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| 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 20 th December 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 Hywel Dda University Health Board (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 20th December 2022.</p> <ul style="list-style-type: none"> • Committee Self-Assessment 2021/22 – Review of Outcomes: the Committee received assurance that any actions from the SRC Self-Assessment 2021/22 are being progressed within the agreed timescales. Referencing the response to the suggestion for improvement that the responsibility for longstanding audit recommendations lies with the Audit and Risk Assurance Committee (ARAC) and is outside of the remit of SRC's Terms of Reference, the Committee considered whether SRC could play a role in reviewing these from a financial remit. • Assurance over Delivery of the Strategic Programmes of Change – the Committee received the Assurance over Delivery of the Strategic Programmes of Change report and an accompanying presentation, providing a high-level overview of the key programmes of work for the delivery of the Health Board's strategic programmes of change. The programmes are intended to address a multitude of pressures across the system. Consequently, each programme has been incepted to remedy specific challenges facing the Health Board. An update was provided on the current financial challenges requiring targeted approaches across the following domains: <ul style="list-style-type: none"> ○ Transforming Urgent and Emergency Care (TUEC): the Committee was advised that the programme has been running for the past 14 months, following the receipt of funding of £2.8m, noting that this investment should not be seen in isolation to the investment into core budgets for Urgent and Emergency Care and the investment from the Regional Integration Fund (RIF). The Committee was advised that initial data is illustrating an increase in the number of patients with high levels of acuity being managed in the community and a reduction in conveyance rates for the 65+ population. Front door turnaround rates are reducing. The | |

Urgent and Emergency Care funding has allowed the enhancement of Same Day Emergency Care (SDEC) provision. TUEC is therefore progressing well and is fully resourced given the funding received and that this could be scaled up further dependent on funding being provided. However, the Committee noted that workforce constraints pose a challenge. The overarching outcome indicator for TUEC is for patients to spend more time at home, which is monitored via the proportion of beds occupied over 21 days and the Committee received assurance that this indicator is starting to reduce. However, significant improvement is required for the numbers of people occupying beds over 21 days. The Committee noted that the Frail and Older Adult population is contributing to bed occupancy rates and that for every week spent in hospital, patients lose 10% of their muscle mass, which in turn necessitates increased social care. The Committee received assurance that a Programme Management Office has been established to develop work plans with clear deliverables and timelines. Further assurance was provided that, by the end of March 2023, the Health Board will have a Quality Statement for Best Practice for Frail and Older People for sign off at a national level. A service specification will then be developed to assist health boards in implementing these standards.

- Building Community Care Capacity: the Committee was advised that that there has been no significant progress in terms of delivery of the programme since the report to the Committee at its previous meeting. The Health Board is awaiting the sign off of the legal agreement with two Local Authorities and therefore, the Health Board has not yet gone out for a further recruitment round. In terms of the extra beds in totality across the Local Authorities, the Committee was advised that there are approximately 80 beds. However, there is a challenge in that 100 beds have been lost' in terms of care home capacity.
- Long Term Care in Mental Health and Learning Disabilities (MHL): the Committee was advised that there has been limited progression since the last report to the Committee. However, assurance was provided by the ongoing work with the Clinical Director for Collaborative Commissioning, National Collaborative Commissioning Unit (NCCU) regarding the funding arrangements. Further assurance was provided that a review will be undertaken with support from the NCCU, which will provide clarity on what can be delivered, and that the Head of Commissioning for MHL continues to work on the efficiencies to step down patients proactively into less restrictive environments.
- Medical Agency: the Committee was advised that a baseline is yet to be established and of the challenges to be resolved in terms of links with Payroll. Work is being undertaken with Swansea Bay University Health Board to explore opportunities for a locum medical bank and a pilot project has been established with the Women's and Children Directorate with regard to job planning reviews. Referring to the issues for escalation to Executives, notably confirmation on the scope of the programme, the Committee recommended that the scope is widened rather than being made more specific due to the scale of challenge for the Health Board. The Committee noted that there is currently no financial data available as this is dependent on the baseline being confirmed.

