



**PWYLLGOR ADNODDAU CYNALIADWY
SUSTAINABLE RESOURCES COMMITTEE**

DYDDIAD Y CYFARFOD: DATE OF MEETING:	27 August 2024
TEITL YR ADRODDIAD: TITLE OF REPORT:	Sustainable Resources Committee (SRC) Terms of Reference
CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:	Winston Weir, Chair, SRC
SWYDDOG ADRODD: REPORTING OFFICER:	Joanne Wilson, Director of Corporate Governance/Board Secretary

Pwrpas yr Adroddiad (dewiswch fel yn addas)

Purpose of the Report (select as appropriate)

Ar Gyfer Penderfyniad/For Decision

ADRODDIAD SCAA

SBAR REPORT

Sefyllfa / Situation

The purpose of this paper is to ensure that the Sustainable Resources Committee has clear terms of reference which detail its purpose, boundaries, role, composition and operating arrangements.

According to its terms of reference, the Committee must review its terms of reference and operating arrangements on at least an annual basis to ensure they remain fit for purpose. These must be subsequently approved by the Board and will form part of the Health Board's Standing Orders.

Cefndir / Background

The Sustainable Resources Committee has been established as a Committee of the Hywel Dda University Health Board (HDdUHB) and constituted from 1 August 2021.

The Committee last reviewed its terms of reference and operating arrangements in June 2023, and these were subsequently approved by the Board, as part of Standing Orders, on 27 July 2023.

Asesiad / Assessment

The Sustainable Resources Committee terms of reference and operating arrangements (Appendix 1) have been reviewed and some changes and amendments have been made, following the recent Committee Self-Assessment workshop and [Outcome Report](#) presented to the Committee in April 2024. The Committee name and frequency of meetings will be considered by the new Chair when he reviews the health board governance structure over the next few months.

Changes are clearly marked on **Appendix 1** and relate to the following:

Section	What has changed?	Why?
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<i>(previous reference in italics)</i>		
2.1	Purpose - New section inserted	The 5 areas relating to finance domain, and the required elements for de-escalation, outlined in the Targeted intervention Escalation Framework, have been included as the Committee is responsible for seeking assurance on the delivery of these on behalf of the Board.
2.2 (2.1)	Purpose - Section amended	Section has been amended following discussion at the Committee self-assessment workshop to make specific reference that the Committee is responsible for seeking assurance on in-year and medium to long term financial performance and delivery, and the impacts of financial issues on service delivery, quality and patient experience.
2.3	Purpose - New section inserted	Section has been added following discussion at the Committee self-assessment workshop in respect of the Committee seeking assurance that financial systems are robustly embedded.
2.4 (2.2)	Purpose - Section amended	Section amended to include 'aligned to the Committee' and change to appendix reference.
2.5 (2.3)	Purpose - Section removed	Section relating to the scrutiny and oversight of financial and revenue consequences of capital investment planning and significant business cases has been removed as this will be undertaken at the Strategic Development and Operational Delivery Committee. The financial report will include any revenue implications, ie added cost pressures, of capital expenditure.
2.7 (2.5)	Purpose - Section amended	Section amended to include 'expenditure'.
2.8 (2.6)	Purpose - Section amended	<p>Section relating to reviewing contractual performance with significant commissioning partners has been changed to better reflect SRC's responsibilities following previous discussions that this responsibility should be transferred to the Strategic Planning and Operational Delivery Committee.</p> <p>The SRC will maintain oversight of the financial implications and performance of long-term agreements, while the SDODC will steer the strategic direction and planning priorities for commissioning. The two committees will work collaboratively, with the SDODC informing commissioning strategy and the SRC monitoring the financial delivery and contractual performance of commissioned services.</p>

