Bwrdd Iechyd Prifysgol Hywel Dda University Health Board

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

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| **Date and Time of Meeting:** | 23rd August 2021, 9.30am-12.30pm |
| **Venue:** | Boardroom/MS Teams |

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| **Present:** | Mr Winston Weir, Independent Member, Committee Chair (VC)<br>Mr Maynard Davies, Independent Member, Committee Vice Chair (VC)<br>Mr Paul Newman, Independent Member (VC)<br>Mrs Delyth Raynsford, Independent Member (VC)<br>Cllr Gareth John, Independent Member (VC) (part) |
| **In Attendance:** | Miss Maria Battle, HDdUHB Chair (VC) (part)<br>Mr Huw Thomas, Director of Finance (VC)<br>Mrs Joanne Wilson, Board Secretary (VC)<br>Mr Andrew Carruthers, Director of Operations<br>Mr Michael Hearty, Associate Board Member (VC)<br>Ms Rebecca Hayes, Senior Finance Business Partner (VC) (part)<br>Mr Gareth Rees, Deputy Director of Operations (VC)<br>Mr Shaun Ayres, Assistant Director of Value Based Contracting (VC)<br>Ms Elaine Lorton, County Director (VC) (part)<br>Mr Anthony Tracey, Digital Director (VC) (part)<br>Mrs Sarah Bevan, Committee Services Officer (Secretariat) |

| AGENDA ITEM | ITEM | |
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| SRC(21)01 | **INTRODUCTIONS AND APOLOGIES FOR ABSENCE** | **Action** |
| | The Chair, Mr Winston Weir, welcomed all to the first meeting of the reconstituted Sustainable Resources Committee.<br><br>Apologies for absence were received from:<br><br>• Steve Moore, Chief Executive<br>• Sarah Welsby, Finance Business Partner<br>• Jennifer Thomas, Finance Business Partner<br>• Jill Paterson, Director of Primary Care, Community and Long Term Care | |

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| SRC(21)02 | **DECLARATIONS OF INTERESTS** | |
| | There were no declarations of interest. | |

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| SRC(21)03 | **SUSTAINABLE RESOURCES COMMITTEE TERMS OF REFERENCE** | |
| | Members received the Sustainable Resources Committee Terms of Reference for information, as approved by the Board at its meeting on 29th | |

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| | July 2021. Mr Paul Newman queried the inclusion of the aligned Planning Objectives within the Sustainable Resources Committee's annual work programme 2021/22. Mr Huw Thomas responded that the current work programme, which consists of the legacy from the previous Finance Committee, would be reviewed and revised to reflect the new Committee's Terms of Reference and its aligned Planning Objectives. Mr Thomas undertook to present this to the Committee at its meeting on 28th October 2021.<br><br>Mr Thomas acknowledged that formal assurance routes for Sub-Committee and Group reporting into the Committee requires further consideration. | **HT** |
| | The Committee **NOTED** the Sustainable Resources Committee's Terms of Reference and its relevant Planning Objectives, falling in the main under Strategic Objective 6 Sustainable Use of Resources. | |

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| **SRC(21)04** | **FINANCE COMMITTEE SELF-ASSESSMENT 2020/21 – ANALYSIS OF FINDINGS** | |
| | Members received the Finance Committee Self-Assessment 2020/21 – Analysis of Findings report, providing an analysis of findings following the outcome of the annual self-assessment exercise.<br><br>Mr Weir commended the useful report, which highlighted the key recommendations to take forward, including:<br>- Deep dives for assurance and best practice – for learning and encouraging best practice as opposed to scrutiny and challenge.<br>- The establishment of more formal links with other Committees and the role of Committee Chairs<br>- Incorporating Executive Director attendance at Sustainable Resources Committee, in addition to the Director of Finance.<br><br>Mr Michael Hearty informed Members that meetings had been arranged between Committee Chairs and the Health Board Chair to ensure improved connectivity of Committees.<br><br>Mr Maynard Davies queried whether there would be a future session for Members to be briefed on how the recommendations are progressing. Mrs Joanne Wilson responded that a six month update would be presented to Members and included within the Committee's annual work programme.<br><br>In response to the issue of Executive Director attendance, Mr Thomas advised Members that the In-Attendance membership of the Sustainable Resources Committee includes Directors and Lead Executives. Mr Thomas commented that although no issues had been raised regarding Director attendance pre COVID-19 pandemic, the heightened activity in operational services as a result of the pandemic had resulted in an impact on attendance. | |
| | The Committee **NOTED** the Finance Committee Self-Assessment 2020/21 – Analysis of Findings report and **RECEIVED ASSURANCE** that the recommendations identified would be considered in light of its terms of | |

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| | reference and revised membership, and that a six month review of progress against the actions would be included within the Committee's annual work programme. | |

