

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

**Date of Meeting:** 9:30 AM, Tuesday 27 August 2024

**Venue:** Microsoft Teams Meeting

**Present:** Winston Weir (Hywel Dda UHB - Independent Board Member) (Chair)  
Maynard Davies (Hywel Dda UHB - Independent Member) (Vice Chair)  
Eleanor Marks (Hywel Dda UHB - HDUHB Vice Chair)  
Delyth Raynsford (Hywel Dda UHB - Independent Member)  
Huw Thomas (Hywel Dda UHB - Director of Finance)  
Andrew Carruthers (Hywel Dda UHB - Chief Operating Officer)

**In Attendance:** Shaun Ayres (Hywel Dda UHB - Deputy Director of Operational Planning and Commissioning)  
Rhian Bond (Hywel Dda UHB - Assistant Director of Primary Care)  
Lee Davies (Hywel Dda UHB - Executive Director of Strategy and Planning)  
Mark Henwood (Hywel Dda UHB - Interim Medical Director)  
Sian Jenkins (Hywel Dda UHB - Deputy Director of Finance)  
Andrew Spratt (Hywel Dda UHB - Deputy Director of Finance)  
Jennifer Thomas (Hywel Dda UHB - Senior Finance Business Partner (Accounting & Statutory and Reporting))  
Anthony Tracey (Hywel Dda UHB - Digital Director)  
Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)  
John Jenkins (Hywel Dda UHB - Committee Services Officer) (Secretariat)

MINUTES REF.	ITEM	ACTION
SRC(24)81	<b>WELCOME AND APOLOGIES</b>	
	Mr Winston Weir welcomed all to the Sustainable Resources Committee (SRC) meeting.	
	Apologies had been received from:	
	<ul style="list-style-type: none"> <li>Mr Michael Imperato</li> <li>Mrs Sharon Daniel</li> <li>Miss Jill Paterson</li> </ul>	
SRC(24)82	<b>DECLARATION OF INTERESTS</b>	
	<b>Item 3.4:</b> Mr Maynard Davies declared an interest as the Chair of the Regional Digital Inclusion Group.	
SRC(24)83	<b>MINUTES OF SUSTAINABLE RESOURCES COMMITTEE MEETING HELD ON 25 JUNE 2024</b>	

The minutes of the SRC meeting held on 25 June 2024 were reviewed and approved as a correct record of proceedings.

**Decision:** The minutes of the Sustainable Resources Committee meeting held on the 25 June 2024 were APPROVED as a correct record of proceedings.

**SRC(24)84**

### **TABLE OF ACTIONS FROM SUSTAINABLE RESOURCES COMMITTEE HELD ON 25 JUNE 2024**

The Table of Actions from the SRC meeting held on 25 June 2024 were reviewed and noted that all actions were complete.

**Decision:** the Sustainable Resources Committee REVIEWED and NOTED the Table of Actions from the meeting held on 25 June 2024.

**SRC(24)85**

### **SUSTAINABLE RESOURCES COMMITTEE TERMS OF REFERENCE**

Mr Winston Weir presented the proposed SRC Terms of Reference following the deferral of consideration of this item at the 25 June 2024 SRC meeting [minute reference SRC(24)59] and that following a discussion between Mr Weir, Mr Maynard Davies, Mr Huw Thomas and Mrs Joanne Wilson, Mr Weir advised that revisions to the SRC Terms of Reference to align the Terms of Reference with the Health Board's targeted interventions.

**Decision:** The Sustainable Resources Committee APPROVED the Sustainable Resources Committee's Terms of Reference for onward ratification by the Board on 28 September 2024.

**SRC(24)86**

### **FINANCE REPORT**

Mr Andrew Spratt presented the Month 4 2024/25 Finance Report to the SRC and highlighted that the Health Board required a £10.7m improvement to meet its deficit target of £64m with Month 4 reporting a £6m in-month deficit in Month 4, £700k above the planned deficit for the month.

Mr Spratt advised that the in-month deficit was comprised of £1.3m operational variance against the planned deficit, offset by exceeding the in-month savings target by £0.6m with the end-of-year deficit forecasted reported to Welsh Government (WG) remaining at £64m with a £10.7m gap of future mitigating actions required to deliver the planned deficit resulting in a forecasted position run rate with known impacts of £74.7m containing unidentified savings of £9.3m

Mr Spratt advised that there was a list of proposed future savings schemes that would deliver a significant amount of the savings target that were not in deliverable plans and could not be classified as deliverable savings schemes. Mr Spratt further advised that even though the £1.4m of operational variation to core budgets needed to be mitigated it was not considered a significantly high figure compared to previous years.

Mr Spratt highlighted a concern regarding the Health Board's cash position due to the deficit position and that discussions were on-going with WG that the Health Board would need cash assistance with the detailed amount required and how much WG would be able to provide not being known until later in the current financial year with initial feedback from WG that they expect the Health Board to significantly improve its cash position and mitigate its cash requirements itself with Mr Spratt wishing to alert the SRC to the cash consequences of the Health Board's revenue position and its ability to meet financial liabilities towards the end of the current financial year.

