

**CYMERADWY COFNODION O GYFARFOD Y PWYLLGOR ADNODDAU CYNALIADWY/
APPROVED MINUTES OF THE SUSTAINABLE RESOURCES COMMITTEE MEETING**

DATE OF MEETING: 9:30 AM, Tuesday 17 December 2024

VENUE: Microsoft Teams Meeting

PRESENT: Winston Weir (Hywel Dda UHB - Independent Board Member) (Chair) (VC)
Maynard Davies (Hywel Dda UHB - Independent Member) (Vice Chair) (VC)
Rhodri Evans (Hywel Dda UHB – Independent Member) (VC) (part)
Michael Imperato (Hywel Dda UHB - Independent Board Member) (VC)
Eleanor Marks (Hywel Dda UHB - HDUHB Vice Chair) (VC)
Delyth Raynsford (Hywel Dda UHB - Independent Member) (VC)

IN ATTENDANCE: Shaun Ayres (Hywel Dda UHB - Deputy Director of Operational Planning and Commissioning) (VC) (part)
Andrew Carruthers (Hywel Dda UHB - Chief Operating Officer) (VC)
Gareth Cottrell (Hywel Dda UHB – Deputy Chief Operating Officer) (VC)
Sharon Daniel (Hywel Dda UHB - Interim Executive Director of Nursing, Quality & Patient Experience) (VC) (part)
Lee Davies (Hywel Dda UHB - Executive Director of Strategy and Planning) (VC) (part)
Gemma Deverill (NWSSP – Procurement) (VC) (part)
Katharine Fletcher (NWSSP – Procurement) (VC) (part)
Sian Jenkins (Hywel Dda UHB – Deputy Director of Finance) (VC) (part)
Olwen Morgan (Hywel Dda UHB – Assistant Director of Nursing) (VC) (part)
Jill Paterson (Hywel Dda Health Board - Director of Primary Care, Community and Long Term Care) (VC)
Andrew Spratt (Hywel Dda UHB – Deputy Director of Finance) (VC)
Huw Thomas (Hywel Dda UHB - Director of Finance) (VC)
Jennifer Thomas (Hywel Dda UHB - Senior Finance Business Partner (Accounting & Statutory and Reporting)) (VC)
Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary) (VC) (part)
John Jenkins (Hywel Dda UHB - Committee Services Officer) (Secretariat)

MINUTES REF.	ITEM	ACTION
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SRC(24)141	WELCOME AND APOLOGIES	
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Mr Winston Weir welcomed all to the Sustainable Resources Committee (SRC) meeting.

Apologies had been received from:

- Mr Mark Henwood

- Mr James Severs

Mrs Sharon Daniel had advised that she would be late joining the meeting and Mrs Olwen Morgan would deputise for Mrs Daniel until her arrival to ensure that the Committee remained quorate.

SRC(24)142 DECLARATION OF INTERESTS

Mr Michael Imperato declared an interest in Item 2.5 ('Deep Dive: Non-Pay and Procurement') as he was currently involved in a legal case relating to procurement against a separate Health Board in Wales.

SRC(24)143 MINUTES OF SUSTAINABLE RESOURCES COMMITTEE HELD ON 22 OCTOBER 2024

The minutes of the SRC held on 22 October 2024 were reviewed and agreed as an accurate record of proceedings.

Decision: The minutes of the Sustainable Resources Committee meeting held on the 22 October 2024 were **APPROVED** as a correct record of proceedings.

SRC(24)144 MINUTES OF EXTRAORDINARY SUSTAINABLE RESOURCES COMMITTEE HELD ON 14 NOVEMBER 2024

The minutes of the Extraordinary SRC held on 14 November 2024 were reviewed and agreed as an accurate record of proceedings.

Decision: The minutes of the Extraordinary Sustainable Resources Committee meeting held on the 14 November 2024 were **APPROVED** as a correct record of proceedings.

SRC(24)145 TABLE OF ACTIONS FROM SUSTAINABLE RESOURCES COMMITTEE HELD ON 22 OCTOBER 2024

The Table of Actions from the SRC meeting held on 22 October 2024 was reviewed.

In response to a question from Mr Huw Thomas regarding **SRC(24)86 ('Finance Report')**, Mr Andrew Carruthers advised that a written response would be circulated to members of the Committee following clarification of the required information

requested from the Withybush Hospital (WGH) Operational Team relating to the recurrent savings relating to the bed configuration at WGH.

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Decision: The Sustainable Resources Committee **REVIEWED**, **UPDATED** and **NOTED** the Table of Actions from the meeting held on 22 October 2024.

