

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

DATE OF MEETING: 9:30 AM, Tuesday 25 June 2024

VENUE: Ystwyth Boardroom/Microsoft Teams

PRESENT: Winston Weir (Hywel Dda UHB - Independent Board Member)
Maynard Davies (Hywel Dda UHB - Independent Member)
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)
Huw Thomas (Hywel Dda UHB - Director of Finance) (VC)
Jill Paterson (Hywel Dda Health Board - Director of Primary Care, Community and Long Term Care (VC)

IN ATTENDANCE: Shaun Ayres (Hywel Dda UHB – Deputy Director Operational Planning and Commissioning) (VC)
Sharon Daniel (Hywel Dda UHB - Interim Executive Director of Nursing, Quality & Patient Experience) (VC)
Nick Hogben (Hywel Dda UHB - Senior Finance Business Partner) (VC)
Sharon Hughes (Hywel Dda UHB - Principal Programme Manager Transformation) (VC)
Andrew Spratt (Hywel Dda UHB - Deputy Director of Finance)
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)
Urvisha Perez (Audit Wales – Senior Auditor) (Observer)
John Jenkins (Hywel Dda UHB - Committee Services Officer) (Secretariat)

MINUTE REF.	ITEM	ACTION
--------------------	-------------	---------------

SRC(24)55	WELCOME AND APOLOGIES	
------------------	------------------------------	--

The Chair, Mr Winston Weir, welcomed everybody to the meeting and introduced Mrs Urvisha Perez from Audit Wales who was present to observe the Sustainable Resources Committee (SRC) proceedings.

Apologies for absence were received from:

- Mr Andrew Carruthers, Director of Operations
- Mr Lee Davies, Director of Strategy and Planning
- Mr Mark Henwood, Interim Medical Director
- Mr Daniel Warm, Head of Planning

SRC(24)56 DECLARATION OF INTERESTS

There were no declarations of interest.

SRC(24)57 MINUTES OF SUSTAINABLE RESOURCES COMMITTEE MEETING HELD ON 30 APRIL 2024

The minutes of the SRC held on 30 April 2024 were reviewed and agreed as an accurate record of proceedings.

It was agreed to add Deep Dives for the Ceredigion County System and Mental Health and Learning Disabilities Service to the Committee Work Plan for 2024/25.

**HT/
CSO**

Decision: RESOLVED that the minutes of the Sustainable Resources Committee meeting held on 30 April 2024 be **APPROVED** as an accurate record.

SRC(24)58 TABLE OF ACTIONS FROM SUSTAINABLE RESOURCES COMMITTEE HELD ON 30 APRIL 2024

The table of actions from the SRC meeting held on 30 April 2024 was reviewed.

Mr Weir advised that reference to add Deep Dives into the Ceredigion County system and Mental Health and Learning Disability (MHL) was contained in the minutes was not referenced on the table of actions. It was agreed to add Deep Dives into both areas of investigation onto the Committee Work Plan.

In response to a query from Mr Weir regarding a suggested action relating to the All-Wales Gluten Free Subsidy Card Scheme contained within SRC(24)41 Procurement Report, Mr Huw Thomas advised that the subsidy related to a national policy and not a policy that Hywel Dda University Health Board (HDdUHB) had no local discretion over locally.

Decision: The Table of Actions from the Sustainable Resources Committee held on the 30 April 2024 was **NOTED**.

SRC(24)59 SUSTAINABLE RESOURCES COMMITTEE TERMS OF REFERENCE

Consideration of the annual review of the SRC Terms of Reference was deferred to the 27 August 2024 SRC meeting pending a discussion between the Committee Chair and Vice

**WW/MD/
HT/JW/
CW**

Chair and the Director of Finance, Director of Corporate Governance/Board Secretary and the Assistant Director of Assurance and Risk.

SRC(24)60

FINANCE REPORT

Mr Andrew Spratt presented the Finance Report for Month 2 2024/25 outlining the Health Board's financial position to date against the Annual Plan.

Mr Thomas advised that he could not assure the Committee that there was a line of sight to the £64m planned deficit after the delivery of £32.4m of necessary savings and believed that there had been a small in-month improvement last month driven by Long Term Arrangements (LTAs) however there was still an underlying position of concern.

