

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

Date of Meeting: **9:30 AM, Tuesday 30 April 2024**

Venue: **Microsoft Teams Meeting**

Present: Winston Weir (Hywel Dda UHB - Independent Board Member)
Maynard Davies (Hywel Dda UHB - Independent Member)
Rhodri Evans (Hywel Dda UHB - Independent Member)
Judith Hardisty (Hywel Dda UHB - Interim Chair)
Michael Imperato (Hywel Dda UHB - Independent Board Member)
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 - Director of Operations)
Jill Paterson (Hywel Dda Health Board - Director of Primary Care, Community and Long Term Care)

In Attendance: Philip Kloer (Hywel Dda UHB - Interim Chief Executive)
Christopher Brown (Hywel Dda UHB - Clinical Director of Pharmacy & Medicines Management)
Sharon Daniel (Hywel Dda UHB - Interim Executive Director of Nursing, Quality & Patient Experience)
Lee Davies (Hywel Dda UHB - Executive Director of Strategy and Planning)
Anthony Tracey (Hywel Dda UHB - Digital Director)
Joanne Wilson (Hywel Dda UHB - Director of Corporate Governance/Board Secretary)
Shaun Ayres (Hywel Dda UHB - Deputy Director of Operational Planning and Commissioning)
Andrew Spratt (Hywel Dda UHB - Deputy Director of Finance)
Daniel L Warm (Hywel Dda UHB - Head of Planning)
Jennifer Thomas (Hywel Dda UHB - Senior Finance Business Partner (Accounting & Statutory and Reporting))
Carwen Jarman (Hywel Dda UHB - Senior Finance Business Partner (Unscheduled Care))
Sarah Welsby (Hywel Dda UHB - Business Partner - Planning & Major Projects)
John Jenkins (Hywel Dda UHB - Committee Services Officer)

Minutes Ref.	Item	Action
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GOVERNANCE

SRC(24)29	Welcome and Apologies
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The Chair, Mr Winston Weir, welcomed all to the meeting.

Apologies for absence were received from:

- Mr Mark Henwood, Interim Medical Director

SRC(24)30 Declaration of Interests

There were no declarations of interest.

SRC(24)31 Minutes from Sustainable Resources Committee Meeting held on 27 February 2024

The minutes of the Sustainable Resources Committee (SRC) meeting held on 27 February 2024 were reviewed and approved as an accurate record.

Decision: RESOLVED – that the minutes of the Sustainable Resources Committee meeting held on 27 February 2024 be APPROVED as an accurate record.

SRC(24)32 Table of Actions from Sustainable Resources Committee Meeting held on 27 February 2024

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

There was one outstanding action, SRC(24)15. The Committee was advised that the Terms of Reference of the Information Governance Sub-Committee has been updated to conform with the standard format of the Health Board's Terms of Reference.

The Committee were advised that as the Terms of Reference were approved at the 27 February 2024 meeting subject to this action, the action can be considered complete, and the Terms of Reference of the Information Governance Sub-Committee considered approved.

SRC(24)33 Sustainable Resources Committee Annual Report

Mr Weir presented the Draft SRC Annual Report 2023/24. Mrs Joanne Wilson advised that each of the Health Board's Committees were obligated under Standing Orders to produce an Annual Report which, should the Committee endorse would be presented to the Board for approval.

Mr Maynard Davies noted an error on the number of Planning Objectives (POs) aligned to the SRC within the Annual Report, noting that there were 5 POs aligned to SRC in 2023/24 and not the 11 POs as contained in the Draft Annual Report. The error was noted to be amended.

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Decision: The Committee ENDORSED the Sustainable Resources Committee Annual Report 2023/24 subject to the correction highlighted.

SRC(24)34

Sustainable Resources Committee Self-Assessment Outcome Report 2023/24

Mr Weir presented the SRC Self-Assessment Outcome Report for 2023/24. Mrs Wilson thanked all members of the Committee who took part in the self-assessment process, either through the digital assessment form or the SRC self-assessment workshop, the outcome of which has been the production of the Self-Assessment Outcome Report.

The report highlights where members of the Committee felt the Committee was working well, areas that are less good and where improvements could be made in 2024/25.

Mrs Wilson advised that following the feedback received from members, a meeting has been held with the Chair of the Committee, the Lead Executive and the Corporate Governance Team to explore how members felt the Committee could improve in the following year. The collective responses from all the Committees would form the basis of the Board Development programme and a Board Development Session in July 2024. Mr Huw Thomas advised that a reflection of the Committee's position in relation to matters related to Targeted Interventions (TI), the Structured Assessment provided by the Head of Internal Audit and the Committee's Work Plan, which would require to be updated following consideration of those factors.

