

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 29 August 2023
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 29 August 2023.</p> <ul style="list-style-type: none"> • Finance Report – the Committee received the Finance Report Month 4, 2023/24, noting an overspend of £12.0m, which represents a £2.6m overspend against the deficit plan of £9.4m. Whilst there is a slight improvement from Month 3, in part due to ceasing travel and subsistence payments for agency workers changes, the current gross forecast for year end is a deficit of £143.3m. Members were advised of ongoing actions to address savings gap and operational variation of £30.4m, involving discussions with senior operational leads. It was noted that a number of climate change schemes, have resulted in estimated £500k savings. In terms of the proposed savings schemes, assurance was received that there is an agreed process with directorates which includes completion of an Equality Impact Assessment (EqIA) and a Quality Impact Assessments (QIA). Acknowledging the expectation from WG that the Health Board will need to reduce the deficit further than the forecast £112.9m, the Committee cannot at this stage advise the Board that this will be delivered. Further work is required. • Finance Targeted Intervention Actions - the Committee received the Finance Targeted Intervention (TI) Actions report, noting that the situation remains unchanged. The next TI quarterly meeting takes place on 19 September 2023. In terms of the opportunities framework, Members were advised that one action remains outstanding. • Finance Corporate Risk Report – the Committee received the Finance Corporate Risks report, providing detail on the following three risks assigned to the Committee: 	

- 1642 - Risk of the Health Board not being able to meet the statutory requirement of breaking even 2023/24: **Current Risk Score 25 compared to the Target Risk Score 12.**
- 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.

Referring to Risk 1642 has increased the risk score, due to the uncertainty of Welsh Government financial support.

The Committee received limited assurance that all planned actions will be implemented within stated timescales.

- **Finance Operational Risk Report** – the Committee received the Finance Operational Risks report, providing detail on the 16 risks that meet the criteria for submission to the Committee. In terms of *Risk 1677 – Impact on Out of Hours budget with the adoption of the National Salus system (Central Operations)*, the Committee noted that the local team is actively managing the risk ahead of the Salus system going live in November 2023. For *Risk 1688 - Further overspend against the Medicine Management financial budget*, Members noted that the Clinical Director is involved in national discussions to mitigate the external increases in drug costs.

Members noted that work undertaken by the operational teams was not reflected in the report and it was agreed that operational teams update their risks (with a financial implication) before the next SRC meeting.

- **Transforming Urgent and Emergency Care** – the Committee received the Transforming Urgent and Emergency Care presentation updating on the progress of the programme to date, noting the increase of admissions that each of our acute systems are continuing to experience. The overarching challenge is the high occupancy level across hospitals, driven by older patients with significant longer length of stay in hospital, in excess of 100 days. The challenges with hospital flow continue, due to the number of patients that require additional support post discharge, and the limited capacity available in our communities. Members recognised that the changes at Withybush Hospital (WGH) following the identification of Reinforced Autoclaved Aerated Concrete (RAAC) will have a bearing due to infrastructure system changes and the team will monitor the impact of this. The Committee could not be assured that there were further savings to be made in the current financial year.
- **Electronic Prescribing and Medicines Administration (ePMA) System** – the Committee received the Electronic Prescribing and Medicines Administration (ePMA) System report outlining the process to date following an All-Wales procurement exercise. Members were advised that the Health Board is now required to undertake a procurement exercise to secure a supplier based upon the agreed framework and a locally agreed specification, prior to the full Business Case being presented for approval. In terms of the

financial commitment, whilst there will be some funding from WG, c £5.5m will be required for the lifetime of the project, which will need to be funded by the Health Board. Members acknowledged the significant investment and recognised the importance of transferring to a digitised system; although received assurance that no commitment will be made until formally approved by Board. Members requested that the Agile Business Group review digital business cases and also that a discussion on the approval process be undertaken. It was proposed that whichever process is adopted internally, this should be reviewed through the lens of our current financial position, in order to receive assurance on the potential benefit.