SRC(24)146

TABLE OF ACTIONS FROM EXTRAORDINARY SUSTAINABLE RESOURCES COMMITTEE HELD ON 14 NOVEMBER 2024

The Table of Actions from the Extraordinary SRC meeting held on 14 November 2024 was reviewed. It was noted that all actions were complete.

Decision: The Sustainable Resources Committee **REVIEWED** and **NOTED** the Table of Actions from the Extraordinary Sustainable Resources Committee meeting held on 14 November 2024.

SRC(24)147

FINANCE TARGETED INTERVENTION ACTIONS

Mr Lee Davies presented the Finance Targeted Intervention (TI) Actions update to the Committee and advised on the revised reporting approach to each of the Board Committees with reports streamlined to the relevant areas of delegation for each Board Committee. Mr Lee Davies believed that a significant proportion of the updates relating to TI was included in the committee agenda however advised that the Finance TI Actions Update would be used to frame the narrative of the meeting in relation to TI and delivering a general overview of the Health Board's performance against the TI de-escalation criteria.

Mr Shaun Ayres believed that the Financial Control Sub-Group (FCSG) had facilitated positive grip and control over variable spending and had improved the accountability in relation to oversight of variable spend requests that had been considered by the FCSG and believed that the challenge for the Health Board was to implement the same controls for medical staffing as had been instigated for nursing staffing.

Mr Ayres believed that there was an increased level of understanding of the Health Board's deficit drivers as set out within the compendium of variation however Mr Ayres believed that there was a challenge in adopting a significant level of the savings opportunities or determining a process for discounting them and agreeing a process whereby the opportunities would be revisited for consideration.

Mr Ayres believed that there needed to be greater alignment between the formulation of the Clinical Services Plan (CSP), the production of the Annual Plan, the Health Board's financial road map and the strategic refresh of the Health Board's strategy to ensure that all four elements combine within one consistent approach for the Health Board.

Mr Ayres advised that the SRC needed to alert to the Board the number of directorates that were failing to deliver their recurrent savings target with a number of directorates having been escalated for 6 months or more without attaining the necessary traction towards achieving the savings targets.

Mr Ayres advised on the potential financial consequence of the Health Board being unable to bridge a number of performance challenges, especially within diagnostics and cancer performance and unscheduled care from within the existing capacity within the Health Board without incurring an additional financial demand. Mrs Joanne Wilson advised that performance would be scrutinised in greater detail at the Strategic Development and Operational Delivery Committee (SDODC) on 19 December 2024.

In response to a question from Mr Weir on whether there had been any consistent themes arising from directorates that had been unable to submit financial savings plans, Mr Thomas advised that of the six domains, Quality, Governance and Workforce, were process-driven whereas Fragility, Performance and Finance were more relating to structural challenges that had only seen limited progress towards their de-escalation criteria. Mr Thomas believed and that there were issues with domains having been too long in escalation status and becoming comfortable within the escalation space and felt that escalation status should be an uncomfortable space and that further work was required to understand what purpose a domain being in escalation should provide in relation to consequences and outcomes. Mr Andrew Carruthers believed that Executive Directors were involved too early within the escalation process and believed that more responsibility should be given to operational managers before Executive Directors were involved with the process.

In response to a question from Mrs Elenor Marks regarding what escalation looked like and what were the consequences of escalation, Mr Carruthers cited the example of the Carmarthenshire System which as a result of being in escalation had received a significant level of resource targeted towards delivering the Carmarthenshire System plan with planning support provided, Quality Improvement Team support and an Assistant Director leading the work with the local operational team and that similar support would be provided to the Mental Health and Learning Disability (MHLD) Directorate. Mrs Wilson advised that extensive governance support was being provided to the MHLD Directorate to address their lack of response to audits and recommendations arising from the audits.

Mrs Joanne Wilson left the meeting

Mr Thomas believed that there was work that was needed to be undertaken to establish a framework for what the escalation process entailed given the proposed new operational structure and care groups that were being established and the investment in operational delivery leadership. Mr Thomas advised that he would consult with Mrs Wilson to establish which Board Committee was appropriate to present a review of the overview of the overall escalation framework to.

Miss Jill Paterson joined the meeting

HT/JW

In response to a question from Mr Michael Imperato on the value of seeking external support to assist directorates, Mr Lee Davies advised that in relation to the MHLD Directorate, additional support had been sought from Welsh Government (WG) in December 2024. Mr Lee Davies advised that how the Health Board's escalation processes were being managed was due to be discussed at the TI Coordination Group meeting on 17 December 2024. Mr Carruthers advised that the NHS Executive had been utilised to test and review plans and advised that this had been undertaken with regard to the Carmarthenshire System plan and in relation to the MHLD Directorate.