Mr Spratt advised that the Month 2 Financial Position was an overspend of £5.6m against a planned deficit of £5.3m.

Regarding the Risks and Opportunities contained within the Finance Report, Mr Spratt advised that Revenue, Cash, Savings and Underlying Deficit were all areas of concern with only Capital not an area of concern.

Mr Spratt advised that of all the 2024/25 Delegated Budget Accountability letters issued to Executive Delegated Officers, all had been agreed, signed and returned with the exception of one that was currently being progressed internally and awaiting sign-off.

To assist with discussions relating to workforce issues planned for later in the meeting, the Finance Department presented a report on the Health Board-wide resource changes by portfolio and summarised by staff group level to assist with the context of the Deep Dive into Medical and Workforce Issues.

Mr Spratt highlighted the on-going maintenance and inspection costs of the Reinforced Autoclaved Aerated Concrete (RAAC) works that mostly impacted upon estates and facilities costs and, to a lesser extent, operational costs due to displaced clinics in the short term.

Mr Spratt also highlighted energy costs that Welsh Government (WG) allocated on a 'fair share' basis per head of the population for electricity and natural gas supplies. Mr Spratt advised that due to the rurality of HDdUHB compared to other Welsh Health Boards, the use of oil and liquified natural gas (LNG) instead of natural gas was disproportionately higher within HDdUHB, however this was not factored in to WG's 'fair share' funding allocation and as such, costs need to be managed within the resources at our

disposal, adding risk to our ability to consume these increases, which have broadly doubled in the last two years necessitating a conversation with WG on funding allocation needing to be progressed.

In response to a question from Mr Maynard Davies regarding the Savings Plan requiring £1m of non-recurrent savings being based on opportunities as they arise being uncertain, Mr Thomas believed that non-recurrent savings were assured through Directorate underspends and that the Savings Plan would be covered in greater detail in the Savings Report and that non-recurrent savings were not considered an issue with recurrent savings through strategic service changes would be where the challenge for HDdUHB were.

In relation to increases in staff numbers, Mr Davies believed that the Health Board could be open to criticism for large increases in staff numbers, however, increases in digital staffing to invest to save was justified, as was investing in clerical and administrative staffing to relieve the workload burden on medical staff was also justified. Whereas increases in clerical and administrative staff with no productivity benefit exposed the Health Board to criticism.

In response to a question from Mr Davies regarding productivity, Mr Thomas believed that productivity was a complex area to measure and suggested that a future report specifically on productivity to include input costs and demand, that the report would greatly assist in the setting of budgets in 2025/26 and would be brought back to SRC at the 22 October 2024 meeting.

HT

Mr Thomas advised that nurse agency spending was currently at the same level as 2021 despite an approximate increase of 10% in wages, indicating a significant reduction in nurse agency utilisation, although the HDdUHB were still spending £1m a month on nurse agency.

Mr Thomas advised that the Health Board still needed to deploy staff to best effect with planning and electronic rostering (eRostering) with latter only relatively recently having been implemented expected to show an improvement in rostering efficiency.

Mr Thomas highlighted that there was an active programme of recruitment in place within Mental Health and Learning Disabilities (MHL) Service to compliment medical recruitment and that HDdUHB's Clinical Services Plan was driving demand for increased staffing levels at each acute site to support service provision that is required to provide services that are delivered over four acute sites.

In response to a question from Mr Weir regarding the sustainability of the areas of underspend within Primary Care, Therapies and Public Health, Mr Thomas believed that the Health

Board were underspending and overspending in the wrong areas and not ensuring that there are recurrent savings. Mr Thomas assured the Committee that the Health Board were protecting budgets unless there was a conscious agreement to remove budget from a particular service area.

In response to a question from Mr Weir regarding overspending within the Carmarthenshire County system, Mr Thomas advised that cost containment was a significant issue within the Carmarthenshire County and highlighted the need for SRC scrutiny of the Carmarthenshire Model.

HT/
CSO

Mr Spratt advised that the next steps to be taken would be, In Q1 2024/25, to de-risk the delivery trajectory of the Annual Plan to achieve the £32.4m of savings contained within the Plan and, in Q2 2024/25 to further de-risk the Plan with a view to de-risking the planned deficit towards the £44.8m WG Control Total.

