

SUSTAINABLE RESOURCES COMMITTEE

ANNUAL REPORT

2024/2025

1. Introduction and Chair's summary

In line with Standing Orders the Sustainable Resources Committee must submit an Annual Report to the Board through the Chair within 6 weeks of the end of the reporting year setting out its activities during the year and including the review of its performance and that of any Sub-Committees it has established, setting out how the Committee has met its Terms of Reference during the financial year.

The Board uses this annual report to inform:

- The ongoing development of its governance arrangements, including its structures and processes; and
- Its Board Development Programme, as part of an overall Organisation Development framework.

Chairs Reflections

2025/26 was a very demanding year for the committee with its fundamental duty to provide more detailed oversight of the financial sustainability of the Health Board. The Health Board has been in Targeted Intervention from the Welsh Government (WG) so there has been greater external scrutiny of the financial governance and sustainability. I think the committee and the organisation has done as much as it could to keep a focus on the immediate financial position as well as the steps towards financial stability.

The Committee met 6 times and an extra-ordinary meeting in November 2024. The committee made minor change to its Terms of Reference and continued to provide assurance oversight of:

- The identification and delivery of savings
- Scrutiny of financial reporting
- Procurement function and procurement of various services
- Review of the financial aspects of business cases
- Scrutiny of financial reporting
- Procurement function and procurement of various services
- Review of the cash liquidity of the organisation
- The adoption of a strategic partner for digital development
- Information governance
- Decarbonisation programme and initiatives
- Deep Dives into financial aspects of Health Board spending

During the year, the committee learned from its deep dives into prescribing and drug costs, value based healthcare, the Pembrokeshire system, the Carmarthenshire system, continuing healthcare, procurement and service agreements. These brought many insights to the committee and provided those parts of the organisation an attention to the financial focus of the Health Board.

The committee would be unable to do this without the excellent support from the Director of Finance and his senior team, the Procurement lead, the Decarbonisation lead, the Chief Operating Officer, the Director of Primary Care and the Director of Nursing, Quality and Patient Experience.

On a personal note, I am grateful to the input from my Independent Member colleagues who have provided constructive enquiry, assurance and scrutiny. I am also very grateful to the support from the Corporate Governance Team in preparing the papers, agendas, following up on the actions in the most professional way. The committee has been able to provide assurance where it is possible to the Board.

I have chaired the committee since June 2021 and this year has been the most challenging though most rewarding in terms of the Health Board's achievement of its control total with WG. The organisation has managed to deliver £30m savings, a watershed for the organisation. This achievement has been a remarkable team effort for Executives and their teams.

It has been an engaging journey for myself and the Health Board.

Diolch, gyda phob dymuniad da

Thank you with warm wishes

Winston

2. Terms of Reference and Workplan

The Terms of Reference for the Sustainable Resources Committee is reviewed on an annual basis or following any significant changes. The Terms of Reference were last reviewed on 27 August 2024.

[Sustainable Resources Committee Terms of Reference](#)

The Sustainable Resources Committee has a work plan to enable forward planning for the forthcoming year. The workplan is produced to incorporate the duties outlined in the Committee's Terms of Reference and any suggested areas of focus identified during the self-assessment process.

The Sustainable Resources Committee workplan covers a range of activities including statutory reporting duties, regular items of business and priority planned pieces of work which support Board and Committee's objectives.

The work plan is regularly updated throughout the year to ensure it remains responsive to emerging issues and risks.

[Sustainable Resources Committee Workplan 2024/25](#)

3. Sub-Committees

The Information Governance Sub-Committee reported into the Sustainable Resources Committee with its own terms of reference and workplan for the year.

The Information Governance Sub-Committee's Terms of Reference were last reviewed on 27 February 2024. From 1 April 2025, the Information Governance Sub-Committee reports into the new Digital, Data and Innovation Committee.

In line with their Terms of Reference, the Sub-Committee is required to provide a report after each meeting, as well as produce an annual report which is scheduled to be presented to the Digital, Data and Innovation Committee on 22 April 2025 reporting on activity throughout the year.

The Digital Oversight Group reported into the Sustainable Resources Committee with its own terms of reference and workplan for the year.

The Sub-Committee's Terms of Reference were last reviewed on 24 October 2023.

The Digital Oversight Group did not meet during the latter half of 2024/25 and was formally disestablished from 1 April 2025, and has therefore not produced an annual report.

The Decarbonisation Task Force Group reported into the Sustainable Resources Committee with its own terms of reference and workplan for the year.

The Sub-Committee's Terms of Reference were last reviewed on 29 August 2023.

In line with their Terms of Reference, the Sub-Committee is required to provide a report after each meeting, as well as produce an annual report which is scheduled to be presented to the Finance and Performance Committee on 29 April 2025 reporting on activity throughout the year.