In response to a question from Prof Kloer regarding the timescale to review the progress of the Self-Assessment process, Mrs Wilson advised that after 6 months an Update Report would be presented to SRC. Mrs Wilson wished to note the appreciation of the work of Mrs Christine Davies and the Organisational Development Team and Ms Charlotte Wilmshurst for their work on the self-assessment process.

CSO

Decision: The Committee agreed to ASSURE the Board of the effectiveness of the Sustainable Resources Committee Self-Assessment process.

Decision: The Committee CONSIDERED the outputs from the SRC Self-Assessment Workshop, and to AGREED the actions to be taken to improve its effectiveness.

FINANCE

SRC(24)35

Finance Report

Mr Huw Thomas presented the Finance Report for Month 12 2023/24 which outlined the draft unaudited end-of-year financial position against the Annual Plan.

Mr Thomas advised that the unaudited outturn position was a deficit of £65.8 million, below the anticipated £66m deficit but still above the £44.8m control total.

Mr Thomas reminded the Committee that part of the funding received from Welsh Government (WG) in 2023/24 was partially conditional on delivering the control total and advised that there may be implications for not reaching the control total although Mr Thomas advised that he was not aware of any suggestion that the funding will not be recurrent in 2024/25 but wished to note the risk of the funding not being provided.

Mr Thomas advised that the end-of-year position was after delivering savings of £30.8m through a combination of cash-releasing savings, productivity and run-rate reductions. Mr Thomas advised that an underspend of £32k is reported against the Health Board's Capital Resource Limit (CRL) and that the Health Board's cash position was broadly in balance and had not been overdrawn at any point despite a cash deficit being managed with WG support.

Regarding savings, Mr Thomas advised that there was a benefit from run-rate reduction and productivity with cash-releasing savings delivering the planned £19.5m plan requirement and of the additional £11.3m target control total, £7.4m were identified, although they were not able to be converted into credible and deliverable schemes.

Mr Andrew Spratt explained that the Health Board were £9.7m short of the revised savings plan, broadly half relating to savings delivery and half relating to cost bases in line with set budgets. Mr Spratt believed that the first six months of 2023/24 saw an exponential rise in costs with a determined effort in the last six months of 2023/24 by budget holders to contain those cost increases and reverse the increasing trend although it was insurmountable to recover all of the cost increases by the end of 2023/24.

Referring to the Key Analysis section of the report, Mr Spratt highlighted the rise in the cost of secondary care drugs expenditure with the trends continuing into 2024/25 partly due to cancer activity increasing significantly.

Mr Shaun Ayres joined the meeting.

Mr Spratt highlighted the Whole Time Equivalent (WTE) Agenda For Change staffing cost changes during 2023/24 and advised that Agenda For Change was the Health Board's workforce excluding the medical workforce. Mr Spratt advised that the

number of substantive staff has steadily increased driven by positive work with international nursing recruitment that has resulted in a reduction in the Health Board's agency staffing requirements although use of bank staff and overtime has increased in the last three months of 2023/24 and will be monitored by the Core Delivery Group (CDG).

Mr Spratt advised that the Health Board's medical locum expenditure was a concern given it had risen throughout 2023/24 so would be a focus of the work of the Value and Sustainability Group with the assumption that the current level of resources would be maintained and not increased further.

In response to a question on staffing numbers compared to pre-COVID pandemic from Mr Michael Imperato, Mr Spratt advised that there has been a 15% increase in non-medical workforce since March 2020, equating to an approximate additional 1,600 employees.

In response to a question from Mrs Sharon Daniel regarding the opportunity for the introduction of an electronic prescribing and medical administration (ePMA) system to result in efficiency savings in secondary care drug expenditure, Mr Thomas believed that the ePMA system would assist reduce waste and support with the reduction of harm and the inappropriate dispensing of medication but the increase in cost was primarily driven by inflationary pressures.

Mr Lee Davies joined the meeting.

In response to a question from Mrs Judith Hardisty regarding the increase in substantive staff recruitment not resulting in a reduction of the use of bank and nurse agency staff, Mr Thomas advised that there had been a significant increase in nurse staffing levels to meet the requirements of the Nurse Staffing Levels (Wales) Act and that an eRostering system was in place but there was an issue with rostering discipline. Mr Thomas believed that given the increase in substantive posts he would expect to see a reduction in bank, overtime and agency usage.

