

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

DATE OF MEETING: 9:30 AM, Tuesday 22 October 2024
VENUE: Ystwyth Boardroom/Microsoft Teams Meeting

PRESENT: Winston Weir (Hywel Dda UHB - Independent Board Member) (Chair) (VC)
 Maynard Davies (Hywel Dda UHB - Independent Member) (Vice Chair)
 Michael Imperato (Hywel Dda UHB - Independent Board Member) (VC)
 Eleanor Marks (Hywel Dda UHB - HDUHB Vice Chair)
 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) (part)
 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)
 Sharon Hughes (Hywel Dda UHB - Principal Programme Manager Transformation) (VC) (part)
 Jill Paterson (Hywel Dda Health Board - Director of Primary Care, Community and Long Term Care) (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)
 John Jenkins (Hywel Dda UHB - Committee Services Officer) (Secretariat)

MINUTES REF.	ITEM	ACTION
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SRC(24)110	WELCOME AND APOLOGIES	
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Mr Winston Weir welcomed all to the Sustainable Resources Committee (SRC) meeting and expressed his sympathy to the family of the passenger who had died following a crash involving two trains near Llanbryn-mair, Powys, on the evening of 21 October 2024 and commended the response of Hywel Dda University Health Board staff (HDdUHB) at Bronglais Hospital (BGH) where many of the casualties of the train accident had been taken for treatment.

Apologies had been received from:

- Mr Andrew Spratt

- Mr Anthony Tracey

SRC(24)111 DECLARATION OF INTERESTS

There were no declarations of interest.

SRC(24)112 MINUTES OF SUSTAINABLE RESOURCES COMMITTEE MEETING HELD ON 27 AUGUST 2024

The minutes of the SRC held on 27 August 2024 were reviewed and agreed as an accurate record of proceedings.

Decision: The minutes of the Sustainable Resources Committee meeting held on the 27 August 2024 were **APPROVED** as a correct record of proceedings.

SRC(24)113 TABLE OF ACTIONS FROM SUSTAINABLE RESOURCES COMMITTEE HELD ON 27 AUGUST 2024

The Table of Actions from the SRC meeting held on 27 August 2024 was reviewed.

In response to a question from Mrs Delyth Raynsford on **SRC(24)86** ('Finance Report') on the timescale to calculate the measures implemented to mitigate the recurrent savings reduction related to bed reconfiguration, Mr Huw Thomas advised that the information was being sought from operational directorates.

It was advised that the financial savings attributed to the decarbonisation programme referred to in the action relating to **SRC(24)94** ('Decarbonisation Taskforce Group Update') was included within the current and future Decarbonisation Taskforce Group Update and that the action could be closed.

Decision: The Sustainable Resources Committee **REVIEWED, UPDATED** and **NOTED** the Table of Actions from the meeting held on 27 August 2024.

SRC(24)114 SUSTAINABLE RESOURCES COMMITTEE SELF-ASSESSMENT UPDATE REPORT

Mr Weir presented the SRC Self-Assessment Update Report to the Committee and advised that of the outstanding actions

contained within the report relating to the Terms of Reference and remit and name of the Committee, that the Health Board's Committee structure was currently being reviewed and that any proposals would be reported through the Health Board's governance structure in due course.

Mrs Joanne Wilson advised that the review of the Health Board's committees would be reviewed and implemented in either the new calendar year or the new financial year. Mrs Wilson advised that a revised reporting template was being developed based on feedback received through the self-assessment process.

Decision: The Sustainable Resources Committee **TOOK ASSURANCE** from the progress made so far against the actions being undertaken to improve its effectiveness.

SRC(24)115

FINANCE TARGETED INTERVENTION ACTIONS

Mr Shaun Ayres presented the Finance Targeted Intervention Actions update to the Committee and advised that the Health Board have achieved £29.1m of savings within 2024/25, of which £20m were recurrent savings. Mr Ayres advised that the current end-of-year forecast deficit was £64.2m compared to the target contained within the Annual Plan of £64m.

Mr Ayres believed that the key component of the savings delivery related to a reduction of nursing agency expenditure of 58% that reduced monthly expenditure on nursing agency from nearly £3m a month to under £1m a month and advised that a similar approach to medical agency and allied health professionals agency usage was being applied from 1 November 2024 with a plan for a 65% reduction in agency usage across both areas.

Mr Ayres advised that the annual planning cycle for 2025/26 had commenced with an initial workshop having already been held with a focus on examining where the Health Board can achieve de-escalation status by March 2026 as part of the two-year plan to meet the finance and performance criteria to enable de-escalation.