- Alternative Care Unit: the unit has been operational since 15th November 2022, with the aim to hold capacity for 15 beds. The Committee received assurance that a Standard Operating Procedure has been produced outlining the criteria for admission to ensure that individuals are of a level of functionality that is suitable for reablement and discharge with a package of care or to a residential environment. Individuals within the unit are medically fit with no active medical treatment or registered therapy treatment. In terms of opportunities to accelerate the scalability across other sites, the Committee was advised that the large proportion of patients who are medically fit are not appropriate for the unit due to their dependence and needs being at a higher level. Recruitment is also a challenge in getting staff to sign up for shifts. The Committee received assurance from plans in place to improve patient experience and mitigate the risks regarding the reduction of agency spend. In terms of finance, there is an anticipated £1.5million saving as a consequence of not having to utilise high cost agency elsewhere in the system. The programme will run until March 2023 and, dependent upon the evaluation of the programme, it may be extended; in which case additional recurring savings opportunities would be anticipated. The Committee was advised of some anxiety around the unit being in an acute setting, however, the possibility of using facilities outside the acute hospital site is being explored.
- Family Liaison Officer (FLO): the Committee was advised that a project manager has yet been identified and therefore is currently being managed by the Director for Nursing, Quality and patient Experience due to limited capacity within the Programme Management Office. The Committee received assurance that this work is also being supported by the Quality Improvement Team. However, should the project be scaled up, it would require dedicated project management support.

The Committee received limited assurance regarding the processes implemented for the delivery of the strategic programmes of change, recognising uncertainties within this to receive assurance regarding the financial challenge to translating any improvements into financial gains. The Committee recognised the complexity and scope of what is being done and requested continued reporting to the Committee as a standard agenda item.

- **Finance Report Month 8, 2022/23** – the Committee received the Month 8 (M8) 2022/23 Finance Report, outlining the Health Board's revised draft Financial Plan to deliver a deficit of £62.0m, after savings of £13.9m; this recognises the inadequate level of assurance around directorate overspend mitigation plans and the identification of a further £15.5m of savings schemes deliverable within the current financial year against the initial £25.0m deficit Plan, combined with an operational variation due to system pressures and continuation of COVID-19 activities within HDdUHB's core services. The Committee was advised that the forecast deficit is £59.0m, after recognising a further £5.0m of operational variation offset by £8.0m Accountancy Gains. The in-month M8 financial position, excluding Accountancy Gains of £8.0m, is an overspend of £6.4m, which is made up of £4.3m operational variance and an original deficit plan of £2.1m; this is after recognising £0.3m of assumed Welsh Government (WG) transitional funding for COVID-19. The Committee

was advised that £1.1m of savings schemes were delivered in line with identified plans. Of the £4.3m overspend in-month, £1.3m relates to undelivered savings plans against the original target and £3.0m relates to operational pressures. These pressures are mainly being experienced within Unscheduled Care teams, and in Medicines Management in relation to Primary Care Prescribing.

- **KPMG Retrospective:** the Committee received the KPMG Retrospective report, outlining the current status on recommendations from the review of finances undertaken by KPMG in 2019 and planned future actions. The Committee was advised that the KPMG reports reference the processes and governance structures in place at the time of the review, e.g. Holding to Account and Finance Committee. Whilst several changes have happened in the intervening period, some of the key themes from the recommendations remain relevant. Some areas have been fully implemented, although delivery may be challenging. Other areas are on-going or no longer relevant. The Committee noted that the report covering the Assessment of the 2019/20 Financial Plan can be discounted as the items have been covered elsewhere. The Committee discussed the current status on recommendations from the KPMG review and planned future actions and noted that, as the outcome of this work will be captured as part of the Targeted Intervention (TI) action plan process, a discussion will be had to determine the reporting of the TI tracking into future Committee meetings. Referring to the Delivery Framework in place within the Health Board and the expectation at the time of the KPMG report to set up a Turnaround Project Management Office, the Committee was advised that a Delivery Framework is currently in development with a view to align Finance, Performance, Quality and Safety, scrutiny and monitoring via focus meetings with each directorate, which will commence in January 2023. The Committee received further assurance that the Planning team is supporting the major strategic programmes of change. However, the Committee noted that there are further discussions to be had around how further support can be provided to relatively small scale projects.
- **Decarbonisation Task Force Group Update Report –** the Committee received assurance from the Decarbonisation Task Force Group Update Report from the meeting held on 17th November 2022 on progress of the six projects of the Green Teams competition, including a Pathology project to improve routine transport by changing the location of their central hub; an Endoscopy project for the use of single use plastic sheets, reusable gowns, and reusable camera valves; a Medicines Optimisation team project with Borth Surgery to assist with transition from metered dose inhalers to dry powder inhalers; a Procurement team pilot for a local contract for door maintenance in Glangwili General Hospital (GGH); a Bronglais General Hospital Pharmacy project for alternatives to the use of green plastic bags for patient medication; and a collaboration of the Environment team and the Special Care Baby Unit (SCBU) at GGH around diverting nappies/incontinence waste from landfill to recycling.
- **Indicative Financial Modelling 2023/24:** the Committee noted the verbal update on the Indicative Financial Modelling 2023/24, as discussed in detail at the preceding Committee seminar session. The Committee received

assurance that the impact of WG's response to the Strategic Cash Accountable Officer letter will enable the provision of actual numbers for future financial modelling for 2023/23.

