

**COFNODION Y CYFARFOD BWRDD IECHYD PRIFYSGOL
CYMERADWYO/ APPROVED
MINUTES OF THE UNIVERSITY HEALTH BOARD MEETING**

Date of Meeting: **10:30, Thursday 11 July 2024**
Venue: **Ty Nant Meeting Room / Virtual via Zoom**

Present: Dr Neil Wooding Chair, Hywel Dda University Health Board
Ms Eleanor Marks, Vice-Chair, Hywel Dda University Health Board
Mr Maynard Davies, Independent Member (Information Technology) (VC)
Cllr. Rhodri Evans, Independent Member (Local Authority)
Ms Ann Murphy, Independent Member (Trade Union) (VC)
Mrs Chantal Patel, Independent Member (University) (VC)
Ms Delyth Raynsford, Independent Member (Community) (VC)
Mr Winston Weir, Independent Member (Finance) (VC)
Professor Philip Kloer, Interim Chief Executive
Mr Andrew Carruthers, Executive Director of Operations (VC)
Mr Lee Davies, Executive Director of Strategy and Planning (VC)
Dr Ardiana Gjini, Executive Director of Public Health (VC)
Mrs Lisa Gostling, Interim Deputy Chief Executive and Executive Director of Workforce and Organisational Development (VC)
Mr Mark Henwood, Interim Medical Director (VC)
Mr James Severs, Executive Director of Allied Health Professions and Health Science (VC)
Mr Huw Thomas, Executive Director of Finance

In Attendance: Ms Jill Paterson, Director of Primary Care, Community and Long-Term Care (VC)
Mrs Joanne Wilson, Director of Corporate Governance/Board Secretary
Ms Janice Cole-Williams, Assistant Director of Nursing, deputising for Sharon Daniel, Interim Director of Nursing, Quality and Patient Experience (VC)
Ms Donna Coleman, Corporate Lead and Head of Profession in Advocacy, Llais Cymru (VC)
Mr Sam Dentten, Deputy Regional Director, Llais West Wales (VC)
Mr Anthony Veale, Audit Wales (VC)
Ms Clare Moorcroft, Committee Services Officer (Minutes)

Minutes Ref.	Item	Action
PM(24)120	<p>Introductions and Apologies for Absence</p> <p>Dr Neil Wooding welcomed everyone to this Extraordinary Public Board meeting, convened to approve year-end documentation. Apologies for absence were received from:</p> <ul style="list-style-type: none"> • Michael Imperato, Independent Member (Legal) • Anna Lewis, Independent Member (Community) • Sharon Daniel, Interim Director of Nursing, Quality and Patient Experience • Alwena Hughes Moakes, Communications and Engagement Director 	
PM(24)121	Declaration of Interests	

No declarations of interest were made.

PM(24)122

Committee Annual Reports

Introducing the report, Mrs Joanne Wilson explained that the purpose of this is to present the Health Board's Committee Annual Reports to the Board. Each Committee Annual Report summarises the activities of the Committee during the 2023/24 financial year, setting out how they have met their Terms of Reference, as well as identifying key areas of work intended to provide further assurance to the Board. Mrs Wilson wished to record her thanks to Committee Members and Chairs, noting that each Chair has composed a foreword to their Committee's report.

Audit and Risk Assurance Committee (ARAC)

Presenting the ARAC Annual Report 2023/24, Cllr. Rhodri Evans indicated that it had been another busy year for ARAC. As a result of the scrutiny applied by the Committee, various matters had been escalated, recommendations made and actions undertaken. Drawing Members' attention to paragraph 2.4.1, Cllr. Evans noted the overall Limited Assurance rating awarded in the Head of Internal Audit Annual Report and Opinion 2023/24. Members were reminded that the Internal Audit Plan is prepared on a risk-based approach, including areas recognised by the Health Board as specific risks and of concern. It is considered that the Health Board has adequate arrangements at a corporate level; however, arrangements across areas and services within the organisation show variation and in total the Health Board received 8 Limited Assurance rated reports. On a positive note, 20 reports provided Substantial or Reasonable Assurance.