Decision: The Sustainable Resources Committee: -

- **RECOGNISES** 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;
- **NOTES** that the current expenditure trajectory is in excess of the £64.0m, and further actions are required from budget managers across the organisation. This will be supported by the Integrated Quality, Finance, Performance and Delivery (IQFPD) Group, chaired by the Director of Operations; and the Value and Sustainability Group, chaired by the Director of Workforce and Organisational Development;
- **SCRUTINISED** the Executive Delegated Officer portfolios which are overspending against their delegated budgets;
- **ACKNOWLEDGED** that the Escalation Framework has been put in place, with directorates assessed across six domains, of which one domain is Finance and Planning (please see the Integrated Performance Assurance Report (IPAR) for details on the escalation status for each directorate).
- **ENDORSED** the savings delivery and actions undertaken to date;
- **RECEIVED ASSURANCE** that plans are translated from opportunities to delivery through the 3-delivery functions. The newly created Value and Sustainability Group, IQFPD Group and the Healthier Mid and West Wales Group (AHMWW), and;
- **NOTED** the items brought to the Committee's attention pertaining to RAAC and Energy Costs.

SRC(24)61

SAVINGS REPORT

Mr Nick Hogben presented the Savings Report, to give a status report on the savings position as of Month 2 2024/25 to provide an overview of the savings position and a detailed breakdown and update in respect of savings opportunities.

Mr Hogben advised that the key figures were the savings target of £32.4m, of which £13.5m are identified savings with a gap of £18.9m of unidentified savings.

The Committee were advised that the focus was on converting savings schemes rated as 'black' ("ideas under consideration without a plan") to 'green' ("recognised by the organisation with a robust plan and timing of delivery is certain") and 'amber' ("recognised by the organisation with a robust plan where timing of delivery is uncertain") with a need to identify savings to provide a path to attaining the Welsh Government (WG) Control Total of £44.8m.

Mr Thomas advised that the Values and Sustainability Group was operational with an escalation process in place to oversee Directorates delivering their 5% savings against their delegated budgets and believed that the Health Board was not seeing the levels of savings identification that was anticipated with tension between "big ticket" answers that require cross-Directorate action over the whole Health Board and actions that can be taken by individual Directorates.

In response to a question from Mrs Eleanor Marks regarding the traction of savings identifications given that it is currently Month 3 2024/25, Mr Thomas advised that the processes needed to drive savings were in place and cited the Integrated Quality Finance and Performance Delivery (IQFPD) Group and the Values and Sustainability Group, however there was a need to deliver tangible actions.

Decision: he Sustainable Resources Committee: -

- **NOTED** the savings report.
- **CONSIDERED** the actions taken to date, and the further actions laid out for future months.
- **RECOGNISED** the issues highlighted within the report in terms of progress in converting opportunities to savings delivery.
- **CONSIDERED** further assurances which are required in order to secure the delivery of the £64m deficit for the current financial year, and to go further towards the target control total into the next financial year.

SRC(24)62

DEEP DIVE: MEDICAL AND NURSING WORKFORCE ISSUES

Mrs Lisa Gostling presented the Deep Dive into Nursing Workforce Issues and advised that consideration of the medical

workforce issues would be considered at a future meeting when the Interim Medical Director was present.

**HT/MH/
CSO**

Mrs Gosling advised on the workforce planning process and the methodology for developing the Workforce Plan.

Mrs Gostling advised that there had been a growth in the level of substantive nursing workforce numbers with 2625 whole-time equivalent (WTE) nurses in 2017 to 3187 WTE nurses in 2024. This has resulted in a reduction in the number of nursing workforce vacancies by 150 indicating that the workforce growth is mainly attributable to new posts.

Mrs Gostling highlighted that the medical workforce has increased by 51 career-grade workforce and 53 consultants with a reduction in vacancies of 60 WTE and that within the nursing workforce there had been an increase of 31 advanced nurse practitioners, 82 specialist nurses, 24 emergency nurse practitioners, 104 additional sisters and charge nurses at Band 6 and 27 at Band 7 and only 44 at Band 5 consisting of newly-qualified nurses and internationally-recruited nurses who are introduced at Band 5 before progressing into more senior roles.

In response to a query on trends from Mr Weir, advised that the comparative figures presented were a snapshot of the respective positions in 2017 and 2024 and not at intervening annual intervals so did not represent a trend only a comparative analysis of the workforce numbers at two points in time.