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| **SRC(21)05** | **RESOURCE ALLOCATION AND CONSUMPTION – A COUNTY PERSPECTIVE** | |
| | Members received the Resource Allocation and Consumption – A County Perspective report, which set out the conclusions reached from a population-based assessment of activities and cost of care. It was noted that each cost driver in the Health Board has been analysed, and the costs of care allocated to each of the three counties/localities, to derive resource consumption based on registered populations in each county.<br><br>Mr Thomas informed Members of the challenge in determining where the deficit resides, and assured Members that the Finance team has been working over the past 12 months to allocate the deficit to a County level, and subsequently to a cluster level.<br><br>Mr Thomas further informed Members that there is no feasible way of deconstructing the expenditure data to residential address, which is the basis upon which the income is allocated to the Health Board. Therefore, an estimate is applied to ensure a consistent basis of comparison between income and expenditure. A conversion between resident population to registered population income would allow for a meaningful comparison of expenditure to arrive at a surplus or deficit for each locality.<br><br>Mr Thomas provided an overview of the data within the report, summarising that the analysis reveals that Carmarthenshire drives much of the underlying deficit. However, on a per capita basis, Pembrokeshire appears to be driving more deficit and, based on activity levels, Ceredigion is more in line with the level of financial resources that are attributable to its population. Mr Thomas added that further work will be undertaken at a cluster level.<br><br>Mr Weir enquired whether there are more acute services in the areas where a deficit appears. Mr Thomas responded that this is not necessarily the case and that the data reflects the use of resources/facilities by patients. Mr Thomas added that it also reflects the Health Board's use of Morriston Hospital on an unscheduled care basis.<br><br>Mr Gareth John queried whether the analysis includes commissioned services, to which Mr Thomas confirmed this is the case. Mr John further queried whether there are plans to review Local Authority expenditure. Mr Thomas responded that this would be possible with regard to expenditure. Mr John enquired when the analysis at a cluster level would be available, particularly with regard to expenditure, to which Mr Thomas reiterated that demographic measures are not available at a cluster level, adding that cluster and GP level analysis leads to more subjectivity. Mrs Elaine Lorton suggested that consideration would be required when presenting this information at a GP level to avoid a defensive response from practices, and emphasised its purpose to inform the Health Board and localities of | |

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| | the variances. Mrs Lorton informed Members of discussions taking place with County Leads to align this high level information with their operational knowledge to inform the next stages of development, adding that it would also act as a helpful exercise to align this with the integrated locality planning work to determine those areas which require further focus.<br><br>Mrs Delyth Raynsford enquired whether the data reflects population need in terms of poverty and a lack of preventative and early intervention. Mr Thomas responded that deprivation levels are available at a county level although not necessarily at a cluster level, adding that age is the main driver for the basis of this analysis.<br><br>Mr Hearty commended the report in presenting the analysis to drive better decision making around allocation efficiency to deliver services differently. Mr Hearty queried when the Health Board would arrive at a point to drive decision making behaviours, to which Mr Thomas responded this should be possible in the next financial year, and will align with other work such as social value local needs analysis to assist the Health Board with the allocation of funding and to assist county teams with their planning.<br><br>Mr Andrew Carruthers welcomed the level of analysis provided by the report, recognising its use as a planning tool for the next financial year. Mr Carruthers advised that, in conjunction with ongoing work programmes such as the integrated communities work programme, the analysis will provide a helpful starting point to consider redesign of the system.<br><br>In conclusion, Mr Weir highlighted the importance of considering the financial position in planning and priority terms, in conjunction with delivering a financially balanced position. Mr Weir requested that an update is provided at a future Committee meeting. | **HT** |
| | The Committee **NOTED** and **DISCUSSED** the content of the Resource Allocation and Consumption – A County Perspective report. | |

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| **SRC(21)06** | **FINANCE REPORT AND FINANCIAL FORECAST MONTH 4, 2021/22** | |
| | The Committee received the Month 4 (M4) 2021/22 Finance Report, outlining the HB's financial position to the end of the financial year 2021/22 against the Draft Interim Annual Plan, and providing an analysis of key drivers of the in-month position.<br><br>Mr Thomas informed Members of funding from Welsh Government (WG), allocated on a needs basis for areas such as Personal Protective Equipment (PPE) and vaccinations, in addition to a funding package for winter planning, which would be allocated by local authorities and include social care. Mr Thomas further informed Members that the message from WG is that the underlying deficit within the NHS across Wales is not affordable.<br><br>Ms Rebecca Hayes provided an overview of the forecast position at Month 4, including: | |

- Hywel Dda University Health Board's (HDdUHB) Financial Plan is to deliver a deficit of £25.0m, after savings of £16.1m. This is following WG guidance to anticipate £32.4m of funding to non-recurrently offset the underlying position brought forward from 2020/21.
- Before recognising the COVID-19 WG funding in-month, the Month 4 variance to breakeven is £5.9m;
- The Month 4 financial position is a breakeven against a deficit plan of £2.1m, after utilising £3.9m of WG funding for COVID-19, having offset £0.1m of cost reductions recognised due to reduced operational activity levels.
- Continuation of pressures from winter through the summer such as Unscheduled Care pressures, fragility of the social care system, and restricted GP access, resulting in an increase in presentations at the front door;
- Increased staff absence due to COVID-19 and self-isolation.