Mr Spratt advised the SRC of the mitigation actions that would be needed to be undertaken to mitigate the forecasted overspend would be presented to the Board Seminar on 11 September 2024 with a focus on making non-recurrent savings recurrent, fully identifying directorate savings aspirations and converting savings schemes currently risk-rated as Red and Black into credible and deliverable Amber and Green savings schemes to de-risk the Financial Plan.

In response to a question from Mr Weir on the savings gap, Mr Spratt advised that the savings gap was the in-year gap between the gross forecast and the planned deficit of £64m that needed to be attained on a recurrent basis as to not carry any negative consequences into the next financial year with communication received from the NHS Wales Chief Executive regarding an expectation that the Health Board meets its target control total of a deficit of £44.8m. Mr Spratt believed that the challenge was timing with an aspiration to fully de-risk the Financial Plan by the end of Q1 2024/25 having continued into Q2 2024/25.

In response to a question from Mr Weir on the need to identify further savings, Mr Huw Thomas advised that a range of proposals would be presented to the Board Seminar on the 11 September 2024 that were a result of work undertaken by operational teams and schemes arising from the 100-Day Cycle plans that were due to reach their conclusion by October 2024 in addition to the August month-end position with a refresh of the risks and opportunities and an updated forecast based on activity up to the end of August 2024.

Mr Thomas anticipated that the collective work undertaken would result in a positive change in the Health Board's cash position and

would enable the Health Board to ask formally ask WG for their support on any additional cash requirements in early October 2024.

In response to a question from Mr Maynard Davies on what level of cash support was anticipated to be provided from WG, Mr Thomas advised that further discussions were required with WG as to what level of cash support could be provided based on the Health Board's forecasted deficit position of either the planned target deficit of £64m or the control total of £44.8m and advised that he hoped to be in a position to advise further at the Public Board meeting on 26 September 2024.

In response to a question from Mr Maynard Davies on whether any proposals to be discussed at the Board Seminar and Public Board meetings in September would require any public consultation or engagement that would delay their implementation, Mr Thomas advised that there would be a mix of schemes with some requiring some form of public engagement or consultation and that the focus needed to be on delivering this year's forecast while recognising the imminent nature of the production of the 2025/26 Financial Plan and next year's savings requirements with savings schemes that do not contribute towards the current year's savings plan then there was an expectation that they would contribute towards the following year's savings plan.

Mr Lee Davies advised that the Health Board were currently contending with a number of service fragility issues and that the service plan for the remainder of the current financial year would need to be considered concurrently with the Financial Plan with an anticipated overlap between the two plans given the financial implications of any service changes and that should any urgent services changes be made ahead of the winter period need to be made a permanent change would then require public engagement and consultation.

In response to a question from Mrs Delyth Raynsford on the effectiveness of the grip and control process, Mr Thomas believed that grip and control was variable across the Health Board given the size of the organisation with arrangements in place to provide assurance over grip and control and gave the example of the Financial Control Group (FCG) having a positive impact with any new post being created, any new administration or clerical post being created in a Directorate that has not identified at least 5% savings and any new approach to the market on procurement all having to be approved by the FCG. Mr Thomas advised that the FCG was comprised of a cross-section of Executives and wider organisation with the relevant General Manager required to attend whenever the FCG considers a proposal for a new clinical or administration or clerical role to provide a level of scrutiny that was previously not present.

Mr Thomas further advised that in addition to the level of scrutiny provided by the FCG, there was also the Escalation Process with Escalation Meetings that give an overarching view of each Directorate through the Leads of each domain for which the organisation's operational teams are being escalated with an opportunity to focus on each area of the directorate being escalated.

Mr Thomas advised that a process of self-assessment of operational controls that Directorates are expected to have implemented being put in place in the autumn of 2024 with the process based on the learning received from the experience of Aneurin Bevan University Health Board (ABUHB) to provide the Health Board with greater assurance ahead of the next financial year and the budgetary cycle.

Mr Spratt advised that savings aspirations had been planned over the two financial years of 2024/25 and 2025/26 with a savings aspiration total of £62.5m across all Directorates with an aim to meet the control total of £44.8m by the end of the second year with the new planning cycle due to commence. Mr Spratt advised that a report would be presented to the SRC in October 2024 setting out the key principles and approach being taken as part of the Financial Plan to achieve the £62.5m savings that is supported by the Financial Road Map.

Mr Spratt highlighted the positive work undertaken across the Health Board to de-risk the savings plan for the current financial year however there was a challenge to make those savings recurrent with a current shortfall of £16.2m of recurrent savings that if not delivered within the current financial year would have been delivered in the next financial year and that the Health Board's delivery of non-recurrent savings schemes over recurrent savings having been highlighted by WG as a short-term focus at the expense of recurrent savings and the underlying deficit.

Ms Sian Jenkins expanded on the savings and opportunities element of the Finance Report and highlighted the Red and Black savings schemes that were being presented at a Directorate level were an opportunity for savings identification, with £1.1m of Red and Black savings schemes having been converted into Green and Amber savings schemes in July 2024 with the majority being recurrent schemes.

Ms Jenkins advised that as part of the Escalation Meetings, Directorates were requested to provide a statement of savings opportunities that each Directorate were pursuing in addition to their savings schemes.