Decision: The Sustainable Resources Committee **RECEIVED** and **NOTED** the Finance Targeted Intervention Actions update report.

SRC(24)148

FINANCE REPORT

Mr Thomas presented the Month 8 2024/25 Finance Report and advised that the Health Board had received a substantial contribution from WG to the Health Board's revenue within Month 8 with an additional allocation of £26.0m having been received by the Health Board. Mr Thomas advised that the allocation was conditionally recurrent and an additional £6.45m contribution on a 'fair shares' basis from WG in recognition of inflationary pressures.

Mr Thomas advised that the five conditions attached to the conditionally recurrent funding element of £26.0m:

- The Health Board must deliver the revised Target Control Total (TCT) in 2024/25, or better. The TCT has changed from £44.8m to £31.55m to match the new forecast position.
- Financial improvement trajectory over the next three-year planning period and break even by Year 3.

- Sustaining the 104-week planned care target in 2025/26 and improve cancer in line with national targets.
- Progress implementing the CSP to ensure sustainability.
- Regional changes at speciality-levels which address sustainability and delivers quantifiable outputs in each year of the three-year plan.

Mr Thomas advised that the Month 8 reporting figure recognised 8/12ths of the new funding of £21.63m with the end of year forecast changing to £31.55m being the new TCT for 2024/25 that was the same as the restated Annual Plan deficit figure resulting in a revised monthly planned deficit of £2.6m, which was the equivalent of £5.3m prior to the additional WG funding being received.

Mr Thomas highlighted a number of directorates that had been escalated to Level 3 ('no assurance') for three consecutive months or more for the domain of Finance, Strategy and Planning:

- Carmarthenshire Integrated System
- Pembrokeshire Integrated System
- Mental Health and Learning Disabilities
- Estates and Facilities
- Medicines Management
- Planned Care
- Women's and Children
- Therapies and Health Sciences

Mr Andrew Spratt advised that Month 8 had shown a positive in-month position showing a £2m improvement above what had been planned through improvements to identified savings however Mr Spratt advised that the majority of additional savings identified were non-recurrent with a number of under-spends predominantly within corporate directorates contributing to the improved in-month position.

Mr Spratt believed that there had been a significant improvement in the Health Board's run rate within the last three months with savings schemes being identified however the Health Board were still £1m short in the planned total identification of savings schemes and a further £1m short against delivery against identified savings schemes however highlighted the reliance on non-recurrent savings to meet the Health Board's savings target with a £14.1m savings gap on a recurrent basis and believed that this was a problem that would be carried forward into the following year's planning cycle with non-recurrent savings being assessed to ascertain if they could be converted into recurrent savings. Mr Thomas believed that there would be a reliance on directorates currently escalated to deliver recurrent savings in 2025/26 due to the achievable savings having already been made in the current

financial year resulting in an increased risk to not meeting the savings delivery in the next financial year.

Mr Spratt advised that scrutiny of the medical premium pay issues in a similar manner to the positive outcomes in relation to nursing and healthcare support worker review of premium agency usage and believed that the formulation on a consistent rate card to aid operational managers maintain agreed rates of pay.

Mr Spratt advised of a potential underspend risk in relation to a capital scheme at Withybush Hospital (WGH).

Mr Spratt highlighted the request to WG for strategic cash assistance for 2024/25 as reported to Board on 28 November 2024 with the request updated to reflect the additional financial allocation.

Mr Spratt believed that assurance was able to be given on the in-year forecast deficit delivery with the year-to-date variance to a breakeven position of £20.1m being £0.9m below the planned deficit of £21m for the first time in the financial year resulting in high confidence in the Health Board achieving its revised Annual Plan deficit target of £31.5m.

Mr Spratt re-iterated the assurance given within the Finance TI Actions progress update that the Health Board's grip and control measures relating to vacancy requests scrutinised at FCSG and the variable pay and premium pay control processes in place.

In response to a question from Mr Weir on if it was known whether other Health Boards in Wales had received an additional financial allocation from WG, Mr Thomas advised that it was only the Health Board's own additional financial allocation that the Health Board was formally aware of at present and believed that the conditions for recurrent funding imposed on HDdUHB were achievable conditions.

In response to a question from Mr Maynard Davies on the need to commit additional funding to meet performance targets, Mr Spratt believed that an assessment was currently being undertaken in December 2024 to be considered in January 2025 to assess the potential financial opportunity to provide choices to pursue in relation to improving performance however cautioned that there was a known potential financial impact to be considered relating to an on-going dispute with Band 2 Healthcare Support Workers (HCSW) that could need to be financial recognised within the current financial year.