Ms Hayes informed Members of the actions taken as a result of the Month 4 position, including a review at a directorate level of the key operational drivers contributing to the financial deficit, and a review at an executive level to understand the cost containment strategies of ongoing pressures.

Mr Newman queried how much of the £1.3million savings are recurrent savings, to which Ms Hayes responded that no recurrent savings have been identified to date. Mr Thomas advised Members that there are opportunities to translate non-recurrent savings into recurrent savings.

Mr Carruthers provided some context to the high activity levels currently being experienced in comparison to the previous financial year, highlighting a shift in the level of demand. With regard to the savings position, Mr Carruthers assured Members that upcoming meetings with operational teams would review the updated list of recurrent savings schemes for this financial year.

In terms of the £16.1million savings target (£1.4million being non-recurrent), Mr Weir emphasised the importance of operational teams working with Finance Business Partners to ensure the identification of recurrent savings. With regard to winter funding, Mr Weir enquired as to the amount allocated per county area and whether more could be requested. Mr Thomas responded that the allocation per health board is not yet known, however indications are that the allocation is to support social care, which has a significant impact on secondary care.

Mr Carruthers informed Members that, since the new Planning Objectives had been agreed by the Board in July 2021, useful discussions have been held to determine a baseline of metrics for each directorate. Mr Carruthers advised that the workforce position is a concern with the anticipation that the current situation is unlikely to ease for the remainder of the year.

Mr John queried the cost value related to staff sickness levels due to stress related issues. Ms Hayes advised of challenges in identifying the reasons for sickness and the limited quality of data available via the Electronic Staff Record (ESR). Mr Thomas informed Members that this challenge is not currently exhibiting itself as a bottom line cost for the Health Board as this

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| | element is being charged back to WG, however this is not in itself dealing with the issue. Mr Thomas added that although there is an escalated spend on staffing, there is no escalated level of bed capacity due to a lack of bed availability. It is therefore necessary to consider the impact of COVID-19 on longer term planning, as the financial baselines are based on pre COVID-19 pandemic assumptions.<br><br>Mr Carruthers informed Members that operational teams have been encouraged to engage with Finance Business Partners to work through opportunities for savings, noting that the £16million target for recurrent savings contains a corporate element in addition to operational.<br><br>Mr Hearty recognised that, although the Health Board is aware of the actions to be taken to deliver the £16million in recurrent savings, there are no resources to convert these to cashable savings. Mr Carruthers advised that there are plans in place to determine financial impact, and plans in place operationally to manage the demand in the system, which are to be developed to quantify the financial benefit.<br><br>*Ms Rebecca Hayes left the Committee meeting* | |
| | The Committee **NOTED** and **DISCUSSED** the M4 2021/22 financial position and end-of-year forecast. | |

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| **SRC(21)07** | **INVESTMENT IN CLINICAL EQUIPMENT** | |
| | Members received the Investment in Clinical Equipment report, highlighting information from the Strategic Medical Device Replacement report previously presented to the Capital, Estates and Information Management & Technology Sub-Committee at its meeting on 21st July 2021.<br><br>Mr Gareth Rees outlined the following key areas for the Committee's discussion:<br>- Recurring resources within Clinical Engineering will be required to ensure adequate maintenance arrangements are established and implemented whilst the inventory remains at its current level of 31,405 devices, with a replacement cost estimated at £91.8m.<br>- The significant increase in the medical device inventory between 2019 and 2020 had been almost entirely attributable to devices acquired for, and during, the early stages of COVID-19 preparations.<br>- Without significant and sustained investment in this area, or a reduction in the number of devices in use, the Health Board should expect that the number and value of devices due/overdue for replacement will continue to increase to the potential detriment of patients, staff and organisational safety.<br>- Intrinsically linked to the increasing number and value of equipment on the medical device inventory, is the increased resource requirements to ensure that appropriate maintenance arrangements are in place.<br><br>Mr Weir thanked Mr Rees for the comprehensive report, noting the increased equipment replacement programme with a Health Board | |