In response to a question from Mr Weir regarding bed reconfiguration at Worthybush Hospital (WGH), Ms Jenkins advised that there had been a level of bed reconfiguration at WGH that had had a consequential recurrent saving with pressures in

Q1 2024/25 however there were plans being implemented to control some of the surges experienced at WGH by managing the A&E position to strengthen the recurrent bed savings. Mr Weir requested that a response from operational teams at WGH on the actions to mitigate the recurrent savings within bed reconfiguration at WGH.

**AC**

**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
- CONSIDERED 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 Chief Operating Officer; and the Value and Sustainability Group, chaired by the Director of Workforce and Organisational Development and Interim Deputy CEO
- 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)
- ENDORSED the savings delivery and actions undertaken to date
- SOUGHT ASSURANCE that:
  - Plans are translated from opportunities to delivery through the three-delivery functions Value and Sustainability Group,
  - IQFPD Group and the A Healthier Mid and West Wales Group
- Mitigating actions are being developed to address areas of overspending

**SRC(24)87**

## **DEEP DIVE: MEDICAL WORKFORCE ISSUES**

Mr Mark Henwood presented the Deep Dive into Medical Workforce Issues and provided a summary of the work that was being undertaken as part of the 100-Day Cycle programme. Ms Cary Hill advised that the presentation sought to replicate the work undertaken as part of the Deep Dive into Nursing Workforce Issues that was presented to the SRC meeting on 21 June 2024.

Ms Hill believed that medical staffing was an area of the Health Board's most significant financial challenge with medical rotas and

variable pay having been a critical focus for the Health Board and forms a part of the 100-Day Cycle. Ms Hill advised the medical workforce focus of the 100-Day Cycle included areas such as variable pay, job descriptions and candidates packs to strengthen medical workforce recruitment, electronic rostering system, medical workforce retention, job planning and compliance, international recruitment opportunities and the rate card.

In relation to variable pay, Ms Hill believed that there had been positive engagement from operational teams with action plans in place. In relation to job descriptions and candidate packs, work had been undertaken with Workforce and Organisational Development to refresh job descriptions and candidates packs that would shortly be piloted within the haematology and histopathology services to assess the impact on recruitment.

Ms Hill advised that electronic rostering was the largest programmes of work being undertaken by the Medical Directorate as part of the 100-Day Cycle with a Steering Group having been established that will be Chaired by Ms Jenkins and comprise of operational representatives and a Delivery Group that will be Chaired by Ms Hill and co-opt clinical representation and operational management for areas approved for pilot schemes by the Steering Group.

Ms Hill believed that the Medical Directorate have a well-developed Medical Workforce Retention Group established that have plans in place and work closely with Health Education and Improvement Wales (HEIW) to oversee medical retention.

Ms Hill advised that significant work had been carried out by the Medical Directorate in relation to job planning and compliance with 78% job planning compliance with the 100-Day Cycle at the end of July 2024 with a target of 80% compliance by the end of September 2024 and 90% compliance by the end of the 2024/25 financial year following work undertaken by the Head of Medical Educational and Professional Standards with escalation letters sent to doctors and service delivery managers and escalated to general managers, clinical directors or hospital directors if services do not deliver improvements to their job planning compliance.

Ms Hill advised that Hywel Dda University Health Board (HDdUHB) had been given the opportunity to be part of the All-Wales International Recruitment Drive with 17 posts having been identified for the international recruitment drive to support with the medical workforce stabilisation programme.

Ms Hill highlighted that the rate card was a significant financial driver with a lack of an agreed rate card across the Health Board being adhered to being an identified issue with work currently being undertaken to review the production of a standardised rate card for HDdUHB that is in line with other NHS Wales

organisations with work being done to benchmark with Swansea Bay University Health Board (SBUHB). Ms Hill believed that it was important to have an agreed standardised rate card before implementing an electronic rostering system.

Ms Hill advised that the aim was to provide stability within the Health Board's medical workforce with a Wales Health Circular (WHC) setting a target for a 50% reduction in variable pay having proven challenging, following a Targeted Intervention workshop, it was agreed to set a target of a 5% reduction in medical variable pay.

In response to a question from Mrs Elenor Marks regarding the benefits of electronic rostering, Ms Hill advised that electronic rostering resulted in a greater visibility and understanding of the rostering system to identify gaps in the rota and the provision of centralised information to assist the management of variable pay. Mr Henwood believed that the management of the Health Board's medical workforce could often be disorderly due to the historic practice of individual departments managing themselves with no collaboration between differing departments. Mr Henwood believed that there was a significant opportunity for efficiencies to be made through having a visible system to assist understand workforce costs linked in to the need for an agreed standardised rate card.

In response to a question from Mr Weir regarding timescales for implementation, Ms Hill advised that the electronic rostering system was being implemented as part of the 100-Day Cycle programme and it was anticipated that by the conclusion of the 100 days, the staff would be in place to administer the system in the agreed pilot areas with an aim to go live at the start of November 2024.

In response to a question from Mr Weir regarding implementing an agreed standardised rate card, Ms Hill advised that support was being received from Workforce and Organisational Development and the Finance Department to ascertain the required information relating to the rate card with information from SBUHB expected imminently to enable a report to be produced and presented to the Executive Team for a decision on the implementation of an agreed standardised rate card.