In response to a question from Mrs Hardisty regarding the number of medical staff and the spending on medical locums and the claim that the increase in medical locums was as a result of Junior Doctors being unable to prescribe, Mr Thomas advised that anecdotal information was received through business partnering feedback and the procurement of the eRostering system for medics will assist in providing data evidence. Mr Thomas also advised that there had been an increase in general support staff within the Health Board and that the introduction of digital systems should result in a reduction in administration and clerical staffing need. Mrs Daniel advised that rostering efficiency was an area being focused on.

Prof. Philip Kloer left the meeting.

Mr Thomas believed that capturing productivity was particularly challenging but wished to add a report on productivity linked to savings delivery to the Committee Work Plan at some stage. In response to a question from Mrs Delyth Raynsford regarding sickness levels and the levels of newly-qualified and inexperienced staff that increase demand on staffing levels, Mrs Daniel advised that she was not seeing an increase in sickness levels when reviewing nurse staffing levels however there was an increase in maternity leave and, regarding inexperienced staff, Ms Daniel advised that as a result of international nurse recruitment there was an increase in nurse staffing who were not necessarily inexperienced but inexperienced in the domestic Health Service which initially required additional support.

In response to a question from Mrs Eleanor Marks regarding bank, overtime and agency usage, Mr Thomas advised that measures were being undertaken to put in place the appropriate governance arrangements to oversee the levels with the Values and Sustainability Group chaired by the Director of Workforce and Organisational Development which will commence work in May 2024 and the Integrated Quality, Finance, Planning and Delivery Group (IQFPD) Chaired by the Director of Operations that will oversee the in-year performance matters in addition to the Escalation Framework to give an oversight into any areas of concern.

In response to a question from Mr Davies on medical locum expenditure, Mr Thomas believed that a Deep Dive into the medical locum position at the 25 June 2024 SRC meeting. Mr Thomas believed that there was still a high dependency on nursing agency usage within areas of the Health Board.

In response to a question from Mrs Hardisty regarding the allowance of 26.9% built into ward budgets for nurse staffing to cover sick leave, maternity and training not resulting in a reduction in bank nursing usage, Mr Carruthers advised that there was work needed to be implemented at a ward-level around efficient rostering and advised that there were still areas of the organisation that had significant workforce deficits and that despite recruitment there were still areas where there were gaps in staffing establishment. Mr Carruthers believed that there were challenges posed by the Nurse Staffing Levels (Wales) Act that restricted flexibility but believed that the current position was vastly improved compared to several years ago when agency usage was significantly higher and the increase in substantive staff recruitment was a positive improvement. Mr Carruthers believed that the improvements that have been made to date should not be overlooked. Mrs Daniel believed that the Stabilization Programme had seen the stabilisation of Glangwili Hospital (GGH) and Prince Philip Hospital (PPH) with the next

CSO

phase to cover Withybush Hospital (WGH) and Bronglais Hospital (BGH).

Mr Thomas believed that in addition to a Deep Dive into medical locum usage, a Deep Dive into workforce issues would be useful, either a broad report or specifically examining medical and nursing staffing given those are the two areas of greatest financial challenge.

In response to a question from Mr Weir regarding the Accountability Letter, Mr Thomas advised that the letter had been issued to Executive Directors in the existing operational structure for Executive Directors to cascade within their Directorate teams with any issues identified to be discussed at the 25 June 2024 SRC meeting.

It was agreed to advise the Board that the Committee had requested further Deep Dives into a workforce comparison of pre-COVID staffing levels to current levels, a Deep Dive into the medical workforce issues and a Deep Dive into the establishment space and discipline of nurse staffing rostering and staffing levels.

Decision: The Committee:

- NOTED FOR ASSURANCE the financial position as at Month 12.
- SCRUTINISED the areas that are exceeding their financial responsibilities and AGREED any work schedules for further meetings to provide deep dives.
- NOTED the cash management update.
- NOTED the Accountability Letter for 2024/25 delegated budgets.

SRC(24)36

Core Delivery Group and Financial Control Group Update

Mr Lee Davies presented the Core Delivery Group (CDG) and Financial Control Group (FCG) update to the Committee and advised that the CDG was in the process of transitioning to the new Executive structure and will be superseded by the Values and Sustainability Group.

Mr Lee Davies advised that the CDG has discussed the recruitment of Internationally Educated Nurses (IEN) to reduce the reliance on agency that has been implemented at WGH and a review of staffing levels within 25A areas of GGH and PPH with a decision to recruit into areas of vacancy without using international recruitment within the Accident and Emergency Department (A&E) at GGH and the Acute Medical Assessment Unit at PPH.