Mr Ayres highlighted areas of concern relating to a shortfall of £3.3m in savings requirements and the non-recurrent nature of savings, of which £12m of savings are currently non-recurrent that will be in addition to any savings requirements in the second year of the two-year plan. Mr Ayres believed there was significant pressures within Oncology and Urgent Care relating to both finance and performance.

Mr Ayres highlighted the letter received from Welsh Government (WG) on the 3 October 2024 that contained a specific expectation for the Health Board to provide a financial road map on how the

Health Board plans to meet its Target Control Total of £44.8m, Mr Ayres believed that oversight of this action was a matter for the SRC to oversee and would be a focus of the Targeted Intervention Update at the 17 December 2024 SRC meeting.

SA

Mr Thomas asserted that the focus needed to be on tackling the underlying deficit as part of the Financial Recovery Plan that would form part of the Health Board's submission to WG in response to the letter received on the 3 October 2024.

Mr Lee Davies believed that there was an increasing level of confidence in the delivery of the 2024/25 financial plan and that the challenge would be in developing the 2025/26 Annual Plan and converting non-recurrent savings from 2024/25 into recurrent savings.

Mr Lee Davies believed that the increased challenge in 2025/26 would be due to the level of savings made in 2024/25 leaving less areas for savings to be identified in 2025/26 as existing savings opportunities having been exhausted.

In response to a question from Mr Maynard Davies on the level of risk to the £29.1m of identified savings within 2024/25, Mr Thomas believed that the £29.1m of planned savings were of a high level of confidence to be delivered and were classed as Green or Amber savings schemes in the 'Black/Red/Amber/Green' (BRAG) rating.

In response to a question from Mr Maynard Davies regarding the level of savings realised from Bronglais Hospital (BGH) Paediatric Ambulatory Care Unit (PACU) interim urgent interim operational service change approved at Board on 26 September 2024 following successful recruitment potentially allowing for the reinstatement of the service earlier than anticipated, Mr Thomas advised that any financial savings as a consequence of the urgent interim operational service change were minimal and that any recruitment would be on a substantive contract that would result in a reduction in variable pay.

Mr Andrew Carruthers joined the meeting

In response to a question from Mr Maynard Davies regarding any savings or additional costs being anticipated in the current financial year as a consequence of the Clinical Services Plan (CSP), Mr Lee Davies believed that there would be no cost or savings consequences in the current financial year in relation to any changes to the CSP. Mr Lee Davies advised that the CSP discussion will result in option being presented to the Board that will relate to service configuration that will have a cost-reduction consequence in addition to quality and safety benefits or have be an investment decision with a cost implication for raising standards and reducing waiting times.

Mr Stuart Rees, Mr Owain Williams and Ms Gina Williams joined the meeting

In response to a question from Mrs Raynsford regarding collaborative working and the effect on staff morale, Mr Ayres advised that the workshop had been asked to consider the delivery of the £44.8 Target Control Total and believed that there were positive conversations held at the workshop between different services and believed that the mood in the workshop was very positive and upbeat. Mr Lee Davies added that in addition to the workshops, changes being made to the operational structure of the organisation were important with revised accountabilities resulting in an opportunity to sharpen the Health Board's delivery model that would provide further enhancements and convert ideas and opportunities into tangible savings.

In response to a question from Mr Michael Imperato regarding the timescale for developing the financial route map to the Health Board's £44.8 Target Control Total, Mr Thomas advised that he had asked for £20m of savings to be identified by Christmas 2024 ahead of the WG allocation for 2025/26 being received on 23 December 2024 to assist inform the savings gap ahead of the last quarter of the financial year.

In response to a question from Mrs Eleanor Marks regarding the mitigation of the risk to the delivery of financial savings through public engagement, Mr Ayres advised that representatives from Communications and Engagement were part of the workshops and believed that not every option considered by the Health Board that would deliver a financial benefit would be seen as a negative by the population and that in addition to inviting representation from external partner organisations, such as Local Authorities, to future workshops, Mr Ayres believed it was important to ensure that relevant clinical leads were part of the workshops to support the development of the public message that any proposed service changes were to promote quality and sustainability. Mr Thomas believed that the approach was more than delivering financial savings and that public engagement was necessary to reassure the public that any service changes are driven by quality and safety considerations or to address staffing fragility concerns as part of the CSP discussion at the Board Seminar on 24 October 2024.

In response to a question from Mr Weir on whether any agreement had been reached with agreeing a medical rate card to assist contain the costs of medical variable pay, Mr Andrew Carruthers advised that a draft proposal had been considered by Executive Team on 2 October 2024 and an agreed rate card would be presented to a future Executive Team meeting to be agreed to discuss with the Local Negotiating Committee (LNC).