The Decarbonisation Task Force Group was disestablished from 1 April 2025.

4. Table of attendance

Membership	30 Apr 2024	25 Jun 2024	27 Aug 2024	22 Oct 2024	14 Nov 2024 (Extra.)	17 Dec 2024	25 Feb 2024
Winston Weir Independent Member (Finance)	✓	✓	✓	✓	✓	✓	✓
Maynard Davies Independent Member (I.T.)	✓	✓	✓	✓		✓	✓
Delyth Raynsford Independent Member (Community)	✓	✓	✓	✓		✓	✓
Eleanor Marks (Independent Member/Health Board Vice Chair)	✓	✓	✓	✓	✓	✓	✓
Michael Imperato Independent Member (Legal)	✓	✓		✓	✓	✓	✓
In Attendance	30 Apr 2024	25 Jun 2024	27 Aug 2024	22 Oct 2024	14 Nov 2024 (Extra.)	17 Dec 2024	25 Feb 2024
Huw Thomas Director of Finance	✓	✓	✓	✓	✓	✓	✓
Andrew Carruthers Chief Operating Officer	✓		✓	✓	✓	✓	✓
Jill Paterson Director of Primary Care, Community and Long Term Care	✓	✓	✓	✓		✓	✓
Joanne Wilson Director of Corporate Governance/Board Secretary	✓	✓	✓	✓	✓	✓	✓
Sharon Daniel* Director of Nursing, Quality and Patient Experience	✓	✓		✓	✓	✓	
Mark Henwood* Interim Medical Director			✓				✓
James Severs*							

Director of Allied Health Professions and Health Science							
Meeting quorate?	Yes	Yes	Yes	Yes	Yes	Yes	Yes

The quorum for meetings of the Sustainable Resources Committee consists of no less than three of the membership and must include as a minimum the Chair or Vice Chair of the Committee, and two other Independent Members, together with a third of the In Attendance members, which must include the Director of Finance and a Clinical Executive Director.

The Clinical Executive Directors are indicated with an asterisk (*) in the table of attendance (above) with one of the three Clinical Executive Directors required to be present for the Sustainable Resources Committee to be quorate.

5. Committee Activities – alert, advise and assure.

The Committee is required to report to the Board after each Committee meeting by presenting a report highlighting the key discussion items at the Committee.

Alert – *The following matters were areas where the Committee was unable to take an assurance or had a lack of confidence that the action in place was sufficient to address the issue satisfactorily and/or it was within the scope of the operational team to resolve, and were alerting the Board as engagement action or intervention was required.*

- **Finance Report** – in Month 2 2024/25, the Committee had concerns regarding the levels of expenditure, identified in the Finance Report, through the Unscheduled Care systems and Emergency Departments and spending on Premium Doctor and Medical Agency and concerns over the savings delivery against the savings target of £32.4m.

In Month 6 2024/25, risks remained that the Health Board would not meet its £64m annual deficit forecast, with key risks relating to pressures to the cost of primary care and secondary care drugs, medical locum expenditure and continuing healthcare costs. The Finance Report identified that three Directorates (Operations Directorate, Planning Directorate and Nursing Directorate) were adversely performing against their core budgets and requested that mitigating plans were presented to the Committee to recover the overspend position in-year to provide assurance.

In Month 10 2024/25, whilst it was noted in February 2025 that the savings delivery was an improving trend, of the £30.9m savings delivery projected, there was a recurrent savings shortfall of £14.0m, resulting in the underlying deficit significantly exceeding the 2024/25 forecast outturn.

- **Healthcare Contracting and Commissioning** - following the cessation of the provision of the non-drug allergy service on 1 November 2023, the Health

Board had been unable to source an alternative arrangement. In the interim, referring clinicians were able to utilise the 'prior approval' route with the majority of the 35 allergy referrals since November 2023 being made to the University Hospital Birmingham.

- **Corporate Risk Register** - Risk 1842 on the Corporate Risk Register identified that the cash consequences of the Health Board's deficit could not be covered due to the significant level of the deficit without WG support, of which there was no assurance to the Health Board that that support could be provided.
- **Finance Targeted Intervention Actions** - in August 2024, the Committee had concerns over the level of assurance given over the 100-Day Cycle within the Finance Targeted Intervention Actions in terms of pace and delivery and the lack of any recurrent savings plan from Mental Health and Learning Disabilities Services and requested a robust response from the Board Seminar held on 11 September 2024 to assess the deliverability of proposed schemes and the prioritisation of resources needed to provide greater assurance over the deliverability of schemes that are progressed.