2.9 (2.7)	Purpose - Section amended	Section amended to remove reference to principal risks within the Board Assurance Framework (as these are reported direct to Board) and include reference to the Committee's responsibility to see assurance on the management of operational risks on Directorate Risk Registers.
3.1 – 3.5	Key Responsibilities – Sections added	Section 3.1 amended and 4 sections added to improve the read-across from the Purpose section to the Key responsibilities Section and the Committee Workplan.
3.7 (3.3)	Key Responsibilities - Section removed	Section removed as already covered in new sections.
3.8 (3.4)	Key Responsibilities - Section amended	Section amended to include reference to 'key financial risks' including 'risks against the delivery of Health Board financial targets'.
3.9 (3.5)	Key Responsibilities - Section amended	Section amended to 'Scrutinise major procurements plans and tenders, and provide assurance to the Board as part of its approval process'.
3.14 (3.10)	Key Responsibilities - Section removed	Section removed as repeating section 3.5.
4.2	In attendance membership - addition	A Clinical Executive Director has been included in the 'In-attendance' membership following discussion at the Committee self-assessment workshop.
5.1	Quorum and Attendance	Quorum amended to include the Director of Finance and a Clinical Executive Director.
10.3.2	Reporting - Section amended	Agile Digital Business Group has been changed to the Digital Oversight Group
App 1	Section added	Targeted Intervention areas relating to financial intervention and focus and de-escalation criteria added.
App 2	Section added	Planning Objectives for 2024/25 aligned to the Committee have been added.

Numbering will be updated following Board Approval.

Argymhelliad / Recommendation

To approve the Sustainable Resources Committee's Terms of Reference for onward ratification by the Board on 28 September 2024.

Amcanion: (rhaid cwblhau)
Objectives: (must be completed)

Committee ToR Reference: Cyfeirnod Cylch Gorchwyl y Pwyllgor:	12.1 These terms of reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board.
Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality Quality and Engagement Act (sharepoint.com)	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: Quality and Engagement Act (sharepoint.com)	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	Not Applicable
Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022	10. Not Applicable

Gwybodaeth Ychwanegol: Further Information:

Ar sail tystiolaeth: Evidence Base:	Targeted Intervention Escalation Framework Annual Plan 2024/25
Rhestr Termau: Glossary of Terms:	Contained within body of the report.
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Pwyllgor Adnoddau Cynaliadwy: Parties / Committees consulted prior to Sustainable Resources Committee:	Sustainable Resources Committee Chair and Executive Lead Director of Corporate Governance/Board Secretary

Effaith: (rhaid cwblhau) Impact: (must be completed)