In response to a question from Mrs Raynsford regarding how HDdUHB compares to other Health Boards in Wales in relation to rostering, Ms Hill advised that broadly all Health Boards in Wales were in a similar position to HDdUHB with SBUHB being at the start of the implementation phase of their programme with HDdUHB working closely with SBUHB to learn lessons from their implementation to support HDdUHB's programme. Ms Hill advised that there had been a positive level of engagement with general managers, clinical leads and hospital directors expressing an interest at being part of the pilot project.

Mr Shaun Ayres advised that the intention around the 100-Day Cycle and the Targeted Intervention and Annual Plan workshop was to accelerate the need to make in-year financial savings with the Medical Variable Pay programme attempting to bring the same level of clarity to the medical workforce as the nursing workforce.

In response to a question from Mr Weir about the need to indicate a financial figure to the proposals, Mr Ayres advised that the 5% reduction in medical variable pay equated to a saving of £100k-£150k a month.

**Decision:** The Sustainable Resources Committee RECEIVED and NOTED the Deep Dive into Medical Workforce Issues.

**SRC(24)88**

### **WELSH GOVERNMENT BUILDING, PICTON TERRACE DEVELOPMENT**

Mr Lee Davies presented the report into the Welsh Government Building, Picton Terrace, Development update to the Committee and advised that following discussions with WG, it had been negotiated that the fit-out costs of the Picton Terrace building would be shared equally between the Health Board and WG with the Health Board's contribution being paid from its Discretionary Capital Fund (DCF) over a period of time.

Mr Lee Davies advised that the next step was for the report to be presented to the Board on 26 September 2024 seeking approval for the lease to be signed under seal.

In response to a question from Mr Maynard Davies regarding the timing of when revenue costs would begin to be incurred and savings delivered, Mr Lee Davies advised that each of the individual leases that were being terminated as part of the move to Picton Terrace were being terminated at different stages with the savings being realised over a period of time. Mr Lee Davies advised that due to the time taken to progress the scheme, the lease on Building 14 at the St David's Park site had been extended however it was anticipated that the lease on Building 8 would be terminated in 2024 and a 12 month extension on the lease for Glein House had been negotiated with the landlord and believed that there would be a positive financial position in 2025/26 with the full financial benefits of the scheme being realised within the following 12 to 18 months.

**Decision:** The Sustainable Resources Committee:

- APPROVED the Health Board formally responding to Welsh Government's letter accepting the proposal and setting out the Health Board's agreed repayment terms for the 50% fit out costs to be repaid over 5 years commencing 2025/26.

- AGREED to the lease being presented to Public Board for approval and signing under seal by Chair and Chief Executive.

**SRC(24)89**

## **PENTRE AWEL DEVELOPMENT**

Mr Lee Davies presented the Pentre Awel Development report to the Committee. Mr Lee Davies advised that construction on the Pentre Awel Development had commenced with multiple partner organisations utilising the space with the Local Authority, Carmarthenshire County Council, as the Lead Organisation with partner organisations such as the Health Board and universities as prospective tenants.

Mr Lee Davies advised that the Health Board would be operating in two areas of the development; the Clinical Delivery Unit and Research and Development facility in one part of the site where the Health Board would be the tenants responsible. The second part would be the Hydrotherapy Pool that would be located within the Local Authority's demise associated with the Leisure Centre element of the development that the Health Board would have access to within the day time for hydrotherapy patient use. Mr Lee Davies advised that the Health Board were making a capital contribution to the construction of the Hydrotherapy Pool through Charitable Funds with revenue costs associated with the Hydrotherapy Pool being through staffing costs.

Mr Lee Davies advised that the Health Board had sought to minimise revenue implications of progressing with this scheme through reducing the leasing arrangements and through phasing the Health Board's costs in an alternative manner. Mr Lee Davies advised that following discussion at Executive Team it was agreed to explore options whereby the Health Board's revenue costs were fully mitigated that would result in a change to the level of service provision that was originally envisaged with the option of expanding the Health Board's hydrotherapy provision deferred to a later point in time.

Mr Thomas believed that this scheme was a legacy of implied decision-making over many years and that there was currently a significant cost pressure attached to the scheme that the Health Board may not have been minded to progress with if known at the outset of the development however Mr Thomas believed that there was a moral obligation to proceed with the development based on the commitments made to the Local Authority as part of a partnership approach to the development.

Mr Thomas believed that there were reflections that could be made for any future partnership arrangements that the Health Board would be minded to enter into and that the risks of unwinding from the agreement to proceed were outweighed by the decision to proceed in this instance and that the Health Board

should do everything possible to mitigate the cost pressures within the Business Case and seek to maximise the opportunities to transform services within Carmarthenshire and realise the broader benefits from the development to the Health Board.

Mrs Wilson advised that there were no collaboration agreements currently in place between the Health Board and the Local Authority however agreements and commitments could be argued to have been made to commit the Health Board to the development.

Mr Thomas advised that £200k of hydrotherapy costs and £200k of estates costs were already part of the Health Board's underlying deficit as the expected costs associated with the development had been budgeted for with only the excess that would be additional to the Health Board's underlying deficit with the Directorates counting that £400k as a non-recurrent benefit in 2024/25 as the unit has not opened currently.

