

Enw'r Pwyllgor / Name of Committee	Sustainable Resources Committee
Cadeirydd y Pwyllgor/ Chair of Committee:	Mr Winston Weir, Independent Member
Cyfnod Adrodd/ Reporting Period:	Meeting held on 21 st December 2021
Y Penderfyniadau a'r Materion a Ystyriodd y Pwyllgor / Key Decisions and Matters Considered by the Committee:	
<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 21st December 2021.</p> <ul style="list-style-type: none"> Finance Report and Financial Forecast Month 8, 2021/22 – the Committee received the Month 8 (M8) 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. The Committee was informed that the Health Board is requesting strategic cash assistance for 2021/22 of £16m, which represents the current forecast deficit of £25m, reduced by £9m due to management of year end creditors. The Committee noted that before recognising the COVID-19 WG funding in-month, the Month 8 variance is £5.3m deficit. The Committee further noted that the in-year delivery of the planned deficit is now considered low risk, recognising that the Health Board has limited the risk of any significant increase in workforce expenditure given the current restricted supply. Savings this year have been achieved, largely on a non-recurrent basis. However, there is a 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. The additional costs incurred in M8 due to the impact of the COVID-19 pandemic is £4.9m (M7, £4.0m). The primary reason for the increase in COVID-19 expenditure from M7 is due to the acceleration in the delivery of the Health Board's Elective Recovery plans (£0.5m) and a step in Local Authority expenditure in respect of the Tracing programme (£0.2m). The Committee received assurance on achievement of the £25m deficit position by year end due to the fact that the system is operating at full capacity and therefore the associated ability to spend is limited. Healthcare Contracting, Commissioning and Outsourcing Update – the Committee received the Healthcare Contracting, Commissioning and Outsourcing Update report, identifying that the Year to Date (YTD) financial 	

delivery is £1,066m relating to outsourced activity, with the majority of expenditure attributed to Ophthalmology Services under HDdUHB's previous contract with Werndale Hospital. The Committee received assurance that daily meetings are being held between HDdUHB and the independent sector providers to understand the position and to increase the level of patient activity over the coming weeks and months. The Committee noted that the availability of capacity has become extremely challenging, predominately due to limited overall independent sector capacity. This limited supply is being met with unprecedented demand from other Health Boards, Clinical Commissioning Groups (CCGs) and NHS Trusts. Consequently, a governance process has been developed as ratified by the Board at its meeting on 25th November 2021.

- **Finance Corporate Risks** – the Committee received the Finance Corporate Risks report and noted the replacement of Risk 1163, *Risk to the delivery of the Health Board's draft interim Financial Plan for 2021/22 of a £25.0m deficit*, by Risk 1296, *Risk that the Health Board will not deliver a financial out-turn position in line with our original plan of £25m deficit* and Risk 1297, *Risk that the Health Board's underlying deficit will increase to level not addressed by additional medium term funding*. Discussion was held on the potential to explore the rephrasing of corporate risks aligned to the Committee to place reliance on those Executive Directors responsible for delivery against their plans. It was agreed that further clarity within the risk narrative regarding what is classed as a planning risk and what is classed as a delivery risk would be beneficial.
- **Finance Operational Risks** – the Committee received the Finance Operational Risks report, providing detail on the 10 risks scored against the Finance impact domain and their updated scores. The Committee received assurance from the report in terms of good governance and transparency of where the risks lie by site, directorate, and county area. The Committee received further assurance that the Audit and Risk Assurance Committee (ARAC) is sighted on all risks to ensure the effective triangulation of all risk areas.
- **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. The Committee discussed the 3 Planning Objectives that reflect the advancement of Value Based Health Care (VBHC) under the responsibility of the Medical Director, which include PO 6D: 6E: 6F:. The Committee received assurance on the progress made against their delivery and further assurance with a workshop focusing on Social Value subsequently held following the Committee meeting.
- **Value Based Health Care Update** – the Committee received the Value Based Healthcare (VBHC) Update report and presentation, outlining the Health Board's implementation of a VBHC programme and implementation of the tools and support to capture Patient Reported Outcome Measures (PROMs) and Patient Reported Experience Measures (PREMs). The

Committee noted the Health Board's success in running two unique case-based education programmes in partnership with Swansea University, representing the first VBHC courses undertaken by a health board. The Committee was advised that an additional course will be held in Spring 2022 in partnership with Powys Teaching Health Board and Betsi Cadwaladr University Health Board (BCUHB) with a focus on diabetes care within a rural setting. With regard to research and innovation, the Committee was informed of collaborations with Bangor and Aberystwyth Universities, in addition to the formation of the Health Board's TriTech Institute. The Committee also received *Our Approach to Value Based Health Care*, which sets out the Health Board's plan for the next 3 years. The Committee was advised of the challenges to the delivery of the plan, which include the effectiveness of digital platforms and data flow, the analytical capability of the data, challenging existing ways of thinking about innovative service remodelling, and workforce constraints in terms of appointing staff and the realignment of resources. The Committee received assurance that engagement with clinicians has been wide-spread with education programmes well attended by multi-professional clinicians and managers.