The Committee were advised that the programme of recruitment of IENs would release a cash saving of £2.08m from the 2025/26 year onwards with the recruitment of substantive nursing positions to replace agency nurses expected to realise £680k of savings. Mr Lee Davies advised that the Variable Pay Group was conducting a focus on the controls around nursing usage with the

use of RAG categorisation to indicate the status of each ward area in relation to their establishment and available staffing levels.

Mr Lee Davies advised that the FCG has been focusing on reviewing recruitment and had also reviewed procedures around room bookings, study leave and procurement controls to ensure that all opportunities are being taken to curtail any potential expenditure.

In response to a question from Mr Maynard Davies regarding the change in the Executive Structure, Mr Lee Davies advised that the Values and Sustainability Group would report to SRC in the same manner as the FCG reported.

Mr Lee Davies left the meeting.

Decision: The Committee NOTED FOR ASSURANCE the Core Delivery Group and Financial Control Group update.

SRC(24)37

Deep Dive: Savings Plan

Mr Thomas presented the Deep Dive into implementation of the Health Board's Annual Plan.

Mr Thomas highlighted the savings performance from 2023/24 and advised that the three categories of savings included savings against the original opening budget, which had a target for £19.6m savings and had delivered £15.0m of savings; productivity improvements that were planned to deliver £7.9m of savings and had delivered £7.3m of savings; and a run-rate reduction from the peak at the end of Q1 2023/24 which had delivered £7.7m of savings against planned savings of £8.6m.

Mr Thomas advised that £30m of savings had been delivered in 2023/24.

Mr Thomas believed that there were several areas of concern, such as Mental Health and Learning Disability (MHLD) Continuing Health Care (CHC) that did not deliver the planned savings although this was offset by Planned Care and a switch to biosimilars for wet age-related macular degeneration (AMD). Mr Thomas advised that the Accountability Letters have been issued to Executive Directors with discussions on the implications and the details required ahead of the responses to the Accountability Letters being agreed.

Mr Thomas advised that there was an active programme of savings for 2024/25 planned with £32.4m of savings required to meet the £64m deficit contained with the Financial Plan with a further £19.2m of savings required to deliver the WG Control Total target of a £44.8m deficit, resulting in the Health Board needing to

make £51.6m of savings in total to achieve the target Control Total.

In response to a question from Mr Weir around the challenge to make savings around the provision on Unscheduled Care at each of the four Health Board's acute sites, Mr Carruthers advised that the Unscheduled Care Directorates were under workforce-related pressures with the positive impact of recruitment offset by the costs of agency usage and variable pay coupled with the pressure of the demands of the service driving spend but advised that the savings plans were in a better position at the start of 2024/25 than the previous year with savings already being progressed ahead of schedule.

In relation to a question from Mr Weir regarding the ratings of savings aspirations for 2024/25, Mr Thomas advised that there were a number of upcoming meetings with Directorates to understand the budgets and the implications as part of the transitioning of savings schemes from the black category to red, amber or green following choices to be taken by Executive Directors and advised that the Values and Sustainability Group would have overall ownership of the Savings Plan with oversight of savings opportunities both relating to individual Directorates and pan-Health Board with the IQFPD Group having its own role in managing savings schemes within Directorates and thematic issues.

Mr Thomas believed that the trends during January to March 2024 have been positive with a dip in April 2024 as black-rated schemes were rejected for progress with Q1 of 2024/25 when the savings schemes within the Plan are de-risked and savings are fully identified.

In response to a question from Mrs Marks regarding the de-risking of the Savings Plan, Mr Thomas advised that the outcome of the de-risking of the elements of the Savings Plan would be reported back to SRC as part of the standard reporting cycle.

In response to a question from Mr Weir on the governance review of savings, Mrs Wilson advised that the governance review of savings that she had conducted, and the review conducted by Internal Audit and following a discussion with the Chair of the Audit and Risk Assurance Committee (ARAC) would confirm that the reports could be presented to the 27 August 2024 SRC meeting.

**JW/
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RE**

The Committee agreed to advise the Board of the progress of the Savings Plan and noted that there was further progress needed to be made.

Prof Christopher Brown joined the meeting.

Decision: The Committee NOTED the Deep Dive into the Savings Plan.

SRC(24)38

Deep Dive: Medicines Management

Prof Christopher Brown presented the Deep Dive into the financial implications of Medicines Management and the cost-containment strategy and the performance measures against the strategy. Prof Brown advised that the strategic drivers to achieving how the Directorate would achieve the aspirations of WG for the pharmacy workforce have been standardised into four strategic aims: Best use of technology for automation, digitalisation and data visualisation;

- Standardise and centralise across the Health Board the integration between Primary and Secondary Care;
- To allow the workforce to become advanced professional practice from 2026 with all pharmacists prescribing or prescribing upon graduation;
- To support communities to manage their own medicines, removing waste variations by focusing on health literacy to support patients with self-management.