Mr Lee Davies advised that while it was difficult to make an argument to proceed with the development based purely on the Business Case if this was the initial stages of the development, the origin of the scheme was envisaged to be a transformational project in one of the Health Board's more economically deprived areas with a view of delivering transformational economic benefits for the district of Llanelli that was initially supported by a number of the Health Board's senior clinicians on the basis of the longer-term improvements to public health through a social model of health and well-being and advised that Phase 4 of the development included residential nursing and nursing home capacity on the site that was envisaged to have a transformational impact on how the health of the population is managed.

Mr Lee Davies believed that while it was not possible to put a financial value against any of the transformational impacts the development would deliver, it was hoped that the development would play a key role in improving the health and well-being of the Health Board's population in the Llanelli and wider area.

In response to a question from Mr Weir regarding the governance process, Mrs Wilson advised that there was a need to make a decision at the Public Board meeting on 26 September 2024 due to deadlines with the Local Authority and that the discussions should be made in an open session of the SRC and could approve or otherwise that the Board proceed with the development.

Following a question from Mr Weir on the net revenue impact on the mitigation options, Mr Lee Davies advised that with measures to mitigate the therapy staffing costs and a potential saving relating to desk spaces resulted in revised net revenue impact of £429k with an option of whether the Health Board wished to phase the costs differently.

**Decision:** The Sustainable Resources Committee:

- NOTED and SCRUTINISED the cost information provided, the work already done and the work which is ongoing to mitigate the additional revenue costs associated with the project
- NOTED that the Health Board will be required to engage with the two charitable donors if there are any changes to the proposed hydrotherapy service
- APPROVED that the lease for Pentre Awel be recommended for endorsement and approval by Board and that the lease be signed under seal by Chair and Chief Executive.

**SRC(24)90**

**FINANCE TARGETED INTERVENTION UPDATE**

Mr Shaun Ayres presented the Finance Targeted Intervention Update. Mrs Joanne Wilson advised that following feedback received from Board Members, only domains that were relevant to each specific Board Committee would be presented to the relevant committee to avoid duplication.

**SA**

Ms Ayres advised that the domains linked to the SRC were linked to the Financial Road Map to return the Health Board to the target deficit total of £64m contained within the Annual Plan ahead of meeting the WG control total of £44.8m.

Mr Ayres highlighted the overview of the 100-Day Programme Cycle and believed that there were four or five key programmes part of the 100-Day Cycle with the intention to provide a level of assurance by the end of the 100 days that the Health Board was able to deliver what was intended.

Mr Ayres advised that the Alternative Care Provision was aligned to reducing the number of acute beds and having community-based and other alternative provisions to manage patients within. Mr Ayres believed that there was an issue in how deliverable this Programme would be in-year and that while there has been an alignment within the WGH position there was still work to be done to progress this Programme fully.

Mr Ayres advised that the Carmarthenshire Improvement Plan has been removed from the 100-Day Cycle Programme as it related to other strands of work being undertaken, such as the Alternative Care Provision.

Mr Ayres highlighted significant concern relating to Mental Health and Learning Disabilities (MHL) with the lack of a detailed savings plan.

Mr Ayres believed that the Emergency Medical Services (EMS) Contract Reviews was a complex area requiring a notice period

linked to a contract resulting in the need for at least six months before understanding whether there was a savings opportunity or otherwise with work being undertaken with the service to establish whether there was any savings opportunities relating to the reduction or decommissioning of the Cardiac Care Transfer Service and the Prince Philip Hospital (PPH) EMS Support Vehicle.

Mr Ayres advised that in relation to Critical Care, work was being undertaken to align the capacity and staffing ratios to better reflect patient acuity. Mr Ayres believed that there was confidence that this Programme could be delivered as it was not related to bed configuration, it related to reducing the capacity aligned to the beds.

Mr Ayres advised that he and Mr Keith Jones had held a two-day workshop to examine what additional work could be undertaken with the schemes arising from the workshop to form part of the report being presented to the Board Seminar on the 11 September 2024.

Mr Ayres highlighted the level of fragility within many services that was identified through the workshop. Mr Ayres advised that the intention of the workshop was to examine financial considerations, what was identified was the financial consequence of fragility identified within many services that would be exacerbated over the winter and believed that the issues would be approached with a service fragility issue, albeit with a financial consequence.

In response to a question from Mr Weir on what were the next steps to be taken, Mr Ayres advised that the 100-Day Cycle programme would link in to the report being presented to the Board Seminar on 11 September 2024 and believed that there were a number of schemes that could be delivered in-year and what programmes should be paused or stopped as there would be programmes and projects proposed in the report to Board Seminar that would require extensive resources to deliver necessitating a decision on what programmes could be deprioritised and resources redirected to those programmes that were agreed to be progressed.

In response to a question from Mr Weir regarding the lack of response from MHL, Mr Ayres advised that because the service had only delivered a non-recurrent saving in this financial year then they would be required to deliver that recurrent saving within the next financial year. Mr Ayres believed that the workshop highlighted a significant positive level of engagement from within the Health Board with management and clinical representation present.