In response to a question from Mr Weir on what grip and control measures the Health Board had in place to contain spending to

within agreed budgets, Mr Thomas advised that grip and control measures had improved across the organisation and highlighted the Escalation Meetings that directorates who are in escalation have to attend on a monthly basis to provide assurance on their grip and control measures in place to manage their spending and the Financial Control Sub-Group (FCSG) that provides robust scrutiny over new clinical roles that were created and administration and clerical roles, escalation processes to use agency and over new non-pay contractual arrangements through procurement.

Mr Shaun Ayres left the meeting

Decision: The Sustainable Resources Committee:

- **ACKNOWLEDGED** and **ENDORSED** the significant progress made in achieving £29.1m in savings, recognising this as an unprecedented milestone for the Health Board.
- **RECOGNISED** that the £13.3m of financial risk posed by the non-recurrent nature of a portion of these savings, necessitating continued efforts to identify recurrent opportunities.
- **SUPPORTED** and **ENDORSED** the early commencement of the planning cycle, which is focused on ensuring next year's plans are fully identified and aligned with financial sustainability, aiding in the triangulation of financial, operational, and workforce planning.
- **ACKNOWLEDGED** the gravity of the letter from Welsh Government dated 3 October 2024, outlining key expectations for securing further financial improvements, including a roadmap to achieve the £44.8m control total by March 2026.

SRC(24)116

FINANCE REPORT

Mr Thomas presented the Month 6 2024/25 Finance Report to the Committee and advised that Month 6 position had shown a deficit of £5.3m, which was less than the average monthly deficit required to meet the £64m annual deficit compared to an average of £5.8m over Months 1 to 5 that Mr Thomas advised needed to be recovered during the second half of the financial year to show a continued reduction in the budget deficit.

Mr Thomas highlighted the positive improvements on nurse staffing expenditure however highlighted the pressures facing Primary and Secondary Care Drugs and medical locum expenditure with Continuing Healthcare (CHC) costs presenting a risk for the second half of the 2024/25 financial year.

Ms Jennifer Thomas advised that in relation to grip and control measures, that grip and control measures in relation to

administration and clerical staffing were being introduced on 1 November 2024 in addition to nursing agency measures.

Ms Thomas believed that the risk to cash was a continued risk to the Health Board in addition to the non-recurrent savings and the need to convert them into recurrent savings. Ms Thomas advised that there was a line of sight to the £64m target annual deficit in the current financial year with the recurrent savings gap a concern for the Health Board when planning to tackle the underlying deficit in 2025/26.

In response to a question from Mr Weir on whether the mitigating actions were having an impact on the financial forecast for 2024/25, Mr Thomas advised that the mitigating actions were part of the financial position and provided a level of assurance that the actions were being operationalised and that the Health Board was very close to being on target to meet its £64m target annual deficit for 2024/25. Mr Thomas advised that the financial position was highly sensitive to any slippage in its position with risks highlighted as increases to the prices of Category M medicines within Primary Care prescribing due to the effect of their large multiplier impact, winter surge pressures and challenges and the ability of the Health Board to control them and increasing demand pressures for packages of care.

In response to a question from Mr Weir on directorates adversely performing against their core budgets, Mr Thomas believed that directorates with challenging budget positions have seen an improving trend on expenditure with a significantly improved projected run-rate. Mr Lee Davies advised that his directorate's forecast year-end position was due to the Long Term Agreement (LTA) position with the main consideration being how the directorate forecasts the LTAs as the LTAs account for £190m of expenditure with any slight variations within the forecast resulting in a significant difference in the end-of-year forecast. Mr Lee Davies gave the example of how a review of assumptions around Intensive Therapy Unit (ITU) usage at Swansea Bay University Health Board (SBUHB) and Cardiff and Vale University Health Board (CVUHB) could reduce the end-of-year forecast from £600k down to £90k.

Decision: The Sustainable Resources Committee:

- **RECOGNISED** that the Health Board's opening budget deficit of £64.0m is not an acceptable position for the Board, or Welsh Government. This position is not backed by cash support from Welsh Government at this stage, as it is in excess of the Target Control Total of £44.8m, which represents a key corporate risk for the Health Board
- **ENDORSED** the savings delivery and actions undertaken to date, in particular the actions presented to Public Board in September 2024, and that these actions are progressing well