Mrs Gostling advised that nurse turnover rate was at 5.02% in 2024, down from 8.32% in 2017 with the reduction attributed to a work of a Task and Finish Group that has focused on nurse retention.

Examples of work undertaken to reduce variable pay was presented showing a reduction in the levels of spending on nursing agency attributed to oversees nurse recruitment and the Stabilisation Work Programme leading to a reduction in nursing agency WTE usage from 335 in March 2023 to 222 in May 2024. In response to a question from Mr Weir regarding the cessation of contract agency usage via Thornbury Nursing Services, Mrs Gostling advised that the Health Board was using 45 WTE of nursing agency via Thornbury so the cessation of utilising the agency in addition to no longer paying travel and accommodation costs had significantly contributed to a reduction in nurse agency costs.

Mrs Gostling further believed that work undertaken in Carmarthenshire County to implement addition controls on nursing agency usage through RAG-rating wards based on their vacancy levels.

Mrs Gostling advised that an enhanced agency escalation process was currently being piloted in Glangwili Hospital (GGH) and Prince Philip Hospital (PPH) before being rolled out to all Directorates in July 2024 that involves a process of considering the vacancy levels and escalation measures of each ward when scrutinise requests for agency usage that has resulted in a decrease in agency usage during the pilot period. Further processes relating to roster scrutiny to ensure efficient workforce planning.

Mrs Gostling indicated that 97 newly-qualified nurses were anticipated to join the Health Board workforce in September 2024 in addition to the overseas nurse recruitment programme resulting in single-figure vacancy numbers in GGH and PPH in September 2024 and Withybush Hospital (WGH) in October 2024. Mrs Gostling emphasised that the focus would then change from recruitment to workforce management with the centralised recruitment programme for Carmarthenshire being halted to ensure that there are vacancies available for the next cohort of student nurses.

In response to a question from Mr Michael Imperato regarding what restrictions the Nurse Staffing Levels (Wales) Act placed on workforce planning, Mrs Sharon Daniel informed that Health Board had to demonstrate the extent to which it was able to provide nurse staffing levels and then categorise the level as to whether it is appropriate or not and while the staffing ratios prescribed under the Act may not be met, they may be deemed to be appropriate based on the clinical judgement at that point in time. In response to a question from Mrs Delyth Raynsford regarding the quality and safety aspects of the staffing levels, Mrs Daniel advised that data was also recorded on safety aspects such as medication errors and patient falls to inform the judgement on whether staffing levels were appropriate.

Decision: The Sustainable Resources Committee: -

- **CONSIDERED** and **NOTED** the Deep Dive into nursing workforce issues
- **TOOK ASSURANCE** from the processes in place to oversee and manage the nursing workforce issues.

SRC(24)63

CORPORATE RISK REPORT

Mr Thomas presented the Corporate Risk Report and highlighted the escalation of a new risk, Risk 1843 ("Risk that the cash consequences of the Health Board deficit cannot be covered due to significant deficit position") and felt that there were two approaches to mitigate that risk, the first being to reduce the Health Board's deficit and also to manage the cash consequences that the Health Board will experience.

Mr Thomas advised that if the Health Board met its savings target of £64m then there would be a cash consequence of the difference between that £64m and the WG control total target of approximately £20m that the Health Board would have to manage or be funded by WG. Mr Thomas believed that there was currently no assurance that WG would be able to provide that support.

Mr Thomas advised that Risk 1642 ("Risk of Health Board not meeting statutory requirement to break even 23/24 due to significant deficit position") was closed on the 9 May 2024 as it related to the previous financial year and replaced by Risk 1843 for the current financial year.

Mr Thomas highlighted the reduction of the risk score for Risk 1335 ("Risk to the ability to access paper patient records in a timely manner due to existing records management infrastructure") through positive work undertaken in scanning patient records that had enabled records to be removed from poor conditions in offline sites to a central repository and managed through the Medical Records Team. It was advised that it would be ascertained if the risk has or could be deescalated as Corporate Risk.

