



**CYFARFOD BWRDD PRIFYSGOL IECHYD
UNIVERSITY HEALTH BOARD MEETING**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	25 May 2023
TEITL YR ADRODDIAD: TITLE OF REPORT:	Sustainable Resources Committee Annual Report 2022/23
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Mr Huw Thomas, Director of Finance
SWYDDOG ADRODD: REPORTING OFFICER:	Mr Huw Thomas, Director of Finance Mrs Sarah Bevan, Committee Services Officer

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Er Sicrwydd/For Assurance

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The purpose of this paper is to present the Sustainable Resources Committee Annual Report 2022/23 to the Board.

The Annual Report provides assurance in respect of the work that has been undertaken by the Committee during 2022/23, and demonstrates that the Terms of Reference, as set by the Board, are being appropriately discharged.

Cefndir / Background

Hywel Dda University Health Board's (HDdUHB's) Standing Orders and the Terms of Reference (ToR) for the Sustainable Resources Committee require the submission of an Annual Report to the Board to summarise the work of the Committee and to identify how it has fulfilled the duties required of it.

The previous Finance Committee has been reconstituted as the Sustainable Resources Committee, as approved by the Board at its meeting on 29 July 2021, to advise the Board on all aspects of Finance and the revenue implications of investment decisions. The primary role of HDdUHB's Sustainable Resources Committee is to provide assurance on financial performance and delivery against HDdUHB financial plans and objectives, and to receive assurance on progress against delivery of the Planning Objectives aligned to the Committee. With regard to financial control, the Committee provides early warning of potential financial performance issues and makes recommendations for action to improve the financial position of the organisation.

This includes:

- Provision of assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, give early warning of potential performance issues, making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on specific issues where financial performance is showing deterioration or there are areas of concern.

- Receipt of assurance on delivery against all relevant Planning Objectives falling in the main under Strategic Objective 6 Sustainable Use of Resources in accordance with the Board approved timescales, as set out in HDdUHB's Annual Plan.
- Scrutiny and provision of oversight of financial and revenue consequences of investment planning (both short term and in relation to longer term sustainability).
- Review of financial performance and review any areas of financial concern, and report to the Board.
- Detailed scrutiny of all aspects of financial performance, the financial implications of significant revenue (all those over £1million requiring Board approval), business cases, projects, and proposed investment decisions on behalf of the Board.
- Regular review of contractual performance with key delivery partners (requiring Board approval as stated in the Scheme of Delegation).
- Seeking assurance on the management of principal risks within the Board Assurance Framework (BAF) and Corporate Risk Register (CRR) allocated to the Committee and provision of assurance to the Board that risks are being managed effectively, reporting any areas of significant concern e.g., where risk tolerance is exceeded, lack of timely action.
- Recommending acceptance of risks that cannot be brought within the UHBs risk appetite/tolerance to the Board through the Committee Update Report.
- Receipt of assurance through Sub-Committee Update Reports and other management/task & finish group reports that risks relating to their areas are being effectively managed across the whole of the Health Board's activities (including for hosted services and through partnerships and Joint Committees as appropriate).

Asesiad / Assessment

The Sustainable Resources Committee has been established as a Committee of the HDdUHB and constituted from 1 August 2021, with the Terms of Reference being approved by the Board at its meeting on 29 July 2021. Following an annual review of the Terms of Reference, a revised Terms of Reference was approved by the Board at its meeting on 28 July 2022. At its meeting held on 10 November 2022, the Committee recommended Board approval of the revised SRC Terms of Reference, reflecting inclusion of the Decarbonisation Task Force Group as a new reporting group of the Committee.

This Annual Report outlines how the Sustainable Resources Committee has complied with the duties set through its Terms of Reference and identifies key actions to address developments.

Constitution

The core membership of the Committee is comprised of:

- Independent Member (Chair)
- Independent Member (Vice Chair)
- 3 x Independent Members

The following 'In Attendance' Members have also been identified to serve on the Committee:

- Director of Finance
- Director of Operations

- Director of Primary Care, Community and Long Term Care
- Other Lead Executives to be invited to attend for relevant Planning Objectives aligned to the Committee or relevant agenda items.

Meetings

The Sustainable Resources Committee is directly accountable to the Board for its performance, and it provides assurance to the Board, either through a formal written update report or through a verbal update, which is received at each subsequent Board meeting. A full set of papers for each Committee meeting is routinely made available on-line from the Health Board's website.

During 2022/23, the Sustainable Resources Committee meetings were held bi-monthly as follows:

- 25 April 2022
- 28 June 2022
- 22 August 2022
- 10 November 2022
- 20 December 2022
- 28 February 2023

Areas of Responsibility

In discharging its duties, the Sustainable Resources Committee has undertaken work during 2022/23 against the following areas of responsibility in relation to its Terms of Reference:

Discussion Items

At each meeting the Committee is presented with the following papers to scrutinise with regard to the in-year financial position:

- Finance Report and Forecast (including Monthly Monitoring Return to Welsh Government (WG))
 - Financial Risks and Mitigation
 - Financial Plan Development
- **Finance Report and Forecast –**
 - **Finance Report Month 12, 2021/22** – at its meeting held on 25 April 2022, the Committee received the Month 12 (M12) 2021/22 Finance Report, outlining the Health Board's financial position to the end of the financial year against the Interim Annual Plan, and providing an analysis of key drivers of the in-month position. The Committee received assurance against the following key targets: revenue is on target to deliver a deficit of £25m; savings delivery is currently at £11.9m; Capital expenditure is within the agreed limit at £61.6m; HDdUHB has exceeded the Public Sector Payment Policy (PSP) target to pay 95% of non-NHS invoices within 30 days of receipt of a valid invoice. The Committee was advised that the Finance team has now concluded the year end position for 2021/22 and received assurance that the predicted ramp up of elective recovery spend did occur and was predominantly linked to a continued Planned Care recovery within Optometry for cataracts and glaucoma in the last 3 months of 2021/22. Strategic investment into digital patient records had also been delivered as expected. The Committee was informed that savings underdelivered by £1.4m and received assurance that, with agreement from Welsh Government (WG), the Health Board could utilise underspends to reduce the savings target. Subsequently, the £16.1m target at the start of 2021/22 has been reduced to £11.9m. The Committee was advised that

although this is a positive position, it does produce a residual gap going into 2022/23 and therefore poses a risk to delivery of the planned deficit. In relation to annual leave provision, the Committee was informed that an additional £500,000 has been requested in addition to the accrual for 2022/23, which is not attributed to any Directorate in particular. The Committee was further informed that Workforce completed the consolidation of all purchase leave requests at the end of March 2022 and undertook to provide an updated position within the report to the next Committee meeting. In relation to Capital, the Committee was informed that the level of vesting agreements with suppliers in 2021/22 was due to supply chain and delivery issues and received assurance that this will continue to be closely monitored to ensure that there is no ongoing risk for the Health Board and that any vested equipment is brought into Health Board sites at the earliest opportunity.

- **Finance Report Month 2, 2022/23** – at its meeting held on 28 June 2022, the Committee received the Month 2 (M2) 2022/23 Finance Report, outlining a financial outturn position of a £42m forecast, which is £17m higher than the planned deficit of £25m. This is due to there being an inadequate level of assurance at this stage around the identification of a further £17m of savings schemes deliverable within the current financial year. The Committee was advised of a further risk to the current forecast of £42m in relation to the operational pressures experienced in Month 1 and 2; as a minimum there is a need to recover the £1.5m operational variation during the remainder of the year, and there is the potential for a continuation of this trend without full mitigation, which at this stage is assessed as c.£11m (inclusive of savings delivery). The Committee was advised that the Health Board has received confirmation from WG of funding to match the costs of COVID-19 programmes (Tracing, Testing, Mass Vaccinations and Personal Protective Equipment), and that initial WG guidance has been received to assume funding provided to offset transitional costs of COVID-19 (£16.4m) and the Exceptional Energy, Health and Social Care Levy and Real Living Wage commissioned services costs of £12m. In relation to operational cost drivers, work is currently being undertaken to determine what are the real COVID-19 costs and what is essentially the unscheduled care (USC) system operating in a challenged space. There is a risk of the forecast deficit position deteriorating as a result of transferring costs originally badged as COVID-19 costs into the underlying cost base. Therefore, it is anticipated that the Health Board's COVID-19 costs will reduce, and the underlying unscheduled care (USC) pressures will increase. In terms of supply, the Committee was advised that the premium on agency costs is approximately £4.1m, in particular in Glangwili General Hospital (GGH) and Withybush General Hospital (WGH) and undertook to provide a further analysis of this position to a future Committee meeting. The Committee was advised of an additional risk to the £42m forecast position of approximately £11m, which would result in a £53m deficit position. The Committee was further advised that, through the plan resubmission process being undertaken at the moment as part of the M3 financial return submission to WG, there is a significant piece of work around the continued COVID-19 responses and understanding whether these can be practically decommissioned or whether pressures will still require the Health Board to continue these within the core plan, which would impact further upon the deficit position.
- **Finance Report Month 4, 2022/23** – at its meeting held on 22 August 2022, the Committee received the Month 4 (M4) 2022/23 Finance Report, outlining a forecast financial outturn position of £62m in line with the re-submitted draft Annual Plan, which is £37m higher than the previous planned deficit of £25m. Whilst the delivery

risk to the revised deficit of £62m is considered to be low, this was an unacceptable level of deficit and urgent management actions are required to address the underlying position. The Committee was advised that, whilst the delivery of planned savings schemes is on track, the revised annual limit is £17m lower than the original plan. This lower level of savings has contributed to the increase in the planned deficit to £62m. Furthermore, only a small number of savings are currently assessed as recurrent, with a full year effect of £0.5m. The impact is that there is deterioration in the underlying deficit to £76.5m from the brought forward 2021/22 position of £68.9m. Accountability letters have been sent to the budget holders to acknowledge their understanding and acceptance of the budget delegations by signing and returning the Accountability Agreement. With regard to funding for winter pressures, the Committee was advised that the official response from WG is that there is no additional funding to that already issued to health boards.