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| | investment of £3.4million, however this is insufficient to deal with the backlog. Mr Weir also acknowledged the impact of COVID-19 on increasing the number of medical devices on the inventory. Mr Rees advised that the investment of £3.4million had been a one off payment, however there is a future possibility of slippage monies from WG.<br><br>Mr Weir expressed his concern regarding the number of medical devices over 20 years old, which Mr Rees assured Members has improved as a result of new stock inherited during the pandemic.<br><br>Mr Newman acknowledged the challenges of equipment maintenance presented in the report, however no solutions are proposed. Mr Weir suggested consideration of the £3.4million as a recurrent commitment. Mr Thomas responded that there is a piece of work to be undertaken across NHS Wales to determine what represents a reasonable level of medical devices to be held by each organisation. Additionally, Mr Thomas brought to Members' attention the matter of equipment sourced via the Charitable Funds route, which would contribute to the backlog replacement issue at some point, and therefore controls need to be implemented before investment of new equipment is considered via this channel.<br><br>Mr Hearty queried the extent to which the Health Board is exposed to the risk of harmed care and the impact on quality of care, and whether this issue should be addressed at Board level in terms of legal exposure. Mr Weir queried the mitigating actions that could be implemented prior to escalating to Board. Mrs Wilson assured Members that the Board is aware of this risk as it is on the Corporate Risk Register and is currently being developed into a Principal Risk for the Board Assurance Framework (BAF), which will be submitted to the Board in September 2021. | |
| | The Committee **NOTED** the content of the Investment in Clinical Equipment report and **DISCUSSED** key issues arising from the narrative and data provided. | |

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| **SRC(21)08** | **HEALTHCARE CONTRACTING UPDATE** | |
| | Members received the Healthcare Contracting Update report, identifying the principles underpinning the all Wales Long Term Agreement (LTA) block arrangements, which have been drafted to provide financial and quality assurances to both Providers and Commissioners.<br><br>Mr Shaun Ayres highlighted a number of areas, namely Cardiology and Neurology, which are exceeding the value and activity plan, and are therefore mitigating, in part, the levels of underperformance. These two areas are largely presenting via Non-Elective (NEL) routes.<br><br>Mr Ayres informed Members that, as part of the Integrated Medium Term Plan (IMTP), the Health Board is aware that Siponimod, a drug for neurological decline in MS patients, may become available in 2021/22. Therefore, whilst this is not specifically in the LTA high cost drugs plan of £6.8m, a provision has been made within the LTA budget if required. | |

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| | In terms of HDdUHB patients in Cardiff and Vale University Health Board (CVUHB), whilst there has been a significant reduction in the number of patients exceeding 36 weeks, Mr Ayres assured Members that HDdUHB would continue to work closely with CVUHB Assistant Director of Commissioning to support the on-going reduction in patients waiting more than 36 weeks.<br><br>Mr Weir enquired whether there are any adjustments to funding in year or whether there is an expectation to absorb this within current allocations. Mr Ayres responded that the team had planned for Siponimod to be made available, with the Health Board currently averaging out at the run rate and forecast level.<br><br>Mr Hearty enquired as to the risk of diminishing service improvement when block arrangements are brought to an end. Mr Ayres assured Members that steps are being taken to mitigate this risk, with the Healthcare Contracting team currently working on key areas of concern. Mr Ayres further assured Members that discussions are ongoing with other Health Boards.<br><br>Mr Davies noted the high instances of un-coded data, and queried whether there is concern regarding the delivery of block contracts. Mr Ayres assured Members that there are no concerns, adding that the coding issue is a Swansea Bay University Health Board (SBUHB) issue as opposed to HDdUHB.<br><br>In relation to the data presented for Referral to Treatment Times (RTT) and the number of patients exceeding 36 weeks, Mr Davies enquired whether the Health Board is receiving its fair share of contracts for activity. Mr Ayres responded that waiting lists operate on the same principle of a clinical priority basis, regardless of the owning Health Board. | |
| | The Committee **NOTED** the content of the Healthcare Contracting Update report and **RECEIVED ASSURANCE** from the steps being undertaken by the Healthcare Contracting Team. | |

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| **SRC(21)09** | **ACCOUNTABLE OFFICER LETTER** | |
| | Members received the Accountable Officer letter and accompanying report, setting out the governance process in place to communicate a breach of statutory financial duty to appropriate stakeholders.<br><br>It was noted that, as the Annual Recovery Plan recognises a planned deficit in the 2021/22 financial year and does not recover the cumulative deficit incurred to date which was reset to 1 April 2020, the Health Board has presented a draft budget that will breach its statutory financial duty for the three-year period of 2021/22 to 2023/24.<br><br>The Health Board has, in accordance with guidance from WG, not approved an Integrated Medium Term Plan and has therefore deviated from its Standing Financial Instructions as a Board. In addition, a deficit plan has been presented, identifying a deficit of £25million for the year, which requires | |