- **Financial Plan Development Update** – the Committee received the Financial Plan Development Update report and presentation, outlining the Health Board's Integrated Medium Term Plan (IMTP) that is currently under construction, covering the three-year period 2022/25. The Committee noted the progress being made against the IMTP 2022-25 and received assurance that a further update would be provided to the Committee at its meeting on 23rd February 2022.
- **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 3rd December 2021. The Committee was pleased to note that Clinical Coding performance has exceeded the 95% WG target requirement, standing at 96.7% as at 21st December 2021. The Committee also noted that a review is currently being undertaken with external providers of Corporate and Records Management storage across the Health Board and received assurance that this will continue to be reported to Committee via the IGSC Update Report. In relation to Cyber Security and Network and Information Systems (NIS) Directive, the Committee was informed that a group of the Sub-Committee will be established to address the recommendations following the Network and Information Systems Regulation Cyber Assessment Framework, and received assurance that the Health Board is considered secure against the recent cyber-attack on the NHS. The Committee ratified the Freedom of Information and Environmental Information Regulation Policy approved by the Sub-Committee.
- **Update from Agile Digital Business Group** – the Committee received a verbal update from the Agile Digital Business Group meeting held on 20th December 2021, including the aim to develop a Hywel Dda Health Applications Library in conjunction with clinical teams and ORCHA, a company that provides safe, accredited, compliant, and trusted digital health libraries for health and care professionals to accurately prescribe to patients.

The Committee received assurance that this work will provide reassurance on the health applications that are available for patients to use.

- **Financial Procedure** – the Committee received and approved the following financial procedures:

- 06/01 Purchase to Pay Procedures
- 06/05 Construction Industry Scheme
- 10/05 Identification and Charging for Overseas Visitors for NHS Treatment
- 10/06 Treatment of Private Patients, Control of Admission and Collection of Income
- 11/05 Property Found on Hywel Dda Premises
- 16/02 Provision of Hospitality
- 699 Single Tender Action

The Committee also approved the six month extension to the review dates of the following financial procedures, whilst a full review is undertaken:

- 095 Sponsorship by the Private Sector
- 068 Payment of Pharmacy Invoices
- 070 Hospital Travel Cost Scheme
- 072 Submission of Information to Payroll

- **Strategic Cash Assistance** – the Committee approved the request for Strategic Cash Support for 2021/22 of £16m prior to onward ratification by the Board in January 2022.
- **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 Committee had concerns regarding the anticipated year end CRL standing at £32.7m, noting that current expenditure to date is £11.3m, which would require the Health Board to spend a further £21.4m by year end.
- **Ministerial Directions** – the Committee received the Ministerial Directions report and received assurance that all Ministerial Directions issued by WG between 30th July 2021 and 30th November 2021 have been implemented/adopted by HDdUHB or are in the process of being implemented.
- **Procurement Initiatives** – the Committee received the Procurement Initiatives report identifying that procurement services are currently under-invested, however an additional £200,000 has been secured from NHS Wales Shared Services Partnership (NWSSP) to assist with further opportunities for the next IMTP round. The Committee welcomed the positive reporting with regard to the Foundational Economy and Decarbonisation initiatives, including the awarding of contracts for solar panels, electric vehicles, and air heat source pumps, which contribute to the Health Board's decarbonisation strategies.

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

- **Strategic Cash Assistance** – the Board is requested to ratify the Committee’s approval of the request for Strategic Cash Support for 2021/22 of £16m from WG.

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

- **Finance Report and Financial Forecast Month 8, 2021/22** - . Savings this year have been achieved, largely on a non-recurrent basis. However, there is a 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
- **Financial Plan Development Update** - The scale of the challenge going into the next IMTP round and the significant change required, necessitating the Committee’s confidence in the Health Board’s ability to plan and deliver this change. This will be the subject of broader discussion at the February 2022 Committee meeting.

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 items scheduled to be reviewed as part of the Committee’s work programme, following up progress of the various actions identified at the previous Committee meeting will be undertaken.

Dyddiad y Cyfarfod Nesaf / Date of Next Meeting:

23rd February 2022, 9.30am – 12.30pm