

<b>Enw'r Pwyllgor / Name of Committee</b>	Sustainable Resources Committee
<b>Cadeirydd y Pwyllgor/ Chair of Committee:</b>	Mr Winston Weir
<b>Cyfnod Adrodd/ Reporting Period:</b>	Meeting held on 28 <sup>th</sup> October 2021
<b>Y Penderfyniadau a'r Materion a Ystyriodd y Pwyllgor / Key Decisions and Matters Considered by the Committee:</b>	
<p>The Sustainable Resources Committee has a role to advise the Board on all aspects of Finance and the revenue implications of investment decisions. In addition, the Sustainable Resources Committee provides assurance on financial performance and delivery against HDdUHB financial plans and objectives, and receives assurance on progress against delivery of the Planning Objectives aligned to the Committee. With regard to financial control, the Committee provides early warning of potential financial performance issues and makes recommendations for action to improve the financial position of the organisation.</p> <p>This report summarises the work of the Sustainable Resources Committee at its meeting held on 28<sup>th</sup> October 2021.</p> <ul style="list-style-type: none"> <li> <b>Finance Report and Financial Forecast Month 6</b> – the Committee received the Month 6 (M6) 2021/22 Finance Report, outlining the Health Board's financial position to the end of the financial year against the Interim Annual Plan, and providing an analysis of key drivers of the in-month position. The Committee was advised of the Health Board's Financial Plan to deliver a deficit of £25m following recognition of non-recurrent Welsh Government (WG) funding of £32.4m to offset the underlying position brought forward after savings of £16.1m. The Committee noted that before recognising the COVID-19 WG funding in-month, the Month 6 variance is £4.9m deficit. The Committee noted that the in-year delivery of the planned deficit is now considered low risk. However, there is a likely deterioration in the underlying deficit from £57.4m in 2020/21 to £68.9m in 2021/22 if further recurrent savings schemes of £11.5m are not identified in-year. The additional costs incurred in Month 6 due to the impact of the COVID-19 pandemic is £5.7m (Month 5, £4.2m). Costs associated with the Public Health Mass Vaccination centres increased due to additional Nurse capacity requirement to support the roll out of the booster programme, and drug expenditure in relation to the catch up vaccination programme for children. The Committee noted the cost reductions of dental contractual payments, resulting in six months' worth of payments affecting the Month 6 position. The Committee also noted the receipt of Elective Recovery funding of £21.2m and received confirmation that the Health Board will not be required to return any remaining monies to WG. Discussions would be held internally on how this funding could be used to make core capacity more resilient. The Committee recognised the need for a degree of creativity on how the money is spent, focusing on planned care recovery, acknowledging that the key challenge is the non-recurrent nature of the funding which will need to be spent by March 2022. The Committee noted the next steps within the report regarding the ongoing work with policy leads in respect of Elective Recovery Plans and engagement with partner organisations to develop plans to address the issues within the Primary Care and Social Care sectors, whilst working with operational </li> </ul>	

teams to develop robust and deliverable recurrent saving schemes in line with the Health Board's Strategy and roadmap to financial sustainability.

- **Social Value and Carbon Reporting** – the Committee received the Social Value and Carbon Reporting update, highlighting the progress made against the Health Board's planning objective 6H regarding HDdUHB's carbon footprint and opportunities for local sourcing in support of the foundational economy. The Committee noted that WG has set a requirement for all public sector organisations to complete a carbon baseline to estimate the net carbon footprint for Wales. HDdUHB's baseline position is currently being compiled and will be submitted to WG by 31<sup>st</sup> October 2021. An analysis of these assessments will be utilised to inform the Health Board's ambition and vision moving forward and it is anticipated that this vision will be documented within a strategy, with an action plan for delivery of this vision developed. In terms of social value, the first piece of work to come to fruition will be an understanding across all geographical wards and across all Well Being and Future Generations Act goals to develop a deprivation needs analysis to enable county teams to respond to the planning and delivery of services close to population needs. The next piece of work will entail a review of the Health Board's Procurement Strategy, which is anticipated to be completed by the end of December 2021 to guide plans for next year and the medium term. The Committee welcomed the fact that the Health Board is working in conjunction with Aberystwyth University, Powys Teaching Health Board and Betsi Cadwaladr University Health Board on an Institute for Rural Healthcare Economics, which will contribute to innovative thinking in addition to supporting the development of metrics to report, measure and plan services. In relation to carbon reporting, the Committee noted that WG has published a reporting guide, which the Health Board responded to by 29<sup>th</sup> October 2021. The Committee also noted that the supply chain is the biggest carbon contributor for the Health Board and HDdUHB's approach to measuring carbon within the supply chain has been identified by NHS Wales Shared Services Partnership (NWSSP) as an area of good practice for adoption nationally.
- **SRC Annual Work Programme 2021/22** – the Committee received the revised Sustainable Resources Committee Annual Work Programme 2021/21, reflecting the Committee's new Terms of Reference and its aligned Planning Objectives.
- **Digital Inclusion** – the Committee received the Digital Inclusion report, providing an overview of the Digital Communities Wales (DCW) Programme, established by WG in 2019 to support organisations across Wales to embed digital inclusion in their day to day practices and incorporate digital inclusion activities into their strategic plans. It was noted that organisations are required to demonstrate their commitment to the digital inclusion programme and objectives by signing a pledge and producing an action plan to work towards the delivery of interconnected missions to enable digital inclusion; equipping people with the motivation, access, skills, and confidence to engage with an increasingly digital world, based on their needs. The Committee acknowledged the requirement to work in partnership with its three local authorities to address the recognised lack of connectivity. The Committee received assurance that specific planning objectives would be developed in relation to this programme for inclusion within the Health Board's Integrated Medium Term Plan (IMTP). The Committee supported the recommendation that HDdUHB commits and signs up to the Digital