Mr Spratt further advised that HDdUHB had received additional £6.5m in-year recovery funding for performance improvements however Mr Spratt advised that following the submission of the bid for the funding, the Health Board had pursued tenders with a number of private providers who had withdrawn their expressions

of interest with HDdUHB by the time the funding was confirmed with the Health Board needing to re-assess how the additional funding received could be applied to improve performance.

In response to a question from Mr Weir on the annual savings identification target, Mr Spratt advised that there were a number of under-spending areas that the Health Board were seeking to take a view upon whether those underspends were able to be recognised against the Health Board's savings target on a non-recurrent basis and had confidence that the Health Board's savings targets could be attained at least on an identification basis and noted a £1m shortfall in delivery of identified savings schemes with investigations on-going as to what savings schemes identified for the following financial year could be expedited to be delivered in the current financial year and to seek recurrent savings that would of benefit on-going into future planning cycles.

Mr Weir highlighted the alert of the under-delivery of savings at WGH and that the Pembrokeshire Integrated System was currently escalated and requested that a deep dive into the Pembrokeshire Integrated System including WGH be included on the workplan for the 25 February 2025 SRC meeting.

CSO

In response to a question on the use of overtime from Mrs Marks, Mr Spratt advised that FCSG were undertaking a phased review of premium and variable pay and were overseeing the requests from services for overtime usage and believed that FCSG had highlighted inconsistencies in approaches to overtime from different teams that he believed was related to historic ways of working and would be explored in greater detail by the Variable Pay Sub-Group that reports to FCSG.

In response to a question from Mr Weir on an underspend through dental contracts being handed back to the Health Board and the consequences, Miss Jill Paterson acknowledged the risk of additional dental patients waiting longer for treatment and advised of the difficulties of recommissioning dental contracts in a timely manner. Miss Paterson advised that work was being undertaken to attempt to uplift existing dental contracts on a non-recurrent basis to provide additional capacity and discussions were being held with alternative providers.

In response to a question from Mr Weir on the risk of the short-term savings resulting in longer term additional costs to treat patients as emergency dental cases, Miss Paterson advised that work was being undertaken with the Mr Thomas to produce a Dental Plan with a view to making a £1.5m investment in dental services and would present a report back to a future SRC meeting.

JP/HT

Decision: The Sustainable Resources Committee:

- **RECOGNISED** that following Welsh Government funding received, the Health Board's Deficit plan is now £31.5m, which is the new Target Control.
- **RECOGNISED** the financial position is on an improved trajectory, and that the organisation will be undertaking an assessment of financial improvement actions in progress in readiness for Month 9 reporting.
- **ACKNOWLEDGED** that with a year-to-date delivery of £20.1m against a planned deficit of £21.0m, the Health Board is now on a trajectory to achieving the revised planned deficit of £31.5m.
- **NOTED** the five conditions attached to the conditionally recurrent funding received of £26.0m
- **SCRUTINISED** the progress of savings actions undertaken as part of the recommendations presented to Public Board in September 2024 and in particular to bridge the recurrent savings gap with an Executive Team commitment to identify £20.0m of recurrent savings by the end of December 2024.
- **SCRUTINISED** the Executive Delegated Officer portfolios which are overspending against their delegated budgets.
- **RECEIVED ASSURANCE** from those directorates with a level 3 escalation for Finance, Strategy and Planning, that they have sufficient actions and milestones in place to de-escalate (details provided within the IPAR report as well as key directorates listed under the alert section).
- **RECEIVED ASSURANCE** that:
 - Plans are translated from opportunities to delivery through the three-delivery functions Value and Sustainability Group, IQFPD Group and the Healthier Mid and West Wales Group
 - Mitigating actions are being developed to address areas of overspend
 - Executive leads are generating schemes to develop into robust recurring savings plans by December 2024 for the £20.0m commitment made during September 2024 in Executive Team meeting
- **RECOGNISED** the requirement of enacting the Cash Management Strategy if the Strategic cash request is not approved in full by Welsh Government.
- **ACKNOWLEDGED** the comments made from the Review of Finance Board Report and
- **RECEIVED ASSURANCE** the responses to the observations contained within the report are appropriate for the ongoing financial stewardship responsibilities of the Committee.

Mr Thomas presented the Financial Plan and Strategy report to the Committee and advised that this was the initial discussion on the Financial Plan ahead of further consideration at Board on 30 January 2025. Mr Spratt believed that the discussion was a means of progressing the focus into the new year with the reliance on non-recurrent savings having an impact on the 2025/26 Financial Plan with currently an additional £14.1m needed to be delivered over what is planned to be delivered in the current year.