JW

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

SRC(24)64

PROCUREMENT UPDATE

Mr Thomas presented the Procurement Update Report to the Committee seeking to approve the commencement of the tender for the Data Centre Storage, Computing and Hypervisor Environment Replacement for onward submission to Board and WG, to ratify the award of the All-Wales Meat and Poultry Provision for onward submission to Velindre NHS Trust, Board and WG and the approval of the extension of the contract for Outsourcing Trauma and Orthopedic Procedures to Board.

Mr Thomas also advised that the award of the All-Wales Meat and Poultry Provision contract was proposed to be awarded to Castell Howell Foods Ltd. of Cross Hands within the Health Board's area, which would be of a benefit to the West Wales economy.

Following a question on cost savings derived through the three procurement tenders, Mr Thomas advised that the Trauma and Orthopaedic contract related to new activity and did not result in a

saving, and the award of the Meat and Poultry Provision contract was a cost pressure, the digital contract did provide a benefit.

Decision: The Sustainable Resources Committee scrutinised and recommend for Board to: -

- **APPROVED** to proceed to commence the tender for the Data Centre Storage, Computing and Hypervisor Environment Replacement to provide services from 1 October 2024 to 30 September 2029 or with extension option to 30 September 2030, these contracts will have onwards submission to Hywel Dda Public Board and Welsh Government for approval.
- **RATIFIED** the award of the All-Wales Meat and Poultry Provision, 1 July 2024 – 30 June 2027. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) Public Board and Welsh Government for approval.
- **APPROVED** to proceed to extend the contract for Outsourcing Trauma & Orthopaedics Procedures Extension to provide services from 1 April 2024 to 31 March 2025, these contracts will have onwards submission to Hywel Dda Public Board. Please note that there is no requirement for Welsh Government approval as this is a pre-approved All Wales Framework.

SRC(24)65

HEALTHCARE CONTRACTING AND COMMISSIONING UPDATE

Mr Shaun Ayres presented the Healthcare Contracting and Commissioning Update report to the Committee and advised that there were currently a number of negotiations on-going with Swansea Bay University Health Board (SBUHB). Mr Ayres advised that further to the written report, progress had been made on negotiations with SBUHB's decision to apply a 3.67% core allocation uplift to each Long-Term Agreement (LTA) with HDdUHB proposing to recognise a number of service costs to ensure a tariff uplift of 1.1% with the residual difference of approximately 2.5% consisting of a number of differing cost pressures.

Mr Ayres advised that there was still an on-going challenge relating to the regional funding for Elective Orthopedic and Spinal Service and that SBUHB had made an offer that Mr Ayres believed was short of what was expected so he had submitted a counterproposal of a multi-year deal of £1.3m for 2024/25 and £1.3m for 2025/26. Mr Ayres advised that a £1.73m gap remained with a £400k gap to avoid arbitration for £2.6m due to the double-charging of HDdUHB as the commissioner of the service.

Mr Ayres advised of an issue relating to the contract rebase with the LTA with Velindre Cancer Centre and that HDdUHB have proposed a move to high-cost drugs-only so that HDdUHB only

pay for the actual high-cost drugs and would work through the rebasing of the utilisation with the rest of Wales. Mr Ayres believed that the Velindre Cancer Centre would not accept that proposal however HDdUHB would be unable to sign the contract as it was proposed as it was not felt it was appropriate for HDdUHB, its residents and its strategic direction.

[Ms Anne Simpson joined the meeting]

Mr Ayres advised that unless a resolution could be agreed then both cases could proceed to arbitration with the deadline for signing the LTAs being 30 June 2024. Mr Thomas believed that there was a challenge to ensure that value for money was secured for the Health Board through negotiating the contracts while maintaining the integrity of the wider healthcare system in Wales.

[Ms Sharon Hughes joined the meeting]

In response to a question from Mr Imperato regarding the costs of arbitration, Mr Thomas advised that there were no legal costs associated with arbitration as it was an internal negotiation with no other escalation processes available to resolve the difference of opinion with a wish to avoid to arbitration as much as possible and believed that a consensus and conclusion could be achieved with Cardiff and Vale University Health Board (CVUHB) and SBUHB relating to the Orthopedic services with the issue with Velindre Cancer Centre not being unique to HDdUHB with Welsh Health Boards.

Mr Thomas believed that the LTA process and the flow of funds between NHS Wales organisations was not a satisfactory process and was not robust however it was difficult to find agreement between commissioners and providers on a common approach across the Welsh NHS.