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| | the Health Board's Chief Executive as Accountable Officer to notify the Director General for Health and Social Services, WG.<br><br>A copy of the Accountable Officer letter was sent to the Director General for Health and Social Services on 28th June 2021 to advise of this breach in duty, and highlighted a number of additional financial risks that feature within the delivery of the Annual Recovery Plan, as summarised below:<br>• Funding assumptions related to the brought forward impact of undelivered savings from 2020/21;<br>• Funding assumptions related to the ongoing in year continuation of the Health Board programme and generic COVID-19 responses;<br>• Affordability risk of the Recovery Plan aspiration in 2022/23 and beyond;<br>• Pursuing, at risk, the implementation of the Health Board's Urgent and Emergency Care strategy.<br><br>Mr Weir queried the basis for the figure of £3.8million included around recovery. Mr Thomas responded that issues raised in terms of recovery would be addressed as part of the Integrated Medium Term Planning cycle for the next financial year, and that the £3.8million figure had been included as a result of pre-commitments made in agreement with the supplier of demountables for this financial year. Mr Thomas confirmed that the Urgent and Emergency Care plans aim to address new models of care rather than addressing emerging pressures in secondary care.<br><br>Mr Hearty drew Members' attention to the absence of the £16 million savings plan delivery in the Accountable Officer letter due to the Chief Executive having already committed to this. | |
| | The Committee **NOTED** the Accountable Officer Letter and accompanying report, the decision-making process taken and the risks to be managed over the coming financial year. | |

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| **SRC(21)10** | **CAPITAL FINANCIAL MANAGEMENT** | |
| | The Committee received the Capital Financial Management report, providing details of the Health Board's Capital Expenditure Plan and Expenditure Profile Forecast for 2021/22, the Capital Resource Limit (CRL) for 2021/22 and an update regarding capital projects and financial risks.<br><br>Mr Thomas enquired whether the Sustainable Resources Committee is the most appropriate governance route for the report and advised that a meeting would be held with the Director of Strategic Development and Operational Planning and Mrs Wilson to discuss whether the delivery of capital planning should be aligned to the Strategic Development and Operational Delivery Committee (SDODC) or the Sustainable Resources Committee. Mr Weir advised that it should be presented to the Sustainable Resources Committee for information purposes, due to the financial and revenue impact of capital.<br><br>With regard to the Women and Children's Phase 2 scheme, Glangwili General Hospital (GGH), Mr Newman requested an indication of the | **HT** |

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| | financial risk from September 2021 onwards. Mr Thomas undertook to establish this and respond to Mr Newman. | |
| | The Committee **NOTED** the Capital Resource Limit (CRL) for 2021/22, the CRL for 2021/22 and **DISCUSSED** the risks relating to the Women and Children's Phase 2 scheme. | |

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| **SRC(21)11** | **SAVINGS PLAN 2021/22** | |
| | Members received a slide set outlining the process involved in achieving the savings required to deliver the financial year 2021/22 Interim Annual Plan, in addition to supporting delivery of the key ambitions set out in the 'Healthier Mid and West Wales' Strategy. The presentation outlined the framework used to enable HDdUHB to review and respond to opportunities to achieve financial sustainability in a single process from potential idea to implementation of an agreed savings plan. Mr Thomas informed Members that this sits alongside the strategic Planning Objectives and any routine local savings opportunities are currently being explored.<br><br>Responding to questions relating to how progress would be monitored, Mr Thomas informed Members that it is anticipated that approximately 17-20 pathways would be delivered by the end of the financial year. The initial review of the first pathway, Heart Failure, will be undertaken in September 2021 and will provide an indication of areas where resources can be transferred. It is anticipated that the Health Board will be in a position to report on patient reported outcomes by the end of March 2022. | |
| | The Committee **NOTED** the process to implement and deliver the savings required to deliver the financial year 2021/22 Interim Annual Plan**.** | |

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| **SRC(21)12** | **FINANCIAL RISKS AND MITIGATION – CORPORATE RISK REPORT** | |
| | Members received the Corporate Risk Report, providing a summary of principal corporate risks assigned to the Sustainable Resources Committee. Mr Thomas highlighted the addition of Risk 1163; risk to the delivery of the Health Board's draft interim Financial Plan for 2021/22 of a £25.0m deficit. Mr Thomas also highlighted the closure of Risk 646; ability to achieve financial sustainability over medium term, and provided assurance that the risk has been replaced. Mrs Wilson assured Members that the risk has been escalated for inclusion on the Board Assurance Framework (BAF) as a principal risk, and will be presented to the Board in September 2021, following which it will be allocated to the relevant Committee to oversee. Mrs Wilson further assured Members that the risk will feature at each future Board meeting.<br><br>Regarding Risk 451; Cyber Security Breach, Mr Thomas highlighted the actions undertaken to date including recruitment of an in-house cyber security expert and employment of an external agency to identify the level of exposure.<br><br>Mr Thomas undertook to present an update on this risk and the emerging Cyber Security strategy to the Committee at its meeting on 28th October 2021. | **HT** |

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| | The Committee **NOTED** the corporate risks assigned to the Sustainable Resources Committee and the rationale behind the risk scores allocated. | |

