

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 23 rd February 2022
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 23rd February 2022.</p> <ul style="list-style-type: none"> • NHS Wales Shared Services Partnership (NWSSP) Plan Briefing and Feedback - the Committee received a presentation from NWSSP which included a summary of the services provided by NWSSP, the organisation's strategic objectives, their Integrated Medium Term Plan (IMTP) for 2022-25 and its approach to social value. The Committee received positive assurance from the presentation by NWSSP regarding partnership working, foundational economy opportunities to support the Health Board, and employment initiatives in South West Wales. • SRC Self-Assessment 2020/21 Action Plan – the Committee received the SRC Self-Assessment 2020/21 Action Plan report providing assurance that any actions from the SRC Self-Assessment 2020/21 are being progressed within the agreed timescales. The Committee recognised the benefit of inviting other directors and managers to attend Committee meetings, as and when required, to enable learning/continuous improvement rather than for inquisition. The Committee further recognised that this approach, in addition to the reintroduction of deep dives on the Committee agenda, would facilitate a better understanding of service delivery challenges. • Finance Report and Financial Forecast Month 10, 2021/22 – the Committee received the Month 10 (M10) 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 that, following guidance from Welsh Government (WG) to recognise £32.4m of non-recurrent funding, the deficit for the year has been reduced from £57.4m to £25m. The Committee noted that, before recognising the COVID-19 WG funding in-month, the M10 variance to breakeven is £9.4m. The additional costs incurred in M8 due to the impact of the COVID-19 pandemic is £9.3m (Month 9, £6.8m). The Committee was 	

informed that the primary reason for the increase in COVID-19 expenditure from Month 9 is due to acceleration in the delivery of the Health Board's Elective Recovery Plans (£1.0m) and the purchase of infusion pumps as part of the Elective Recovery Plan strategic investments (£1.4m). Therefore, the M10 Health Board financial position is an overspend of £0.1m against a deficit plan of £2.1m, after utilising £9.3m of WG funding for COVID-19, having offset cost reductions recognised due to reduced operational activity levels. The Committee received assurance that there is no change to the Health Board's deficit position and there are no areas of significant concern. In relation to the savings target of £16m and the identification of recurrent savings going into 2022/23, the Committee was advised that the Health Board will be carrying forward a challenge of £11m into 2022/23, with delivery of £4.3m recurrent savings for 2021/22. The importance of service transformation in order to address the current financial issues was reiterated, and the Committee looked forward to a discussion on these initiatives at future meetings.

- **Finance Corporate Risks** – the Committee received the Finance Corporate Risks report and noted the addition of Risk 1335 *Risk of being unable to access patient records, at the correct time and place in order to make the right clinical decisions* as a new risk. The Committee received assurance that mitigating actions have been implemented, including acceleration of the digitisation of the document management system and the outsourcing of scanning of inactive records. The Committee noted that the classification of Risk 1296 *Risk that the Health Board will not deliver a financial out-turn position in line with our original plan of £25m deficit*, has changed from Red to Green since the publication of the Finance Corporate Risk report due to the fact that the delivery of Planned Care has now accelerated and therefore the risk has been mitigated. The Committee was advised that in relation to Risk 1307 *Risk to achieving the Capital Resource Limit 2021/22*, which is largely attributable to the demountables in Prince Philip Hospital (PPH), whilst this scheme is currently on track, there is still a risk associated with adhering to the tight delivery timeframes involved.
- **Finance Operational Risks** – the Committee received the Finance Operational Risks report, providing detail on the 10 risks scored against the Finance impact domain. The Committee received assurance that, where a review of the risk is overdue, these have been shared with colleagues to review in advance of the next Committee meeting. In relation to Risk 979 *Failure to remain within allocated budget over the medium term - Glangwili General Hospital (GGH)*, the narrative of which implying that GGH is the only site indicating staffing pressures, it was recognised that all sites and services are experiencing staffing issues and that a review of all operational risks is underway to identify commonalities across the organisation to enable a consistent approach to the escalation of risks.
- **Extension of Lightfoot Solutions** – the Committee received the Extension of Lightfoot Solutions report, confirming the extension of the contract with Lightfoot for recovery planning and waiting list backlog reduction to 31st July 2022, after which the Health Board is committed to bringing the analytical capability in-house through the development of an alternative approach to this provision. The Committee noted that the Health Board's Digital team anticipates a beta demonstrable version will be available by the end of March 2022, prior to a formal launch in June 2022. The Committee received assurance that learning will be

taken from the work with Lightfoot and that the benefits of the arrangement will be replicated by the in-house platform. The Committee supported the proposed exit strategy with the development of an in-house advanced analytical platform.