Prof Brown advised that the plan was to professionalise the pharmacy back office to liberate clinicians into the front line of service delivery and ensuring that the service had the business and clinical intelligence to do so.

Prof Brown advised that the Medicines Management Directorate delivered an underspend of £687k underspend and a cash releasing savings of £1.3m and run-rate reduction savings of £1.5m as a result of improved value from the use of medicines being realised in 2023/24.

Prof Brown presented a series of comparative national benchmarks for the Health Board's performance in medicines management and gave the example of inhaler decarbonisation where the Health Board was performing significantly better than other Health Board's in Wales assisting the Health Board's decarbonisation strategy and delivering value-based medicines within the field of respiratory.

Prof Brown advised that the use of Tramadol within the Health Board was reducing in line with the Welsh average so was consequentially rated as 'Good' with the use of hypnotics and anxiolytics falling but below the Welsh average resulting in a rating of 'Improved'.

Prof Brown advised that the Health Board had made a significant reduction in the use of originated drugs and a best value switch to the more cost-effective biosimilar medicines.

Prof Brown highlighted an area of financial pressure around the production of chemotherapy with the Health Board having an ageing Aseptics facility at WGH where the Health Board have submitted a Business Case to WG to create an interim demountable facility to increase the facility's manufacturing capacity and reduce the use of higher-cost outsourcing to commercial suppliers.

In response to a question from Mr Weir regarding savings opportunities for 2024/25, Prof Brown advised that the Directorate had produced a programme of cost reduction schemes as a result of volume and procurement alternatives factored into the Medicines Financial Plan for 2024/25 while noting the volatility in the supply chain for medicines posed a challenge to procure the preferred option of medicines.

In response to a question from Mr Weir on the proposed new Aseptics facility, Prof Brown advised that the Business Case was highly developed and its delivery would enable the improved robustness of the service to produce medicines that could not be outsourced and would reduce the fragility of reliance on external suppliers and enable the targeting of high-cost/low-volume medicines to enable a reduction in revenue expenditure

In response to a question from Mr Imperato regarding the tracking of the aspirations articulated in the presentation, Prof Brown advised that four clinical leads from each of the Health Board's hospital sites and a lead from Primary Care have been assigned to a tracker to monitor the progress against 60 action points, which are a combination of short-term goals and long-term aspirations over a 5-year period resulting in a comprehensive review of how pharmaceutical services are delivered within the Health Board with a review of the outcome measures being presented to the Strategic Development and Operational Delivery Committee (SDODC) in August 2024.

In response to a question from Mr Maynard Davies on the reporting of biosimilar commissioning, Prof Brown advised that while it was possible to report data at an individual commissioning level, the manner in which data is reported by the various cost centres is currently used, however the introduction of ePMA will enable full reporting that currently does not capture paper-based prescribing where the digitalisation of prescribing would enable full business intelligence. Prof Brown also advised while current mechanisms in place can prevent unnecessary prescriptions, ePMA will add decisions support into the prescription process and allow for early intervention before a patient starts a therapy that is subsequently more difficult to undo.

In response to a question from Mr Maynard Davies regarding the timescale for the Transforming Access to Medicines (TrAMs) Programme, Prof Brown advised that he was unable to give a timescale for when the West Wales regional hub of the TrAMs

Programme that would service Hywel Dda University Health Board (HDdUHB) would be available with the regional hub in the South East being progressed first before work on the West Wales hub commences. The Committee resolved to alert the Board on the ability to progress a project that would benefit HDdUHB not being within the gift of the Health Board.

Decision: The Committee NOTED the Deep Dive into the financial aspects of medicines managements and the work to underpin core pharmacy service delivery by developing the concept of an access to medicines hub and to redesign service models and practices to meet Welsh Government recommendations.

SRC(24)39

Corporate Risk Report

Mr Daniel Warm joined the meeting.

Mr Thomas presented the Corporate Risk Report and advised that Risk 1642 (“Risk of Health Board not meeting statutory requirement to break even 23/24 due to significant deficit position”) was in the process of being re-written to reflect the new financial year and was awaiting approval at the next Formal Executive Team meeting and the new risk will be reported to the 25 June SRC meeting.

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”) that a Document Management System (DMS) is currently in the development stage with the next stage to move from the production environment to the live environment for electronic DMS (eDMS) that involves the transition of 4 million records in a significant scanning operation which, while not fully addressing the risk, provides a much improved response to the risk.