In response to a question from Mr Maynard Davies regarding whether entering into arbitration with SBUHB over the Orthopedic Service would highlight the underperformance of the SBUHB Orthopaedic Service for HDdUHB patients, Mr Ayres believed that it would and that if the £2.6m of regional orthopedic monies was removed, it would result in a £2m benefit to HDdUHB because of the underperformance of the LTA for HDdUHB and further advised that it was not justified to keep money within a LTA for cost and volume that was not being achieved.

Decision: The Sustainable Resources Committee **RECEIVED ASSURANCE** from the mitigating actions detailed in the Healthcare Commissioning Update report.

Ms Sharon Hughes presented the Decarbonisation Task Force Group (DTFG) Update Report to the Committee and presented the Quarterly Decarbonisation Report submitted to WG to the Committee.

[Mr Shaun Ayres left the meeting]

Ms Hughes advised that there was no change to the risk ratings contained in the report due to the lack of funding available and restrictions on infrastructure such as the age of parts of the Health Board's estate or limitations on the electrical infrastructure either due to issues with the Health Board's estate or due to limited National Grid capacity.

Ms Hughes advised that WG had recognised that many initiatives contained within the Decarbonisation Delivery Plan were significant projects whose progress was difficult to measure progress on a quarterly basis, had moved to biannual reporting,

Ms Hughes also presented the Draft Sustainability Report 2024 that formed part of the Health Board's annual sustainability report that was also being presented to the Audit and Risk Assessment Committee (ARAC) and related specifically to environmental sustainability as opposed to the broader sustainability agenda.

Ms Hughes advised that the Health Board had recently awarded a new energy performance contract to support the Health Board to develop and deliver on Phase 1 of its decarbonisation and energy efficiency projects and advised that the PPH solar farm development was proceeding smoothly with the developer having received positive feedback on the submitted pre-planning application and will shortly be submitting an application for full planning approval.

In relation to Transport, Ms Hughes advised that positive feedback had been received from the Director of Operations regarding the centralisation of fleet management with approval having been sought to transition away from existing departmental-led fleet management arrangements to a centralised approach overseen by the Central Transport Unit. The change provides cost avoidance, financial savings, enhanced operational efficiency, and improved organisational effectiveness.

In response to a question from Mr Weir regarding the Transport for Wales Free Bus Travel for Health Board Staff, Ms Hughes advised that following the three-month trial that saw 3,000 passenger journeys undertaken between BGH and GGH, equating to a carbon saving of 6.4 tonnes, a permanent 33% discount for NHS staff has been introduced by Transport for Wales that was available to staff in their own personal time in addition to in work time.

In response to a question from Mrs Eleanor Marks on whether the Transport for Wales discounted travel would be extended to other bus routes within the Health Board's area, Ms Hughes advised that the trial and the resulting discount scheme was a first for Wales and due to the success of the trial, discussions had been held between Transport for Wales and other Health Boards and public bodies in Wales such as local authorities to explore expanding the scheme to additional routes.

Ms Hughes also highlighted the recent All-Wales NHS Sustainability Awards with the awards organised by HDdUHB that had received positive feedback from both attendees and the WG Climate Change Team who partly sponsored the Awards in addition to private sponsorship, with the HDdUHB Arts in Health Team winning an award for their innovative use of single-use plastic associated with COVID vaccines that could not be recycled for use in artwork.

In response to a question from Mrs Elenor Marks regarding the timescale of the Picton Terrace development, Mr Thomas advised that the Health Board were awaiting agreement on the award of capital funding for the development from WG was on-going.

Decision: The Sustainable Resources Committee: -

- **TOOK ASSURANCE** from the actions being progressed by the DTFG as part of the Health Board Decarbonisation Delivery Plan
- **NOTED** the response from Welsh Government on the Picton Terrace estate rationalisation proposal

SRC(24)67

PLANNING OBJECTIVES UPDATE REPORT

[Ms Sharon Hughes left the meeting]

Mr Thomas presented the Planning Objectives Update Report to the Committee.

No questions were raised by the Committee.