- **ACKNOWLEDGED** that the forecast trajectory is now on course to be lower than the monthly Annual plan deficit of £5.3m and therefore is now projected to achieve the annual plan deficit of £64.0m.
- **SCRUTINISED** the Executive Delegated Officer portfolios which are overspending against their delegated budgets;
- **RECOGNISED** that the Escalation Framework has been put in place, with directorates assessed across six domains, of which one domain is Finance and Planning (details reported within the IPAR)
- **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 overspending
 - Actions are being taken to deliver across all of the schemes contained within the £4.2m Board agreed actions
 - Executive leads are generating schemes to develop into robust recurring savings plans by December 2024 for the £20m commitment made during September 2024

SRC(24)117

DEEP DIVE: MEDICINES VALUE AND SUSTAINABILITY

Miss Jill Paterson introduced the Deep Dive into Medicines Value and Sustainability to the Committee and advised that the Deep Dive would focus on the cost effectiveness and the quality and efficiency of the Health Board's prescribing with an overview of the savings made through efficient prescribing based on the four strategic aims:

- Improving the use of technology
- Standardisation across the Health Board of systems and processes
- Developing the workforce
- Helping patients to manage their own self-care

Miss Paterson advised that the Deep Dive would take a separate focus on Primary and Secondary Care with a complete overview on how challenges are responded to and improved outcomes are delivered.

Mr Stuart Rees presented the Secondary Care element of the Deep Dive and advised that the Deep Dive would focus on the financial aspects of medicines value and sustainability. Mr Rees advised that the Secondary Care budget was forecasting an end-of-year overspend of £407k however a significant intervention of switching Ustekinumab to a biosimilar was projected to mitigate

the overspend by £589k with switching having commenced on 1 October 2024.

Mr Rees believed that the mitigation efforts were a result of collaboration between the pharmacy Medicines Management Team and the Directorate that has enabled a focussed effort on where to accelerate switching the maximise benefits during the current financial year.

Mr Rees provided an overview of the Secondary Care drugs spend and activity and highlighted that 10% of the drugs used in Secondary Care accounted for 90% of the total spend. Mr Rees advised that 49 drugs accounted for 65% of drug expenditure and observed that while activity for those 49 drugs had increased by 46%, the average item cost had decreased by 3%. Mr Rees believed this demonstrated the positive impact of improved drug procurement and efforts to switch to lower acquisition cost alternative drugs.

Mr Rees highlighted the Secondary Care Performance heatmap from the national Value and Sustainability Board that showed Hywel Dda University Health Board (HDdUHB) containing drug expenditure despite an increase in drug usage volume.

Mr Rees advised that the Health Board aims to undertake switches of medication within 2 months whereas the national Medicines Value Unit Plan for Health Boards in Wales plans for switching to be undertaken within 6 months and as a result, the mitigation derived from switching from Ustekinumab to a biosimilar of £589k was £300k higher than forecasted by the Medicines Value Unit.

Mr Owain Williams provided an overview of Primary Care prescribing and advised that the volatility on drug prices caused by national factors was having an impact on the Health Board and gave the example of one cost change can vary expenditure by £200k-£300k with little local influence due to the drug prices being agreed by the UK Department of Health. Mr Williams advised that price changes were a result of market forces, a response to drug shortages and in response to the Community Pharmacy margins.

Mr Williams advised that in addition to price volatility, there was a significant growth in demand for drugs in key therapeutic areas where the financial impact was substantive, with an anticipated £3m increase in drug costs within just 5 medication groups.

Mr Williams advised that to offset cost pressures that were outside of the Health Board's control, other opportunities for cost reduction and efficiency were being explored. Mr Williams advised that there has been a reduction in oral anticoagulant costs with the drugs Apixaban and Rivaroxaban having lost their patency with the cost price of a generic alternative being lower. The Health Board were also seeking to promote cost-effective prescribing within Primary

Care through targeted switches to more cost-effective options, to promote deprescribing of medication to identified patients and to undertake a review of all high-cost medication to ensure that medication is appropriately prescribed and supplied within Primary Care.

Mr Williams presented a Savings Plan update and believed that based on the Q1 2024/25 data, the Health Board was performing at a better level than planned and believed that the SRC could take assurance that despite factors outside of the Health Board's control, such as national market forces and growth in key prescribing areas, the Health Board was over-achieving in areas that were within the Health Board's control in mitigation.

In response to a question from Mrs Raynsford on public health messaging and promoting self-care, Miss Paterson advised that there had been a change in the community pharmacy contract from one that incentivised community pharmacies based on the levels of prescribing to one whereby 50% of the community pharmacy contract was directed to health prevention services. Mr Williams advised that business intelligence was used to monitor where prescribing was occurring with a view to preventing inappropriate prescribing and promoting cost-effective prescribing.