Mr Spratt believed that the five criteria attached to the recurrent nature of the additional WG funding provided greater clarity in the medium-term with work undertaken by Mr Ayres and the planning oversight group having received the first submission of savings plans from directorates with a second submission due on 20 December 2024 ahead of a final submission of plans from directorates on the 24 January 2025.

Mr Spratt highlighted the key assumption of the strategy arose from the commitment made by the Executive Team to identify £20m of recurrent savings by the end of December 2024 that was anticipated to be demonstrated in the second submission of savings plans by directorates on the 20 December 2024 ahead of the receipt by the Health Board of the 2025/26 funding allocation from WG.

Mr Spratt advised that at the initial submission of savings plans on 29 November 2024, £10m of savings had been identified at the discovery stage for progression to the design stage and believed that historically 50% of savings at discovery stage were converted into cash savings at the design stage with an anticipated savings of £5m resulting in a residual £15m of savings needed to be identified to meet the £20m commitment by the end of December 2024.

Mr Spratt believed that significant improvement to the Health Board's underlying deficit and savings delivery however highlighted that since 2019/20 there was an even split between reliance on non-recurrent and recurrent savings schemes with the expectation from WG that the focus be on recurrent savings and less reliance on non-recurrent short-term savings schemes such as the previously highlighted practice of holding vacancies and dental underspending.

In response to a question on additional investment in prevention, Mr Thomas advised that a range of options would be presented to the Board meeting on 30 January 2025 that would include choices for investment in prevention for the Board's consideration and would be included in the report presented to SRC on 25 February 2025 and would include choices relating to prevention and value based health care (VBHC). In response to a question from Mr Michael Imperato, Mr Thomas advised that SRC would be presented with a comprehensive assessment of the Health Board's savings position on 25 February 2025 ahead of the

issuing of Accountability Letters to Executive Directors to enable an expedited process to issue the letters to ensure that no time is lost waiting for Board approval of the savings plans in March 2025.

Mrs Joanne Wilson joined the meeting

Mr Thomas believed that the delivery of savings in 2025/26 was a higher risk than 2024/25 due to the delivery of the easier savings having already been delivered with the more challenging savings schemes having to be identified and delivered in 2025/26 and highlighted the example that additional savings through nurse staffing savings would be difficult to deliver with reliance on medical staffing savings being a greater challenge to deliver and a reliance on directorates that had not delivered their expected savings in 2024/25 being expected to deliver savings in 2025/26.

In relation to the timescale, Mr Ayres advised that following the second submission of savings plans on 20 December 2024, directorates who do not meet their savings, performance or quality expectations would be bound to attend escalation meetings in January 2025 ahead of submission of their final plans by 24 January 2025 and advised that a significant role will be undertaken by the proposed Care Groups being established as part of the revised Operational Team structure to ensure that every action that does not have the anticipated impact will have associated mitigations and remedial actions to compensate.

Decision: The Sustainable Resources Committee:

- **RECOGNISED** that the Health Board is proposing to submit an Annual Plan, set within a three-year context, not an IMTP
- **CONSIDERED** the appropriateness of the principles, assumptions and approach to achieve financial breakeven by 2026/27 (Executive Team aspiration)
- **NOTED** that the following agenda item titled 'Savings and Opportunities Report' will provide an update on the progress being made towards the financial improvements required within the plan

SRC(24)150

SAVINGS AND OPPORTUNITIES REPORT

Mrs Sian Jenkins presented the Savings and Opportunities Report to the Committee and advised that the first submission of directorate savings plans submitted by 29 November 2024 contained £10m of cash-releasing savings being identified as part of the discovery stage with a number of schemes unquantified and still at the developmental stage and related to service configuration, workforce stabilisation and non-pay opportunities such as drug efficiencies. Mrs Jenkins believed that the majority of the schemes identified amounted to less than £0.5m and that the

savings did not currently enter the service transformational space at present.

Mrs Jenkins advised that a number of savings schemes had yet to be quantified and believed that they would translate into a quantified amount ahead of the second stage of savings plan submissions on the 20 December 2024 and that several directorates that had not submitted savings plans would do so ahead of the deadline on 20 December 2024 to enable a complete oversight of the savings plans to be considered ahead of the final submission of savings plans on 24 January 2025.

In response to a question from Mr Weir on what level of confidence was held that the £20m of savings would be identified by the end of December 2024, Mrs Jenkins believed that there had been significant active engagement with directorates to progress discussions on savings however it was recognised that it would be a challenge to identify £20m of savings by the end of December 2024. Mr Carruthers advised that there were actions being progressed by Mr Gareth Cottrell and Mr Keith John however no additional confidence could be provided that significant further savings could be quantified ahead of the 20 December 2024 deadline.

