

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 24 October 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 24 October 2023.</p> <ul style="list-style-type: none"> Core Delivery Group and Financial Control Group Update – the Committee received an update on the work of the Core Delivery Group (CDG) and the Financial Control Group. The committee noted that a deep dive review of Radiology staffing revealed a success in recruitment into vacant posts which led to a reduction in agency usage, and changes to medical rotas in the Women and Children's Directorate which had delivered a financial saving without having an impact on patient care. <p>The committee noted that the Financial Control Group is due to commence a process whereby departments would be given a control total within which they are to manage their staffing arrangements autonomously and flexibly. The Financial Control Group are also conducting an Administration Review across all layers of administration.</p> <ul style="list-style-type: none"> Finance Report – the Committee received the Finance Report as of the end of Month 6, 2023/24. Members noted a change in the planned deficit to £44.8m from £112.9m deficit as a result of additional funding: £19.2m of COVID-19 legacy, £23.8m of inflationary pressures, £9.6m of additional inflationary pressures, £4.2m of energy cost support and £11.3m for deficit reduction funding, leaving the Health Board with a revised target control total deficit of £44.8m. It was noted that the COVID-19 legacy and the inflationary pressure funding was “conditionally recurrent” – requiring the Health Board to meet its 2023/24 control target. <p>The Committee noted the financial impact savings £5.8m of the work of the Core Delivery Group. The savings achieved were £1.6m arising from the reduction of 39 beds in the Pembrokeshire system and £1.2m arising from the stopping of paying travel and subsistence to agency nurses and £3m arising from ceasing the use of Thornbury Nursing Services.</p>	

These savings and other factors contributed to a forecast annual deficit of £128m, before the additional funding set out in the paragraph above. Another the Accountable Officer letter was submitted to Welsh Government.

The Committee sought assurances on budgetary performance and resolved to conduct a deep dive into one of the areas of concern highlighted in the report.

- **Finance Targeted Intervention Actions** - the Committee received the Finance Targeted Intervention (TI) Actions report. The Committee heard that the majority of actions identified in the financial management review were already in train and that the NHS Wales Executive were content with the financial management and governance arrangements within the Health Board.
- **Healthcare Contracting and Commissioning Update** – the Committee received the Healthcare Contracting and Commissioning Update report on the Long-Term Agreements (LTAs) that HDdUHB held with other Health Boards in Wales. Attention was drawn to an increase in costs predominantly caused by an increase in demand for High-Cost Drugs and an increase in ITU bed days and the challenges of repatriating patients back to the Health Board.

It was noted that the Cardiff and Vale University Health Board (CVUHB) had given notice of the termination of the Allergy (Non-Drug) Recommissioning Pathway due to capacity issues. It was also noted that the availability of a visiting paediatric orthopaedic consultant from SBUHB at Worthybush Hospital has been relocated to Morriston Hospital. Discussions are ongoing with SBUHB.

The Committee expressed concern about the mechanism for providing £15.4m of regional funding to SBUHB on a commissioning basis, and it was believed that the funding, which was meant to be a regional offering, gave no commissioning levers for HDdUHB into SBUHB. It also means that HDdUHB have no assurance on how much of that funding is spent on HDdUHB patients and HDdUHB receive no benefit of any underspend, however the Committee were partially reassured that the Health Board's patients were receiving equitable treatment from SBUHB. The Committee agreed to highlight its concerns regarding the funding to the Board.

- **Corporate Risk Report** – the Committee was notified of a new risk, relating to the risk of the loss of Radiology services due to the delayed implementation of the Radiology Information Systems Procurement (RISP), however the risk score has been reduced from 20 to 10 following developments in contract negotiations.
- **Operational Risk Report** – a new financial risk relating to the Ceredigion system financial position which was not available at the time of the report however would be added to future Operational Risk Reports.
- **Ministerial Directions** – the Committee noted the Ministerial Directions relating to the NHS in Wales between 1 June 2023 and 30 September 2023.
- **Balance Sheet Report** – the Committee received the Balance Sheet position as of the end of Quarter 2 2023/24 (Month 6). Members noted that the Health

Board's non-NHS Public Sector Payments Policy performance had dipped and this was attributed to the additional level of scrutiny of certain payments. It was also confirmed that discussions had been held with Audit Wales to discuss any provisions for reinforced autoclaved aerated concrete (RAAC) would have on future years' Accounts.