- **Targeted Intervention Update:** the Committee received a verbal update on the Health Board's TI status, providing assurance that a governance process has been implemented via the establishment of the Escalation Steering Group, which is fed into by the TI Working Group and the Enhanced Monitoring Working Group. The Committee was advised that the next meeting with WG to discuss the high level positioning, broad timelines and expectations is scheduled for March 2023. The Committee also received assurance that TI is being monitored via ARAC.
- **Planning Objectives Deep Dive PO 3E: Advanced Analytics:** the Committee received assurance from the update on progress with the delivery of Planning Objective 3E to develop an advanced analytical platform that is highly accessible to operational and corporate teams that will provide real-time, integrated data to support clinicians and managers providing the insight, foresight, and oversight to assist with day-to-day operational delivery as well as organisation wide strategic planning. The Committee was advised that in 2021, the Data Science Team embarked on an ambitious workplan to deliver an innovative, interactive and interoperable Data Science Platform with the idea of connecting the various advanced analytic techniques to tackle particular types of problems; Statistical Process Control (SPC), Time Series Analysis (TSA), Discrete Event Simulation (DES) and Geographic Information Systems (GIS). In terms of the second part of PO3E to develop and implement a risk stratification model, the Committee was advised that work has been undertaken from a frailty perspective. However, progress has been delayed due to the complexities of the piece of work. The Committee received assurance that a wealth of information received from the Health Board's Managed Practices will be explored to progress risk stratification of the population. The Health Board is sponsoring a lecturer from Aberystwyth University to assist with the roadmap, and two PhD students from Swansea University will be sponsored to accelerate the Data Science team's ability to advance the Artificial Intelligence (AI) maturity of the Health Board to the next level, with a focus on the risk stratification model.
- **Planning Objective Deep Dive PO 5M: Implementation of Clinical and All Wales IT Systems:** the Committee received assurance from the update regarding delivery of Planning Objective 5M to implement the existing national requirements in relation to clinical and other all-Wales IT systems within expected national timescales, and to develop a plan to progress to Level 5 of the 7 levels of the Healthcare Information and Management Systems Society (HIMSS) maturity matrix. The Committee was advised that in order to fully understand the journey towards digital maturity, the Health Board was required to establish a baseline, and undertook a self-assessment using the globally recognised HIMSS approach, which delivers a number of maturity models. Feedback from the HIMSS analysis will inform the Health Board's Digital Response and plans for 2023/2024 onwards. The Committee noted the HIMSS Electronic Medical Record Adoption Model (EMRAM), which is used to assess Electronic Medical Record (EMR)/Single Patient Record

implementation and adoption of the technology. The Committee received assurance that, whilst the Health Board is currently on Level 2 of the HIMMS maturity matrix, progress is on track to facilitate and reach Level 5 status by 2026. To move towards Level 5, the Committee was advised of a number of key systems to be implemented, including replacement of the theatre system, the Patient Held Record, Patient Flow and Electronic Observations, and Electronic Prescribing and Medicines Administration.

- **Planning Objective Deep Dive PO 6N: Intelligent Automation/Robotic Process Automation:** the Committee received assurance from the update regarding delivery of Planning Objective 6N, to develop an initial intelligent automation (IA) plan which combines Robotic Process Automation (RPA) technology, AI and Natural Language Processing to streamline data collection and integration. noted that there are many opportunities to improve manual and duplicated processes in the Health Board, which crucially could free up time and reduce waste. The Committee was advised that the main benefit from IA/RPA will be the release of capacity. By allowing tasks to be completed by automation, the time spent undertaking these tasks can be repurposed. Employees are freed up to fully focus on high-value or high-priority activities, such as patient care, or face-to-face interactions, which require cognitive input. The Committee noted that the quantifiable benefits will be identified with each automation and that, in order to provide measurable benefits, the teams are looking to release 50,000 hours of capacity back into the Health Board, per annum, by 2025. The Committee received assurance that, based on the work to date, this is considered to be a realistic target. The Committee received an overview of the three current proof of concepts being undertaken by the Health Board; Community Nursing Referrals, Workforce Automation, and Finance Automation (for processes such as the request to raise a bill and for pay recording).
- **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 30th November 2022. The Committee approved the IGSC Terms of Reference and the Information Assurance Policy (250). The Committee also approved the extension of several policies, appended to the IGSC Update Report, whilst they are under review. The policies will be staggered and submitted to forthcoming Sub-Committee meetings, prior to seeking approval by the Committee.
- **Finance Corporate Risks** – the Committee received the Finance Corporate Risks report, providing detail on the 3 risks scored against the Finance impact domain: 1432 *Risk to the delivery of the Health Board's draft interim Financial Plan for 2022/23 (No change to Risk Score)*; 1352 *Risk of business disruption and delays in patient care due to a cyber-attack (No change to Risk Score)*; 1335 *Risk of being unable to access patient records, at the correct time and place in order to make the right clinical decisions (No change to Risk Score)*. The Committee received assurance that all planned actions will be implemented within the stated timescales and will reduce the risk further and/or mitigate the impact, if the risk materialises.