Decision: The Sustainable Resources Committee **RECEIVED ASSURANCE** on the current position in regard to the progress of the Planning Objectives PO2 (Financial Recovery and Route map) and PO9 (Digital Plan) 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)68

FINANCIAL PROCEDURES

The following procedure have been reviewed and is presented to the Sustainable Resources Committee for approval:

- FP 065 Budgetary Control Procedure
- FP 076 Capital Investment Procedure
- FP 087 Custody of Safe Keys Procedure

The Director of Finance advised that there was an ongoing all-Wales review of the 'No Purchase Order No Pay' exemption list. On completion of this review the Health Board will be required to update its own local Purchase 2 Pay policy.

In response to a question from Mr Weir on whether any of the policies contained any significant changes, Mr Thomas advised that there were no significant changes with the Budgetary Control Procedure and the Capital Investment Procedure having been updated to reflect best-practice through the Targeted Interventions (TI) route with the Custody of Safe Keys Procedure being updated to reflect developments over the intervening period since the previous review.

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

- FP 065 Budgetary Control Procedure
- FP 076 Capital Investment Procedure
- FP 097 Custody of Safe Keys Procedure

SRC(24)69

INFORMATION GOVERNANCE SUB-COMMITTEE UPDATE REPORT

Mr Thomas presented the Information Governance Sub-Committee (IGSC) Update Report to the Committee and highlighted the concern relating to the Clinical Coding. Mr Thomas advised that additional clinical coders had been appointed to the Clinical Coding Team however the Health Board were failing to meet WG targets and advised that actions were being implemented to recruit into the clinical coding roles.

In response to a question from Mrs Raynsford regarding further scrutiny of clinical coder recruitment and retention, Mrs Joanne Wilson advised the Director of Workforce and Organisational Development was currently undertaking a wider workforce plan and the issue of clinical coders could be addressed with the Director of Workforce and Organisational Development.

Mr Davies advised that recruitment into the posts of clinical coders had already been undertaken however it took 18 months for a new clinical coding recruit to become fully trained and that processes to automate clinical coding processes using Artificial Intelligence (AI) was being investigated that was currently being carried out by Cwm Taf Morgannwg University Health Board (CTMUHB).

Decision: The Committee **NOTED** the contents of the Information Governance Update Report.

SRC(24)70

DIGITAL OVERSIGHT GROUP UPDATE REPORT

Mr Thomas presented the Digital Oversight Group Update Report to the Committee.

In response to a question from Mr Davies on the Business Case approvals, Mr Thomas advised that there were no concerns raised regarding the Patient Flow and eObservations Business Case however there were concerns raised regarding the National Digital Cellular Pathology Business Case relating to the cost of implementation.

Mr Thomas advised that there was a clear case for the implementation of the Patient Flow and eObservation system that Mr Thomas believed it was cost-effective albeit with the necessary changes to behaviours.

Mr Thomas believed that the business case for the National Digital Cellular Pathology was more nuanced with an anticipated cost of £0.5m a year however it enabled the Health Board to utilise Pathologists from anywhere across the world that could assist with recruitment challenges in cellular pathology services in west Wales however Mr Thomas believed that while the system was an opportunity it was not a financial opportunity and would require further scrutiny when presented to the SRC.

The Director of Governance/Board Secretary advised that the National Digital Cellular Pathology has a cost impact on the Health Board and, while the costs could be offset, a decision to proceed would have to be taken first by the HDdUHB Executive Team (ET) before being presented to SRC for scrutiny and assurance as the cost would be in addition to the Health Board's financial deficit.

Mr Thomas advised that the National Digital Cellular Pathology system was not a digital system and was service-driven and would be presented by the Director of Operations. Mr Thomas advised that the Health Board were not in a position to spend any additional financial resources without a clear plan to secure additional WG funding or by producing a future cost savings through its implementation that would need to be demonstrated through the scrutiny of the Full Business Case.

Decision: The Committee **NOTED** the contents of the Digital Oversight Group Update Report.

SRC(24)71

WELSH HEALTH CIRCULARS

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

In response to a question from Mr Davies regarding the Data Requirements for Value Based Health Care WHC affecting any existing work related to Value Based Health Care, Mr Thomas advised that there would be no adverse impact to implementing the WHC with an existing process in place to transfer records held in the current repository onto the new PROMPTLY system.

Decision: The Sustainable Resources Committee **RECEIVED ASSURANCE** on the management of WHCs within their area of responsibility, particularly in respect of understanding when the WHC will be delivered, any barriers to delivery, impacts of late or non-delivery and assurance that the risks associated with these are being managed effectively.