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| **SRC(21)13** | **FINANCIAL RISKS AND MITIGATION – OPERATIONAL RISK REPORT** | |
| | Members received the Operational Risk Report, providing a summary of principal operational risks assigned to the Sustainable Resources Committee. Mr Thomas advised that 10 of the 12 risks related to failure to remain within allocated budget over the medium term for each Directorate. The remaining risks related to Risk 516; a Health Board-wide risk regarding VAT advice on historic Design for Life Schemes being incomplete, and Risk 1126; relating to the supply chain partner and their financiers to deliver the remaining sections of the Women & Children's Phase II scheme, GGH.<br><br>Mr Newman noted the lack of detail within the report relating to Risk 245, which is classed as an extreme risk. Mrs Wilson undertook to share with Members the detail of the risk and the mitigating actions being taken.<br><br>Mr John noted in the summary table extracted from the Datix system, that there is no rationale for the current risk score provided for Risk 964; Failure to remain within allocated budget over the medium term (Carmarthenshire), Risk 967; Failure to remain within allocated budget over the medium term (Primary Care, Community and Long Term Care), Risk 968; Failure to remain within allocated budget over the medium term (Pembrokeshire) and Risk 979; Failure to remain within allocated budget over the medium term (GGH). Mrs Wilson undertook to establish the rationale with the Risk and Assurance team and to circulate the details to Members. | **JW**<br><br>**JW** |
| | The Committee **NOTED** the operational risks assigned to the Sustainable Resources Committee and the rationale behind the risk scores allocated. | |

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| **SRC(21)14** | **COVID-19 FIXED TERM CONTRACT STAFF** | |
| | *Mrs Wilson declared an interest in this item and did not contribute to discussions.*<br><br>Members received the COVID-19 Fixed Term Contract Staff report, providing an overview of the decision-making processes involved in Health Board awarded fixed term contracts to mitigate the workforce challenges faced since the start of the COVID-19 pandemic and the risks to be managed over the coming months.<br><br>Mr Thomas informed Members that the Health Board is mindful of the impact on long term employment rights, and advised that the situation would be reviewed by Executive Team in January 2022.<br><br>*Mrs Maria Battle left the Committee meeting* | |

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| | Mr Weir highlighted the contingency arrangements to mitigate costs and the impact on individuals within services and suggested individuals could be deployed to areas with high vacancies, if appropriate. Mr Weir informed Members that this item had not been presented at the recent People, Organisational Development and Culture Committee (PODCC), highlighting the requirement for improved interlinkages between Finance and Workforce Directorates. Mr Weir questioned whether a decision regarding the issue is within the remit of the Sustainable Resources Committee and it was agreed to establish whether it should be considered at PODCC. | **HT** |
| | The Committee **NOTED** the content of the COVID-19 Fixed Term Contract Staff report, detailing the decision-making processes involved and the risks to be managed over the coming months. | |

| **SRC(21)15** | **PLANNING OBJECTIVES UPDATE** | |
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| | Members received the Planning Objectives Update slide set, mapping the progress made to date and future actions required to deliver against each of the Finance Planning Objectives. | |
| | The Committee **NOTED** the Planning Objectives Update | |

| **SRC(21)16** | **BALANCE SHEET** | |
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| | Members received the Balance Sheet report, outlining the Health Board's Balance Sheet position as at Quarter 1 2021/22 (Month 3), together with the monthly scrutiny of the Balance Sheet and further developments.<br><br>With regard to trade and other payables, Mr Hearty enquired whether local businesses are prioritised, to which Mr Thomas responded that the Health Board strives to make prompt payments to all suppliers. | |
| | The Committee:<br>• **NOTED** and **DISCUSSED** the Balance Sheet as at the end of Quarter 1 2021-22<br>• **NOTED** the developments to improve scrutiny of the Balance Sheet | |

| **SRC(21)17** | **NWSSP PERFORMANCE REPORT Q1 2021/22** | |
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| | Members received the NHS Wales Shared Services Partnership (NWSSP) Performance Report Q1 2021/22, providing a summary of performance data in respect of the services provided by NWSSP for the quarter ended 30th June 2021. Mr Weir commented that the content of the report reflects the Health Board's analysis of the Balance Sheet presented under agenda item SRC(21)16. | |

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| | Mr Thomas proposed that NWSSP consider whether their key performance indicator (KPI) target thresholds are high enough given the majority of the reporting of lead indicators are classified as green. Mr Thomas advised Members that a consistent area of concern is the Time to Shortlist by Managers indicator. | |
| | The Committee **NOTED** the content of the NWSSP Performance Report Q1 2021/22. | |

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| **SRC(21)18** | **INFORMATION GOVERNANCE SUB-COMMITTEE UPDATE REPORT** | |
| | Members received the Information Governance Sub-Committee (IGSC) Report, providing an update on items discussed at the IGSC at its meeting held on 10th August 2021.<br><br>Mr Davies advised Members of his attendance at IGSC meetings and complemented the ongoing work around cyber security.<br><br>Mr Hearty drew Members' attention to the Health Board's performance for clinical coding for Q1, 2021/22 as 66.2%, which is considerably below the 95% requirement, noting the reasons behind coding non-compliance are the high levels of sickness and self-isolation as a result of the COVID-19 pandemic. The report stated that, with additional coders undertaking further training, the clinical coding team anticipate that the necessary 95% target for coding completeness within month would be achieved by December 2021.<br><br>Mr Hearty commended the Sub-Committee's focus on an increase in the number of staff access breaches in recent months, which have required notification to the Information Commissioner's Office (ICO). | |
| | The Committee **NOTED** the content of the Information Governance Sub-Committee report. | |