In response to a question from Mrs Marks on how patients prescribed multiple medications are reviewed, Miss Paterson believed that one of the consequences of supporting more patients in the community for longer would be an increase in expenditure on continuing care packages and drug costs and that the challenge would be to make the drug costs as effective as possible by undertaking due diligence to ensure value for money whilst improving patient outcomes. Miss Paterson advised that the responsibility for the management of patients prescribed multiple medications was with the prescriber at the point of prescribing.

In response to a question from Mrs Marks regarding the potential impact on the prescribing of lifestyle drugs, Miss Paterson believed that this was an area that the Health Board would have to monitor as more national information becomes available however Miss Paterson believed that part of the response would be in changing lifestyle behaviours to promote better health as prescribing weight-loss drugs would be ineffective without changing the patients' behaviour.

In response to a question from Mrs Marks on who took ownership for the cost of prescribing when patients move from Secondary to Primary Care, Miss Paterson advised that General Practices (GPs) were provided with detailed expenditure reports and drug budgets and each Practice was linked to an individual within the Medicines Management Team who meets with each GP Practice to discuss all areas of that Practice's prescribing and to arrange medication review of individual patients. Miss Paterson also believed that there was a peer pressure through a review of GP

Practice prescribing at GP Cluster meetings. Mr Williams believed that in relation to patients moving between Secondary and Primary Care, developments within the Digital Medicines Strategy relating to Electronic Prescribing and Medicines Administration (ePMA) would improve the quality and safety of prescribing by having a single patient record.

In response to a question from Mr Maynard Davies regarding the timescale of the development of an Aseptic Facility within the Health Board, Mr Rees advised that Transforming Access to Medicines (TrAMs) programme was seeking to provide a south-west Wales hub by 2027/28 with the Health Board developing a Business Case for a temporary demountable facility at Withybush Hospital (WGH) with an interim solution of a cold storage facility being used to enable to bulk purchase of medication to maximise savings as opposed to ordering individual patient-specific medication. The interim cold storage facility would be in place from the first week of December 2024.

Mr Stuart Rees, Mr Owain Williams and Ms Gina Williams left the meeting

Decision: The Sustainable Resources Committee **RECEIVED** and **NOTED** the Deep Dive into Medicines Value and Sustainability.

SRC(24)118 PROCUREMENT UPDATE

There was no Procurement Update to present to the Committee.

SRC(24)119 FINANCIAL PLAN PRINCIPLES AND APPROACH

Mr Thomas presented the Financial Plan Principles and Approach report to the Committee and advised that the purpose of the report was to outline the Health Board's approach to developing the annual financial plan, set within the Health Board's wider planning cycle.

Mr Thomas advised that the report outlined the guiding principles for setting out the Annual Plan and the approval process for approving any income and expenditure and the opportunities for change that the Health Board is required to undertake and ensuring that each change is assessed through the BRAG assessment process.

Mr Thomas advised that it was the ambition to create an internal 'Invest in Value' fund that would be owned by the Chief Executive with investments approved by the Executive Team and subject to scrutiny by SRC. Mr Thomas believed that to impact change on pathways there was a prerequisite for a degree of investment that

would require a transparent process by which to make that investment.

Mr Thomas believed that there was a need to attach similar controls and oversight to GP Cluster funding, Regional Integration Funds (RIF) and service improvement funds to ensure a transparent and tangible benefits realisation process. Mr Thomas advised that with Planned Care Recovery Funding, reforms to the structure of the Operational Team allowed for the ability to split the allocation of funding away from the delivery of funding to segregate duties and responsibilities.

Mr Thomas advised that he wished to explore and investigate the opportunity to consolidate a number of budgets:

- Clinical equipment maintenance (consolidated into the Clinical Engineering Directorate)
- Digital maintenance and all digital-related spend (Consolidated into the Digital Directorate)
- Postage (Consolidated into the Digital Directorate)
- Secondary Care drugs, Homecare drugs and Primary Care drugs to create a new Health Board-wide drugs portfolio (consolidated into the Medicines Management Directorate);
- Printing services (consolidated into the Digital Directorate);
- Training and Development (consolidated into the Workforce and Organisational Development Directorate).

Mr Thomas advised that this was undertaken with the aspiration to consolidate the budgets into a centre of excellence with centralised controls as opposed to the current devolved nature of managing budgets.

Mr Thomas advised that WG had established their expectations for HDdUHB, setting out three challenges to the Health Board:

- System affordability in the short term (cash releasing efficiency opportunities)
- System sustainability in the longer term (productivity and prevention opportunities)
- Impact of expenditure (performance, outcomes and broader impact on economy, environment, and culture of our communities)

Mr Thomas advised that the three WG themes that would be considered when implementing the principles for financial allocations.