Moving onto section 5, Cllr. Evans highlighted external audit work provided by Audit Wales, with its work in 2023/24 falling under the two broad headings of: Audit of financial statements, and providing an opinion thereon; Performance audit work, including All-Wales thematic review of planned care, and local project work. Members' attention was drawn in particular to the conclusions drawn by Audit Wales outlined under paragraph 5.4 around: Board transparency, effectiveness and cohesion; Corporate systems of assurance; Corporate approach to planning; Corporate approach to managing financial resources. On behalf of the Committee, Cllr. Evans thanked Internal Audit and Audit Wales for their work.

In reference to section 8, Members heard that ARAC had received various reports from Counter Fraud, promoting an active dialogue in this area, and Mr Ben Rees and his team were thanked for their contribution.

Section 17 outlines conclusions, with Cllr. Evans confirming that the report had been considered in draft and final form by ARAC.

Charitable Funds Committee (CFC)

Ms Delyth Raynsford introduced the CFC Annual Report 2023/24, suggesting that this provides an insight into the scrutiny and activities of the Hywel Dda Charity. She expressed her gratitude for the work of both donors and fundraisers, highlighting in particular funding contributed to the Bronglais Hospital Chemotherapy Unit, Neonatal Ventilators and Arts in Health. The Hywel Dda community was thanked for its ongoing support.

Health and Safety Committee (HSC)

Presenting the HSC Annual Report 2023/24, Ms Ann Murphy noted that she had taken over as Chair from Mrs Judith Hardisty. Mrs Mandy Rayani, Executive Lead, had also retired from the Health Board and HSC. Whilst 2023/24 had been a challenging year for the Committee, Ms Murphy wished to recognise the effort and dedication of Health Board teams, particularly in managing the impact of works in relation to Reinforced Autoclaved Aerated Concrete (RAAC) at Worthybush Hospital and Estates work to address Fire Safety. Ms Murphy suggested that the Committee had met its Terms of Reference and thanked all of those within the Health and Safety team and HSC Members.

Mental Health Legislation Committee (MHLC)

Mrs Eleanor Marks introduced the MHLC Annual Report 2023/24, advising that, whilst she had nothing further to add to the report, she wished to thank the team for their work during they year. Mrs Marks had taken over as Chair of MHLC from Mrs Hardisty in March 2023. The Health Board is compliant with its duties in terms of Mental Health Legislation.

People, Organisational Development and Culture Committee (PODCC)

Presenting the PODCC Annual Report 2023/24, Mrs Chantal Patel advised that she had nothing further to add.

Quality, Safety and Experience Committee (QSEC)

Ms Raynsford introduced the QSEC Annual Report 2023/24, indicating that, whilst she did not wish to highlight anything specific in the report, the work of the Committee focuses on those aspects which matter most to patients, staff and communities. Ms Raynsford thanked all the Health Board's staff for their contribution and thanked patients for sharing their experiences.

Strategic Development and Operational Delivery Committee (SDODC)

Presenting the SDODC Annual Report 2023/24, Mr Maynard Davies stated that he had nothing specific to add; however, thanked all of the Health Board's staff and all of those who have contributed to the Committee's discussions.

Sustainable Resources Committee (SRC)

Mr Winston Weir introduced the SRC Annual Report 2023/24, noting that this has been an extremely challenging year for the Health Board in financial terms. The organisation has, however, achieved a greater understanding of the underlying challenges

involved. There is a focus on the medium-term financial strategy, which is essential in ensuring that savings schemes are embedded without compromising safety and quality of care. Mr Weir thanked in particular the Finance team, IT team and budget managers across the Health Board.

Decision: The Board **ENDORSED** the Hywel Dda University Health Board's (HDdUHB) Committee Annual Reports for 2023/24, recognising these had all been approved by the respective committees.

PM(24)123

Annual Assessment of Board Effectiveness 2023/24

Professor Philip Kloer presented the Annual Assessment of Board Effectiveness report for 2023/24, advising that the detail had been reviewed at both Board Seminar and ARAC. Appendix 1 outlines the Health Board's Self-Assessment against the Corporate Governance Code Of Practice. In addition, the Health Board has undertaken assessments of the effectiveness of each Board level Committee, and considered the findings of the Governance Review of Betsi Cadwaladr UHB. The outcome of the assessment determined by the Board was an overall maturity rating of Level 2; with the report containing an explanation of this rating. It is recognised that a contributing factor is the Health Board currently being in Targeted Intervention. Level 2 represents a base from which to work and improve.