In response to a question from Mr Maynard Davies regarding the use of a records tracking system, Mr Thomas confirmed that a records tracking system was used and the eDMS enabled the tracking of records and enabled the availability of access to medical reports potentially to primary care in the future. Mr Thomas advised that the future challenge would be preventing the production of paper-based records such as the printing of requests and test results.

In response to a question from Mr Weir on Risk 1642 regarding the risk of not meeting the statutory requirement to break even, Mr Thomas confirmed that the risk was realised in 2023/24 and that the risk would be re-worded for 2024/25 to reflect that the risk was less about the risk of not meeting that statutory requirement to break-even but more the risk that the Health Board would not have sufficient cash until the end of the financial year.

Decision: The Committee NOTED the Corporate Risk Report.

SRC(24)40

Operational Risk Report

Mr Thomas presented the Operational Risk Report providing a summary of the risks across the organisation. In response to a question from Mr Weir regarding the scope of the proposed Deep Dives in addressing operational risks, Mr Thomas advised that the Committee was asked to seek assurance from the work of IQFPD in which the operational risks were allocated.

In response to a question from Mr Weir on areas of consideration for future Deep Dives, Mr Carruthers advised that although The Carmarthenshire Model had recently been scrutinised by SRC, given its importance would benefit from further scrutiny. Mr Carruthers also suggested Mental Health and Learning Disability (HMLD) with a focus on the service's non-recurrent savings position. Mr Carruthers also suggested that although The Pembrokeshire Model had recently been considered by the Committee, the Ceredigion Model would be a useful area in which to undertake a Deep Dive and would mean that all three Counties had been examined.

Mr Thomas advised that consideration needed to be made of the purpose of the Committee, whether it should be receiving assurance from Directorates of concern or whether the Committee should focus on thematic areas of concern, such as workforce. Mr Thomas advised that he would present a Work Plan to the next meeting for the Committee's consideration.

HT/AC

Decision: The Committee:

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

SRC(24)41

Procurement Update

Mr Thomas presented the Procurement Update to the Committee and advised that there were three items of procurement that required Board approval as they have each have a cumulative contract value in excess of £1m over the term of the contract.

- Provision of Dental Services for Hendy Gwyn, Haverfordwest and Carmarthen
- All Wales Fuel Cards
- All Wales Gluten Free Subsidy Card Scheme

Mr Thomas advised that in relation to the All Wales Gluten Free Subsidy Card Scheme, this was a policy issue that the Health

Board should provide a subsidy on gluten-free products and advised that there was an on-going debate on whether the NHS should continue to provide this subsidy given how widespread the availability of gluten-free products has become but given that the policy was extant that this approach of providing access to gluten-free products was preferable to the previous approach of providing the products on prescription.

In response to a question from Mr Maynard Davies regarding the unit price of dental activity being provided within the tender, Ms Jill Paterson advised that the price was based on an all-Wales average and was considered reasonable to secure tenders given that the Health Board have been successful in securing tenders previously and anticipated achieving contracts for this tender with the 10-year length of the contract being attractive to prospective contractors.

Decision: The Committee:

- APPROVED to proceed to commence the tender for the Provision of Dental Services for Hendy Gwyn, Haverfordwest and Carmarthen listed above to provide services from 1 December 2024 to 30 November 2029 or with an extension to 30 November 2034, for onwards submission to Board and Welsh Government for approval.
- APPROVED the award of the All-Wales Fuel Cards from 1 July 2024 to 30 June 2028 for onwards submission to Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) Public Board and Welsh Government for approval.
- APPROVED the award of the All-Wales Gluten Free Subsidy Cards Scheme from 1 July 2024 to 30 June 2028, for onwards submission to Board, Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) Public Board and Welsh Government for approval.

SRC(24)42

Healthcare Contracting and Commissioning Financial Update

Mr Shaun Ayres presented the Healthcare Contracting and Commissioning Financial Update to the Committee.

Mr Ayres advised that HDdUHB has issued a formal challenge to Velindre Cancer Centre (VCC) to advise that the Health Board cannot support the proposed rebasing adjustments of the contracting arrangements between the two parties based on three grounds of objections of inconsistent baselines and time periods, a lack of opportunity to realise a reduction in resources and a failure to adhere to commissioning principles.

Mr Ayres also advised that there was a focus on the Long-Term Arrangements (LTA) for Orthopaedic and Spinal elective and daycare activity at Swansea Bay University Health Board (SBUHB) where there is an on-going disagreement around the commissioning agreement with Mr Ayres believing that a cost and

volume arrangement is not appropriate and contrary to the spirit of regional recovery and working.