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| **SRC(21)19** | **STRATEGIC AND OPERATIONAL BUSINESS INTELLIGENCE** | |
| | Members received the Strategic and Operational Business Intelligence Report, providing a synopsis of the Health Board's current and future contractual arrangements with the analytical company Lightfoot Ltd.<br><br>Mr Weir informed Members that the report had been submitted to the Board at its meeting on 29th July 2021, where it was requested that the report be considered by the Sustainable Resources Committee to provide the assurance required by Board in considering approval of further funding. Mr Weir declared his support for taking an external viewpoint and utilising a company such as Lightfoot to enhance business intelligence, however acknowledged the concerns raised around investment into corporate areas as opposed to operational areas.<br><br>Mr Thomas expressed the view that investment in Lightfoot should not be considered as a corporate versus operational investment; whilst it is a | |

corporate investment via the Digital Directorate, its success will be dependent upon the operational take up of data and will be of benefit to operational teams.

Mr Thomas provided background information to the decision to use Lightfoot, involving a combination of having non-recurrent funding and the capacity to do so. Mr Thomas assured Members that there is a clear exit strategy attached to the investment with no commitment required to continue using their services. Mr Thomas assured Members of the benefits of using Lightfoot, including aiding a focus of the efforts of operational teams regarding, for example, the response to frailty, with Lightfoot providing the data to corroborate the assertions being made. Mr Thomas advised that, due to the environment of the past year in terms of the impact of the pandemic, the decision had been made to invest in Lightfoot ahead of presenting a business case to Board, to enable intelligence to be garnered quickly. Mr Thomas acknowledged that this is not normal practice and had been an exceptional circumstance.

Mr Carruthers informed Members that the data is available in real time, enabling a timelier analysis of data, with the anticipation that it will inform daily operational decision making in addition to facilitating planning conversations. Mr Carruthers provided an example of trialling the use of analysing data each morning to feed into daily 10 o'clock briefings to determine actions to be taken regarding both immediate issues and foreseeable issues. Mr Carruthers added that while in the early stages of development, the scope of the service is apparent.

Mr Thomas informed Members that most health boards in Wales are using Lightfoot in some form, however there is an all Wales assessment being undertaken on the future relationship with Lightfoot. Mr Thomas informed Members that the Health Board is considering the extent to which analysis can be undertaken in-house and anticipated that the relationship with Lightfoot would not be long term.

Mr Anthony Tracey provided an overview of the benefits of Lightfoot, including its accelerated use of data and in providing a sound foundation to develop pathways. Mr Tracey also drew Members' attention to Shiny, a similar tool to Lightfoot, which is currently being explored.

Mr Hearty suggested that the Health Board could not afford to not support the continuation of the relationship with Lightfoot to provide a short term injection of intellectual capability.

Mr Davies echoed Mr Hearty's suggestion, stating that the work with Lightfoot has enabled the Health Board to understand the art of the possible, however enquired whether models used by health boards elsewhere in Wales are adaptable and transferrable for use in HDdUHB.

Mr Newman emphasised the requirement for a clear exit strategy from Lightfoot and Mr Thomas assured Members that should Lightfoot not be successful, there are alternatives such as developing skills in-house, however the challenge will be how to deliver this internal capacity.

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| | Mr Weir similarly took the view that there is no other alternative to support the continued use of Lightfoot in the short term. However, Mr Weir emphasised the requirement for a skills transfer into the digital team and operational teams to plan and performance manage their services.<br><br>Mr John commented that due to the cost of Lightfoot, he would feel more comfortable if there was further emphasis at a national level on its forecasting abilities for use for by both health and social care, particularly in its use by Local Authorities. Mr Thomas responded that he had initially wanted to present the proposal to the Regional Partnership Board (RPB), as opposed to the Board, for the same reason, however recognised that getting agreement across different organisations could prove challenging.<br><br>Mr Weir queried how the benefits from an operational perspective could be quantified, to which Mr Carruthers responded that the benefits tie in to the change and redesign required and lay the key foundations to deliver an approved IMTP; however teams require the time and opportunity to use the service. Mr Weir queried the challenges to developing in-house capability to use this intelligence to which Mr Carruthers responded that the capability developed over the past 18 months should not be underestimated. Mr Tracey added that the Health Board is working with Improvement Cymru for staff to undertake training on data analytics and aiming to create a Centre of Excellence for data analytics within the Health Board, emphasising the desire to 'grow our own' internally.<br><br>In conclusion, Mr Weir noted that the Committee is supportive of the continuation of the relationship with Lightfoot. Mr Newman suggested this should be predicated on the basis of a clear exit strategy and skills transfer to internal teams to build upon the competencies of managers to use the information to improve service delivery. | |
| | The Committee:<br>• **NOTED** the content of the report and the financial commitment to date;<br>• **SUPPORTED** the continuation of the relationship with Lightfoot Ltd in principle, until further work is completed, noting the requirement for Welsh Government approval for financial commitments, which exceed £1m.<br>• **NOTED** the work to scope the development of an Advanced Analytics Platform | |