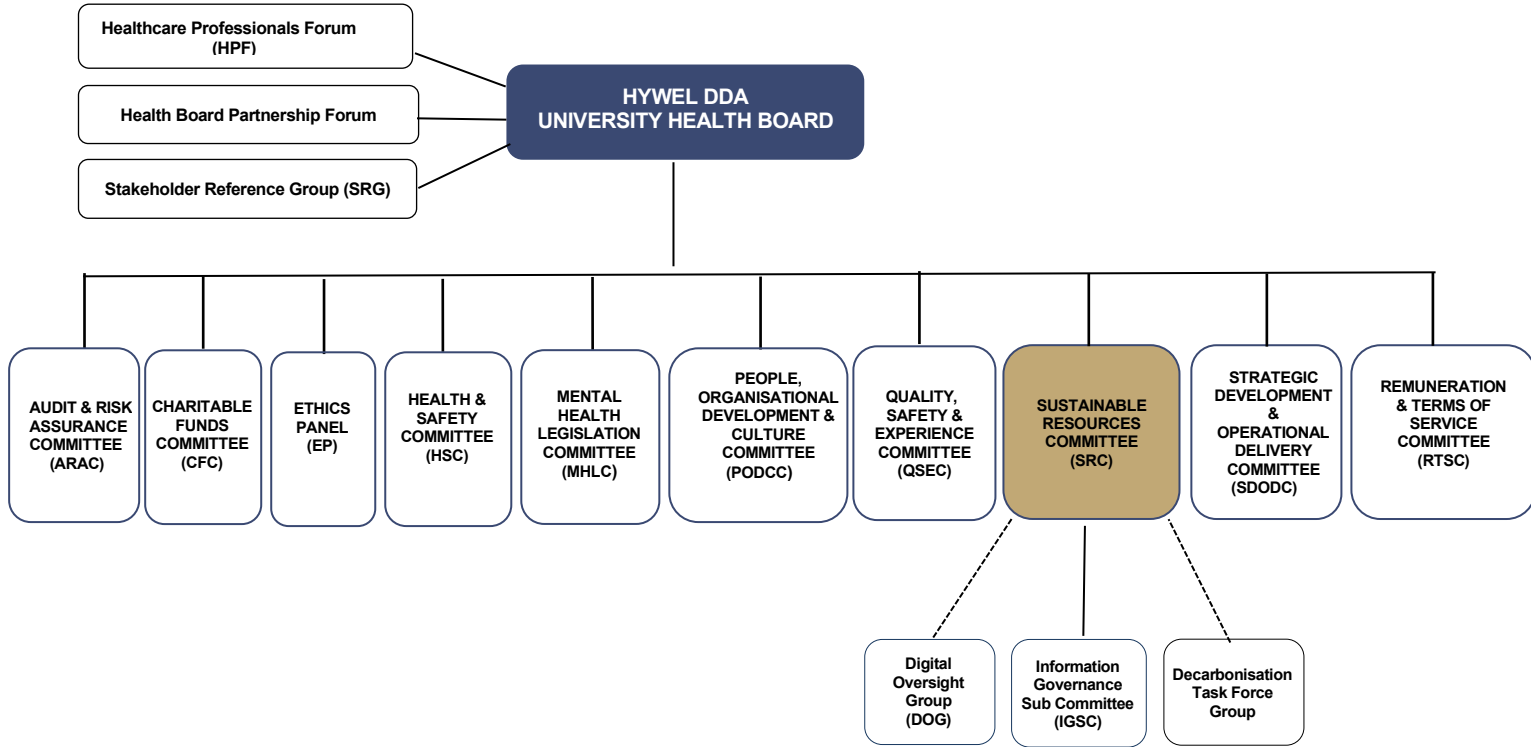
Ariannol / Gwerth am Arian: Financial / Service:	Not Applicable
Ansawdd / Gofal Claf: Quality / Patient Care:	Not Applicable

Gweithlu: Workforce:	Not Applicable
Risg: Risk:	Not Applicable
Cyfreithiol: Legal:	Not Applicable
Enw Da: Reputational:	Not Applicable
Gyfrinachedd: Privacy:	Not Applicable
Cydraddoldeb: Equality:	Not Applicable



GIG
CYMRU
NHS
WALES

Bwrdd Iechyd Prifysgol
Hywel Dda
University Health Board



SUSTAINABLE RESOURCES COMMITTEE

TERMS OF REFERENCE

Version	Issued To	Date	Comments
V1	Hywel Dda University Health Board	29.07.2021	Approved
V2	Sustainable Resources Committee	28.06.2022	Approved
V2	Hywel Dda University Health Board	28.07.2022	Approved
V3	Sustainable Resources Committee	27.06.2023	Approved
V3	Hywel Dda University Health Board	27.07.2023	Approved
V4	Sustainable Resources Committee	19.12.2023	Approved
V5	Sustainable Resources Committee	27.08.2024	For approval

SUSTAINABLE RESOURCES COMMITTEE

1. Constitution

- 1.1 The Sustainable Resources Committee (the Committee) has been established as a Committee of the Hywel Dda University Health Board (HDdUHB) and constituted from 1 August 2021.