- **Finance Report Month 6, 2022/23** – at its meeting held on 10 November 2022, the Committee received the Month 6 (M6) 2022/23 Finance Report, outlining the Health Board's revised draft Financial Plan to deliver a deficit of £62.0m, after savings of £13.9m; this recognises the inadequate level of assurance around directorate overspend mitigation plans and the identification of a further £15.5m of savings schemes deliverable within the current financial year against the initial £25.0m deficit Plan. Since the initial plan submission, each Executive Director and their respective leadership teams have been reviewing their operational plans to deliver a step change through a Target Operating Model (TOM) approach; the basis for transformation improvement programmes, supported by the Planning Objective structure and governance. Whilst these have yielded benefits, such as the recovery plan to deliver dedicated ring-fenced wards for elective procedures, they are unfortunately not sufficient to improve the financial outlook. The Health Board continues to have to commit expenditure at a consistent rate to maintain services whilst experiencing significant system demand and challenges. Of the identified savings schemes of £13.9m, only a small number are currently assessed as recurrent, with a full year effect of £2.0m. This is contributing to the deterioration in the underlying deficit to £75.0m from the brought forward 2021/22 position of £68.9m, which presents a challenge to be addressed as part of the TOM. The Committee was advised that financial pressures continue across the Health Board with particular pressures on pay, where the Health Board continue to rely on Agency staff to support high levels of vacancies and in Medicines Management where a combination of prescription growth and the price of Category M and no cheaper stock available (NCSO) drugs are adversely affecting run rates. Opportunity movements remains a concern however Finance Business Partnering teams are facilitating Executive led reviews of the Opportunities Framework, which will update the status of schemes in the coming weeks.

The Committee received a verbal update that the forecast has been addressed following analysis of the M7 position. As a result of the risk pressures across sites, the Health Board is expected to deliver a deficit of up to £67.0m on a gross basis. Anticipating the benefit from annual leave accrual of £8.0m, which would be a non-recurrent reduction, the forecast has been restated to £59.0m. The Committee received assurance that proposals to reduce the deficit to £59.0m, and the challenge to implement a control process to provide assurance that this is a fixed position for the rest of the year, are reported to the Executive Team.

- **Finance Report Month 8, 2022/23** – at its meeting held on 20 December 2022, the Committee received the Month 8 (M8) 2022/23 Finance Report, outlining the

Health Board's revised draft Financial Plan to deliver a deficit of £62.0m, after savings of £13.9m; this recognises the inadequate level of assurance around directorate overspend mitigation plans and the identification of a further £15.5m of savings schemes deliverable within the current financial year against the initial £25.0m deficit Plan, combined with an operational variation due to system pressures and continuation of COVID-19 activities within HDdUHB's core services. The Committee was advised that the forecast deficit is £59.0m, after recognising a further £5.0m of operational variation offset by £8.0m Accountancy Gains. The in-month M8 financial position, excluding Accountancy Gains of £8.0m, is an overspend of £6.4m, which is made up of £4.3m operational variance and an original deficit plan of £2.1m; this is after recognising £0.3m of assumed WG transitional funding for COVID-19. The Committee was advised that £1.1m of savings schemes were delivered in line with identified plans. Of the £4.3m overspend in-month, £1.3m relates to undelivered savings plans against the original target and £3.0m relates to operational pressures. These pressures are mainly being experienced within Unscheduled Care teams, and in Medicines Management in relation to Primary Care Prescribing.

- **Finance Report Month 10, 2022/23** – At its meeting held on 28 February 2023, the Committee received the Month 10 (M10) 2022/23 Finance Report, outlining the Health Board's revised draft Financial Plan to deliver a deficit of £62.0m, after savings of £13.9m; this recognises the inadequate level of assurance around directorate overspend mitigation plans and the identification of a further £15.5m of savings schemes deliverable within the current financial year against the initial £25.0m deficit Plan, combined with an operational variation due to system pressures and continuation of COVID-19 activities within HDdUHB's core services. The Committee was advised that the forecast deficit is £59.0m, after recognising a further £5.0m of operational variation offset by £8.0m Accountancy Gains. The in-month M10 financial position, excluding Accountancy Gains of £8.0m, is an overspend of £6.4m, which is made up of £4.1m operational variance and an original deficit plan of £2.1m; this is after recognising £0.3m of assumed WG transitional funding for COVID-19. The Committee was advised that £1.4m of savings schemes were delivered in line with identified plans. Of the £4.1m overspend in-month, £1.1m relates to undelivered savings plans against the original target and £3.0m relates to operational pressures. These pressures are mainly being experienced within Unscheduled Care teams, and in Medicines Management in relation to Primary Care Prescribing, and in Oncology due to increased activity.
- **Corporate Financial Risk Reports** - the Corporate Risk reports were presented to the Committee for scrutiny at its meetings held in April, June, August, November, and December 2022, and in February 2023 to provide assurance that all planned actions will be implemented within the stated timescales and will reduce the risk further and/or mitigate the impact, if the risk materialises. Throughout the year, the Committee received updates on the 3 risks scored against the Finance impact domain:
 - *1335 Risk of being unable to access patient records, at the correct time and place in order to make the right clinical decisions*
 - *1352 Risk of business disruption and delays in patient care due to a cyber-attack*
 - *1432 Risk to the delivery of the Health Board's draft interim Financial Plan for 2022/23*

At the Committee meeting held on 28 April 2022, the Committee noted, in relation to the new risk 1352 *Risk of business disruption and delays in patient care due to a cyber-attack*, that this risk is also being managed by the other health boards due to all health boards in Wales sharing a single network. At its meeting on 22 August 2022, the Committee noted the new risk 1432 (*Risk to the delivery of the Health Board's draft interim Financial Plan for 2022/23*), which supersedes risk 1371 (*Risk to the delivery of UHB's Draft Interim Financial Plan for 2022/23*). With regard to risk 1335 (*Risk of being unable to access patient records, at the correct time and place in order to make the right clinical decisions*), the Committee was advised of delays with getting the scanners into a digital system, which is anticipated to be completed in Autumn 2022. At its meeting on 10 November 2022, in relation to Risk 1432 *Risk to the delivery of the Health Board's draft interim Financial Plan for 2022/23*, the Committee was advised that delivery of the Health Board's draft interim Financial Plan for 2022/23 will not be achievable due to the cash consequences of funding the increased deficit, and therefore the risk score has increased from 16 to 25. However, the Committee received assurance that the mitigating actions against this risk will be reviewed and aligned with the actions necessitated as part of the Targeted Intervention (TI) work, which will in turn provide collective assurance to WG.

- **Operational Financial Risk Reports** - the Operational Financial Risks reports were presented to the Committee for scrutiny at its meetings held in April, June, August, November, and December 2022, and in February 2023. At the Committee meeting held on 22 August 2022, the Committee noted that in relation to a number of operational risks that are overdue for review, the Committee received assurance that the roles and responsibilities of the Directorate Budget Holders and Finance Business Partners would be clarified. At its meeting held on 10 November 2022, the Committee received assurance that these operational risks have been returned to Directorate Budget Holders with support provided by the Finance Business Partners. At its meeting held on 28 February 2023, the Committee received assurance that all relevant controls and mitigating actions are in place. Acknowledging that these operational risks are contributing to the overall corporate risk to the delivery of the Health Board's draft interim Financial Plan, the Committee recognised that the programmes of change will at least partly address these risks. In relation to the risks that had no change to risk score for some time, the Committee received assurance that these are reviewed at the Improving Together meetings and the longstanding risks are reviewed by the Risk and Assurance Officers to challenge teams on their risks. The Committee received further assurance that the Director of Operations reviews these risks with the relevant Executive Lead prior to submission to Committees.
- **Development of the Target Operating Model** – at its meeting held on 25 April 2022, the Committee received the Development of the Target Operating Model (TOM) report and presentation, setting out the Health Board's latest plan for the Integrated Medium Term Plan (IMTP) that is due for update and submission to WG by the end of Quarter 1, 2022/23, covering the three-year period 2022-25. The Committee was advised that following the submission of the draft three-year narrative plan and one-year financial plan to the Board at its meeting on 31 March 2022, which breached its statutory financial duties with a draft deficit of £25m, a commitment was made that the Board would submit a revised and approvable IMTP by the end of Quarter 1 2022/23, having bridged the financial sustainability gap that existed in the initial plan. At its meeting on 25 April 2022, the Committee also received a copy of the Accountable Officer letter setting out the governance process undertaken to communicate a breach of statutory financial duty to appropriate stakeholders. The Health Board has, in accordance with guidance from WG,

not approved an IMTP and has therefore deviated from its Standing Financial Instructions as a Board. A deficit plan has also been presented; the deficit is £25million for the year and requires the Health Board's Chief Executive Officer to notify the Director General for Health and Social Services. The Accountable Officer letter was submitted to the Director General for Health and Social Services on 31st March 2022 to advise of this breach in duty. The Committee was advised that a strategic overhaul of the Health Board's current operating model is required to facilitate the transformational shift in services that is required to deliver workforce and finance sustainability and that the TOM should be shaped by the Health Board's strategy, "A Healthier Mid and West Wales", and align to the 10 Year Workforce Plan and Planned Care Recovery Plan. The Committee was advised of the aim to have the TOM and delivery plan approved by the Board at the end of June 2022, which will identify savings opportunities through the following key themes: Urgent and Emergency Care (including bed configuration and Emergency front-door redesign), Planned Care reconfiguration, and review of long term packages of care (particularly Mental Health and Learning Disabilities and Community Health Care packages). The Committee received assurance that mechanisms are in place to foster these discussions and noted the encouraging degree of energy and enthusiasm from County Directors, General Managers, Hospital Managers and Clinical Directors. In relation to the total assumed savings delivery of £12m, the Committee was informed that, assuming Green and Amber schemes are delivered as planned, £11.7m is attributed to Red schemes and noted that work is ongoing to increase the number of Green and Amber schemes.