**Decision:** The Sustainable Resources Committee:

- NOTED the actions being implemented to bridge the £10.7m gap in the Health Board's Financial Plan, including the outcomes of the recent intensive TI and planning workshop and the need for the execution of in-year savings schemes aligned with the 100 Day Programmes.
- DISCUSSED the delivery and assurance of directorate savings plans, focusing on the identification and closure of the £9.3m full-year unidentified savings gap, and the strengthened governance measures to ensure financial accountability across all directorates.
- ACKNOWLEDGED the need and potential risks associated with deprioritising non-critical initiatives to achieve the required financial savings target.

## SRC(24)91

### CORPORATE RISK REPORT

Mr Thomas presented the Corporate Risk Report to the Committee and highlighted that Risk 1843 ("Risk that the cash consequences of the Health Board deficit cannot be covered due to significant deficit position") has increased to a risk score of 25 as a consequence of not having a direct line of sight to meeting the target deficit of £64m and believed that dependent on a positive outcome from the Board Seminar on 11 September 2024 and the Public Board meeting on 26 September 2024 that with a greater assurance on meeting the target deficit total that the risk could be re-risked.

Mr Thomas advised that Risk 1335 ("Risk to the ability to access paper patient records in a timely manner due to existing records management infrastructure") had been deescalated due to the increased level of scanning activity that the Health Board had undertaken and the repatriation of records to a Health Board site.

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 would 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)92

### OPERATIONAL RISK REPORT

Mr Thomas presented the Operation Risk Report to the Committee.

There were no questions from members of the Committee.

**Decision:** The Sustainable Resources Committee:

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

## **SRC(24)93**

### **PROCUREMENT UPDATE**

Mr Huw Thomas presented the Procurement Update report to the Committee and advised that it was being recommended that the SRC approve to proceed to award the tender for the Provision of Dental Services for South Pembrokeshire and Carmarthen and to ratify the award of the All-Wales Provision of Outsourced Radiology Reporting Services.

There were no questions from members of the Committee.

**Decision:** The Sustainable Resources Committee SCRUTINISED and RECOMMENDED to Board to:

- APPROVE to proceed to award the tender for the Provision of Dental Services for South Pembrokeshire and Carmarthen, and to provide services from 1 January 2025 to 31 December 2030 with extension option to 31 December 2035, these contracts will have onwards submission to Hywel Dda University Health Board Public Board/Welsh Government for approval.
- RATIFY the award of the All-Wales Provision of Outsourced Radiology Reporting Services, 1 November 2024 – 31 October 2027. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) Hywel Dda University Health Board Public Board and Welsh Government for approval.

## **SRC(24)94**

### **DECARBONISATION TASK FORCE GROUP UPDATE**

Mr Lee Davies presented the Decarbonisation Taskforce Group (DTFG) Update to the Committee.

In response to a question from Mr Weir regarding a change to the reporting arrangements, Mr Lee Davies advised that this was a result of the the establishment of a Climate Change Task Force Group to consolidate the work of the Health Board in relation to

climate change and have amended the executive responsibility for the climate change work to the Director of Public Health.

In response to a question from Mr Maynard Davies on whether the decarbonisation programme had made any cash-releasing savings, Mr Lee Davies confirmed that there had been financial savings realised by the Decarbonisation Programme and gave the example that the Hafan Derwen Solar Farm had reduced the Health Board's energy costs and agreed to add on-going financial savings derived from the Decarbonisation Programme to future update reports as opposed to only highlighting new developments as they commence

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In response to a question from Mr Maynard Davies regarding how HDdUHB compares to other NHS Wales organisations, Mr Lee Davies believed that each NHS Wales organisation had widely varying positions due to having their own unique buildings and infrastructure that prevented comparative analysis Mr Lee Davies advised that the HDdUHB Decarbonisation Plans had been positively received nationally with HDdUHB being the first Health Board in Wales to produce a fully costed Strategic Delivery Plan.

Mr Paul Williams advised that other Health Boards in Wales had a similar financial outlook to HDdUHB and that all Health Boards in Wales were pursuing new energy performance contracts through the REFIT4 spend-to-save project and advised that HDdUHB's energy performance contract was due to expire in 2024/25 and negotiations had commenced to negotiate a new contract. Mr Williams advised that the Health Board were progressing a Heat Energy Efficiency Scheme with the UK Government providing 50% match capital funding. Mr Williams advised that there was a private solar farm being explored at PPH.

**Decision:** The Sustainable Resources Committee:

- RECEIVED ASSURANCE from the actions and activity being progressed by the Decarbonisation Task Force Group as part of the Health Board's Decarbonisation Delivery Plan and positive feedback received from Welsh Government.
- APPROVED the revised governance structure.
- NOTED the response from Welsh Government on the Hywel Dda University Health Board Decarbonisation Annual Qualitative Report

SRC(24)95

## FINANCIAL PROCEDURES

Mr Thomas presented the Financial Procedures for approval to the Committee and advised that the SRC were asked to approve an update to FP 1054 Purchase to Pay Procedure.

There were no questions from members of the Committee.

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

- FP 1054 Purchase to Pay Procedure

**SRC(24)96**

## **VALUE BASED HEALTHCARE UPDATE**

Dr Simon Mansfield presented the Value Based Healthcare Update to the Committee to present an update on the Value-Based Healthcare (VBHC) programme of the Health Board.