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| **SRC(21)20** | **BUSINESS CASE APPROVAL FLOWCHART** | |
| | Mr Thomas undertook to circulate the Business Case Approval Flowchart to Members following the meeting. | **HT** |

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| **SRC(21)21** | **MINISTERIAL DIRECTIONS** | |
| | Members received the Ministerial Directions report, providing a status update and assurance that all NHS Non-Statutory Instruments, otherwise | |

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| | known as Ministerial Directions (MD) received from WG in 2021/22, have been implemented/adopted by HDdUHB.<br><br>Direction 41 relates to amendments to the General Medical Services (GMS) contract and a new rate for Global Sum payments effective 1st April 2021. It was noted that the new rate was applied to the Global Sum payments made in July 2021 and backdated to 1st April 2021. Members received assurance that the Ministerial Direction had been fully implemented. | |
| | The Committee **NOTED** the content of the Ministerial Directions report and **RECEIVED ASSURANCE** that all Ministerial Directions received from WG in 2021/22 had been implemented/adopted by the Health Board. | |

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| **SRC(21)22** | **FINANCIAL PROCEDURES** | |
| | No Financial Procedures due for approval. | |

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| **SRC(21)23** | **UPDATE FROM COMMISIONING GROUP** | |
| | No report available due to previous meeting being cancelled. | |

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| **SRC(21)24** | **UPDATE FROM AGILE DIGITAL BUSINESS GROUP** | |
| | No report available due to previous meeting being cancelled. | |

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| **SRC(21)25** | **MINUTES OF PREVIOUS MEETING HELD ON 29th JUNE 2021** | |
| | The minutes of the Finance Committee meeting held on 29th June 2021 were reviewed and approved as an accurate record. | |
| | **RESOLVED** – that the minutes of the Finance Committee meeting held on 29th June 2021 be **APPROVED** as an accurate record. | |

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| **SRC(21)26** | **MATTERS ARISING AND TABLE OF ACTIONS FROM THE MEETING HELD ON 29TH JUNE 2021** | |
| | The Table of Actions from the meeting held on 29th June 2021 was reviewed, and confirmation received that all outstanding actions had been completed, were being progressed, or were forward-planned for a future Committee meeting. | |

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| **SRC(21)27** | **FINANCE COMMITTEE/SUSTAINABLE RESOURCES COMMITTEE WORK PROGRAMME 201/22** | |

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| | The Sustainable Resources Committee's annual work plan for 2021/22 was presented to Members for information, noting the requirement to reflect the scope of the newly reconstituted Committee's Terms of Reference and planning objectives. As discussed previously, Mr Thomas undertook to present a revised work programme to the Committee at its meeting on 28th October 2021. | |
| | The Committee **NOTED** the items included on its annual work plan for 2021/22, subject to revisions to reflect the newly reconstituted Committee. | |

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| **SRC(21)28** | **MONTHLY MONITORING RETURNS AND HDdUHB COMMENTARY** | |
| | Members received the M4 Monthly Monitoring Returns submitted to WG for information, together with the Health Board's commentary upon the data provided. Mr Weir commented that it is useful to have the HDdUHB commentary available to reflect the content of the Finance Report and Forecast agenda items. Mr Thomas and Mr Weir undertook to discuss the possibility of supplementing the Finance Report and Forecast agenda items with the commentary, outside of the Committee meeting. | **WW/HT** |
| | The Committee **NOTED** the Health Board's M4 Monitoring Returns to Welsh Government. | |

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| **SRC(21)29** | **MATTERS FOR ESCALATION TO BOARD** | |
| | Mr Weir highlighted the key topics discussed during the meeting for inclusion in the Sustainable Resources Committee Update Report to the next Public Board meeting:<br>• In relation to the Strategic and Operational Business Intelligence report, the Committee supported the continuation of the relationship with Lightfoot Ltd in principle, subject to further consideration of the exit strategy and skills transfer to internal teams to build upon the competencies of service delivery managers.<br>• Recognising that there is no long term savings plan in place, and that the Committee meets bi-monthly, the Board is requested to consider this position in order to achieve medium term financial balance. | |
| | The Committee **NOTED** the key topics discussed during the meeting for inclusion in the Sustainable Resources Committee Update Report to the next Public Board meeting. | |

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| **SRC(21)30** | **ANY OTHER BUSINESS** | |
| | No other business was raised. | |

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| **SRC(21)31** | **DATE OF NEXT MEETING** | |
| | 28th October 2021, 9.30am-12.30pm | |