Mr Ayres advised that the savings plans put forward ahead of the first submission in 29 November 2024 were triangulated around performance, finance and quality whereas ahead of the second submission by 20 December 2024 the focus was on finance with any concerns highlighted should the savings schemes have any adverse impact on quality and performance with escalation meetings scheduled in January 2025 as Mr Ayres believed that it was unlikely that £20m of savings would be identified by the 20 December 2024 deadline.

Mr Shaun Ayres, Mr Gareth Cottrell, Mr Lee Davies, Mrs Sian Jenkins and Mrs Olwen Morgan left the meeting

Mrs Sharon Daniel, Ms Gemma Deverill, Cllr Rhodri Evans, Ms Katharine Fletcher joined the meeting

Decision: The Sustainable Resources Committee:

- **RECOGNISED** that the scale of savings framed within the Health Board's financial plan approach for 2025/26; 6.5% of non-ring-fenced budgets across 2024/25 and 2025/26.
- **ACKNOWLEDGED** that the scale of savings put forward to date of £10.1m falls short of the target.
- **SCRUTINISED** the level of savings put forward at a Directorate level in the first Annual Plan submission.
- **RECEIVED ASSURANCE** that Executive leads are generating schemes to develop into robust recurring savings plans by December 2024 for the £20.0m commitment made during September 2024 in Executive Team meeting.

- **RECOGNISED** next steps outlined in the report aimed at progressing this agenda.

SRC(24)151

DEEP DIVE: NON-PAY AND PROCUREMENT

Ms Katharine Fletcher introduced the Deep Dive into Non-Pay and Procurement and believed that significant progress had been made in the last 12 months however there were still further work needed to ensure that all procurement rules and processes were being fully adhered to with breaches to Standing Financial Instructions (SFI). Mrs Wilson advised on the process of reporting SFI breaches to the Audit and Risk Assurance Committee (ARAC) and requested a further discussion on the matter.

**HT/JW/
KF**

Ms Fletcher outlined the procurement rules and regulations and how these were applied by the NHS Wales Shared Services Partnership (NWSSP) and the regulatory governance relating to procurement within the Health Board. Ms Fletcher advised that NWSSP's role was to assist the Health Board to stay within its governance rules and deliver value-based outcomes encompassing innovation, supporting the foundation economy and promoting sustainability.

Ms Fletcher advised that SFIs state that any procurement over £5,000 and up to £25,000 required the Procurement Team's oversight and required a quotation exercise via a multi-quote system with procurement over the value of £25,000 and up to £139,668 requiring a full tender exercise be undertaken and if the value of the procurement was over £139,668 then full public procurement rules applied.

Ms Gemma Deverill advised of the consequences of tenders when procurement procedures were not adhered to and advised that suppliers had the right to challenge the tender process from 30 days that they are aware of any discrepancy or from 10 days during the standstill period following the award. Ms Deverill advised that should a discrepancy in the process be identified there was a cost to the Health Board with the tendering process potentially having to be re-done in its entirety with all material relating to the tender disclosable through a challenge including emails and hand-written notes with the potential cost of any court action to defend the tender process.

Ms Deverill advised that all procurement contracts with a value over £500k to £1m required WG to be notified with any procurement contract with a value over £1m requiring WG approval unless it complies with a limited number of exemptions such as if the competition was run under an All-Wales approved framework with ministerial approval at the framework level.

In response to a question from Mr Weir on how HDdUHB's procurement compliance compared with other health organisations in Wales, Ms Fletcher believed that HDdUHB performed at a similar level to other Welsh health organisations with a degree of variability between teams within the Health Board as to the level of engagement with the Procurement Team and the individual compliance with procurement regulations. Mr Thomas believed that the level of tolerance of non-compliance with procurement regulations was unacceptable and that complete compliance was necessary to protect individuals and the wider organisation and agreed to discuss further with Ms Fletcher and Mrs Wilson on the procurement compliance and reporting to ARAC to ensure zero-tolerance of non-compliance with procurement rules and regulations.

HT/JW/
KF

In response to a question from Mr Michael Imperato on whether the procurement exercise limited the choice of suppliers to the Health Board when operating from a framework of suppliers, Ms Fletcher advised that when the framework was adjudged to have the appropriate number of relevant suppliers then it was used for a competitive tendering competition otherwise interest is sought from the open market. Ms Fletcher advised that there was a strong presumption against single tender actions or direct awards with the process overseen by the Financial Control Group (FCG).

[The meeting noted the declaration of interest from Mr Imperato due to his involvement in a legal case with a separate Health Board in relation to procurement.]