Dr Mansfield highlighted the priority service areas with the intention of implementing value-led projects, which provide the greatest opportunity to cease low-value activity with the areas of focus being:

- Respiratory
- Cardiology
- Orthopaedics
- Diabetes
- Bone Health

Dr Mansfield advised that there was project activity in each of those areas and that there were some delays in some areas that had been driven by service delays and leadership in some of those service areas.

Dr Mansfield advised that a significant amount of work related to the collection of patient-reported outcome (PROM) data and that the Health Board had recently transitioned from the 'Dr Doctor' PROM-solution provider to a new digital PROM collection solution, 'Promptly'. Dr Mansfield thanked colleagues from the Digital Team for their assistance in transitioning from the previous PROM solution provider to the new system. Dr Mansfield advised that HDdUHB had been the first Health Board to go live with the 'Promptly' system and believed that the Health Board had been the most ambitious in going live with over 30 PROM and patient-recorded experience measures (PREM) pathways.

Dr Mansfield highlighted the Rapid Value Programme and advised that the programme did not rely on PROM collection data and attempted to analyse the waste inherent in the system and attempted to remove the waste using lean principles without compromising PROM or PREM outcomes. Dr Mansfield advised that the Rapid Value Programme had reviewed over 25 service areas with savings opportunities being presented in the directorate's Savings Plan with productivity gains reported separately as to not be double counted.

In response to a question from Mr Weir regarding the levels of engagement with differing service areas, Dr Mansfield believed that there was a significant level of interest from service areas and as a result of the high level of interest, the VBHC Team had to be selective on the areas of work that would have the most impact as opposed to the start of the process when the VBHC Team had to "sell" the concept of value to services.

Mr Thomas believed that the value equation was outcomes over cost and that value could be improved by either reducing cost or improving outcomes. Mr Thomas believed that the challenge was in the sustainability of the investment fund with benefits realised being reinvested in an evergreen fund to create a sustainable fund with which future investments can be made from. Mr Thomas advised that sustaining the evergreen fund has been a challenge resulting in funding being required from Directorate budgets to invest in future schemes. Mr Thomas believed that productivity improvements have been made however cash releasing benefits have not been realised to reinvest in the evergreen fund to enable sustainable reinvestment.

**Decision:** The Sustainable Resources Committee NOTED the progress of the Hywel Dda University Health Board Value Based Healthcare Programme and Rapid Value Programme.

## **SRC(24)97**

### **PATIENT FLOW AND eOBS FULL BUSINESS CASE**

Mr Anthony Tracey presented the Patient Flow and Electronic Observation (eObs) Full Business Case to the Committee.

Mr Tracey believed that the Patient Flow and eObs was a key pillar of work undertaken by the Digital Team over the preceding 18 to 24 months and had culminated in the Full Business Case that was being presented to the SRC for onward approval to the Board pending the successful resolution of a funding model to address the investment requirement in initial years until the savings begin to be realised through bridging funding.

Mr Tracey advised that consultation had been undertaken with clinical, nursing and operational staff during the development of the Full Business Case to introduce a patient flow and electronic observation system into the Health Board that, with the exception of a small development at ABUHB, would be the first Patient Flow and eObs system in Wales.

Mr Tracey believed that there were significant patient benefits relating to the patient flow element of the programme and that the system would advance the Health Board's digital maturity. Mr Tracey believed that there were significant operational benefits to the proposed system.

Mr Tracey advised that the cost of the system was £8.5m over a 7-year period with work undertaken with the Finance Value Business Partner identifying a number of schemes that provided both a cash-releasing benefit and a productivity efficiency benefit to the Health Board and it was expected to start paying for itself within 4 to 5 years of the project.

Mr Tracey believed that the benefits of the system would be realised not just in acute services, they would also be realised within community and "Hospital@Home" and virtual wards.

Mr Tracey advised that work was ongoing with Mr Thomas to address the funding model with discussions held with WG and with providers on how initial bridging funding could be provided. In response to a question from Mr Weir on the revenue costs of the project, Mr Tracey advised that the impact on expenditure was anticipated to be £1.2m a year for 7 years. Mr Tracey highlighted the anticipated cash-releasing gains from the programme that would be released from Year 2 of the project with a greater cash return from Year 3 onwards.

Mr Thomas believed that the implementation of the system would result in the reduced need to grow the Health Board's staffing requirements to the level that would be required if the decision was made not to implement the Patient Flow and eObs system. Mr Thomas believed that the challenge was within the first two years of the project due to the bridging finance and advised that there were two options, firstly to secure funding from WG as an investor for the first two years until the cash-releasing benefits were realised and the funding could be repaid over future years. Mr Thomas believed that the second option was to explore a solution with the Health Board's prospective Transformation Partner whereby the partner would meet the costs for the first two years of the project with the costs spread over the remaining years of the contract.

Mr Thomas advised that the process would ensure that there were no cost impacts on the Health Board in the first two years. Mr Thomas advised that the operational and clinical teams were fully supportive of the introduction of the system, with the system being what was expected within a modern healthcare system whereby the ability to monitor patient flow throughout the Health Board, the ability to understand the risks being managed across the system and the ability to deploy resources in the most effective way being considered transformational. Mr Thomas believed that mitigating the costs in the first two years of the project was the challenge with future benefits being readily deliverable.