In response to a question from Mr Weir on Public Health involvement in the Financial Plan principles and approach, Mr Thomas advised that consideration of how public health preventative measures could be incorporated within the Principles and Approach Financial Plan.

HT

In response to a question from Mr Weir on the ambition of the 2025/26 savings plan, Mr Thomas believed that the 2025/26 savings plan was more of a risk than 2024/25 and that to deliver £30m of savings in a single financial year would be a challenge to the Health Board and that efforts were better placed into delivering £20m of recurrent savings and that meeting the WG Control Total Target of £44.8m by the end of 2025/26 would be more acceptable.

In response to a question from Mr Maynard Davies on whether seeking £39.2m of the £43.5m of savings from the two Operations and Primary Care Directorates was realistic, Mr Thomas advised that the ask was for Directorates to deliver 5% of savings in the current financial year that would have to be delivered retrospectively in the following financial year in addition to the aspiration to save an additional 1.5% in 2025/26. Mr Carruthers believed that further savings could potentially require services changes that require consultation and engagement or involve a service reconfiguration and that the current aspiration was to identify the initial £20m of savings as part of the current planning cycle before developing the detail behind any plans to make the additional savings.

In response to a question from Mr Imperato regarding the consolidation of budgets, Mr Thomas believed that there was a long-standing debate between the need to consolidate budgets into a centre of excellence against the devolution of budget ownership and usage and believed that there was benefit to be derived from having management of consolidated budgets as a core job for a number of individuals as opposed to devolving the management to a number of separate teams. Mr Thomas has the example of the case to be made for consolidating Primary Care and Secondary Care drug budgets with clinical involvement however further work would be needed to be undertaken to explore staffing need around managing consolidated budgets.

In response to a question from Mr Imperato regarding the Invest to Save Fund and the level of initial investment in the fund necessary to make the scheme practical and effective, Mr Thomas advised that conversations had been held with WG on the development of a national Invest to Save Fund however the challenge to the debate was how a fund could be established when the NHS nationally was in financial deficit. Mr Thomas believed that the Health Board would need to invest between £1m-£2m initially to establish the Fund with the establishment of the Fund at that level being considered secondary to reducing the comparable amount from the Health Board's financial deficit.

Mrs Sharon Daniel left the meeting

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 the target control total deficit of £44.8m;
- **ENDORSED** the contents of the document to allow the planning cycle to continue to operate within the principles and assumptions set out in the paper.

SRC(24)120

CORPORATE RISK REPORT

Mr Thomas presented the Corporate Risk Report to the Committee and advised that Risk 1843 ('Risk that the cash consequences of the Health Board deficit cannot be covered due to significant deficit position') could be reviewed with the possibility of being reduced due to the presence of a route map to meeting the Health Board's £64m target deficit figure.

Mr Thomas advised that Risk 1352 ('Risk of business disruption and delays in patient care due to a cyber attack') would be considered in-committee however Mr Thomas advised that there was no reason to believe that the risk level was going to change in the foreseeable future.

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;
- **CHALLENGED** where assurances are inadequate.

SRC(24)121

NET ZERO QUANTITATIVE REPORT

Mr Thomas presented the Net Zero Quantitative Report to the Committee and advised that the guidance relating to Net Zero Reporting was still changing and changeable and advised that the Health Board's emissions had increased in 2023/24 compared to 2022/23 due to an increase in the scope of measurements with measurements within Primary Care and the Primary Care supply chain being included within the 2023/24 reported figures.

Mr Thomas advised that the per capita contribution of the Health Board had reduced through the Health Board pursuing a more economic approach such as switching from oil to gas at Glangwili

Hospital (GGH), an improvement to street lighting at WGH and improvements to the Health Board's fleet contributing to an improvement in the Health Board's reported figures.

Mrs Sharon Hughes joined the meeting

In response to a question from Mrs Raynsford on how HDdUHB compares to other Health Boards in Wales given the rural nature of HDdUHB, Mr Thomas believed that it was difficult to compare HDdUHB to other Health Boards in Wales given the rural nature of the Health Board with the increased need to travel further distances within HDdUHB, the relative lack of access to public transport between sites within HDdUHB compared to more urban Health Boards such as CVUHB in addition to the Health Board's ageing estate.

Mr Thomas believed that a significant component of the Health Board's carbon footprint was its supply chain and the use of medical gasses and that there was work on-going to decarbonise the Health Board's supply chain. Mr Thomas believed that there was an opportunity to use public Board meetings to communicate the Health Board's carbon impact.