Dr Wooding thanked the Board for its open and honest appraisal, emphasising that the ambition would be to improve from this maturity rating.

Decision: The Board **TOOK ASSURANCE** from the process that has been undertaken this year to review the Board's effectiveness; recognising that this has been discussed by the Board at the Board Seminar held on 18 April 2024 and was also presented to the Audit and Risk Assurance Committee on 9 May 2024 as part of its review of year-end processes.

PM(24)124

Head of Internal Audit Opinion and Annual Report 2023/24

On behalf of Mr James Johns, Head of Internal Audit, Mrs Wilson presented the Head of Internal Audit Opinion and Annual Report 2023/24. The overall audit Opinion was one of Limited Assurance, which was lower than in previous years. The rating was predominantly based on the number of Limited Assurance audit reports received this year, including several follow-up audits where the assurance rating had not improved. As mentioned by Cllr. Evans, the Health Board employs a risk-based approach in developing its Internal Audit Plan, which does impact on the potential findings of audits. However, the number of Limited Assurance reports received this year is still higher than in previous years and needs to be reflected upon. Members heard that the

report (in both draft and final versions) had been discussed at ARAC. Mrs Wilson thanked the Internal Audit team for their assistance during the year.

Dr Wooding acknowledged that the Limited Assurance Opinion was disappointing, and hoped that the Health Board would restore its position. He assured Members and the public that the organisation would be working to meet the relevant standards. Professor Kloer agreed, reiterating that the Health Board requests Internal Audit to focus on areas of concern, and suggesting that this approach should be maintained.

Decision: The Board **TOOK ASSURANCE** that the Head of Internal Audit Opinion has been reflected in Health Board's Governance Statement (part of the Annual Report 2023/24), along with confirmation of action planned to address the issues raised in respect of its system of internal control, to enable it to identify and prioritise the risks to the achievement of its policies, aims and objectives.

PM(24)125

HDdUHB Annual Report and Final Accounts for 2023/24

Professor Kloer presented the Annual Report and Final Accounts for 2023/24, noting that these had been considered in detail by ARAC. Professor Kloer thanked Mrs Wilson and Mr Huw Thomas and their teams for the work involved in compiling this document.

Mrs Wilson introduced the Performance and Accountability Report sections of the report, emphasising that these have been reviewed in both draft and final form by ARAC, with the final version considered at the ARAC meeting on 9 July 2024. Minor amendments had been made since that meeting:

Page 6 and 55 – change of name for signature from previous to current Chair.

Page 350 – addition of date when the Director of Workforce and OD became Interim Deputy Chief Executive and clarification of dates in terms of Accountable Officer status of current Interim Chief Executive.

Mrs Wilson wished to thank Ms Charlotte Wilmshurst from the Corporate Governance team, Ms Tracy Price from the Performance team and Ms Fiona Hancock from the Communications team, who had all worked extremely hard in compiling the report.

Mr Huw Thomas introduced the Final Accounts section, reiterating earlier comments that this has been an extremely challenging year for the Health Board. Whilst the organisation has much to be proud of, it is acknowledged that the Health Board is in Targeted Intervention, with areas requiring significant improvement. It does not go unrecognised that every figure and statistic represents

individuals within the local community. Members were reminded that an additional planning processes had taken place in August 2023. This had resulted in additional allocations made to Health Boards, with HDdUHB receiving an additional £43m conditionally recurrent funding. As at the current time, the Health Board has not met the relevant conditions, and Welsh Government may rescind this allocation. An additional allocation of £9.6m to offset against the challenging inflationary position and increased energy costs had also been received.

The Health Board's forecast financial deficit was £60.3m, and the target Control Total set by Welsh Government was £44.8m. The actual deficit figure of £65.8m represents a position of £5.5m above forecast and £21m above Control Total. This in itself represents a deficit against the Health Board's break-even duty. Members were reminded that there are 3 Statutory and 1 Administrative targets:

Revenue Resource Performance (Statutory)

The Health Board is required to ensure that expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years.

Target Not achieved in 2023/24

This had presented significant challenges and the year-end position was recognised as unacceptable. However, this should not detract from the hard work of Health Board staff.