2. Purpose

The purpose of the Sustainable Resources Committee is:

- 2.1 Receive assurance on delivery against the five areas of targeted intervention, and the required elements for de-escalation, related to finance (see Appendix 1 for information):
- i. Financial governance and control environment
 - ii. Understanding the existing deficit and key drivers
 - iii. Development and realisation of opportunities
 - iv. Clear financial plan and strategy
 - v. Delivery of Plan
- 2.2 Provide assurance on financial performance and delivery against Health Board financial plans and objectives and, on financial control, give early warning of potential performance issues, making recommendations for action to continuously improve the financial position of the organisation, focusing in detail on the financial impact of in-year and medium-long term plans, impact of financial issues on service delivery, quality and patient experience, specific issues where financial performance is showing deterioration or there are areas of concern.
- 2.3 Receive assurance that financial systems are robustly embedded.
- 2.4 To receive an assurance on delivery against all relevant Planning Objectives aligned to the Committee, falling in the main under Strategic Objective 6 Sustainable Use of Resources (See Appendix 2), in accordance with the Board approved timescales, as set out in the Health Board's Annual Plan.
- 2.5 ~~To scrutinise and provide oversight of financial and revenue consequences of capital investment planning and significant business cases (both short term and in relation to longer term sustainability).~~
- 2.6 Review financial performance, review any areas of financial concern, and report to the Board.
- 2.7 Conduct detailed scrutiny of all aspects of financial performance, the financial implications of significant revenue expenditure (all those over £1million requiring Board approval), business cases, projects, and proposed investment decisions on behalf of the Board.

- 2.8 ~~Regularly review contractual performance with significant commissioning partners (requiring Board approval as stated in the Scheme of Delegation).~~ **Oversee the reporting and monitoring of contracts with providers such as Swansea Bay and Cardiff and Vale, focusing on financial performance, over and under performance, and providing regular financial updates.**
- 2.9 ~~Seek assurance on the management of principal risks within the Board Assurance Framework (BAF) and Corporate Risk Register (CRR)~~ **and Directorate Risk Registers** allocated to the Committee and provide assurance to the Board that risks are being managed effectively and report any areas of significant concern e.g. where risk tolerance is exceeded, lack of timely action.
- 2.10 Recommend acceptance of risks that cannot be brought within the Health Board's risk appetite/tolerance to the Board through the Committee Update Report.
- 2.11 Receive assurance through Sub-Committee Update Reports and other management/task & finish group reports that risks relating to their areas are being effectively managed across the whole of the Health Board's activities (including for hosted services and through partnerships and Joint Committees as appropriate).

3. Key Responsibilities

The Sustainable Resources Committee shall:

- 3.1 **Receive assurances on the financial governance and control environment in operation across the Health Board. This will be achieved a programme of deep dive reviews into the following themes, which mirror the national Value and Sustainability Board:**
 - 3.1.1 **Workforce**
 - 3.1.2 **Non-pay and procurement**
 - 3.1.3 **Medicines value and sustainability**
 - 3.1.4 **Commissioned care**
 - 3.1.5 **Clinical variation and service configuration**
- 3.2 **Receive an understanding of the existing deficit and key drivers. This will be achieved through scrutiny of an annually refreshed report on the drivers of the deficit.**
- 3.3 **Receive assurances over the development and realisation of opportunities. This will be achieved through scrutiny of the bi-monthly savings and opportunities report to the Committee.**
- 3.4 **Receive assurances over the development of a clear financial plan and strategy. This will be achieved through scrutiny of a medium term financial recovery plan which demonstrates clear alignment into the in-year financial plan.**
- 3.5 **Receive assurances over the delivery of the financial plan. This will be achieved through scrutiny of the monthly finance report. This report shall ensure clarity in:**
 - 3.5.1 **The reporting of monthly, year to date and forecast financial position alongside operational drivers;**
 - 3.5.2 **Performance against the savings requirement;**

3.5.3 Performance against other financial metrics, such as cash management, capital management and Public Sector Payment Policy.