Mr Ayres highlighted the increase in the number of Intensive Therapy Unit (ITU) bed days being utilised at SBUHB, especially within General Surgery and Cardiology and advised that the number of patients had only risen by three in 2023/24, the number of bed days utilised had doubled.

In response to a question from Mr Weir relating to the budget for ITU bed days, Mr Ayres advised that HDdUHB continue to budget for the contractual framework or the activity assumptions within the contract, which is for 1,100 bed days although 2023/24 saw a spike to 1,900 bed days.

In response to a question from Mr Weir on the uplift to the contracts, Mr Ayres advised that the 3.67% uplift is applied to the contracts that does not include any pay award that is applied separately and that the 3.67% uplift was allocated to Health Boards on the basis of inflationary and demand pressures and considered reasonable.

In response to a question from Mr Maynard Davies regarding the change to the VCC core contract, Mr Ayres advised that HDdUHB have seen a reduction from 1.49% to 0.4% of VCC's activity and that the maximum exposure HDdUHB should have is between £300k and £400k with the savings being between £500k and £800k.

Mr Ayres advised that the next step in the escalation process would be for a Directors of Finance Forum discussion with any formal escalation if the contracts going to the Chief Executives which, if still unresolved, would be considered by a formal arbitration.

In response to a question from Mr Imperato regarding the seeking of legal advice before considering formal arbitration, Mr Ayres advised that there was no legal framework between Health Boards with arbitration governed by WG.

In response to a question from Mr Weir regarding whether HDdUHB had considered other options to commissioning Dual Energy X-Ray Absorptiometry (DEXA) Scanning, Mr Ayres advised that there was a DEXA scanning at BGH but the capital outlay of providing a mobile unit and the workforce constraints around conducting and reading the scans was a restriction on considering an alternative approach. Mr Ayres also advised there were concerns around the timeliness of reports being received from SBUHB for DEXA scans with the full report from the DEXA scan, as opposed to just the technical report, being received within 8 weeks with some reports falling outside the 8-week window. Mr Ayres advised that whereas there should be no disaggregation of Health Board's patients, in DEXA scanning

there seemed to be separate lists for SBUHB and HDdUHB patients.

In response to a question from Mrs Raynsford regarding inequity for HDdUHB patients and reporting of the DEXA scanning waiting times, Mr Ayres advised that an update is provided to the Quality, Safety and Experience Committee (QSEC) and that the concern around the 8 week wait for DEXA scan reports was very intermittent.

In response to a question from Mrs Marks regarding the cessation of the LTA for non-drug allergy service provided by Cardiff and Vale University Health Board (CVUHB), that due to the lack of availability of immunologists meant that Bristol or Birmingham was the closest it was realistically considered to procure a service for the Health Board's population and that digital solutions would be explored to minimise the inconvenience of HDdUHB patients having to travel for treatment.

In response to a question from Mrs Marks regarding the aim of the renegotiation of the contract with VCC, Mr Ayres advised that it was not the intention of HDdUHB to withdraw from the contract, just to make an allocational adjustment in line with the Health Board's activity.

The Committee agreed that it had received assurance on all matters relating to healthcare contracting and commissioning but wished to alert the Board to the challenge of sourcing an allergy (non-drug) service, given the cessation of provision from CVUHB and the inability to source an alternative arrangement.

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

SRC(24)43

Decarbonisation Task Force Group Update Report and Annual Report

The Committee considered the Decarbonisation Task Force Group (DTFG) Update Report and Annual Report and were advised that the Decarbonisation Programme had undergone an internal audit between October 2023 and February 2024 and the final version of the audit report was received in February 2024 with the DTFG agreeing a series of management actions based on the recommendations received in the report.

The DTFG could only offer limited assurance to the SRC, primarily due to the uncertainty of funding and the lack of a fully costed delivery plan.

The Committee were presented with a Briefing Note on the Climate Change responsibilities for HDdUHB and were advised

that the Executive Lead for the broader climate change agenda was the Director of Public Health.

The Committee received the DTFG Annual Report for 2023/24. The Committee was asked to approve the updated procedures relating to the Health Board's Car Pool usage procedures for users and administration that had been updated in line with HDdUHB's review milestones. Each procedure had been reviewed, amended and an Equality Impact Assessment completed and approved. Both policies had been considered in line with the Health Board's governance process via the Transport and Sustainable Travel Group and Decarbonisation Task Force Group. No issues were highlighted from either forum in respect of either policy.