- **Report to Board on 27th January 2022: Use of Consultancies to Support the Health Board Approvals** – the Committee received the Use of Consultancies to Support the Health Board Approvals report as presented to the Board at its meeting on 27th January 2022, and supported the proposals outlined in the report.
- **Financial Plan Development Update** – the Committee received the Financial Plan Development Update report and presentation, outlining progress on the Health Board's IMTP that is currently under construction, covering the three-year period 2022/25. The Committee was advised of the submission of an Accountable Officer letter to WG on 28th February 2022 setting out the Health Board's challenge in delivering an IMTP. The Committee received assurance that the Health Board will submit an IMTP in due course, albeit not by 31st March 2022, and received assurance that discussions with WG had been helpful in determining the agreement of a Three Year Plan by 31st March 2022 with WG recognising the Health Board's desire to submit a deliverable IMTP in due course.
- **Decarbonisation** – the Committee received the Decarbonisation presentation, outlining the Health Board's implementation of its decarbonisation agenda. The Committee was informed of the publication of the NHS Wales Decarbonisation Strategy in 2021, which provides an NHS Wales perspective working in conjunction with the Carbon Trust, to reach a target NHS reduction of 34% by 2030. The Committee was informed of work underway with the Carbon Trust to calculate the Health Board's carbon footprint. Assessment has identified that 100,000 tonnes of CO₂ is produced by the Health Board, mainly through the procurement of goods and services rather than through direct carbon emissions from property and travel. The Committee was also informed of work underway to develop a Carbon Literacy Programme and the intention to submit a strategic plan to the Board in Q1 2022/23 to address the carbon challenges with links to sustainability and green initiatives. The Committee was informed that, although Wales has not yet assessed the financial implications of its strategy, significant investment will be required in capital for buildings. Assurance was provided that, whilst the overall capital allocation for NHS Wales has markedly reduced for 2022/23, it is anticipated that more resources are to be directed towards the environmental and sustainability challenges. Additionally, the Health Board has linked in with its 3 local authorities and other public sector organisations to identify opportunities to develop a collective solution in addition to accessing further funds. The Committee noted that two thirds of the Health Board's carbon footprint is attributed to procurement and recognised the importance of staff awareness and engagement once the strategy is developed. The development of a set of reporting metrics was also welcomed to enable the Committee to receive assurance on the progress of the strategy.
- **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

continuing increasing trend for agency premium and variable pay and raised the possibility of a national contract for agencies. It was noted that while there are framework agency providers, due to demand and the potential for risk, use of non-framework agencies has increased.

- **NWSSP Performance Report Q3 2021/22** – the Committee received the NWSSP Performance Report for Quarter 3, 2021/22. The Committee noted that only 24% of conditional offer letters had been sent within the 4 working day target, routinely taking on average 5.1 days, and that these delays would have an adverse impact on recruitment. The Committee was informed that the Health Board is aware of the challenges in the system. The Committee received assurance that the issue of performance in relation to audit services would be discussed by the Audit and Risk Assurance Committee.
- **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 the 10 Planning Objectives (PO) aligned to the SRC. The Committee received assurance that progress is being made in areas such as Value Based Health Care (VBHC) and the capture of Patient Reported Outcome Measures (PROMs) across the system.
- **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 on 2nd February 2022. The Committee was pleased to note that clinical coding activity continued to improve for October 2021 and surpassed the 95% target with 96.7%. The Committee also noted that over the past 2 months, the Health Board has been above the All-Wales average for the first time in a number of years, with performance continuing to improve. The Committee further 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 the Information Governance team continue to undertake audits of record storage facilities, both internally and externally to the Health Board and that a risk assessment for each facility will be undertaken. In relation to the Cyber Security and Network and Information Systems (NIS) Directive, the Committee was informed of the recent Price Waterhouse Cooper (PWC) report regarding the Ireland Health Service Executive (HSE), which had been victim to a recent ransomware attack and was subsequently unable to provide healthcare, highlighting the importance of investigating alerts. It was acknowledged that lessons learned from the HSE experience should be applicable elsewhere particularly as the Health Board continues to develop its monitoring and response capabilities with the expectation that the number of alerts received will significantly increase. Regarding concerns whether the escalating tensions with Russia will have an impact on cyber security, the Committee received assurance that staff regularly receive reminders to be vigilant via global emails and that a communications plan is under development. The Committee approved the Written Control Documentation Policy (190).
- **Healthcare Contracting, Commissioning and Outsourcing Update** – the Committee received the Healthcare Contracting, Commissioning and Outsourcing