- ~~3.1 Undertake detailed scrutiny of the organisation's overall:~~
- ~~• Monthly, quarterly and year to date financial performance;~~
 - ~~• Performance against the Savings Delivery and the Cost Improvement Programme providing assurance on performance against the Capital Resource Limit and cash flow forecasts.~~
- 3.6 Seek assurance on delivery against all Planning Objectives aligned to the Committee (see Appendix 2), considering and scrutinising the plans, including the medium term financial plans, savings plans and decarbonisation plans, that are developed and implemented, supporting and endorsing these as appropriate.
- ~~3.7 Receive assurances in respect of performance against annual budgets, capital plans and the Cost Improvement Programme and innovation and productivity plans.~~
- 3.8 Maintain oversight of, and obtaining assurances on, **key financial risks. This includes risks against the delivery of Health Board financial targets**, the robustness of key income sources and contractual safeguards.
- 3.9 **Scrutinise** Review major procurements **plans** and tenders, ~~such as outsourcing, in relation to achieving Referral to Treatment targets.~~, **and provide assurance to the Board as part of its approval process.**
- 3.10 Commission regular reviews of key contracts, suppliers and partners to ensure they continue to deliver value for money.
- 3.11 Provide assurance to the Board that arrangements for information governance are robust.
- 3.12 Receive reports relating to the Health Board's Digital Programme to ensure benefits realisation from the investment made.
- 3.13 Review any investment/ disinvestment strategy, including Procurement and Contracting Strategy, maintaining oversight of the investments and disinvestments, ensuring compliance with policies by:
- Establishing the overall methodology, processes and controls which govern investments and disinvestments, including the prioritisation of decisions;
 - Ensuring that robust processes are followed; and
 - Evaluating, scrutinising and monitoring subsequent investments/ disinvestments.
- ~~3.14 Oversee the development and implementation of a financial management improvement agenda across the organisation.~~
- 3.15 Subject to the Board's direction and approval, develop and regularly review the financial performance management framework and reporting approach, ensuring that it includes meaningful, appropriate, integrated and timely performance data and clear commentary relating to the totality of the services for which the Board is responsible.

- 3.16 Seek assurances on the requirements arising from the Health Board's regulators, Welsh Government and professional bodies.
- 3.17 Review and approve financial procedures on behalf of the Health Board.
- 3.18 Review and approve the annual work plans for any Sub-Committee which has delegated responsibility from the Sustainable Resources Committee and oversee delivery.
- 3.19 Approve policies within the scope of the Committee.
- 3.20 Agree issues to be escalated to the Board with recommendations for action.

4. Membership

4.1 Formal membership of the Committee shall comprise of the following:

Member
Independent Member (Chair)
Independent Member (Vice Chair)
3 x Independent Members

4.2 The following should attend Committee meetings:

In Attendance
Director of Finance
Chief Operating Officer
Director of Primary Care, Community & Long Term Care
A Clinical Executive Director
Other Lead Executives to be invited to attend for relevant Planning Objectives aligned to the Committee or relevant agenda items.

4.3 Membership of the Committee will be reviewed on an annual basis.

5. Quorum and Attendance

- 5.1 A quorum shall consist of no less than three of the membership and must include as a minimum the Chair or Vice Chair of the Committee, and two other Independent Member(s), together with a third of the In Attendance members, **which must include the Director of Finance and a Clinical Executive Director.**
- 5.2 The membership of the Committee shall be determined by the Board, based on the recommendation of the Health Board Chair, taking into account the balance of skills and expertise necessary to deliver the Committee's remit, and subject to any specific requirements or directions made by the Welsh Government.
- 5.3 Any senior officer of the Health Board or partner organisation may, where appropriate, be invited to attend, for either all or part of a meeting to assist with discussions on a particular matter.