Capital Resource Performance (Statutory)

The Health Board is required to ensure that expenditure does not exceed the aggregate of the funding allotted to it over a period of 3 financial years.

Target achieved in 2023/24

Members heard that there is a major backlog in terms of maintenance, which currently sits at £136m.

Duty to prepare a 3 Year Plan (Statutory)

The submission of a three-year Integrated Medium-Term Plan (IMTP) to Welsh Government (WG) is a statutory obligation. Hywel Dda UHB has not had an approvable plan to date.

Target Not achieved in 2023/24

Creditor Payment (Administrative)

Welsh Government requires that Health Boards pay their trade creditors in accordance with the CBI Prompt Payment Code (PSP) and Government Accounting rules. The financial target is to pay 95% of these non-NHS invoices (number, not financial value) within 30 days of delivery.

Target achieved in 2023/24

Mr Huw Thomas had no other specific comments regarding the accounts, except for Note 29 on page 68 (Events after the Reporting Period) in relation to Medical Pay Awards. Agreement

regarding these had been reached after the end of the financial year, with the pay awards to be funded by Welsh Government. Audit Wales had made one audit recommendation around a process for monitoring stock/inventory. This would be addressed by the planned implementation of the Scan for Safety system. Mr Huw Thomas wished to record his thanks to the Finance team, colleagues across the Health Board including the Corporate Governance team, and colleagues in Welsh Government, Internal Audit and Audit Wales.

Dr Wooding thanked and congratulated those involved in preparing the report. Whilst it is clear that the Health Board's position is currently unsustainable, this should not detract from the fact that it is accounting well for its resources. He emphasised the need to focus on delivering sustainability in the future. Cllr. Evans, in his role as ARAC Chair, added his thanks to all of those involved in preparing the Annual Report and Accounts. He confirmed that the various elements of this document have been reviewed in detail by ARAC. Also, that ARAC had received a list of all changes between draft and final versions which had been required by Welsh Government and Audit Wales and that a robust audit trail had been retained. Cllr. Evans confirmed that the Committee had approved the Annual Report and Accounts for onward ratification by the Board.

PM(24)126

Audit Wales ISA 260 and Letter of Representation

Mr Anthony Veale placed on record his thanks to the Health Board for their support during this year's financial audit and preparation of the Annual Accounts. Particular gratitude was expressed to Mr Huw Thomas, Mrs Wilson and their teams. Mr Veale reminded Members that it is the purpose of the audit and report to provide a true and fair position on the Health Board's accounts for the year 2023/24. Audit Wales will be qualifying their regularity opinion, based on the Health Board's financial position. It is noted that the organisation has not met its revenue resource limit for the past three years and does not have an approved IMTP. Audit Wales has issued a substantive audit report explaining the reason for their qualification. This audit opinion is included as Appendix 1. The Letter of Representation at Appendix 2 will require signature by the relevant members of the Health Board following today's meeting. Appendix 3 outlines various misstatements, all of which have been corrected by management. Finally, Appendix 4 details the one audit recommendation mentioned earlier, in relation to the need for the Health Board to undertake theatre inventory/stock checks at year end.

Dr Wooding welcomed the report and was hopeful that assurance regarding the recommendation will be forthcoming before next year's audit. Cllr. Evans confirmed that this matter appears on the Health Board Audit Tracker, with a completion date of Q4 2024/25, and will, therefore, be monitored.

Dr Wooding concluded discussions by thanking all of those involved in preparing year-end documentation; however, also expressed gratitude to all staff in the organisation who deliver services on a daily basis.

Decision: The Board **NOTED** the Audit Wales ISA 260 and Letter of Representation.

The Board **APPROVED** the following – which together comprise the HDdUHB Annual Report 2023/24 – for submission to Welsh Government by 15 July 2024 and presentation at the Annual General Meeting on 26 September 2024, recognising that these have been reviewed and agreed by the relevant Board Committees:

- Performance Report for 2023/24;
- Accountability Report for 2023/24;
- Annual Accounts for 2023/24 (following the presentation of the Audit Wales ISA 260 and Letter of Representation to the Board).

PM(24)127

Date and Time of Next Meeting

9:30am, Thursday, 25 July 2024