- **Financial Plan Development Update** – at its meeting held on 28 June 2022, the Committee received a verbal update on Plan Development, advising of the next steps to support the work to be done to be more targeted in the delivery of opportunities, which is currently being undertaken across all directorates via the Use of Resources Group. The Committee was advised of an area of concern raised by the Finance Delivery Unit (FDU) regarding a disconnect between workforce projections and financial projections and provided assurance that the Finance team has now aligned with workforce and operations to get a sense of the projections for the year, this concern has been mitigated to some extent and will remain a work in progress. The Committee received assurance that further work will be undertaken between workforce, finance and operational activity to understand the real underlying drivers for the deficit in addition to the consideration of outsourcing additional activity. At its meeting held on 28 February 2023, the Committee received the Plan Development report and was advised that the Plan will be discussed in depth at the Board Seminar meeting on 1 March 2023.

In addition to the papers listed above, the following papers were received by the Committee at its meetings held in 2022/23:

- **Assurance over Delivery of the Strategic Programmes of Change** – at its meeting held on 10 November 2022, the Committee received the Assurance over Delivery of the Strategic Programmes of Change report and an accompanying presentation, providing a high-level overview of the key programmes of work for the delivery of the Health Board's strategic programmes of change. The slides contain activity and/or financial trajectories, the basis of which, set out the anticipated benefits the programme of work will deliver. It is anticipated that the programmes will deliver a number of benefits to the Health Board. Each programme will provide the platform and foundation to drive a number of improvements across performance, quality and finance. The programmes are intended to address a multitude of pressures across the system. Consequently, each programme has been incepted to remedy specific challenges facing the Health Board. It has been

well highlighted that the current financial challenges require targeted approaches across the following domains:

- Nursing Workforce Stabilisation Plan
- Family Liaison Officer (FLO)
- Alternative Care Unit
- Transforming Urgent and Emergency Care (TUEC)
- Increasing Community Capacity
- Mental Health and Learning Disabilities (Continuing Healthcare)

Each Senior Responsible Officer (SRO) had been requested to attend the Committee meeting to provide the requisite assurance to the Committee and alleviate any issues and/or concerns. The Committee welcomed the clarity of the slides providing a summary of the root cause, financial implication by category, and the proposed action of the key drivers of financial challenge. The Committee acknowledged that how the work translates into activity trajectories, and then into financial trajectories to embed changes within the forecast, is a work in progress. The Committee recognised the complexity and scope of what is being done and requested continued reporting to the Committee as a standard agenda item.

At its meeting held on 20 December 2022, the Committee received an update on the current financial challenges requiring targeted approaches across the following domains:

- TUEC: the Committee was advised that the programme has been running for the past 14 months, following the receipt of funding of £2.8m, noting that this investment should not be seen in isolation to the investment into core budgets for Urgent and Emergency Care and the investment from the Regional Integration Fund (RIF). The Committee was advised that initial data is illustrating an increase in the number of patients with high levels of acuity being managed in the community and a reduction in conveyance rates for the 65+ population. Front door turnaround rates are reducing. The Urgent and Emergency Care funding has allowed the enhancement of Same Day Emergency Care (SDEC) provision. TUEC is therefore progressing well and is fully resourced given the funding received and that this could be scaled up further dependent on funding being provided. However, the Committee noted that workforce constraints pose a challenge. The overarching outcome indicator for TUEC is for patients to spend more time at home, which is monitored via the proportion of beds occupied over 21 days and the Committee received assurance that this indicator is starting to reduce. However, significant improvement is required for the numbers of people occupying beds over 21 days. The Committee noted that the Frail and Older Adult population is contributing to bed occupancy rates and that for every week spent in hospital, patients lose 10% of their muscle mass, which in turn necessitates increased social care. The Committee received assurance that a Programme Management Office has been established to develop work plans with clear deliverables and timelines. Further assurance was provided that, by the end of March 2023, the Health Board will have a Quality Statement for Best Practice for Frail and Older People for sign off at a national level. A service specification will then be developed to assist health boards in implementing these standards.
- Building Community Care Capacity: the Committee was advised that there has been no significant progress in terms of delivery of the programme since the report to the Committee at its previous meeting. The Health Board is awaiting the sign off of the legal agreement with two Local Authorities (LAs) and therefore, the Health Board has not yet gone out for a further recruitment round. In terms of the extra beds in totality across the LAs, the Committee was advised that there are approximately 80 beds. However, there is a challenge in that 100 beds have been lost' in terms of care home capacity.

- Long Term Care in Mental Health and Learning Disabilities (MHL): the Committee was advised that there has been limited progression since the last report to the Committee. However, assurance was provided by the ongoing work with the Clinical Director for Collaborative Commissioning, National Collaborative Commissioning Unit (NCCU) regarding the funding arrangements. Further assurance was provided that a review will be undertaken with support from the NCCU, which will provide clarity on what can be delivered, and that the Head of Commissioning for MHL continues to work on the efficiencies to step down patients proactively into less restrictive environments.
- Medical Agency: the Committee was advised that a baseline is yet to be established and of the challenges to be resolved in terms of links with Payroll. Work is being undertaken with Swansea Bay University Health Board (SBUHB) to explore opportunities for a locum medical bank and a pilot project has been established with the Women's and Children Directorate with regard to job planning reviews. Referring to the issues for escalation to Executives, notably confirmation on the scope of the programme, the Committee recommended that the scope is widened rather than being made more specific due to the scale of challenge for the Health Board. The Committee noted that there is currently no financial data available as this is dependent on the baseline being confirmed.
- Alternative Care Unit: the unit has been operational since 15th November 2022, with the aim to hold capacity for 15 beds. The Committee received assurance that a Standard Operating Procedure has been produced outlining the criteria for admission to ensure that individuals are of a level of functionality that is suitable for reablement and discharge with a package of care or to a residential environment. Individuals within the unit are medically fit with no active medical treatment or registered therapy treatment. In terms of opportunities to accelerate the scalability across other sites, the Committee was advised that the large proportion of patients who are medically fit are not appropriate for the unit due to their dependence and needs being at a higher level. Recruitment is also a challenge in getting staff to sign up for shifts. The Committee received assurance from plans in place to improve patient experience and mitigate the risks regarding the reduction of agency spend. In terms of finance, there is an anticipated £1.5million saving as a consequence of not having to utilise high cost agency elsewhere in the system. The programme will run until March 2023 and, dependent upon the evaluation of the programme, it may be extended; in which case additional recurring savings opportunities would be anticipated. The Committee was advised of some anxiety around the unit being in an acute setting, however, the possibility of using facilities outside the acute hospital site is being explored.
- Family Liaison Officer (FLO): the Committee was advised that a project manager has yet been identified and therefore is currently being managed by the Director for Nursing, Quality and patient Experience due to limited capacity within the Programme Management Office. The Committee received assurance that this work is also being supported by the Quality Improvement Team, noting however that, should the project be scaled up, it would require dedicated project management support.

The Committee received limited assurance regarding the processes implemented for the delivery of the strategic programmes of change, recognising uncertainties within this to receive assurance regarding the financial challenge to translating any improvements into financial gains.

At its meeting held on 28 February 2023, the Committee received an update on the current financial challenges requiring targeted approaches across the following domains:

- TUEC: the Committee was advised that that the key performance indicators (KPIs) include conveyance, convergence and complexity. Conveyance rates demonstrate a reducing trend, however self- presentations are increasing, and conversion rates broadly continue to reduce across all populations. Complexity management remains the greatest challenge and is contributing to increasing lengths of stay (LoS) and bed occupancy. Furthermore, bed occupancy rates mirror the increasing demand for social care requirement on discharge. Although conversion rates are reducing, 0-1 day LoS/discharges within 72 hours are not optimal, particularly in the over 75 frail and elderly population, which consequently contributes to LoS over 21 days and the demand for social care that is not available at the pace or volume required to reduce handover delays and Emergency Department (ED) pressures. Referring to the urgent and emergency care fund received from WG, which has been match funded by the Health Board, the Committee noted that this forms only a small proportion of the investment into urgent and emergency care. In terms of moving care into the community, the Committee was advised that, where there are efficiencies to be delivered, this will be difficult to forecast. The focus at this stage is on efficiencies rather than cashing out, and there is further work to be undertaken with Welsh Ambulance Services NHS Trust (WAST) in terms of conveyance rates. Work is also ongoing to enhance community clinics. In terms of efficiency, the Committee noted that there are opportunities within EDs that are heavily reliant on agency and in releasing bed capacity; capacity and cash could then be released to invest in Planned Care activity.
- Building Community Care Capacity: the Committee was advised that the current position demonstrates an improvement in community beds across the three LA areas. Similarly, there have been improvements in the availability of domiciliary care. However, recruitment remains the main debilitating factor. Additionally, the signing of legal agreements with LAs has been slow. The Committee noted that the programme is a ministerial priority and concludes at the end of March 2023. WG will be meeting with health boards in April 2023 to provide learning opportunity from the final report.
- Long Term Care in MHL: the Committee was advised that the Clinical Director for Collaborative Commissioning at the NCCU, spent two days with the MHL team on 16/17 February 2023 to undertake a review of current MHL commissioning arrangements and review the deliverable opportunity for next year. The Committee was also advised that the team carried out a validation exercise to update the current position in conjunction with the LAs. The Committee was advised that the Community Health Care (CHC) review findings were not fully accepted by the Directorate on the basis that the tool used was not evidence based and did not adequately consider risk. The efficiency identified was significant and relied on a change to the funding apportionment with the LAs, rather than reductions in placement costs. Potentially, the approach suggested would have a wider impact on established relationships with LAs or adverse effect on operational capacity and delayed transfers of care. The Committee noted that there is currently no consistent tool available.

The Committee received limited assurance that financial delivery can be received for this year and that the outcome for 2023/24 will be discussed in detail at the Board Seminar meeting on 1 March 2023. Concern was also raised regarding programme manager support for each of the programmes to ensure engagement outside of this Committee.

- **Primary Care Recovery Plan Update** – at its meeting held on 28 June 2022, the Committee received the Primary Care Recovery Plan Update report, setting out how the

funding, secured to assist in clearing the backlog to enable a smoother transition into the resetting of contracted services, was used. The Committee was advised that a number of schemes have had to come to an end, which highlights the challenge for the Health Board to run schemes without the availability of immediate resource. The Committee was advised that one of the challenges to take forward certain schemes is due to the non-recurrent basis of the funding. Therefore, it is part of the Health Board's strategy to create opportunities within Primary Care by exploring how schemes can be sustained and the resource required to build in capacity for the longer term. The Committee was advised that there is currently a projected underspend within Primary Care and received assurance that the Director of Finance will work with the Director of Primary Care, Community and Long Term Care on the options available in this context, particularly where investment in Primary Care services can make a difference and reduce pressures elsewhere in the system.