- **Consultancy Review** – the Committee received the usage and spending elements of the Consultancy Review, noting that consultancy contracts are retrospectively reported to the Audit and Risk Committee (ARAC).
- **Planning Objectives Update Report** – the Committee received assurance on the current position regarding the progress of Planning Objectives aligned to SRC.
- **Digital Agenda Planning Objective Deep Dive (PO5C)** – the Committee received a presentation of a deep dive into the Digital Agenda which included an update on the progress of the Health Board's 10-year transformation plan for digital. An overview of the timeline of the Digital Enablement Plan process was given, with the Programme Business Case being presented to Board in November 2023. Following this the Outline Business Case will be considered by the Digital Oversight Group in December 2023, with recommendations being provided to SRC before the Full Business Case is presented to the Board in January 2024 with a recommendation of the preferred approach to deliver the Digital Engagement Plan.
- **Information Governance Sub-Committee (IGSC) Update Report** – the Committee approved the following policies:
 - 281 – Mobile Working Policy
 - 301 – User Account Management Policy
 - 172 – Confidentiality Policy
 - 238 – Information Governance Policy

Policy 224 Information Classification Policy has been removed from use as it was believed that it was no longer fit for purpose and a new policy will be issued under the All-Wales Information Governance Policy.

Policy 279 Third Party Supplier Security Policy was noted as being outside the review period although was still considered fit for purpose pending a full review, which is currently underway and will be considered by the IGSC in November 2023.

- **Digital Benefits Realisation** – the Committee noted the report whilst understanding that realising benefits was a challenge. The Committee noted that 392 hours has been saved by using electronic radiology test requesting and expected further efficiencies in the full roll-out of the process across the Health Board.

The Committee felt that outcomes relating to the Single Cancer Pathways, electronic test requesting, the use of Artificial Intelligence in pathology and the

sharing of images in pathology and radiology provided a good opportunity for a Board Seminar to explore these areas.

The Committee received assurances that relevant staff were being fully involved in the process. It was reported that the Chief Clinical Information Officer was being engaged to take forward clinical engagement.

- **Decarbonisation Task Force Group (DTFC) Update Report** – the Committee received an update on the work of the DTFC and it was noted progress against 46 initiatives in the NHS Wales Strategic Decarbonisation Plan.
- **Public Sector Emissions Reporting** – the Committee received an update highlighting that a new assessment of anaesthetic gases for 2022/23 has been a significant contributor to an increase in the Health Board carbon emissions. Improvements to the Health Board's buildings and street lighting was noted as a positive improvement. A reduction in home working had had an obvious consequential increase in travel and commuting carbon emissions however there was a significant reduction in the Health Board's supply chain carbon emissions as a result of a focus on decarbonising our supply chain and a reduction of capital activity at Health Board sites.
- **Integrated Performance Assurance Report (IPAR)** - The Committee noted the Month 6 2023/24 Integrated Performance Assurance Report.
- **All-Wales Capital Programme 2023/24 Capital Resource Limit and Capital Financial Management Update** – the Committee noted that the risk of capital overspend has reduced since the allocation of funding to address the RAAC issues. Following the creation of a decant ward at Witybush Hospital, the Committee were informed that there was a financial revenue risk of £1.6m The Committee agreed to include the anticipated impact of winter on Health Board costs in the next Finance Report to SRC in December 2023.

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

- The issues noted below were approved by the Committee:
 - **Financial Procedures** – the Committee approved an update to the Losses and Special Payments Procedure, which details delegated limits for approving ex gratia payments for personal property claims.
 - **Digital Oversight Group** – the Committee formally approved the dissolution of the Agile Digital Business Group, which was established during the COVID-19 pandemic and focussed more on fleet-of-foot decision making at the time of the pandemic, and the formal establishment of the Digital Oversight Group. The new Group will be more focussed on security and oversight of the full pathway of digital projects. The Terms of Reference of the Group were approved.

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

- There is a risk of not receiving conditionally recurrent funding from Welsh Government. The Board has a forecast deficit which is beyond its control total for 2023/24 though notes an improvement in the forecast due to Core Delivery Group savings.
- There is a financial relating to winter surge; £1.6m delivery of revenue savings is at risk if extra bed capacity provided by the construction of the decant ward at Withybush Hospital is opened.
- The Board must continue to identify and deliver recurrent savings in order to reduce the medium term financial deficit. In the current year, the Board has not identified plans to meet the savings target for 2023/24 recurrently or non recurrently.
- There is a reputational risk that should the Health Board be the only Health Board in Wales not to meet its control total then the Health Board could be placed into special measures.
- Concern around the regional funding arrangements regarding healthcare commissioning and contracting, specifically with SBUHB.

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

As required by the committee and Trust Board

Dyddiad y Cyfarfod Nesaf / Date of Next Meeting:

19 December 2023