks related to cyber security, loss of critical IT systems, and recurrent funding from commissioners were reviewed regularly.

- 19.32. The **annual effectiveness review** was conducted in the March 2024 meeting.
- 19.33. The revised **Audit** tracker and process was reviewed, and good progress is being made to close management recommendations.
- 19.34. The **Committee's priorities for 2023/24** are reviewed at each meeting and a more detailed update appears later in this report. The Committee also reviews progress against its cycle of business at each meeting.
20. In private session the Committee took matters that were commercially sensitive and confidential. Most matters made their way to the Trust Board private session and where appropriate were reported in open session in accordance with the Standing Orders. Other matters taken in private session included the capital programme and prioritisation.
21. The Board received a highlight (AAA) report from this Committee by email circulation following each meeting which included alerts, advice, and areas of assurance. Where there was a shorter proximity of the meeting of this Committee and the Board meeting, that report was provided verbally by the Chair and captured in the Board's minutes.
22. The Committee is not serviced by any Sub-Committees or task and finish groups that this time.

PROPOSED CHANGES TO THE TERMS OF REFERENCE

23. Extensive changes to the Terms of Reference for this Committee were made during the effectiveness reviews held in 2022. The changes this year include feedback from the Committee following the survey and the meeting on 19 March. The changes in the Terms of Reference are marked up in [Annex 1] and include:
- The information governance and information security remit has been transferred from the Quality, Patient Experience and Safety Committee. This will allow all areas of digital to be within the remit of this Committee, including IT infrastructure and strategy, information governance and information security, and cyber security. The Director of Digital who is the Senior Information Risk Officer (SIRO) and the Executive Director of Quality and Nursing who is the Caldicott Guardian are both members of this Committee.

- Paragraph 3.18 has been amended to provide that directorate specific plans aligned to the long term strategy 'Delivering Excellence' will be *received* by this Committee rather than *reviewed for alignment*. It is a matter for the Committees who have specific remit over a plan to ensure alignment, for example when the People and Culture Plan was reviewed by the People and Culture Committee they were assured as to alignment to the long term strategy. The amendment will require new 'plans' to be received and shown on an organogram of aligned plans to the long term strategy.
- Clarity that the Audit Committee will receive assurance on the *implementation* of the Quality and Performance Management Framework and that this Committee will receive assurance on its *effectiveness and the value of outcomes* the framework produces.
- A change in the narrative on assurance to provide clarity on approach.
- Changes in the narrative on risk and audit to streamline responsibilities.
- Specific chair's action provision inserted, particularly given the significant number of policies which are due for approval in 2024/25.

24. Changes in operating arrangements in 2024/25 to address issues raised in the survey will include:
- MIQPR orientation refresher: interpretation and triangulation – to be scheduled in 2024/25
 - Trade Union Partner and Committee Chair induction session to be held.

COMMITTEE PRIORITIES

25. The Committee received an update on progress against its priorities at each meeting. The 2023/24 priorities were:

Priority	Progress
<p>Focused oversight on the implementation of the digital strategy.</p>	<ul style="list-style-type: none"> • A Digital Strategy Plan update was given to the Committee at its meeting on the 18 September 2023 by the Interim Director of Digital Services. This report gave a snapshot of the current position and relevant data from the period 01 April 2023 – 31 July 2023. • At the September meeting the Committee also

Priority	Progress
	<p>endorsed the related metrics as presented by the Interim Director of Digital Services. The metrics for digital systems infrastructure will be received (in line with the agreed reporting) on 13 November 2023.</p> <ul style="list-style-type: none"> • In September, the Committee noted that the recent appointment of the new Director of Digital Services may affect the strategy implementation timeline. • In November, the Committee noted that an update on the progress against the Digital Strategy would likely be programmed for either the January or March 2024 meeting of the Committee. • Receipt of an update on the implementation of the Digital Strategy will be programmed for the May 2024 meeting of the Committee.
<p>Focused oversight on the implementation of the Quality and Performance Management Framework (QPMF)</p>	<p>As of September 2023, oversight of this has moved to the Audit Committee. The Committee's ToR require that it "review the effectiveness of the Trust's Quality and Performance Management Framework and receive assurance on the value of outcomes produced by the framework".</p> <p>As above, the Committee will remain responsible for reviewing of the effectiveness of the QPMF once the Framework has been implemented. The Committee Cycle of Business will be updated to reflect the change in oversight of implementation of the Framework to Audit Committee.</p>

26. It is good practice for Committees to set priorities for the forthcoming year when they review their effectiveness. Accordingly, the Committee has agreed the following priorities for 2024/25:
- (a) The development and approval of the Digital Plan.
 - (b) Oversight of the potential commercialisation streams in the Financial Sustainability Programme.
 - (c) Focus on the new elements of its terms of reference relating to Information Governance and Information Security.
27. Progress on priorities will be reported to the Committee quarterly and to the Board through its highlight report.

NEXT STEPS

28. The next steps are to update the cycle of business with revised terms of reference

RECOMMENDATION

29. The Trust Board is requested to
- (a) Receive and note the contents of the Committee Annual Report for 2023/24 and analysis of its effectiveness; and
 - (b) Approve the changes to the Terms of Reference and operating arrangements.