- **Progression of Digital Health Record (DHR) Programme** – at its meeting held on 28 June 2022, the Committee received the Progression of Digital Health Record (DHR) Programme report, providing an update on the move to a digital health record and the benefits of the proposed acceleration of the programme. The Committee was advised that the pressure point in the default 10-12 year programme impacts in March 2026 when the bulk store at Llangennech comes to its agreed break clause milestone. Without any level of acceleration of the scanning programme, there will remain in all likelihood 600,000 records awaiting conversion. The Committee was advised that entering into a further 5 year lease period would be at a cost of approximately £200,000 per annum (including rates and energy costs). The Committee received a pipeline diagram of the DHR Programme, which illustrates the estimated points in time that cost improvements will emerge and was advised that the proposed acceleration of the programme would release these yields sooner than indicated. Acknowledging the phenomenal work undertaken by the team in a short timescale, the Committee recognised that the affordability of the revenue consequence at the upfront stage to deliver benefits at a later stage will be a challenge. The Committee was advised of the reality of accelerating delivery as and when the financial situation may or may not allow and noted that the direction of travel would require discussion by the Executive Team.
- **Accountable Officer Letter – HDdUHB Financial Deficit Accountable Officer Letter July 2022/23** - at its meeting held on 22 August 2022, the Committee noted the content of the HDdUHB Financial Deficit Accountable Officer Letter July 2022/23.
- **Role of the Energy Price Risk Management Group** – At its meeting held on 10 November 2022, the Committee received the Role of the Energy Price Risk Management Group report, highlighting the work done on an all Wales basis to secure energy supply to NHS Wales and to try to mitigate the costs pressures, including the enhanced monitoring and analysis being undertaken during the current period of extreme volatility and future options for when current contracts terminate.
- **KPMG Retrospective** - at its meeting held on 20 December 2022, the Committee received the KPMG Retrospective report, outlining the current status on recommendations from the review of finances undertaken by KPMG in 2019 and planned future actions. The Committee was advised that the KPMG reports reference the processes and governance structures in place at the time of the review, e.g. Holding to Account and Finance Committee. Whilst several changes have happened in the intervening period, some of the key themes from the recommendations remain relevant. Some areas have been fully implemented, although delivery may be challenging. Other areas are on-going or no longer relevant. The Committee noted that the report covering

the Assessment of the 2019/20 Financial Plan can be discounted as the items have been covered elsewhere. The Committee discussed the current status on recommendations from the KPMG review and planned future actions and noted that, as the outcome of this work will be captured as part of the TI action plan process, a discussion will be had to determine the reporting of the TI tracking into future Committee meetings. Referring to the Delivery Framework in place within the Health Board and the expectation at the time of the KPMG report to set up a Turnaround Project Management Office, the Committee was advised that a Delivery Framework is currently in development with a view to align Finance, Performance, Quality and Safety, scrutiny and monitoring via focus meetings with each directorate, which will commence in January 2023. The Committee received further assurance that the Planning team is supporting the major strategic programmes of change. However, the Committee noted that there are further discussions to be had around how further support can be provided to relatively small scale projects. The Committee also received a verbal update on the Health Board's TI status, providing assurance that a governance process has been implemented via the establishment of the Escalation Steering Group, which is fed into by the TI Working Group and the Enhanced Monitoring Working Group. The Committee was advised that the next meeting with WG to discuss the high level positioning, broad timelines and expectations is scheduled for March 2023. The Committee also received assurance that TI is being monitored via the Audit and Risk Assurance Committee (ARAC).

Assurance Items

The following papers were received by the Committee:

- **Lessons Learnt from 2021/22** – at its meeting held on 28 June 2022, the Committee received the Lessons Learnt From 2021/22 report, providing an overview of the actions being taken following the submission of the Audited Annual Accounts to WG on 15 June 2022. The Committee received assurance that, following the submission of the final Accounts to WG, the Finance Department will undertake post-audit reviews to follow up any issues and lessons learned to ensure improvements are in place in readiness for the following year's audit process.
- **Financial Recovery** – at its meeting held on 22 August 2022, the Committee received a comprehensive presentation advising that feedback from WG has confirmed that the revised Annual Plan of £62m deficit is unsupportable, which presents a specific risk that the Health Board may run out of cash by the end of the financial year. The Committee received assurance that the associated corporate risk register has been revised to recognise that the current trajectory would make the cash flow precariously limited towards the end of the financial year. The Health Board therefore requires an agreed contingency plan to address the cash shortfall/ treasury management risk. The Committee received further assurance that mitigating actions will be developed from a cash management perspective if funding does not flow through the system. Unlike other Health Boards, HDdUHB has taken the view that COVID-19 expenditure is being used to support the Scheduled Care system. This different approach compared to other Health Boards was discussed by the Committee. The Committee received assurance that a process has been implemented to assess each of the COVID-19 transition costs to understand if there is value elsewhere in the system. It was agreed that a detailed assessment of each cost will be shared with the Board in September 2022. The Committee received assurance that monthly Use of Resources (UoR) Group meetings continue with Directorates and the Executive Directors. The Committee noted that the internal appraisal of the financial position is a £65.3m deficit, slightly worsened compared to £62m and driven by increasing Medicines Management costs. The

Committee noted a number of opportunities that are being considered, accepted or rejected by a continuing process with budget holders and Executive Leads. The Committee encouraged the Health Board to pursue these opportunities. The Committee received assurance that operational budget holders, with the support of their Finance Business Partners, will be required to fully review these. Referencing the delivery of Planning Objective 6L Workforce, Clinical Service and Financial Sustainability, the Committee received a matrix of operational drivers, providing an overview of the main drivers for each of the operational impacts from a demand, supply and configuration perspective. The Committee noted that this process would embed understanding and ownership of the TOM, which is fundamental towards financial recovery. The Committee received assurance that the alignment between finance, operational pressures and quality and safety is at the heart of what the Health Board does, and that financial sustainability is not possible without ensuring operational sustainability and the delivery of safe services.

- **Cyber Security and Resilience** – at its meeting on 25 April 2022, the Committee received the Cyber Security and Resilience report, providing an update on the current heightened cyber security threat caused as a result of the conflict in Ukraine, and to provide a cyber-security update on vulnerabilities, alerts, incidents, and Security Architecture work. The Committee was informed that, following Russia's attack against Ukraine, there is a heightened cyber security threat for all organisations, with the National Cyber Security Centre (NCSC) calling on all UK organisations to bolster their cyber security defences. Therefore, the Health Board's Cyber Security team has been taking steps to improve the capability and resiliency to defend against and respond to a cyber-attack. Mitigating actions include the introduction of a new patch testing group to speed up the patching process and the roll out of Defender for Endpoint. In relation to the report's recommendation that departments should test their business continuity plans in regard to a possible cyber-attack and any requirement to switch-off the Information and Communication Technology (ICT) infrastructure, the Committee received assurance that a programme of testing for all departments, including remote sites, will be undertaken in addition to further work to determine how assurance can be collected centrally. Further updates regarding Cyber Security and Resilience were presented via the In-Committee sessions for the remainder of 2022/23.
- **Procurement Strategy 2022/23** – at its meeting held on 25 April 2022, the Committee received an update on the key themes for 2022/23 within HDdUHB's procurement strategies, which have been developed and implemented by the Procurement department on behalf of the Director of Finance. They are complementary with HDdUHB Transformation strategies, WG sustainability and regeneration policies, and NHS Wales Shared Services Partnership (NWSSP) national procurement short and medium term strategies. A focus for 2022/23 will be to develop the general relationship with suppliers to learn about the opportunities they are pursuing, in addition to the transactional relationship with suppliers. The Committee received assurance that the number of contracts awarded through the Procurement team has increased, notably within Planned Care; the number of Single Tender Awards has reduced year on year and HDdUHB is in joint lowest position in Wales, illustrating significant performance improvement in comparison with other health boards; catalogue coverage continues to be maximised and is consistently in excess of 85% (highest in NHS Wales) against a target of 80%; performance regarding the payment of invoices on time is exceeding the Wales target; the position regarding non-pay compliance is markedly improved in comparison with other health boards; and that Foundational Economy, Social Value and Decarbonisation continue to be at the forefront of HDdUHB's procurement strategies.