- 5.4 The Committee may also co-opt additional independent external 'experts' from outside the organisation to provide specialist skills.
- 5.5 Should any officer member be unavailable to attend, they may nominate a deputy with full voting rights to attend in their place, subject to the agreement of the Chair.
- 5.6 The Chair of the Health Board reserves the right to attend any of the Committee's meetings as an ex officio member.
- 5.7 The Head of Internal Audit shall have unrestricted and confidential access to the Chair of the Sustainable Resources Committee.
- 5.8 The Committee can arrange to meet with Internal Audit and External Audit (and, as appropriate, nominated representatives of Healthcare Inspectorate Wales), without the presence of officers, as required.
- 5.9 The Chair of the Sustainable Resources Committee shall have reasonable access to Executive Directors and other relevant senior staff.
- 5.10 The Committee may ask any or all of those who normally attend but who are not members to withdraw to facilitate open and frank discussion of particular matters.

6. Agenda and Papers

- 6.1 The Committee Secretary is to hold an agenda setting meeting with the Chair and/or Vice Chair and the Lead Director (Director of Finance), at least **six** weeks before the meeting date.
- 6.2 The agenda will be based around the Committee work plan, identified risks, matters arising from previous meetings, issues emerging throughout the year, and requests from Committee members. Following approval, the agenda and timetable for request of papers will be circulated to all Committee members.
- 6.3 All papers must be approved by the Lead/relevant Director.
- 6.4 The agenda and papers will be distributed **seven** days in advance of the meeting.
- 6.5 A draft Table of Actions will be issued within **two** days of the meeting. The minutes and Table of Actions will be circulated to the Lead Director within **seven** days to check the accuracy, prior to sending to Members (including the Committee Chair) to review within the next **seven** days.
- 6.6 Members must forward amendments to the Committee Secretary within the next **seven** days. The Committee Secretary will then forward the final version to the Committee Chair for approval.

7. In Committee

- 7.1 The Committee can operate with an In Committee function to receive updates on the

management of sensitive and/or confidential information.

8. Frequency of Meetings

- 8.1 The Committee will meet bi-monthly and shall agree an annual schedule of meetings. Any additional meetings will be arranged as determined by the Chair of the Committee in discussion with the Lead Executive.
- 8.2 The Chair of the Committee, in discussion with the Committee Secretary, shall determine the time and the place of meetings of the Committee and procedures of such meetings.

9. Accountability, Responsibility and Authority

- 9.1 Although, as set out within these terms of reference, the Board has delegated authority to the Committee for the exercise of certain functions, it retains overall responsibility and accountability for ensuring the quality and safety of healthcare for its citizens, through the effective governance of the organisation.
- 9.2 The Committee is directly accountable to the Board for its performance in exercising the functions set out in these terms of reference.
- 9.3 The Committee shall embed the Health Board's vision, corporate standards, priorities and requirements, e.g. equality and human rights, through the conduct of its business.
- 9.4 The requirements for the conduct of business as set out in the Health Board's Standing Orders are equally applicable to the operation of the Committee.

10. Reporting

- 10.1 The Committee, through its Chair and members, shall work closely with the Board's other Committees, including joint/sub committees and groups, to provide advice and assurance to the Board through the:
 - 10.1.1 joint planning and co-ordination of Board and Committee business;
 - 10.1.2 sharing of information.
- 10.2 In doing so, the Committee shall contribute to the integration of good governance across the organisation, ensuring that all sources of assurance are incorporated into the Board's overall risk and assurance framework.
- 10.3 The Committee may establish sub-committees or working/task and finish groups to carry out on its behalf specific aspects of Committee business. The Committee will receive an update following each sub-committee or working/task and finish group meeting detailing the business undertaken on its behalf. The Sub-Committee reporting to this Committee is the:
 - 10.3.1 Information Governance Sub-Committee
 - 10.3.2 ~~Agile Digital Business Group~~ Digital Oversight Group
 - 10.3.3 Decarbonisation Task Force Group

- 10.4 The Committee Chair, supported by the Committee Secretary, shall:
- 10.4.1 Report formally, regularly and on a timely basis to the Board on the Committee's activities. This includes the submission of a Committee update report, as well as the presentation of an annual report within six weeks of the end of the financial year.
 - 10.4.2 Bring to the Board's specific attention any significant matters under consideration by the Committee.
 - 10.4.3 Ensure appropriate escalation arrangements are in place to alert the Health Board Chair, Chief Executive or Chairs of other relevant Committees, of any urgent/critical matters that may compromise patient care and affect the operation and/or reputation of the Health Board.
- 10.5 The Director of Corporate Governance/Board Secretary, on behalf of the Board, shall oversee a process of regular and rigorous self-assessment and evaluation of the Committee's performance and operation, including that of any sub committees established.