Inclusion Pledge and establishes a programme around Digital Inclusivity. The Committee also supported the recommendation that the Senior Responsible Officer (SRO) for the Digital Inclusion Plan is HDdUHB's Digital Director, and that delivery of the action plan will be in partnership with Health Board directorates.

- **Information Governance Sub-Committee Update Report** – the Committee received the Information Governance Sub-Committee (IGSC) Report, providing an update on items discussed at its meeting held on 12<sup>th</sup> October 2021. The Committee noted that clinical coding performance of 72% is below the 95% target requirement, and received assurance that performance is being monitored prior to the implementation of an improvement plan, together with the recent appointment of a number of clinical coding trainees. The Committee requested the development of a business case to ensure that the Health Board's managed GP Practices are compliant with the Information Governance Toolkit. The Committee also requested updates to be provided within future IGSC update reports regarding the current concerns over external storage facilities. The Committee approved the revised IGSC Terms of Reference.
- **Cyber Security (Update on Risk 451)** – the Committee received the Cyber Security (Update on Risk 451) report noting that a security assessment for HDdUHB had been undertaken in January 2018, resulting in the publication of a local HDdUHB summary report, the NHS Wales External Security Assessment - HDdUHB Report and Improvement Plan. Since then, the Health Board's Digital Team has been working with Digital Health and Care Wales (DHCW) to enact the action plan to provide assurances to the Health Board that, in the event of further cyber-attacks, HDdUHB and the wider NHS in Wales would be secure. The Committee received assurance that a risk assessment has been developed for the resilience of networks within the Health Board, which has identified a number of risks and vulnerabilities that are currently being worked through to improve cyber security and assess current compliance against the regulations. The Committee agreed the closure of Risk 451 and the creation of a new risk to recognise the wider implications of cyber security.
- **Finance Corporate Risks** – the Committee received the Finance Corporate Risks report and agreed the closure of Risk 451: *Cyber Security Breach*, to be replaced with a new risk (as above). The Committee also agreed to review the risk and mitigating actions for Risk 1163: *Risk to the delivery of the Health Board's draft interim Financial Plan for 2021/22 of a £25.0m deficit*, due to a reversal in the nature of the risk in terms of a forecast underspend rather than an overspend.
- **Finance Operational Risks** – the Committee received the Finance Operational Risks report, providing detail on the 13 risks scored against the Finance impact domain. Discussions were held on those Directorates that had been flagged as not achieving their financial targets and the Committee received assurance from the Director of Operations and the Director of Primary Care, Community and Long Term Care regarding the controls and mitigating actions in place.
- **Balance Sheet Analysis** - the Committee received, for information, a report detailing the Health Board's Balance Sheet position as at Quarter 2 2021/22 (Month 6), together with the monthly scrutiny of the Balance Sheet and further

developments. The Committee discussed the increase in medical negligence claims costs by £16m as a result of four recent claims and raised concern as to the availability of intelligence suggesting similar large shifts in provision over the next few months. However, the Committee was advised that the position is in line with trends seen across the other home nations. The Committee noted the Health Board's risk share from the Welsh Risk Pool and were advised that in light of the current climate, NHS Shared Services Partnership (NWSSP) is looking to increase this by an additional £12m for the next financial year, which would provide HDdUHB with an additional £1.5m share. It was further noted that the situation is likely to be an increasing trend for this year and next.