In October 2024, the Committee alerted the Board that the Health Board did not, at the time, have a line of sight to meeting its Target Control Total of £44.8m, and that the WG letter dated 3 October 2024 contained a specific expectation for the Health Board to provide a financial road map by January 2025 on how the Health Board planned to meet its Target Control Total. Assurance was requested at the next meeting of the Committee through the Finance Targeted Intervention Update.

- **Pentre Awel Development** - the Committee had concerns over the financial commitment necessary to progress the Pentre Awel Development and wished to be assured that plans were in place to mitigate any revenue cost implications as much as possible and to extract as much benefit to the Health Board from the development as was possible.
- **Financial Plan and Strategy** – in December 2024, there were concerns that there was a significant gap to meeting the commitment made by the Executive Team to identify £20m of recurrent savings for 2025/26 by the end of December 2024 identified in the Financial Plan and Strategy and that the risk to delivery of savings in 2025/26 was higher than the previous year due to the more easily achievable savings having been realised ahead of the more challenging savings schemes being identified and delivered.

Advise – *The following matters were areas of concern where assurance had been taken on actions in place but required close monitoring.*

- **Finance Report** - in April 2024, the Committee advised that further deep dives into areas such as medical locum expenditure and other workforce issues, specifically relating to medical and nursing staffing were required to be able to provide the Committee with a greater level of assurance. A deep dive into nursing workforce issues was undertaken at the 25 June 2025

Sustainable Resources Committee meeting and a deep dive into medical workforce issues was undertaken at the 27 August 2025 and the Committee received assurance from the processes in place to oversee and manage nursing and medical workforce issues.

In Month 2 2024/25 it was identified that there was a reliance on non-recurrent savings with the implications for the Health Board's underlying deficit. Levels of nursing agency usage was considered of sufficient concern, although having shown an improving trend, the Health Board was still spending £12m per year on nursing agency, which was considered as part of the deep dive into nursing workforce issues where the Committee scrutinised the work undertaken to reduce the levels of nursing agency usage within the Health Board through recruitment into substantive posts, use of 'Grow Our Own' and Internationally Educated Nurses and through the Stabilisation Work Programme and the pilot Enhanced Agency Escalation Process being rolled out in July 2024.

In December 2024, the Health Board had received a conditionally recurrent additional financial allocation of £26m from WG.

In February 2025 the Committee assured the Board that the in-year forecast deficit had improved from the Month 9 2024/25 position of £28.0m by a further £4.0m to £24.0m, which was itself an improvement from the Health Board's Target Control Total of £31.5m. WG had confirmed that the Health Board would receive strategic cash in line with its forecast deficit and working capital balances.

- **Deep Dive: Savings Plan** – in April 2024, the Board were advised that progress on the implementation of the Health Board's Annual Plan and Savings Plan would be reviewed at the June 2024 Sustainable Resources Committee meeting to assess the de-risking of savings schemes to produce fully identified savings schemes to assist the delivery of the Plan. At that point, the Board were advised that there was not a clear line of sight to the £64m deficit target or to the lower £44.8m WG Target Control Total.
- **Healthcare Contracting and Commissioning Update** – it was advised that contracts with Swansea Bay University Health Board for Orthopaedic/Spinal Elective and Day Case Activity and with Velindre Cancer Centre had not been signed ahead of the 30 June 2024 deadline, although both were subject to active negotiations to enable the contracts to be signed to ensure best value for Hywel Dda University Health Board.
- **Information Governance Sub-Committee Update Report** – the Health Board had not met the WG target for the '*percentage of episodes clinically coded within one reporting month post-episode discharge end-date*' between November 2023 and February 2024 due to the reduction in the number of trained coders. Four new clinical coders had been appointed to the vacancies

within the Clinical Coding Team, however, the subsequent 12 months were anticipated to be a challenge until the new recruits are fully trained.

- **Deep Dive into the Medical Workforce Issues** - the Committee advised the Board on the progress made and the need for further financial intelligence on the finance implications and the need for pacing in the response to the findings.
- **Digital Cellular Pathology Business Justification Case** – this was recommended to Board for approval as a cost-neutral business case whose savings and productivity gains would offset the initial cost of the initial investment with cash-releasing savings from the second year of the scheme.
- **Digital Transformation Strategic Partner** - following a robust tendering process it was recommended to Board to approve the award of the contract to CGI IT UK LTD to be the Health Board's digital transformation strategic partner to provide support to the Health Board to improve its pace and digital services delivery capability. The contract would be awarded on a zero-commitment basis to a maximum annual amount of £7.5m for a period of 10 years.
- **Value Based Health Care Update** – whilst assurance was taken from the work of the Value Based Health Care Programme and its responsive to the priorities of the Health Board in addition to the nationally agreed pathways, there was opportunity to explore a regional approach to Value Based Health Care with Swansea Bay University Health Board through the Regional Joint Committee.