11. Secretarial Support

- 11.1 The Committee Secretary shall be determined by the Director of Corporate Governance/Board Secretary.

12. Review Date

- 12.1 These terms of reference and operating arrangements shall be reviewed on at least an annual basis by the Committee for approval by the Board.

Appendix 1 – Targeted Intervention areas relating to financial intervention and focus

The **finance intervention and focus** whilst in targeted intervention covers the following five areas and the health board will be required to action and demonstrate areas as highlighted below:

1. Financial governance and control environment

- The financial governance framework at the health board is robust in both design and implementation, including a self-assessment against best practice frameworks.
- The financial committee structure is clearly articulated and addresses key risks.
- Financial reports and supplementary presentations include the analysis and narrative explanation required to enable management and board to discharge their duties.
- Financial controls at the health board are robust in both design and implementation, including a self-assessment against model frameworks, review implementation of the Standing Financial Instructions, internal audit reviews or other control reviews.
- The finance function has the necessary capacity and capability to support the needs of the wider organisation.
- Budget holders and managers are held to account for delivering their financial plans.
- That as a result of the above, it has developed and is delivering an action plan to improve the financial governance and financial control environment.

2. Understanding the existing deficit and key drivers

- There is a clear understanding of the cost drivers and investment decisions responsible for the growth in deficit across the organisation, including an explicit breakdown by key service area and cost driver.
- It has reviewed prior year investments to assess whether the planned benefits have been delivered.
- Has a robust process for challenging underlying deficits reported at local divisional levels.
- The drivers and investment decisions responsible for the growth in workforce are well understood; are reviewed for ongoing value; and are monitored through the Integrated Performance Report.
- The integrated performance reports clearly identify and monitor metrics against key activity cost drivers;
- That as a result of the above there are triangulated approaches to identify and deliver actions to improve efficiency and maximise the use of resources.

3. Development and realisation of opportunities

- Has a clear process and approach across the organisation to support the identification, delivery and monitoring of all savings schemes.
- Development of a comprehensive opportunities framework with a constant pipeline of opportunities, and establish clear roles and responsibilities for developing opportunities into saving schemes and subsequent delivery of these saving schemes.
- Is translating national opportunities identified through the Value and Sustainability Board into local savings.
- Has clear policies and processes in place to enable budget holders and managers to realise and deliver identified savings schemes.
- Value based health care principles have been embedded across the organisation.

4. Clear financial plan and strategy

- An integrated and triangulated plan, with clear and realistic planning assumptions to deliver a (recurrent) breakeven position over the medium-term, with a clear roadmap and key milestones for delivery.
- A clear engagement plan to communicate the necessity for financial improvement across the organisation.

5. Delivery of Plan

- It is delivering clear improvement in the planned financial trajectory for 2024/25 (i.e. significant progress towards delivery of the Target Control Total), including further progress around identification and delivery of recurring opportunities.

De-escalation criteria for finance

1. The health board must demonstrate that there are robust financial governance and robust financial control environment in place with risks minimised.
2. Substantial progress to be made in delivering the targeted intervention action plan including actions to improve the organisation's understanding of the existing deficit and key drivers and development and realisation of opportunities.
3. Annual plan developed with board approval demonstrating a substantial financial improvement trajectory to deliver as a minimum the target control total.

Appendix 2 Sustainable Resources Committee Planning Objectives 2023/24

Planning Objective		Lead	Class
2	Financial recovery and route map	Director of Finance	Statutory duty
9	Digital plan	Director of Finance	Critical enabler