SRC(24)72 MINISTERIAL DIRECTIONS

Mr Thomas presented the Ministerial Directions report to the Committee.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee **RECEIVED ASSURANCE** that HDdUHB is compliant with the NSIs (MDs) issued by WG between 1 February 2024 and 31 May 2024.

SRC(24)73 INTEGRATED PERFORMANCE ASSURANCE REPORT (IPAR)

The Director of Finance presented the Intergrated Performance Assurance Report (IPAR) to the Committee.

In response to a question from Mr Weir on the Escalation Framework, the Director of Finance advised that there were on-going discussions on the reporting process for the Escalation Framework.

Decision: The Sustainable Resources Committee **CONSIDERED** the SRC measures from the Integrated Performance Assurance Report.

SRC(24)74 ALL-WALES CAPITAL PROGRAMME 2024/25 CAPITAL RESOURCE LIMIT AND CAPITAL FINANCIAL MANAGEMENT UPDATE

Mr Thomas presented the All-Wales Capital Programme 2024/25, Capital Resource Limit and Capital Financial Management Update

report. Mr Thomas highlighted the net revenue impact should the Health Board be minded to approve the Carmarthen Hwb, WG Picton Terrace Building, Pentre Awel and the Cross Hands Health and Wellbeing Centre (HWBC) capital schemes.

Mr Thomas advised that the Carmarthen Hwb scheme would cost the Health Board an additional £400,000 in recurrent revenue expenditure, the Pentre Awel development would cost an additional £681,000 in recurrent revenue expenditure and the Cross Hands HWBC would cost an additional £200,000 in recurrent revenue expenditure.

Mr Thomas believed the Committee should alert the Board to the additional recurrent revenue expenditure should the Board be minded to approve the leases or final contracts on the schemes and that the business cases should include a plan to address these revenue consequences.

In response to a question from Mr Weir regarding whether the approval of these schemes would release expenditure from other spaces within the Health Board, Mr Thomas confirmed that they would however the Health Board was not in a position to approve an additional £1.1m of annual revenue expenditure given the Health Board's current financial position.

Mr Spratt confirmed that the figures were the net revenue impact following the deduction of the revenue costs of the existing sites that would be replaced with the new developments. Mr Thomas believed that it was always a challenge to ensure that capital schemes break even financially.

The Director of Corporate Services/Board Secretary reminded the Committee that the specific ask by the Board that when the Board agreed the approval of the capital schemes it was only approved in principle subject to any increase in revenue costs being scrutinised and endorsed by the SRC before any leases could be signed to demonstrate that there was value for money or how the schemes would be funded without increasing the Health Board's deficit.

Decision: The Sustainable Resources Committee: -

- **NOTED** the Capital Resource Limit for 2024/25
- **NOTED** the capital risks being managed
- **NOTED** the project updates.
- **NOTED** and scrutinise the revenue consequences of the capital schemes

Mr Thomas presented the Quarterly NHS Wales Shared Services Partnership (NWSSP) Performance Report for Q4 2023/24 to the Committee.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee **RECEIVED ASSURANCE** from the content of the NWSSP Performance Report for Quarter 4 2023/24.

SRC(24)76

NATIONAL CELLULITIS IMPROVEMENT PROGRAMME

Mr Thomas presented the National Cellulitis Improvement Programme to the Committee and highlighted the positive feedback received by the Health Board for work undertaken in relation to cellulitis.

Ms Paterson believed that that work carried out in relation to cellulitis had had a significant positive impact on patient care.

There were no questions from members of the Committee.

Decision: The Sustainable Resources Committee **NOTED** the National Cellulitis Improvement Programme in HDUHB 2023-2034 Report.

SRC(24)77

COMMITTEE WORK PLAN 2024/25

The Committee Work Plan 2024/25 was presented to the Committee.

There were no questions from members of the Committee.

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

SRC(24)78

MATTERS FOR ESCALATION TO BOARD

Matters for escalation to Board were considered at each agenda item through the 3A's Report (Advise, Assure, Alert) to the Board.

SRC(24)79

ANY OTHER BUSINESS

There were no other items of business for consideration.

SRC(24)80

DATE OF NEXT MEETING

27 August 2024; 09:30 - 12:30