Assure – *The following matters were areas where there was confidence that robust actions are in place and are sufficient to address the issues to operate effectively.*

- **Finance Report** - the financial position as of Month 12 2023/24, the draft unaudited end-of-year financial position against the Annual Plan, was noted and assurance was received from the financial forecasting of the Finance Directorate with a minor underspend against the Health Board's Capital Resource Limit. The Health Board's cash position was broadly in balance and had not been overdrawn at any point with a cash deficit being managed with WG support.

The Month 8 2024/25 Finance Report provided assurance that there has been an improvement in the Health Board's in-year run-rate over the past three consecutive months and that there has been an improvement in the Health Board's forecast position in Month 8 2024/25 from £64m to £31.5m, relating to additional funding received from WG with further information included in the Month 9 2024/25 Finance Report to be presented to Board.

The Month 10 2024/25 Finance Report identified that the in-year forecast deficit had improved from the Month 9 2024/25 position of £28.0m by a further £4.0m to £24.0m, which was itself an improvement from the Health Board's

Target Control Total of £31.5m. WG confirmed that the Health Board would receive strategic cash in line with its forecast deficit and working capital balances. There was an approved Cash Management Strategy in place and the Health Board recognised that as the forecast deficit changed in Month 10 2024/25, the strategic cash would reflect, as a maximum, the current forecast deficit.

- **Core Delivery Group and Financial Control Group Update** – Assurance was provided from the Core Delivery Group and that the recruitment of Internationally Educated Nurses at Withybush Hospital would release a cash saving of £2.08m from 2025/26, and the recruitment of substantive nursing positions to replace agency nurses would result in a saving of £680k.
- **Healthcare Contracting and Commissioning** – the mitigating actions detailed in the Healthcare Contracting and Commissioning Report provided assurance, particularly around the proposal to rebase the Long Term Arrangement contract with Velindre Cancer Centre and the working arrangements of the Service Level Agreement with Swansea Bay University Health Board around the Dual Energy X-Ray Absorptiometry scanning and reporting provided by Swansea Bay University Health Board.
- **Deep Dive: Nursing Workforce Issues** provided assurance of the processes that are in place on the scope and scale of analysis being undertaken to inform nursing workforce planning to manage clinical demands affecting the future demands on nursing workforce and development of action plans to address areas of concern.
- **Corporate Risk Report** – assurance was received that actions taken have enabled the Health Board to reduce the risk level relating to the ability to access paper patient records in a timely manner due to existing records management infrastructure. Assurance was also provided on the unchanged risk relating to cyber-security despite the recent concerns over the aggressive targeting of UK NHS systems.
- **Welsh Government, Picton Terrace Development** – discussions relating to the fit-out costs of the development with WG provided assurance that savings would be made through the rationalising of the Health Board’s estate released by the Picton Terrace Development and the Committee agreed to recommend to the Board the signing of the lease under seal by the Chair and the Chief Executive.
- **Patient Flow and eObs Full Business Case** – assurance was received from the robustness of the Full Business Case and the benefits that could be realised through the implementation of the system and was recommended to the Board for approval, pending the successful resolution of a funding model to address the investment requirement in initial years until the savings begin to be realised through bridging funding.
- **Deep Dive into Medicines Value and Sustainability** – strong assurance was received on medicines management initiatives to ensure the cost effectiveness and the quality and efficiency of primary care and secondary care prescribing.

- **Targeted Improvement Update Report** – the improved grip and control on variable expenditure and improvements to the Health Board’s accountability arrangements provided assurance.

6. Committee Effectiveness - Feedback from self-assessment process

As stipulated within Standard Orders, the Board introduced a process of regular and rigorous self-assessment and evaluation of the performance of the Sustainable Resources Committee.

- For the Sustainable Resources Committee this involved the completion of a short digital form which requested feedback on the following areas:
 - Governance and administration
 - Committee’s inputs
 - Conduct of Committee meetings
 - Interface with other Committees, including the Board
 - Committee’s impact
 - Individual role on Committee

The results from which were fed into an action plan, combining information and Auditor/Regulator feedback.

The process was undertaken during the year and reported to the Committee on 25 February 2025:

[Sustainable Resources Committee Self-Assessment Outcome Report 2024/25](#)

The Committee will receive an update on progress at the mid-year point.

7. Conclusion

The Committee is satisfied that it operated effectively and in line with the Terms of Reference. Issues have been escalated to Board as appropriate, and the Committee uses feedback from the self-assessment process to evolve and continually improve.

Following a revision to the Health Board’s governance arrangements, the Sustainable Resources Committee was disestablished from 1 April 2025 and that this is the last annual review report for the Sustainable Resources Committee.