Decision: The Sustainable Resources Committee **RECEIVED** and **NOTED** the Deep Dive into Non-Pay and Procurement.

SRC(24)152 DEEP DIVE: COMMISSIONED CARE

The Committee deferred consideration of the Deep Dive into Commissioned Care to the 25 February 2025 SRC meeting.

SRC(24)153 CORPORATE RISK REPORT

Mr Thomas presented the Corporate Risk Report to the Committee and advised that the Health Board were awaiting confirmation from WG to the Health Board's request for strategic cash assistance before reviewing Risk 1843 ('Risk that the cash consequences of the Health Board deficit cannot be covered due to significant deficit position').

Mr Thomas advised that Risk 1352 ('Risk of business disruption and delays in patient care due to a cyber attack') remained at an escalated level due to malign state actors.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee:

- **RECEIVED ASSURANCE** that all identified controls are in place and working effectively;
- **RECEIVED ASSURANCE** that all planned actions will be implemented within stated timescales and will reduce the risk further and/ or mitigate the impact, if the risk materialises

SRC(24)154

OPERATIONAL RISK REPORT

Mr Thomas presented the Operational Risk Report to the Committee and noted that Risk 1906 ('Risk of not achieving savings targets within our annual plan due to ongoing service demand (USC: Withybush General Hospital (WGH)') related to the outstanding action arising from SRC(24)86 with a written update to be circulated to members of the Committee.

In response to a question from Mrs Marks on Risk 1854 ('Risk to the ability to meet financial saving targets due to operational challenges (Scheduled Care)'), Mr Carruthers advised that there was a forecast underspend with planned care however there has been a failure to deliver their current spending targets as the underspend was non-recurrent.

Mr Carruthers believed that the challenge to the 2025/26 plan was that there was an anticipated increase in planned care activity against the core capacity and advised that an increase in productivity would consequentially result in an increase of consumables cost in particular relating to drug spending and ophthalmology that would be examined as part of the plan.

In relation to Risk 1530 ('Risk of overspend against site budget due to staffing cost pressures and increase in demand for homecare drugs insulin & CPAP (Continuous Positive Airway Pressure) devices (USC: Prince Philip Hospital (PPH)') Mr Carruthers advised that there had been an improvement in the PPH unscheduled care budget through variable pay derived from the nursing stabilisation programme offset by increases on non-pay consumables such as CPAP machines and insulin pumps as two significant areas of non-pay pressures across the whole Health Board that sit within the PPH unscheduled care budget. Mr Carruthers advised that a business case would be prepared in the next financial year to manage the cost pressures on an on-going basis.

In response to a question on Risk 1530 from Mrs Marks on the health and safety and quality considerations of the risk, Mrs Wilson advised that SRC considered the risk through a financial

AC

lens and agreed to discuss with Mr Carruthers the quality and health and safety impact of the risk.

In relation to Risk 975 ('Risk of failure to remain within allocated budget due to financial constraints (Estates & Facilities)'), Mr Carruthers advised that non-recurrent benefits had been derived through one-off benefits relating to energy contracts with the challenge relating to the lack of a recurrent savings plan and the need to undertake investment within the cleaning provision following discussions on quality and safety at ARAC.

In relation to Risk 1906, Mrs Wilson advised that the risk needed to be updated and agreed to discuss with Mr Carruthers to update and present to the 25 February 2025 SRC meeting.

AC

Decision: The Sustainable Resources Committee:

- **REVIEWED** and **SCRUTINISED** the risks included within this report to receive assurance that all relevant controls and mitigating actions are in place.
- **DISCUSSED** whether the planned action will be implemented within stated timescales and will reduce the risk further and/or mitigate the impact, should the risk materialise.

SRC(24)155

PROCUREMENT UPDATE

Mr Thomas presented the Procurement Update to the Committee and advised that there were two items for the Committee's consideration; to approve the award of the Bausch and Lomb Phacoemulsification and Vitrectomy Consumable Deal from 1 February 2025 to 31 January 2029 and to note the award of the Insourcing Orthopaedic Services, 1 January 2025 to 31 March 2026, with the option to extend for twelve months to 31 March 2027, both for onward submission to Velindre University NHS Trust.

Mr Thomas advised that Insourcing Orthopaedic Services had been subject of a Chair's Action meeting and was a necessary element of the Health Board's Referral to Treatment (RTT) recovery plan.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee:

- **APPROVED** the award of the Bausch and Lomb Phacoemulsification and Vitrectomy Consumable Deal, 1 February 2025 to 31 January 2029, with no option to extend. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership). As this will be awarded against a

compliant NHS Wales framework, Welsh Government approval is not required.