- Regional Integration Fund (RIF) Plan** – at its meeting held on 22 August 2022, the Committee received the Regional Integration Fund (RIF) Plan report, providing an overview of the Health and Social Care RIF for the West Wales Region which has been agreed by the Regional Partnership Board (RPB) for the 2022/23 transitional year and is managed by the West Wales Care Partnership. The Committee noted that the RIF is restructured funding, replacing the Integrated Care Fund (ICF) and the Transformation Fund (TF), as opposed to additional funding. The Committee was advised of the expectation to move towards embedding and mainstreaming projects and recognised that this will be a challenge within the current financial position. The RIF will be administered by the Health Board on behalf of the RPB and, whilst the Health Board has received funding requests totalling £21.9m from the region, only £18.7m is available to allocate. The Committee was advised that Locality Leads were asked to provide financial plans aligned to the value of their allocations and to identify any additional plans that could be commissioned should there be any slippage in delivery of the original plans. However, until project plans are aligned with the respective funding allocations, reporting of the year to date and full year forecast financial performance to key stakeholders and WG is not possible. The Committee requested that a breakdown of the £18.7m allocation between the Health Board and LAs will be presented to the next Committee meeting. The Committee received assurance that a Performance and Finance Group convenes fortnightly to manage this process and an Integrated Locality Planning Group has been established for each locality to provide the opportunity to collectively review and anticipate the consequences of the projects, and to embed and retain a local understanding of each area. At its meeting held on 10 November 2022, the Committee received the RIF Allocation Breakdown report, providing an update on the breakdown and an assessment of the status of approved project plans. With regard to monitoring of the performance aspect of the RIF, the Committee was advised that whilst the focus has been on finance to date, the RPB has advised that there will be a focus on performance in the new year with the addition of a performance analyst to the team to develop a set of performance metrics. The Committee received assurance that this would be reported via the IEG report to RPB and via the Strategic Development and Operational Delivery Committee (SDODC).
- Decarbonisation of Inhalers** – At its meeting on 28 February 2023, the Committee received the Decarbonisation of Inhalers report, providing an overview of the key areas of work, including support to GPs to review and switch over to low carbon inhalers. The Committee was advised that Medicines Management teams across primary and secondary care have identified targeted work programmes, aligned to Value Based Health Care (VBHC), to support practices to work towards achieving the targets. The Committee was assured that learning from other Health Boards across Wales is shared frequently through networks to ensure that the Health Board maximises opportunities as appropriate. The Committee noted the difficulty to truly understand the financial impact of the decarbonisation of inhalers work. It is accepted that, whilst making a reduction on the carbon footprint, and aligning with local and national targets, changing patients from Metered Dose Inhalers (MDIs) to Dry Powder Inhalers (DPIs), may come at an additional cost for the Health Board. On an inhaler-to-inhaler level switch, DPIs are often at a higher cost to MDIs. However, the Committee received assurance that the wider benefit from the focus on patient's overall disease management through patient-level education and improved inhaler technique and compliance is expected to lead to reduction in potential exacerbations, in addition to improving overall symptom control and reducing the volume of inhalers prescribed. This is aligned to VBHC and the effective utilisation of resources.

- **Financial Planning, Monitoring and Reporting Final Internal Audit** – at its meeting held on 25 April 2022, the Committee received the Financial Planning, Monitoring and Reporting Final Internal Audit report, providing a level of reasonable assurance relating to the effective processes surrounding the management, co-ordination, monitoring and reporting of budgets. With regard to budget holder sign off of budgets, the Committee noted that assurance will be required through the submission of a standard report to ARAC to monitor compliance.
- **Assurance on Planning Objectives Aligned to SRC** – at its meetings held on 28 June 2022, 10 November 2022 and 28 February 2023, the Committee received the Planning Objectives Update report, mapping the progress made to date and future actions required to deliver against each of the Finance Planning Objectives aligned to the Sustainable Resources Committee.

At its meeting held on 28 June 2022, the Committee received a deep dive, providing an update on progress on delivering the NHS Wales Decarbonisation Strategic Delivery Plan objectives and HDdUHB **Planning Objective 6G**, which describes a strategic roadmap in response to WG's ambition for NHS Wales to contribute towards a Welsh public sector wide net zero target by 2030. The Committee received an overview of the phases of the Delivery Plan and was assured that feedback received, following submission to WG at the end of March 2022, was positive. However, the challenge in making significant progress within the first year of a 2 year plan was acknowledged and therefore, the plan has since been extended to a 3 year initial plan to reflect funding challenges in 2022/23 and alignment to the Health Board's IMTP. The Committee was advised that Procurement remains the biggest challenge to the Health Board's carbon footprint and received assurance that further work to align the Health Board's carbon reporting systems with WG, to establish an agreed footprint baseline, will be undertaken. The Committee was advised that a focused Decarbonisation Action Plan (DAP) will be developed for delivery across the organisation, assigning specific projects as required and that a review of resource and funding requirements will also be undertaken with funding bids to be submitted to WG where available. Assurance was received that this action plan will be monitored via the Decarbonisation Task and Finish Group. In relation to staff engagement, the Committee was informed that WG and Public Health Wales are looking to launch a package of initiatives across the NHS to support staff awareness and engagement, including the establishment of staff champions.

At its meeting held on 28 June 2022, the Committee also received a deep dive, providing an update on progress with the plan for delivering 'Our Approach to Value Based Health Care' for 2022/25, which has been developed in line with **Planning Objective 6D**. Planning Objective 6D describes the routine capture of Patient Reported Outcome Measures (PROMs) within the majority of service areas, the delivery of an education programme and a bespoke programme of research and innovation. The Committee was advised of the ambitious delivery plan for 2022/23, including PROMs being routinely collected in 32 service areas and visualisation dashboards being created for 11 services areas and informing day to day clinical decisions. The Committee was advised of an underlying challenge facing Informatics as resource and capacity is currently scarce. However, the Committee received assurance that the dashboards are proving useful in developing a delivery plan to be managed and that reporting is provided by exception for areas not being delivered to plan. The Committee also received assurance that clinical engagement had been positive. The Committee received further assurance, at its meeting on 28 February 2023 from a deep dive on VBHC, outlining the progress of the VBHC Programme, the key risks to programme delivery and the scores assigned to them. As previously reported to the Committee, a

clear plan for delivering VBHC for 2022-2025 has been developed, which places the population at the heart of service development. Focussing on the first goal of the plan, to work with operational teams to enable them to routinely use PROMs and resource utilisation data in planning, organising and delivering healthcare, the Committee received assurance that the VBHC programme has increased in scope and pace over the past 12 months, providing routine PROM collection in a large range of service areas and that HDdUHB is the single biggest collector of PROM data across the UK. The Committee was advised that comprehensive data analytic reports have been developed for eight service areas to provide a cohort level summary of PROM data and to illustrate generalised trends and inequities in service delivery through the lens of patient reported outcomes. The Committee was advised that the VBHC Programme Plan describes the completion of nine Service Reviews by the end of March 2023 and received assurance that progress against the plan has been positive with six of the nine Service Reviews having already been completed and the remaining three to be completed before the end of the financial year. The Committee was advised of technical challenges that have delayed the development of some visualisation dashboards, noting however that these issues have now been largely resolved and a revised schedule of dashboard rollouts has been developed. The Committee was advised that the work on Heart Failure has led to a 50% reduction in heart failure admissions, a 51% reduction in readmission, and a 92% reduction in time from diagnosis to treatment. The Committee received assurance that there remains a realisable ambition to further expand the reach of VBHC routinely into Primary, Community and Social Care. The Committee also noted that HDdUHB is submitting two entries for the international VBHC prize 2023 for its work on Heart Failure and the digitisation within Trauma & Orthopaedics (Hips & Knees).

At its meeting held on 22 August 2022, the Committee received assurance from the aims contained within the Financial Recovery presentation regarding progress on Value Improvement and Income Opportunity in line with **Planning Objective 6B** and progress on Workforce, Clinical Service and Financial Sustainability in line with **Planning Objective 6L**.

At its meeting held on 20 December 2022, the Committee received assurance from the update on progress with the delivery of **Planning Objective 3E** to develop an advanced analytical platform that is highly accessible to operational and corporate teams that will provide real-time, integrated data to support clinicians and managers providing the insight, foresight, and oversight to assist with day-to-day operational delivery as well as organisation wide strategic planning. The Committee was advised that in 2021, the Data Science Team embarked on an ambitious workplan to deliver an innovative, interactive and interoperable Data Science Platform with the idea of connecting the various advanced analytic techniques to tackle particular types of problems; Statistical Process Control (SPC), Time Series Analysis (TSA), Discrete Event Simulation (DES) and Geographic Information Systems (GIS). In terms of the second part of PO3E to develop and implement a risk stratification model, the Committee was advised that work has been undertaken from a frailty perspective. However, progress has been delayed due to the complexities of the piece of work. The Committee received assurance that a wealth of information received from the Health Board's Managed Practices will be explored to progress risk stratification of the population. The Health Board is sponsoring a lecturer from Aberystwyth University to assist with the roadmap, and two PhD students from Swansea University will be sponsored to accelerate the Data Science team's ability to advance the Artificial Intelligence (AI) maturity of the Health Board to the next level, with a focus on the risk stratification model.

At its meeting held on 20 December 2022, the Committee received assurance from the update regarding delivery of **Planning Objective 5M** to implement the existing national requirements in relation to clinical and other all-Wales IT systems within expected national timescales, and to develop a plan to progress to Level 5 of the 7 levels of the Healthcare Information and Management Systems Society (HIMSS) maturity matrix. The Committee was advised that in order to fully understand the journey towards digital maturity, the Health Board was required to establish a baseline, and undertook a self-assessment using the globally recognised HIMSS approach, which delivers a number of maturity models. Feedback from the HIMSS analysis will inform the Health Board's Digital Response and plans for 2023/2024 onwards. The Committee noted the HIMSS Electronic Medical Record Adoption Model (EMRAM), which is used to assess Electronic Medical Record (EMR)/Single Patient Record implementation and adoption of the technology. The Committee received assurance that, whilst the Health Board is currently on Level 2 of the HIMSS maturity matrix, progress is on track to facilitate and reach Level 5 status by 2026. To move towards Level 5, the Committee was advised of a number of key systems to be implemented, including replacement of the theatre system, the Patient Held Record, Patient Flow and Electronic Observations, and Electronic Prescribing and Medicines Administration.

At its meeting held on 20 December 2022, the Committee received assurance from the update regarding delivery of **Planning Objective 6N**, to develop an initial intelligent automation (IA) plan which combines Robotic Process Automation (RPA) technology, AI and Natural Language Processing to streamline data collection and integration. noted that there are many opportunities to improve manual and duplicated processes in the Health Board, which crucially could free up time and reduce waste. The Committee was advised that the main benefit from IA/RPA will be the release of capacity. By allowing tasks to be completed by automation, the time spent undertaking these tasks can be repurposed. Employees are freed up to fully focus on high-value or high-priority activities, such as patient care, or face-to-face interactions, which require cognitive input. The Committee noted that the quantifiable benefits will be identified with each automation and that, in order to provide measurable benefits, the teams are looking to release 50,000 hours of capacity back into the Health Board, per annum, by 2025. The Committee received assurance that, based on the work to date, this is considered to be a realistic target. The Committee received an overview of the three current proof of concepts being undertaken by the Health Board; Community Nursing Referrals, Workforce Automation, and Finance Automation (for processes such as the request to raise a bill and for pay recording).