Mrs Sharon Hughes advised that she had requested further information from WG on how HDdUHB compares to other Health Boards in Wales and believed that the Net Zero reporting had become more challenging given the changes in the accounting and reporting of supply chain data with the Health Board having limited control over the accounting and reporting data that is collated by NHS Wales Shared Services Partnership (NWSSP) with local procurement teams completing the data and NWSSP having the final review and quantification. Mrs Hughes advised that there had been a change in the quantification methodology for the 2023/24 report and advised that the 2024/25 would report figures based on a consistent and comparable methodology for recording and reporting data. Mrs Hughes anticipated that this would evidence a levelling off of carbon production by the Health Board.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee **RECEIVED** and **NOTED** the Net Zero Quantitative Report.

SRC(24)122

DECARBONISATION TASK FORCE GROUP UPDATE

Mrs Hughes presented the Decarbonisation Task Force Group (DTFG) Update to the Committee and advised that there had been improvements in the completion of initiatives of the 46 initiatives set out in the NHS Wales Strategic Decarbonisation Delivery Plan.

Mrs Hughes advised that the NHS Wales Strategic Decarbonisation Delivery Plan was currently undergoing a review and an update has been received by the Health Board from the WG Health and Social Care Climate Change Team that the national strategic plan has been reviewed and refreshed with the revised plan having an increased focus on adaptation and resilience as opposed to the previous approach focussing on mitigation measures.

Mrs Hughes advised that the revised plan would have an increased focus on how the Health Board's services and pathways can adapt to climate change eventualities such as extreme weather events such as extreme heat.

Mrs Hughes also advised the Committee of a change of Senior Responsible Officer (SRO) for the climate change works from the Director of Strategy and Planning to the Director of Public Health as the focus of the decarbonisation agenda changes from procurement, transport, buildings and estates that have become part of the standard delivery framework as "business as usual" as decarbonisation becomes a standard component of the construction and design framework of buildings with the focus within HDdUHB becoming more relating to adaption and resilience to climate events.

Mr Andrew Carruthers left the meeting

In response to a question from Mr Weir on the impact on the Health Board's carbon footprint from the move to the Picton Terrace development, Mr Lee Davies advised that the Health Board would have a smaller carbon footprint following the occupation of the Picton Terrace development and the disposal of older elements of the Health Board's estate with the move supporting the Health Board's wider agile working approach to support the decarbonisation agenda.

Mrs Hughes advised that in response to the request for the provision of additional financial information within the DTFG Update Report, in addition to the financial information contained within the October update report, future reporting would include the levels of carbon saved from smaller projects and the financial savings made through the mitigation activities.

In response to a question from Mr Weir regarding the presentation of the data tables displayed in the appendices, Mrs Hughes advised that future reporting will highlight the key points of information and highlight the savings.

SH

Mrs Sharon Hughes left the meeting

Decision: The Sustainable Resources Committee:

- **RECEIVED ASSURANCE** from the actions/activity being progressed by the Climate Change Taskforce Group/Decarbonisation Taskforce Group as part of the Health Board Decarbonisation Delivery Plan.
- **APPROVED** the Q1/Q2 2024/25 Qualitative Report.

SRC(24)123

PLANNING OBJECTIVES UPDATE REPORT

Mr Thomas presented the Planning Objectives (PO) Update Report and advised that the Health Board was behind schedule on PO2 ('Developing Roadmap to Financial Sustainability'). Mr Thomas believed that the focus in 2024/25 was to achieve a line of sight to the £64m end-of-year target deficit from which to use to build as a foundation for 2025/26.

Mr Thomas advised that the Health Board was broadly on target to complete PO9 ('Digital Agenda') dependant on progress on the award of the Digital Transformational Partner that was still in progress.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee **RECEIVED ASSURANCE** on the current position in regard to the progress of the Planning Objectives PO2 ('Developing Roadmap to Financial Sustainability') and PO9 ('Digital Agenda') aligned to the Sustainable Resources Committee, in order to assure the Board that the Planning Objectives are progressing and are on target, and to raise any concerns where a Planning Objectives is identified as behind in its status and/or not achieving against its key deliverables.

SRC(24)124

FINANCIAL PROCEDURES

The following procedures had been reviewed and were presented to SRC for approval:

- 071 - Construction Industry Scheme Financial Procedure
- 082 - Identification and Charging for Overseas Visitors for NHS Treatment Financial Procedure
- 089 - Property Found on Hywel Dda LHB Premises Financial Procedure
- 096 - Provision of Hospitality Financial Procedure
- 1000 - Stock Procedure

There were no questions from members of the Committee.

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

- 071 - Construction Industry Scheme Financial Procedure
- 082 - Identification and Changing for Overseas Visitors for NHS Treatment Financial Procedure
- 089 - Property Found on Hywel Dda LHB Premises Financial Procedure
- 096 - Provision of Hospitality Financial Procedure
- 1000 - Stock Financial Procedure

SRC(24)125

INFORMATION GOVERNANCE SUB-COMMITTEE UPDATE

Mr Thomas presented the Information Governance Sub-Committee (IGSC) Update to the Committee.