Decision: • APPROVED the following procedures:

- o 479 Central Pool Car Scheme User Procedure
- o 480 Central Pool Car Scheme Admin Procedure

Decision: • GAINED ASSURANCE from the Decarbonisation Task Force Group Annual Report for 2023/24

Decision: The Committee:

- NOTED the Decarbonisation Task Force Group Update Report
- NOTED the Climate Change Briefing

SRC(24)44

Planning Objectives Update Report and 2023/24 Closure Report

Mr Daniel Warm presented the Planning Objectives Update Report and 2023/24 Closure Report to the Committee.

In response to a question from Mr Maynard Davies regarding the funding and capacity of the Health Pathways, Mr Thomas advised that the Health Pathways funding provided was non-recurrent however there was a possibility that the Evergreen Funding within Value Based Healthcare that could be utilised to fund the continuation of the work of Health Pathways. Mr Thomas undertook to discuss with the Director of Operations and the Interim Medical Director and advise the Committee of the outcome of the discussions.

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Decision: The Committee is RECEIVED ASSURANCE on the current position in regard to the progress of the Planning Objectives aligned to the Sustainable Resources Committee, in order to onwardly assure the Board where Planning Objectives are progressing and are on target, and to raise any concerns where Planning Objectives are identified as behind in their status and/or not achieving against their key deliverables.

SRC(24)45

Financial Procedures

Mr Thomas presented the Financial Procedures report to the Committee and advised that while there are no procedures to be presented to SRC for approval, the review date for two procedures

relating to Budgetary Controls and Custody of Safe Keys were prior to April 2024 but owing to resource constraints have not been reviewed. They will be presented to the SRC for approval at the June 2024 meeting.

Decision: The Committee APPROVED an extension to the review date of the following procedures:

- FP 65 Budgetary Control
- FP 87 Custody of Safe Keys

DIGITAL

SRC(24)46 Information Governance Sub-Committee Update Report

Mr Anthony Tracey presented the Information Governance Sub-Committee (IGSC) Update Report to the Committee.

No questions were raised by the Committee.

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

SRC(24)47 Digital Oversight Group Update Report

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

In response to a question from Mr Weir regarding the Group not supporting the Business Case for the Clinical Care Coordination Platform, Mr Tracey advised that while clinical colleagues were disappointed by the decision of the Digital Oversight Group they were aware of the forthcoming Business Case on Patient Flow.

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

FOR INFORMATION

SRC(24)48 Integrated Performance Assurance Report (IPAR)

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

No questions were raised by the Committee.

Decision: The Committee CONSIDERED the SRC measures from the Integrated Performance Assurance Report

SRC(24)49

All-Wales Capital Programme 2024/25 Capital Resource Limit and Capital Financial Management Update

Ms Sarah Welsby presented the All-Wales Capital Programme 2023/24, Capital Resource Limit (CRL) and the Capital Financial Management Update to the Committee.

Ms Welsby advised that the Capital Resource Limit was £32k underspent with the aim of the Health Board not to overspend against its capital resource limit.

In response to a question from Mrs Marks regarding any underspent capital funds being returned to WG, Mr Thomas confirmed that the underspend was very minor and emphasised the target is not to overspend.

Decision: The Committee:

- NOTED the draft year end outturn against the CRL for 2023/24
- NOTED the capital risks being managed into 2024/25
- NOTED the project updates.

SRC(24)50

Value Based Healthcare Update

The Committee were presented with an NHS Confederation report Collaborate to Innovate that referenced the work undertaken by HDdUHB.

The Committee agreed to highlight the report to the Board to give assurance of to the work of Value Based Health Care.

Decision: The Committee NOTED the NHS Confederation Collaborate to Innovate report.

SRC(24)51

Committee Work Programme 2024/25

There were no questions from members of the Committee.

Decision: The Committee:

- NOTED the Committee Work Plans for 2024/25

SRC(24)52

MATTERS FOR ESCALATION TO BOARD

Mr Thomas summarised the key topics discussed during the meeting for inclusion in the Sustainable Resources Committee Update Report to Board.

Finance Report – to escalate to the Board the Committee's concerns around the financial position for the current financial year and the level of expenditure carrying over from the previous financial year and noting the deterioration in the medical locum costs and general workforce costs, with a particular concern

around rostering and nursing establishment control. The Committee also wished to highlight concern around the development and delivery of savings plans for 2024/25.

Medicines Management – the Committee received assurance over the work of medicines management.

Healthcare Contracting and Commissioning – to raise concerns around healthcare contracting and the relationship with other Welsh health organisations.

Decision: The Committee NOTED the key topics discussed during the meeting for inclusion in the Sustainable Resources Committee Update Report to the next Public Board meeting.

SRC(24)53

ANY OTHER BUSINESS

No other business was raised.

SRC(24)54

DATE OF NEXT MEETING

25 June 2024; 09:30 - 12:30