At its meeting held on 28 February 2023, the Committee received assurance from the update regarding delivery of **Planning Objective 5R** to develop a digital inclusion programme which will provide a coordinated approach to digital inclusion across the Health Board and its wider partners for the local population. The Committee received assurance that the Health Board has signed the Digital Inclusion Charter for Wales and was accredited in September 2022 having successfully demonstrated its commitment to implementing the Digital Inclusion Charter principles. The Health Board has also been accepted onto the Digital Inclusion Alliance for Wales. The official launch for Digital Inclusion took place on 14 February 2023, which included attendees across all health board areas, and was positively received. The Committee received an overview of the progress of the Digital Inclusion programme, which consists of eight pillars of work, and includes the development of the regional Digital Inclusion Steering Group. This will determine the level of digital health literacy of the population through engagement with key stakeholders and services already in place to engage the population with digital health literacy development. The Committee received assurance that the response from

the Chief Digital Officer for Wales, the Chief Executive of Digital Health Care Wales (DHCW) and Delta has been positive and supportive of the direction of travel.

- **Integrated Performance Assurance Report (IPAR)** – at its meeting held on 28 June 2022, the Committee received the Integrated Performance Assurance Report (IPAR), relating to Month 2 2022/23, and noted the issues regarding variable pay in-month and agency spend. At its meeting held on 22 August 2022, the Committee received the IPAR relating to Month 4 2022/23, and noted the good work being undertaken regarding landfill usage and carbon friendly inhalers in their contribution to achieving the Health Board's carbon target. The Committee also noted concern with regard to break-even duty. At its meeting held on 10 November 2022, the Committee received the IPAR relating to Month 6 2022/23. With regard to measures for third party spend (with Hywel Dda and Welsh suppliers), the Committee noted the good work being done to promote local suppliers, and recognised the importance of awarding well, in terms of the social value impact of the Health Board's procurement, in addition to awarding locally. The Committee received assurance that a further update regarding the impact on social value would be presented to the Committee in the new year as part of the work on the Procurement strategy. At its meeting held on 20 December 2022, the Committee considered the measures from the IPAR relating to Month 8 2022/23. At its meeting held on 28 February 2023, the Committee considered the measures from the IPAR relating to Month 10 2022/23.
- **Balance Sheet** – at its meetings held on 28 June 2022, 10 November 2022 and 28 February 2023, the Committee received reports detailing the Health Board's Balance Sheet position, together with the monthly scrutiny of the Balance Sheet and further developments. At its meeting held on 28 June 2022, the Committee received the Balance Sheet report, outlining the position as at Quarter 4 2021/22 (M12) and received assurance that the Balance Sheet had been submitted to the Board as part of the Year end accounts at its meeting on 26th May 2022. The Committee acknowledged the increase in provision being mainly due to clinical negligence claims and enquired with Audit Wales whether this could be scrutinised on an all Wales basis as the Welsh Risk Pool (WRP) review each case in detail and therefore, there is currently limited overarching intelligence available to identify what is driving this position across Wales.
- **Consultancy Review** – at its meeting held on 25 April 2022, the Committee received the Consultancy Review report, providing a summary of the consultancy contracts incurred during 2021/22. At its meeting held on 28 June 2022, the Committee received the Consultancy Review report, providing assurance to the Committee regarding the monitoring of consultancy usage and spend at HDdUHB, which includes WhiteSpider Enterprise Ltd for technical design and assurance services to assist in the implementation of Cisco SDA, and Deloitte LLP for business case development. At its meeting held on 22 August 2022, the Committee received the Consultancy Review report detailing one consultancy contract, LaingBuisson, entered into during the period 1 June 2022 to 31 July 2022 for the provision of CHC rates at a value of £24,500. The Committee received assurance regarding the monitoring of consultancy usage and spend in HDdUHB. At its meeting held on 10 November 2022, the Committee received the Consultancy Review report detailing one consultancy contract, Philip Charles Click, entered into during the period 19 August 2022 to 19 September 2022 for the Transforming Mental Health Programme at a value of £13,391. The Committee received assurance that the contract was presented to ARAC at its meeting on 18 October 2022.
- **NHS Wales Shared Services Partnership (NWSSP) Performance Report** – at its meeting held on 28 June 2022, the Committee received assurance from the content of

the NWSSP Performance Report for Q4, 2021/22. At its meeting held on 22 August 2022, the Committee received assurance from the content of the NWSSP Performance Report for Q1, 2022/23, particularly in relation to significant improvement within the approval stage of the recruitment process. At its meeting held on 20 December 2022, the Committee received assurance from the content of the NWSSP Performance Report for Quarter 2 2022/23. Recognising that the majority of areas within the report are classed as green, the Director of Finance undertook to liaise with NWSSP on whether the targets are challenging enough to prompt higher levels of success. The Committee received an update in the form of a response from NWSSP at its meeting held on 28 February 2023. At its meeting held on 28 February 2023, the Committee received assurance from the content of the NWSSP Performance Report for Quarter 3 2022/23.

- **NWSSP Plan Briefing and Feedback** – at its meeting held on 28 February 2023, the Committee received the NWSSP Plan Briefing and Feedback report, outlining the NWSSP IMTP 2023-26 and demonstrating how NWSSP will support Health Boards to deliver local plans. The Committee received an overview of the key objectives and the development of a more outcome based approach to measuring the impact of the work the NWSSP provides to the NHS. Key operational priorities, which include Decarbonisation and Climate Change, implementation of a new Digital Strategy, financial sustainability and good governance, and employee wellbeing. In relation to the Finance plan, the Committee was advised that robust conversations have been held with the FDU and the Directors of Finance forum. The Committee was advised that NWSSP had previously been able to deliver a certain level of non-recurrent savings, which was distributed back to health boards. However, over the next 12 months, a first call may be required on any non-recurrent savings to support the delivery of the NWSSP plan. One of the biggest challenges for the NWSSP is the volatility relating to the energy crisis. The Committee received assurance that an internal Performance and Outcomes Group has been established to develop more outcome focussed measures. Furthermore, NWSSP is required to adhere to the Duty of Quality to demonstrate how NWSSP is improving services.
- **Information Governance Sub-Committee Update Report** – the Committee received the Information Governance Sub-Committee (IGSC) Update Reports at each of its meetings in 2021/22. At its meeting held on 28 April 2022, the Committee was pleased to note that clinical coding activity continued to improve for December 2021 and surpassed the 95% target with 95.6%. The Sub-Committee approved the approach for the Clinical Coding team to continue with current month on month processes to strive for 95% compliance for each calendar month and not to concentrate on the backlog for 2021/22 during April and May 2022/23, to enable the team to maintain momentum and progress to date. The Sub-Committee received an update on the submission of the Information Governance Toolkit, which was based upon the information received from specific departments in the last quarter of 2021/22 (including a snapshot of the department's documents and processes, the training undertaken by specific individuals, guidance for staff, documents used to inform patients/clients of the Health Board's processes, and patients/clients' rights in respect of the Health Board's processes). The Sub-Committee noted concern regarding the wider strategic issue of the storage of records and boxes within external storage companies. With regard to the outsourcing of scanning patient records, the Committee discussed reverting back to the Health Board's previous practice or accelerating the outsourcing of scanning and welcomed the attendance of the Deputy Director of Operations at the June 2022 Committee meeting to provide assurance to the Committee in regard to the outsourcing of scanning. The Committee approved the Corporate Records Management Policy. At its meeting held on 28 June 2022, the Committee was pleased to note that clinical coding activity continued

to improve for February 2022 and surpassed the 95% target with 96.2%. HDdUHB is currently above the all Wales average for the first time in a number of years. An internal audit programme of work has been developed to provide further assurance regarding the accuracy of the information being coded. Additionally, DHCW will be attending the Health Board in August/September 2022 to undertake their yearly national audit. In relation to corporate and medical records storage assurance and the recent audit undertaken at a garage located at Bronglais General Hospital (BGH), where Accident & Emergency records requiring scanning were placed, the Committee welcomed an update on whether these records had been transferred to DHCW for scanning prior to the next Committee meeting. At its meeting held on 22 August 2022, recognising the success of the Clinical Coding team consistently reaching and exceeding the national target, the Committee received assurance that the process of coding and costing data will be more effective and that the data will assist with clinical audits being undertaken. At its meeting held on 10 November 2022, the Committee received assurance that Data Quality will feature as a standard agenda item of the IGSC and that any issues would be escalated to the Committee via the IGSC Update Report. With regard to training compliance, the Committee was advised that there are approximately 2,500 staff identified as not having their Mandatory IG training compliance in place on the Electronic Staff Record (ESR). The Committee received assurance that Information Governance (IG) will continue to circulate newsletters to encourage staff to update their compliance on ESR. A revised IGSC Terms of Reference was considered by the Sub-Committee which, subject to minor amendments and approval by the Sub-Committee at its next meeting, will be submitted to the Committee for approval at its meeting on 20th December 2022. The Sub-Committee approved the Information Rights Procedure and the Unauthorised Access Procedure. The Committee received assurance that all four HDdUHB Managed Practices submitted their responses to the IG Toolkit 2021/22 by 30 September 2022, as requested by DHCW. At its meeting held on 20 December 2022, the Committee approved the IGSC Terms of Reference and the Information Assurance Policy (250). The Committee also approved the extension of several policies, appended to the IGSC Update Report, whilst they are under review. The policies will be staggered and submitted to forthcoming Sub-Committee meetings, prior to seeking approval by the Committee. At its meeting on 28 February 2023, the Committee received assurance from the update on the clinical coding position for the Health Board, advising that performance has achieved the 95% target for the past thirteen months, with the latest performance for November 2022 provisionally at 97.6%. The current backlog position for 2022/23 activity shows that the Health Board has 98.5% of episodes from April to November 2022 coded and is therefore on track to achieve the 98% for the end of the financial year by continuing on this trajectory. The Committee received further assurance that work is commencing on reviewing the quality of coding, in addition to the quantitative values. Future work will also enable the clinical coding of Emergency Department information. The Committee approved the following policies: 275 Secure Transfer of Personal Information Policy; 193 Retention and Destruction of Records Policy; 174 Reuse of Public sector Information Procedure; 282 Network Security Policy; 319 Disposal of Digital Equipment Policy; 422 Consumer Device Policy.