- **Integrated Performance Assurance Report (IPAR)** – the Committee received the Integrated Performance Assurance Report (IPAR), detailing all measures relating to the *Safe, Sustainable, Accessible and Kind Care* strategic objective. For the SRC, these include measures relating to Finance, Individual Patient Funding Requests and Continuing Health Care. The Committee noted the special cause concerning variation for agency spend and variable pay due to current high vacancies, absence cover and continued pressures in emergency departments across the four acute sites.
- **Assurance on Planning Objectives Aligned to SRC** – the Committee received the Assurance on Planning Objectives Aligned to SRC report, mapping the progress made to date and future actions required to deliver against each of the Finance Planning Objectives (PO) aligned to the Sustainable Resources Committee. It was noted that the Committee is slightly behind on reporting against PO 6I (*By September 2021, propose new Planning Objectives to establish locality resource allocations covering the whole health budget (and social care where agreed with partners) and test innovative approaches to driving the shift of activity from secondary care settings to primary and community care. Additional aims will be to ensure secondary care thrives in doing only what it can do, shifts are based on the needs and assets of the local population, and localities progressively close the gap between budget and target resource allocation*) and 6J (*To develop, by 30 September 2021, a plan to deliver £16m of recurrent savings based on opportunities for technical and allocative efficiencies across the Health Board's budgets. The savings will need to be deliverable on a pro rata basis by the end of the financial year to ensure that the underlying deficit does not further deteriorate. This will be based on the Health Board's developing opportunities framework and developed in conjunction with budget managers across the organisation*) and welcomed the attendance of the Medical Director and Director of Strategic Development and Operational Planning to a future meeting to provide assurance to the Committee. In light of queries regarding the progress of PO 6H: *to undertake a full analysis of the Health Board's supply chain in light of the COVID-19 pandemic*, the Committee received assurance that a workshop would be held on 21<sup>st</sup> December 2021 with the aim of providing assurance regarding the medium term strategy on delivering the improvements required.
- **Business Case Process** – the Committee received the Business Case Process report, outlining the new structure for the scrutiny and approval of business cases via the Health Board's Use of Resources Group, which reports directly to Executive Team. The Committee received assurance that business cases would

be presented to the Sustainable Resources Committee for assurance prior to presentation to Board for approval. The Committee also received the Use of Resources Group's Terms of Reference for information.

- **Use of Consultancy Financial Procedure** – the Committee received and approved the Use of Consultancy Financial Procedure, developed as a result of a recommendation from an Internal Audit report to introduce a clear procedure on the use of consultancy.
- **Healthcare Contracting, Commissioning and Outsourcing Update** – the Committee received the Healthcare Contracting, Commissioning and Outsourcing Update report for information, identifying the principles underpinning the all Wales Long Term Agreement (LTA) block arrangements, which have been drafted to provide financial and quality assurances to both providers and commissioners.
- **Update from Agile Digital Business Group** – the Committee received the Update from Agile Digital Business Group report for information, providing an update on items discussed at its meeting held on 20<sup>th</sup> September 2021.
- **Update on All-Wales Capital Programme: 2021/22 Capital Resource Limit and Capital Financial Management** – the Committee received the Update on All-Wales Capital Programme: 2021/22 Capital Resource Limit and Capital Financial Management report, providing details of the Health Board's Capital Expenditure Plan and Expenditure Profile Forecast for 2021/22, the Capital Resource Limit (CRL) for 2021/22, and an update regarding capital projects and financial risks. The Committee received assurance that there are currently no financial and/or revenue implications of concern for the Sustainable Resources Committee.
- **Home Based Care Service Workforce** – the Committee received the Home Based Care Service Workforce report, to provide assurance to the Committee on the financial implications of the decision taken by the Health Board's Executive Team/Gold Strategic Group at its meeting on 8<sup>th</sup> September 2021 to extend the existing Bridging Service, in order that it can provide bridging support to all patients awaiting domiciliary care up to the point when an appropriate package of care becomes available or 31<sup>st</sup> March 2022 (whichever is sooner). The report presented the workforce requirements put forward to extend the service with their indicative financial implications for each county. The Committee received assurance from the report to proceed with the decision-making process undertaken and the risks to be managed during the coming months.

**Materion y mae angen Ystyriaeth neu Gymeradwyaeth Lefel y Bwrdd ar eu cyfer / Matters Requiring Board Level Consideration or Approval:**

No issues requiring Board level consideration or approval were raised.

**Risgiau Allweddol a Materion Pryder /  
Key Risks and Issues/ Matters of Concern:**

- Finance Report and Financial Forecast M6 2021/22 - the position for the remainder of 2021/22 and the risk of undershooting against the deficit position as a result of the planned care recovery actions not keeping pace with the funding allocated.
- Digital Inclusion - positive news of the Health Board's sign up to the Digital Inclusion Charter.
- Cyber Security (Update on Risk 451) - the work ongoing to address the Cyber Security risk and the Committee's agreement to the closure of Risk 451 to be replaced with a new risk.
- Integrated Performance Assurance Report – to note the special cause concerning variation for agency spend and variable pay.

**Busnes Cynlluniedig y Pwyllgor ar gyfer y Cyfnod Adrodd Nesaf /  
Planned Committee Business for the Next Reporting Period:**

**Adrodd yn y Dyfodol / Future Reporting:**

In addition to the standing agenda items, the December 2021 Sustainable Resources Committee meeting will include discussion on items relating to Digital Inclusion, Cyber Security, Value Based Health Care (VBHC) and Decarbonisation. A workshop to focus on Social Value will be held following the meeting.

**Dyddiad y Cyfarfod Nesaf / Date of Next Meeting:**

21<sup>st</sup> December 2021