Update report, advising of an increase in outsourcing forecast for February and March 2022, which has been due to the success of improved cross directorate working between the Planned Care team, Finance Business Partners and the Head of Commissioning. Additionally, the independent sector has also been able to staff theatre lists, which had been an issue prior to the new year. The Committee received assurance that both PROMs and Patient Reported Experience Measures (PREMs) are now attached to contracts. Regarding Long Term Agreements (LTAs) for 2022/23, the Committee was advised that in the event that NHS Wales confirms a return to normality, subsequent LTAs should reflect this. Whilst a phased hybrid model may be an option going forward, the Health Board cannot plan on the basis of returning to pre-pandemic levels if this is not reflected in the LTAs. The Committee received assurance that the aim is to embed outcomes capture into a longer term contracting framework, with a possible hybrid arrangement to be implemented for 2022/23.

- **Balance Sheet** – the Committee received the Balance Sheet report, setting out the Health Board's Balance Sheet position as at Q3 2021/22 (M9), and providing an explanation for key movements. With regard to the movement of £13m from the opening position, and an explanation for the reduction of £8m for fixed assets, the Committee was advised that this is related to depreciation, and the significant expenditure on the PPH demountables scheme over the past few months was highlighted. The Committee was informed that Blackline is now the platform used by Finance to prepare, approve and review the Balance Sheet reconciliations, and received assurance that Internal Audit would be reviewing this as part of their work programme for 2022/23. Both the Committee and Internal Audit would then be able to receive assurance from the change in procedure.
- **Welsh Health Circulars** – the Committee received the Welsh Health Circulars (WHC) report, providing an update on progress in relation to the implementation of the following WHCs, which fall under the remit of SRC and its Sub-Committee structure:
 - 007-15 Update on the All Wales Position of the Emergency Department Clinical Information Management System (EDCIMS) - no online link available
 - 049-15 Operational Standards for Use of the NHS Number
 - 003-20 Value Based Health Care Programme – Data Requirements
 - 024-21 NHS Wales's contribution towards a net-zero Public Sector by 2030

The Committee received assurance on the management of WHCs in terms of when the WHC would be delivered, any barriers to delivery, impacts of non/late delivery and assurance that the risks associated with these are being managed effectively.

- **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 CRL for 2021/22, together with an update regarding capital projects and financial risks. The Committee noted the financial risks associated with the PPH demountables scheme and received assurance that measures are in place to mitigate the

potential increased risk, including agreement with WG to utilise slippage to bond/vest a CT scanner and equipment for four Digital Radiography rooms. The Committee noted that the concerning position of all Wales capital, which may limit health boards' ability to recover more so than the revenue position, has been acknowledged by Chief Executives across Wales.

- **Notes from Finance Touchpoint Meeting held on 24th January 2022** - the Committee noted the content of the notes from the Finance Touchpoint Meeting held on 24th January 2022.
- **Update from Agile Digital Business Group** – the Committee received a written update report from the ADGB meeting held on 20th December 2021 for information. A verbal update was previously presented to the Committee meeting on 21st December 2021.
- **All Wales Independent Member Digital Network Highlight Report** – the Committee received the All Wales Independent Member Digital Network Highlight Report, for information.
- **Sustainable Resources Committee Work Programme 2021/22** – the Committee noted that the Work Programme for 2022/23 would be developed for presentation to the next Committee meeting on 25th April 2022, outlining the reporting and strategic priorities for the coming year.

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

No matters requiring Board level consideration or approval.

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

- **Financial Plan Development Update**- the position and handling strategy of the IMTP, subject to further discussions at Board Seminar on 11th March 2022 and the Public Board meeting on 31st March 2022.
- **Information Governance Sub-Committee Update Report** - the increased global risk regarding cyber security in light of the current escalating tensions with Russia.

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:

25th April 2022