- **Ministerial Directions** – at its meeting held on 25 April 2022, the Committee received assurance from the Ministerial Directions report that all Ministerial Directions issued by WG between 1 December 2021 and 31 July 2022 have been implemented/adopted by HDdUHB or are in the process of being implemented. At its meeting held on 28 February, the Committee noted the content of the Ministerial Directions report and received assurance that all MDs issued by WG between 01 August 2022 and 31 January 2023, as well as MDs issued previously, which are still in the process of being

implemented, have been implemented/adopted by HDdUHB or are in the process of being implemented

- **Welsh Health Circulars (WHC)** – At its meetings held on 22 August 2022 and 28 February 2023, the Committee received reports providing an update on progress in relation to the implementation of WHCs that fall under the remit of SRC and its Sub-Committee structure. The Committee received assurance on the management of WHCs in terms of when the WHC would be delivered, any barriers to delivery, impacts of non/late delivery and assurance that the risks associated with these are being managed effectively.

Information Items

- At each meeting during 2022/23, the Committee has been presented with the following papers for information:
 - Sustainable Resources Committee Work Programme 2022/23
 - Update on All-Wales Capital Programme: 2022/23 Capital Resource Limit and Capital Financial Management
 - Agile Digital Business Group Update Report (one meeting held on 1 April 2022)
 - Decarbonisation Task and Finish Group (from November 2022)
- **Update on All-Wales Capital Programme: 2022/23 Capital Resource Limit and Capital Financial Management** – at each meeting, the Committee received the Update on All-Wales Capital Programme: 2022/23 Capital Resource Limit and Capital Financial Management report, providing details of the Health Board's Capital Expenditure Plan and Expenditure Profile Forecast for 2022/23, the Capital Resource Limit for 2022/23 and an update regarding capital projects and financial risks.
- **Agile Digital Business Group Update** – an update from the Group's meetings held on held on 1st April 2022 was presented to the Committee at its meeting held on 25 April 2022.
- **Decarbonisation Task Force Group Update Report** – updates from the Group's meetings held on 20 October 2022, 17 November 2022 and 17 January 2023 were presented to the Committee at its meetings held on 10 November, 20 December 2022 and 28 February 2023, respectively. At its meeting held on 10 November 2022, the Sustainable Resources Committee's Terms of Reference, reflecting inclusion of the Decarbonisation Task Force Group as a reporting group of the Committee was presented for information. At its meeting held on 20 December 2022, the Committee received assurance from the update on progress of the six projects of the Green Teams competition, including a Pathology project to improve routine transport by changing the location of their central hub; an Endoscopy project for the use of single use plastic sheets, reusable gowns, and reusable camera valves; a Medicines Optimisation team project with Borth Surgery to assist with transition from metered dose inhalers to dry powder inhalers; a Procurement team pilot for a local contract for door maintenance in GGH; a BGH Pharmacy project for alternatives to the use of green plastic bags for patient medication; and a collaboration of the Environment team and the Special Care Baby Unit (SCBU) at GGH around diverting nappies/incontinence waste from landfill to recycling.
- **Healthcare Contracting, Commissioning and Outsourcing Update** – at its meeting held on 25 April 2022, the Committee received updates based upon the three main

areas of focus; contractual delivery, waiting lists within the Health Board's main providers, and on the contracts that the Health Board has in place with the Independent Providers. The Committee was advised that the position remains a challenging one affecting all health boards in Wales; HDdUHB's position demonstrates an overall decrease in financial performance with a £3.7m underspend (excluding Welsh Health Specialised Services Committee (WHSSC)). The Committee was informed that the majority of HDdUHB patients waiting for a new outpatient appointment at Cardiff and Vale University Health Board (CVUHB) are waiting for Clinical Immunology and Allergy and account for 29.4% of the February 2022 waiting list. With the exception of a slight decrease in December 2021, they have continued increasing month on month. An alternative commissioned pathway proposal is being undertaken for Clinical Immunology and Allergy, as a result of the Commissioning team being notified of certain issues within the service. A working group has been established to identify pathway opportunities throughout HDdUHB for allergy care with a key focus on improving allergy provision for adolescents, developing an adult allergy service, and confirming the complex allergy pathways. In relation to Orthopaedic/Spinal Surgery, the Committee was informed that the Commissioning team is in the process of writing to all Spinal patients who have had their surgery during 2021/22 at SBUHB, requesting feedback by means of a patient questionnaire. The questions are based on PROMs and PREMs, and the Commissioning team will work with Quality and Value Based Healthcare colleagues to analyse the results. The Committee was further advised that a Regional Commissioning Group (RCG) has been established with SBUHB to provide support via collaborative and regional solutions to ensure that the multitude of challenges can be addressed collectively. The agreed priority areas include Oral Maxillofacial Surgery and Orthopaedics/Spinal Surgery. The Committee was informed that, as a result of 3 recent patient complications currently under investigation regarding the service provided by Community Health and Eye Care (CHEC) at its premises in Bridgend, it has been agreed to temporarily suspend the service until further notice. At its meeting held on 28 June 2022, the Committee was advised that the block arrangements implemented at the beginning of the COVID-19 pandemic, and continued for the remainder of 2021/22, have been deemed inappropriate moving forward into 2022/23. This arrangement was to ensure that there was a collective focus on operational recovery. and, therefore, a hybrid approach was agreed and adopted by the Directors of Finance in March 2022. The Committee was informed that, in advance of the Long Term Agreements (LTAs) being signed at the end of June 2022, pending any outstanding queries, the total value of LTAs for 2022/23 is £45.850m, with WHSSC being £115.952m. The Committee was informed that that the majority of HDdUHB patients waiting for a new outpatient appointment at CVUHB are waiting for Clinical Immunology and Allergy and that an alternative commissioned pathway proposal is being undertaken in this specialty. An Allergy Equality (AE) working group has been established to identify pathway opportunities throughout HDdUHB for allergy care, with the intention to have a service which works for all allergy anaphylaxis patients regardless of the allergen. The Committee was informed that, due to a number of recent patient complications, HDdUHB took the decision to suspend the CHEC service at the beginning of April 2022 until these had been investigated. A number of meetings were convened both internally and externally with CHEC, which included clinical leads. It was deemed necessary to undertake a review with regards to the emergency pathway and the post-operative follow up process, both of which have been actioned, and consequently the service was re-instated at the end of May 2022. At its meeting held on 22 August 2022, the Committee noted the fragility of Paediatric Neurology services across Wales with no tertiary service in place. The Committee was advised of the intention for there to be a WHSSC commissioned tertiary service in CVUHB. The Committee received assurance from the collaborative work with SBUHB to determine how much activity is going to be

tertiary and non-tertiary, and any internal opportunities to potentially repatriate patients. With regard to the forecasted underspend of £2.6m, the Committee was advised of the anticipation that the underspend would be at least £2.6m and, should the current run rate continue, there is the possibility of a further slippage to £3m. However, the Committee was advised that any underspend is used to offset overspends elsewhere in the system as opposed to being classed as savings. The Committee was advised that the Framework Agreement for the Provision of Insourcing/Outsourcing Clinical, Surgical and Diagnostic Procedures, which was established by NWSSP Procurement Services as a means of supporting Health Boards to achieve the Referral to Treatment (RTT) targets of 26 weeks and/or provide additional capacity to meet service demand in a compliant and timely manner, will have an initial term of 4 years, commencing on 1st April 2023, with an option to extend for up to an additional 4 years. The Committee noted the 15% weighting applied to the Social Value criteria, for which bidders will be required to submit responses in relation to the Well Being of Future Generations Act, Foundational Economy and Carbon Footprint. Referring to the inclusion within the tender for bidders to demonstrate that they have ISO27001 accreditation, which requests the ability of framework providers to have greater access to update NHS patient records to reduce the transfer of paper files, the Committee acknowledged that this may be an area that providers would not have previously considered and carries the risk of having no accredited providers at all. The Committee requested that this is fed back to NWSSP and an update to be presented to the November 2022 Committee meeting. The Committee requested that a report on the development of the Strategic Programme Case (SPC) by the South West Wales Cancer Centre (SWWCC) Regional Strategic Programme is presented to SDODC.

- At its meeting held on 28 February 2023, the Committee received the **Long Term Agreement (LTA) Values and Process for 2023/24** report summarising the impact of the overall 1.5% uplift plus Investments contained within the LTAs. The Committee scrutinised the contract values ahead of signature by the Board at its meeting on 30 March 2023 and received assurance that a robust process has been undertaken with each provider.

In addition to the papers listed above, the following papers were received by the Committee:

- **All Wales Independent Member Digital Network Highlight Report** – at its meetings held on 22 August 2022, 20 December 2022 and 28 February 2023, the Committee received the All Wales Independent Member Digital Network Highlight Report, for information.

Approval Items/Items for Board Consideration or Approval

- **A Healthier Mid and West Wales Programme Resources** – at its meeting held on 10 November 2022, the Committee received the A Healthier Mid and West Wales Programme Resources report, requesting Committee recommendation of the additional resource requirements and use of external consultants for the Public Consultation and further technical work around land acquisition. The Committee scrutinised the proposal and recommended for onward submission to the Board for approval, subject to the following caveats: The Committee did recommend that the Board approve the additional resources required, recognising that investment is needed to facilitate service change for future financial sustainability, although it was mindful of the financial position of the Health Board and the need to exercise careful judgement in appointing consultants.
- **Award of NHS Primary Care Personal Dental Services** – at its meeting held on 10 November 2022, the Committee received the Award of NHS Primary Care Personal

Dental Services report, requesting Committee consideration of the awarding of the Ammanford General Dental Services Contract to Dental Practice 1, following the completion of the prescribed tender process and recommended for Board approval at its meeting on 24 November 2022.