- **Finance Operational Risks** – the Committee received the Finance Operational Risks report, providing detail on the 8 risks scored against the Finance impact domain. The Committee received assurance that all relevant controls and mitigating actions are in place.
- **Integrated Performance Assurance Report (IPAR)** – the Committee considered the measures from the Integrated Performance Assurance Report (IPAR), relating to Month 8 2022/23.
- **Quarterly NHS Wales Shared Services Partnership (NWSSP) Performance Report:** the Committee received assurance from the content of the NWSSP Performance Report for Quarter 2 2022/23. Recognising that the majority of areas within the report are classed as green, the Director of Finance undertook to liaise with NWSSP on whether the targets are challenging enough to prompt higher levels of success.
- **Business Case for Patient Flow and E-Observation:** the Committee scrutinised the Outline Business Case for the investment in an Electronic Observations and a Patient Flow system and recommended for Board consideration. The Committee was advised that current processes and digital solutions within the Health Board are not optimised for patient flow, with an over reliance on paper systems and that optimising patient flow management can help best utilise limited resources. The adoption of an Electronic Observations and Patient Flow system aligns with the strategic direction of the Health Board, progresses the digital maturity towards the aim of HIMMS level 5, and progresses the TUEC agenda (supporting handover, patient flow and discharge management). The Committee was advised that the proposed process will most likely translate to productivity releasing benefits, as opposed to financial gain.
- **Financial Procedures** – the Committee approved the revised Use of Consultancy financial procedure with the aim to ensure that consultancy is only used in appropriate circumstances and that due diligence is undertaken before approval of any contracts. Within the procedure's current definition of consultancy, more services are falling under the banner of consultancy; many of which should be classed as professional services. Therefore, the procedure has been reviewed and revised to provide a clearer definition to distinguish between consultancy and professional services, and includes a flowchart of the process to be followed if the proposed expenditure does meet the criteria for consultancy.
- **All Wales IM Digital Network Highlight Report:** The Committee noted the content of the All Wales IM Digital Network Highlight Report.
- **Update on All-Wales Capital Programme: 2022/23 Capital Resource Limit and Capital Financial Management** - the Committee received the Update on All-Wales Capital Programme: 2022/23 Capital Resource Limit and Capital Financial Management report, providing details of the Health Board's Capital Expenditure Plan and Expenditure Profile Forecast for 2022/23, the Capital Resource Limit for 2022/23 and an update regarding capital projects and financial risks.

- **Sustainable Resources Committee Work Programme 2022/23** – the Committee received assurance that the Work Programme has been reviewed in light of the current work regarding TI.

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

- **Business Case for Patient Flow and E-Observation:** the Committee scrutinised the Outline Business Case for the investment in an Electronic Observations and a Patient Flow system and recommended for Board consideration as part of the planning cycle at its March 2023 meeting.

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

- The Month 8 financial position, and risk to delivery of the forecast financial outturn position of £59.0m which provides a challenging starting point for the planning framework for 2023/24.
- Limited assurance received by the Committee regarding the processes implemented for the delivery of the strategic programmes of change, recognising uncertainties within this to receive assurance regarding the financial challenge to translating any improvements into financial gains.
- Limited assurance received by the Committee regarding the progression of the Long Term Care in MHLD programme.
- KPMG Retrospective: Acknowledgment of the progress made to date, recognising that further work is to be done to provide onward assurance to the Board that all recommendations have been implemented.
- Positive assurance received regarding delivery of Planning Objectives 3E Advance Analytics, 5M Implementation of Clinical and All Wales IT Systems, and 6N Intelligent Automation/Robotic Process Automation.

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:

28th February 2023