- **Digitally Enabled Transformation Plan** – the Committee received the Digitally Enabled Transformation Plan, noting WG support, which aligns to digital regional transformation, and that financial support may be available for a pilot. Members acknowledged the challenge with the current operating system, noting that the Health Board will need to be clear on the full cashable benefits of a new system, before presenting for Board approval. Members proposed that a deep dive on the plan should be presented to Board Seminar before presenting to Board for approval in November 2023 in order to understand the detail.
- **Healthcare Contracting, Commissioning and Outsourcing Update** – the Committee received the Healthcare Contracting, Commissioning and Outsourcing update noting that this is currently within the allocated budget. It was noted that an approach around our commissioning strategy is being progressed to ensure that the Health Board is not commissioning services which are available in-house. Members were advised of capacity challenges in the Allergies pathway, and noted the intention to establish a complete pathway that encompasses support from both primary and secondary care, ensuring a comprehensive end to end longer term pathway solution. Members expressed concern regarding the inequity of service with regard to DEXA (bone density) scans currently being provided by Swansea Bay University Health Board (SBUHB) for Hywel Dda patients. By way of assurance, it was noted that ongoing discussions are taking place with SBUHB, in addition to exploring options to provide these scans internally in order to reduce delays.

Members were advised that a Quality Impact Assessment will be presented to QSEC in October 2023, in addition to the team exploring how to better understand, through the triangulation of key metrics, whether the anticipated impact of any decisions made is being realised.

- **Deep Dive: Planning Objective 6b Pathways and Value Based Health Care (VBHC)** – the Committee received a deep dive presentation on Planning Objective 6b Pathways and Value Based Health Care (VBHC) to provide an overview of the work of the VBHC team during the last year and future plans to consolidate this work. Members noted that a new patient reported outcome solution provider will need to be sourced by March 2024 due to the current provider not being on the All-Wales Framework. Members recognised the responsiveness of the VBHC team and their work to align values and system wide productivity gains, which has resulted in a step change with cashable benefits.

- **Information Governance Sub-Committee Update Report** – the Committee received the received the Information Governance Sub-Committee (IGSC) Update Report from the meeting held on 8 August 2023. The Committee approved an extension to 249 - Access to Health Records Policy, due to its alignment to work being undertaken nationally, and noted that once complete the revised policy will be presented for approval.
- **NHS Wales Shared Services Partnership (NWSSP) Quarter 1 Performance Report** – the Committee received assurance from the NWSSP Quarter 1 Performance Report. The Committee were pleased to note that the Health Board has the best recruitment performance in Wales.
- **Welsh Health Circulars Report** – the Committee received the Welsh Health Circulars Report to provide updates on progress in relation to the implementation of Welsh Health Circulars (WHCs), which come under the remit of SRC and its Sub-Committee structure.
- **Decarbonisation Task Force Group Update Report and Terms of Reference** – the Committee received the Decarbonisation Task Force Group (DTFG) Update Report and Terms of Reference (ToRs), noting the key risks relating to transport and procurement. Members approved the updated DTFG ToRs, following confirmation that they had been through the correct governance process.
- **Financial Procedures** – the Committee approved the request for approval of the FP090 Retention of Financial Records and the request for the removal of FP1001 Injury Costs Recovery Scheme.
- **Integrated Performance Assurance Report (IPAR)** – the Committee considered the measures from the Integrated Performance Assurance Report (IPAR), relating to Month 4, 2023/24. Members' attention was drawn to the third-party spending by Hywel Dda suppliers, noting that our spending has remained focused on awarding contracts to smaller suppliers within our geographical area, where appropriate.
- **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 2023/24 Capital Resource Limit and Capital Financial Management report. Members noted the risk of overspend against the Capital Resource Limit (CRL) for 2023/24 without additional WG capital funding towards the cost of the Worthybush Hospital (WGH) Phase 1 Fire Compliance works and funding to cover the RAAC remedial works at WGH. Members were advised that the teams are assessing the work and funding required, with an update due to be presented to Board in September 2023.

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

- None

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

- There is insufficient assurance on the delivery of £112.9m deficit and the savings programme, though it is recognised an improvement from last month – the risk of failing to deliver the plan remains
- The improved engagement in the financial delivery and savings plans across the organisation though more work to be done for evidence of clinical engagement
- The financial challenges arising from increasing urgent care admissions, and inadequate flow / lack of community capacity to improve discharges.
- The request that the Agile Business Group review digital business cases and the recommendation to Board following a Board Seminar discussion.
- The positive work of the Value Based Healthcare team, especially with clinical engagement.

**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:

24 October 2023