- **Consultancy Tax Reclamation Contract** – at its meeting held on 10 November 2022, the Committee received the Consultancy Tax Reclamation Contract report, advising Members that the current contract with taxation specialists to provide a value-added tax (VAT) consultancy service is due to expire shortly. The Committee received assurance that support from external consultants is required to ensure compliance with legislation and that reclaimable VAT is maximised. The indicative value is £200,000, which is an estimate based on the provider receiving a percentage of the VAT reclaim received by the Health Board in line with current contract values. The Committee considered the tender to appoint VAT consultants for a period of 3 years, with an option to extend for a further 2 years and recommended for Board approval at its meeting on 24 November 2022.
- **Business Case for Patient Flow and E-Observation** - at its meeting held on 20 December 2022, the Committee scrutinised the Outline Business Case for the investment in an Electronic Observations and a Patient Flow system and recommended for Board consideration as part of the planning cycle at its meeting on 26 January 2023. The Committee was advised that current processes and digital solutions within the Health Board are not optimised for patient flow, with an over reliance on paper systems and that optimising patient flow management can help best utilise limited resources. The adoption of an Electronic Observations and Patient Flow system aligns with the strategic direction of the Health Board, progresses the digital maturity towards the aim of HIMMS level 5, and progresses the TUEC agenda (supporting handover, patient flow and discharge management). The Committee was advised that the proposed process will most likely translate to productivity releasing benefits, as opposed to financial gain.
- **NWSSP Procurement Services Energy Contract Ratification Report** – at its meeting held on 28 February 2023, the Committee received the report and considered the proposed approach to Energy procurement governance arrangements, prior to approval at a Chair's Action meeting on 28 February 2023 and ratification by the Board at its meeting on 30 March 2023, including the proposed new Energy procurement contractual arrangements with Crown Commercial Services.
- The Sustainable Resources Committee approved the following Financial Procedures during 2022/23:
 - Removal of financial procedure 16/01 Sponsorship by the Private Sector, as the contents of this procedure are now covered within the Standards of Behaviour corporate policy (approved 28 June 2022)
 - 1032 Treatment of Private Patients, Control of Admission and Collection of Income which was originally approved by the Committee at its meeting in December 2021, in respect of referencing the correct legislation applicable to NHS Wales organisations and the increasing of the tariff by 3.2% for the financial year 2022/23 (approved 28 June 2022)
 - 084 Oracle E-Business Suite – System Access & Ledger Security procedure (approved 22 August 2022)
 - 973 Cash procedure (approved 22 August 2022)
 - 093 Disposal of surplus & Obsolete furniture, equipment, sale of scrap and other waste materials (approved 22 August 2022)

- 050 Cash Imprest Accounts – Rehabilitation Monies (approved 10 November 2022)
- 066 Losses & Special Payments (approved 10 November 2022)
- 070 Hospital Travel Cost Scheme (approved 10 November 2022)
- 052 Income Cash Collection (approved 10 November 2022)
- 078 Patient Properties and Monies (approved 10 November 2022)
- 1054 Purchase to Pay (approved 10 November 2022)
- Removal of financial procedure 068 Payment of Pharmacy Invoices, as the principles are now covered within the Purchase to Pay Procedure (FP-1054).
- Use of Consultancy: At its meeting on 20 December 2022, the Committee approved the revised Use of Consultancy financial procedure with the aim to ensure that consultancy is only used in appropriate circumstances and that due diligence is undertaken before approval of any contracts. Within the procedure's current definition of consultancy, more services are falling under the banner of consultancy; many of which should be classed as professional services. Therefore, the procedure has been reviewed and revised to provide a clearer definition to distinguish between consultancy and professional services, and includes a flowchart of the process to be followed if the proposed expenditure does meet the criteria for consultancy.

Governance Items

- **Self-Assessment of Committee Performance 2021/22: Review of Questions** – at its meeting held on 22 August 2022, the Committee approved the use of the draft questions for the review of Committee performance during 2021/22. At its meeting held on 20 December 2022, the Committee received the Review of Outcomes report, providing assurance that any actions from the SRC Self-Assessment 2021/22 are being progressed within the agreed timescales. Referencing the response to the suggestion for improvement that the responsibility for longstanding audit recommendations lies with ARAC and is outside of the remit of SRC's Terms of Reference, the Committee considered whether SRC could play a role in reviewing these from a financial remit.

Key Risks and Issues/ Matters of Concern raised by the Committee to the Board during 2022/23 included:

- **From the Committee meeting held on 25 April 2022:**
 - The position and handling strategy of the IMTP, and the outturn for 2021/22.
 - The TOM and sensitivity of the time and pace of delivery.
- **From the Committee meeting held on 28 June 2022:**
 - The Month 2 financial position and financial outturn position of a £42m forecast, which is £17m higher than the planned deficit of £25m.
 - Positive assurance received by the Committee regarding progress on Decarbonisation in line with Planning Objective 6G.
 - Positive assurance received by the Committee regarding the progress on VBHC and the plan to deliver the goals contained within the document 'Our Approach to Value Based Healthcare', in line with Planning Objective 6D.
 - Positive assurance received by the Committee regarding the improvement in clinical coding performance, with HDdUHB surpassing the 95% target with 96.2% and performing above the all Wales average for the first time in a number of years.

- **From the Committee meeting held on 22 August 2022:**
 - The Month 4 financial position, forecasting a financial outturn position of £62m in line with the re-submitted draft annual plan, which is £37m higher than the previous planned deficit of £25m.
 - The potential deterioration of the recurrent/ underlying financial position due to the non-recurrent nature of identified savings.
 - Discussion of the TOM and recovery actions to be taken.
 - Active management of the Treasury Management Cash risk to be undertaken as part of financial recovery actions.
 - Assurance received by the Committee regarding progress on Value Improvement and Income Opportunity in line with Planning Objective 6B and progress on Workforce, Clinical Service and Financial Sustainability in line with Planning Objective 6L.
 - Assurance received by the Committee regarding the processes implemented for delivery of the RIF Plan.
 - Healthcare Contracting, Commissioning and Outsourcing - Assurance received regarding mitigating actions and the Framework Agreement for the Provision of Insourcing/Outsourcing Clinical, Surgical and Diagnostic Procedures, which will come into effect in April 2023.
 - Corporate Risks – creation of new risk 1432 (Risk to the delivery of the Health Board's draft interim Financial Plan for 2022/23), which supersedes risk 1371 (Risk to the delivery of UHB's Draft Interim Financial Plan for 2022/23). Positive assurance received by the Committee from the good work being undertaken regarding Landfill usage and Carbon friendly inhalers in their contribution to achieving the Health Board's carbon target.

- **From the Committee meeting held on 10 November 2022:**
 - The Month 6 financial position, forecasting a financial outturn position of £62.0m in line with the re-submitted draft annual plan, which is £37m higher than the previous planned deficit of £25.0m; noting the verbal update on the improved M7 financial position and the forecast deficit, which is proposed to reduce to £59.0m.
 - The potential deterioration of the recurrent/ underlying financial position due to the non-recurrent nature of identified savings.
 - Assurance received by the Committee regarding the processes implemented for the delivery of the strategic programmes of change, recognising uncertainties within this to receive assurance regarding the financial challenges.
 - Corporate Risk – 1432 Risk to the delivery of the Health Board's draft interim Financial Plan for 2022/23: Increase in Risk Score from 16 to 25.

- **From the Committee meeting held on 20 December 2022:**
 - The Month 8 financial position, and risk to delivery of the forecast financial outturn position of £59.0m which provides a challenging starting point for the planning framework for 2023/24.
 - Limited assurance received by the Committee regarding the processes implemented for the delivery of the strategic programmes of change, recognising uncertainties within this to receive assurance regarding the financial challenge to translating any improvements into financial gains.
 - Limited assurance received by the Committee regarding the progression of the Long Term Care in MHLD programme.
 - KPMG Retrospective: Acknowledgment of the progress made to date, recognising that further work is to be done to provide onward assurance to the Board that all recommendations have been implemented.

Positive assurance received regarding delivery of Planning Objectives 3E Advance Analytics, 5M Implementation of Clinical and All Wales IT Systems, and 6N Intelligent Automation/Robotic Process Automation.

• **From the Committee meeting held on 28 February 2023:**

- Limited assurance received by the Committee regarding the processes implemented for the delivery of the strategic programmes of change, recognising uncertainties within this to receive assurance regarding the financial challenge to translating any improvements into financial gains and contribution to corporate risk 1432 Risk to the delivery of the Health Board's draft interim Financial Plan for 2022/23.
- The Month 10 financial position, and risk to delivery of the forecast financial outturn position of £59.0m which provides a challenging starting point for financial delivery for 2023/24.

Sustainable Resources Committee Future Work Plan 2023/24

During 2023/24, there will be a key focus for the Committee on the following:

- Route Map to Financial Balance, including the Opportunities Framework
- Social Value and Procurement
- Long Term Agreements and Healthcare Contracting
- Outcomes from Investment in Digital Enablement
- Linkage of Financial and Workforce Planning
- Capital Financial Management
- Scrutiny of Financial Risks

Argymhelliad / Recommendation

The Board is requested to endorse the Sustainable Resources Committee Annual Report for 2022/23.

Amcanion: (rhaid cwblhau)

Objectives: (must be completed)

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	Governance, Leadership and Accountability
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives:	Not Applicable

Gwybodaeth Ychwanegol:

Further Information:

Ar sail tystiolaeth: Evidence Base:	Agendas, papers and minutes of the Committee meetings held in 2022/23
Rhestr Termiau:	Included within the body of the report.

Glossary of Terms:	
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Sustainable Resources Committee

Effaith: (rhaid cwblhau) Impact: (must be completed)	
Ariannol / Gwerth am Arian: Financial / Service:	A sound system of internal control, as evidenced in the Committee's Annual Report, will assist with ensuring financial control, and the safeguard of public funds.
Ansawdd / Gofal Claf: Quality / Patient Care:	SBAR template in use for all relevant papers and reports.
Gweithlu: Workforce:	SBAR template in use for all relevant papers and reports.
Risg: Risk:	SBAR template in use for all relevant papers and reports.
Cyfreithiol: Legal:	A sound system of internal control, as evidenced in the Committee's Annual Report, ensures that any risks to the achievement of the Health Board's objectives are identified, assessed and managed. Compliance with the Health Board's Standing Orders, and Committee's Terms of Reference, requires the submission of an Annual Report to the Sustainable Resources Committee.
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	SBAR template in use for all relevant papers and reports