Mr Maynard Davies believed that while the Health Board had missed the 95% target for Clinical Coding, HDdUHB were still above the all-Wales average of 70% and were well above the national average for the accuracy of clinical coding. Mr Thomas believed that the Health Board's performance compared to other Health Boards in Wales was positive and that the Health Board were due to commence an exploration on how Artificial Intelligence (AI) could support the Health Board with clinical coding.

In response to a question from Mr Weir on why the Health Board had started to fail to meet its targets from June 2024 onwards, Mr Maynard Davies advised that the main contributory factor was staffing whereby existing staff had left and replacement staff needed 18 months to be fully trained within clinical coding.

In response to a question from Mr Imperato regarding the challenges of staff retention, Mr Thomas advised that HDdUHB clinical coding staff needed to be on-site to review clinical notes as part of the clinical coding process however the demand for clinical coders presented a challenge for staff retention.

Mr Thomas believed that AI could partially mitigate the staffing issue by being used to tackle high-volume and low-complexity clinical coding work.

The following procedures had been reviewed by the IGSC and were presented to SRC for approval:

- Policy 173 – Freedom of Information and Environmental Information Policy
- Policy 279 – Third Party Supplier Security Policy

- Policy 1283 – Misfiling or Mislaid Patient or Staff Records - Reporting and Escalation Procedure

Decision: The Sustainable Resources Committee:

- **NOTED** the report and **TOOK ASSURANCE** from the actions and oversight of the Information Governance Sub-Committee
- **REVIEWED** and **APPROVED** the following policies:
 - Policy 173 – Freedom of Information and Environmental Information Policy
 - Policy 279 – Third Party Supplier Security Policy
 - Policy 1283 – Misfiling or Mislaid Patient or Staff Records - Reporting and Escalation Procedure

SRC(24)126 DIGITAL TRANSFORMATION PARTNERSHIP UPDATE

This item was differed to a later date

SRC(24)127 BALANCE SHEET REPORT

Mr Thomas presented the Balance Sheet Report to the Committee.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee **REVIEWED** and **NOTED** the Balance Sheet as of the end of Quarter 2 2024/25

SRC(24)128 WELSH HEALTH CIRCULARS

Mr Thomas presented the Welsh Health Circulars (WHC) Report to the Committee.

In response to a question from Mr Maynard Davies noting that the Emergency Department Clinical Information System (EDCIMS) programme had been formally shut down and the WHC withdrawn by WG and asked whether any discussions had been held to explore an alternative to the national solution, Mr Thomas advised that there had been no discussions at present. Mr Thomas agreed to discuss with Mr Anthony Tracey and present the information to the SRC

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Decision: The Sustainable Resources Committee **RECEIVED ASSURANCE** from the Lead Executive Director on the

management of Welsh Health Circulars within their area of responsibility, particularly in respect of understanding when the Circular will be delivered, any barriers to delivery, impacts of non/late delivery and assurance that the risks associated with these are being managed effectively.

SRC(24)129 MINISTERIAL DIRECTIONS

Mr Thomas presented the Ministerial Directions (MI) report to the Committee.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee **RECEIVED ASSURANCE** that Hywel Dda University Health Board is compliant with the NSIs (MDs) issued by Welsh Government between 1 June 2024 and 31 August 2024.

SRC(24)130 INTEGRATED PERFORMANCE ASSURANCE REPORT

Mr Thomas presented the Integrated Performance Assurance Report (IPAR) to the Committee.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee **CONSIDERED** and **NOTED** the SRC measures from the Month 6 2024/25 Integrated Performance Assurance Report.

SRC(24)131 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 (CRL) and Capital Financial Management Update to the Committee and advised that details of individual programmes would be presented to the Strategic Development and Operational Delivery Committee (SDODC).

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee:

- **NOTED** the Capital Resource Limit for 2024/25
- **NOTED** the capital risks being managed
- **NOTED** the project updates

SRC(24)132 SUSTAINABLE RESOURCES COMMITTEE ANNUAL WORK PLAN

Mr Weir presented the SRC Annual Work Plan for 2024/25 to the Committee for review and provided an overview of the Deep Dives schedule for the Committee.

There were no questions from members of the Committee.

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

SRC(24)133 ANY OTHER BUSINESS

There was no other business transacted at the meeting.

SRC(24)134 DATE OF NEXT MEETING

The date of the next SRC meeting is 17 December 2024.