In response to a question from Mr Weir on the calculation of cost savings, Mr Henwood advised that there were currently a significant number of staff employed currently to manage patient flow and Mr Henwood believed that the process at present was inefficient.

Mrs Wilson advised that the Patient Flow and eObs Business Case had previously been considered by Executive Team with clinical executives fully supportive of the proposal and advised that Mr James Severs had seen a similar system in operation within an English Health Board and felt that the Health Board was behind other NHS organisations by not having a digital solution to manage patient flow. Mrs Wilson advised that the discussion at Executive Team had been the same as SRC regarding how the scheme would be funded with Mr Thomas and Mr Tracey asked to explore funding options or alternative funding sources. Mrs Wilson advised that the Chief Executive had asked for the Full Business Case to be presented to SRC so that pending funding sources being identified consideration to the project could be considered by the Board without delay.

**Decision:** The Sustainable Resources Committee SCRUTINISED and RECOMMEND onward approval of the Patient Flow and Electronic Observations Full Business Case to the Board, pending the successful resolution of a funding model to address the investment requirement in initial years until the savings begin to be realised through bridging funding.

**SRC(24)98**

**INFORMATION GOVERNANCE SUB-COMMITTEE UPATE AND ANNUAL REPORT**

The Information Governance Sub-Committee Update and Annual Report was presented to the Committee.

There were no questions from members of the Committee.

**Decision:** The Sustainable Resources Committee NOTED the Information Governance Sub-Committee Update Report and Annual Report.

**SRC(24)99**

**DIGITAL OVERSIGHT GROUP UPDATE AND ANNUAL REPORT**

The Digital Oversight Group Update and Annual Report was presented to the Committee.

There were no questions from members of the Committee.

**Decision:** The Sustainable Resources Committee NOTED the Digital Oversight Group Update Report and Annual Report.

**SRC(24)100**

**DIGITAL INCLUSION**

Mr Tracey presented the Digital Inclusion Update Report to the Committee.

There were no questions from members of the Committee.

**Decision:** The Sustainable Resources Committee:

- NOTED the content of the paper, and the work of the Digital Inclusion Team.
- RECEIVED ASSURANCE that the Digital Inclusion Programme continues to deliver the necessary improvement in digital literacy for both staff and patients.

**SRC(24)101                    INTEGRATED PERFORMANCE ASSURANCE REPORT (IPAR)**

The Month 4 2024/25 Integrated Performance Assurance Report (IPAR) was presented to the Committee for information.

There were no questions from members of the Committee.

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

**SRC(24)102                    ALL-WALES CAPITAL PROGRAMME 2024/25 CAPITAL RESOURCE LIMIT AND CAPITAL FINANCIAL MANAGEMENT UPDATE**

The Committee received the All-Wales Capital Programme 2024/25, Capital Resource Limit and Capital Financial Management Update.

There were no questions from members of the Committee.

**Decision:** The Sustainable Resources Committee:

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

**SRC(24)103                    QUARTERLY NWSSP PERFORMANCE REPORT (Q1 2024/25)**

The Committee received the Quarterly NHS Wales Shared Services Partnership (NWSSP) Performance Report for Quarter 1 2024/25.

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 1 2024/25 Wales that services provided are being delivered to expected standards; and NOTED the work being developed regarding outcome measures reporting.

**SRC(24)104**

**NHS CONFEDERATION REPORT: UNLEASHING HEALTH AND PROSPERITY THROUGHOUT BRITAIN**

Mr Thomas presented the NHS Confederation Report, 'Unleashing Health and Prosperity Throughout Britain' to the Committee and advised that HDdUHB was one of the organisations commended in the report.

There were no questions from members of the Committee.

**Decision:** The Sustainable Resources Committee NOTED the NHS Confederation Report, 'Unleashing Health and Prosperity Throughout Britain'.

**SRC(24)105**

**SUMMARY ENGAGEMENT REPORT: WELSH GOVERNMENT DRAFT BUDGET 2025-26**

Mr Thomas presented the Summary Engagement Report, 'Welsh Government Draft Budget 2025-26'.

There were no questions from members of the Committee.

**Decision:** The Sustainable Resources Committee NOTED the Summary Engagement Report, 'Welsh Government Draft Budget 2025-26'.

**SRC(24)106**

**WELSH VALUE IN HEALTH CENTRE ANNUAL REPORT 2023-24**

The Committee received the Welsh Value in Health Centre Annual Report 2023-24.

There were no questions from members of the Committee.

**Decision:** The Sustainable Resources Committee NOTED the Welsh Value in Health Centre Annual Report 2023-24.

**SRC(24)107**

**COMMITTEE WORK PLAN 2024/25**

The Committee reviewed the SRC Committee Work Plan 2024/25.

There were no questions from members of the Committee.

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

**SRC(24)108      ANY OTHER BUSINESS**

There was no other business transacted at the meeting.

**SRC(24)109      DATE OF NEXT MEETING**

The date of the next meeting of the SRC is on 22 October 2024.