- **NOTED** the award of the Insourcing Orthopaedic Services, 1 January 2025 to 31 March 2026, with the option to extend for twelve months to 31 March 2027. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership). As this will be awarded against a compliant NHS Wales framework, Welsh Government approval is not required.

SRC(24)156 DECARBONISATION TASK FORCE GROUP UPDATE

There was no Decarbonisation Task Force Group (DTFG) update as the Group had not met since the last SRC meeting.

SRC(24)157 FINANCIAL PROCEDURES

Mr Thomas presented the Financial Procedures to the Committee and advised that the only procedure for the Committee's review was Procedure 699 Single Tender Action procedure and advised that single tender actions were reported to ARAC for oversight.

In response to a question from Mr Weir on revisions to the procedure since the previous review, Mr Thomas advised that there had been no material changes to the procedure only minor updates.

Decision: The Sustainable Resources Committee **APPROVED** the following updated financial procedure:

- 699 - Single Tender Action Procedure

SRC(24)158 INFORMATION GOVERNANCE SUB-COMMITTEE UPDATE

There was no Information Governance Sub-Committee (IGSC) update as the Group had not met since the last SRC meeting.

SRC(24)159 DIGITAL OVERSIGHT GROUP UPDATE

There was no Digital Oversight Group update as the Group had not met since the last SRC meeting.

SRC(24)160 INTEGRATED PERFORMANCE ASSURANCE REPORT

Mr Thomas presented the Integrated Performance Assurance Report (IPAR) to the Committee and advised that the revised presentation of the IPAR reflected the additional funding allocation from WG. Mr Thomas believed that good progress had been made relating to agency spending having exceeded the target figure and the Health Board's position against the break-even position had improved due to the additional WG funding allocation.

In response to a question from Mr Weir any risks to nursing spend in the next quarter, Mrs Daniel advised that staff sickness was considered a risk due to the prevalence of respiratory viruses however there were no known requests for additional variable pay expenditure, particularly nursing agency usage.

Mrs Daniel believed that positive progress had been made with the latest cohort of internationally educated nurses (IEN) with 20 of the 21 intake having passed their Objective Structured Clinical Examination (OSCE) at the first attempt and would be inducted into the Bronglais Hospital (BGH) workforce.

In response to a question from Mr Weir on whether there had been any impact on quality and safety due to financial savings pressures, Mrs Daniel believed that there had not been and that quality indicators were being monitored closely for any variance. Mrs Daniel advised that there had been a reported increase in medication prescribing errors and had requested a deep dive investigation into the situation and felt that the commencement of Junior Doctors into post in November had been a contributory factor. Mrs Daniel advised that no patient harm had been reported in relation to any medication prescribing errors.

Mrs Daniel advised that there had been an in-month rise in the number of patient falls reported with further work being undertaken to understand the nature and cause of the rise.

Decision: The Sustainable Resources Committee **DISCUSSED** the SRC measures from the Integrated Performance Assurance Report and **ADVISED** of any issues that need to be escalated to the January 2024 Board meeting.

SRC(24)161

ALL-WALES CAPITAL PROGRAMME 2024/25 CAPITAL RESOURCE LIMIT AND CAPITAL FINANCIAL MANAGEMENT UPDATE

Mr Thomas presented the All-Wales Capital Programme 2024/25 Capital Resource Limit and Capital Financial Management Update to the Committee and advised that there was a risk of the Health Board not fully spending its 2024/25 capital allocation due to the additional financial allocation received from WG and advised that this risk would be reported to the Strategic Development and

Operational Delivery Committee (SDODC) on 19 December 2024 for further consideration.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee:

- **NOTED** the CRL for 2024/25
- **NOTED** the capital risks being managed
- **NOTED** the project updates.

SRC(24)162 NWSSP PERFORMANCE REPORT Q2 2024/25

Mr Thomas presented the NWSSP Performance Report for Q2 2024/25 to the Committee.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee:

- **RECEIVED ASSURANCE** from the content of the NWSSP Performance Report for Quarter 2 2024/25 that services provided are being delivered to expected standards;
- **NOTED** the work being developed regarding outcome measures reporting.

SRC(24)163 SUSTAINABLE RESOURCES COMMITTEE ANNUAL WORK PLAN

Mr Weir presented the SRC Annual Work Plan for 2024/25 to the Committee for review.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee **NOTED** the Committee Work Plan 2024/25.

SRC(24)164 ANY OTHER BUSINESS

There was no other business transacted at the meeting.

SRC(24)165 DATE OF NEXT MEETING

Tuesday 25 February 2025; 09:30 - 12:30