

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 19 December 2023
Y Penderfyniadau a'r Materion a Ystyriodd y Prif Bwyllgor / Key Decisions and Matters Considered by the Main 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 (SRC) at its meeting held on 19 December 2023.</p> <ul style="list-style-type: none"> <p>The Pembrokeshire Model Deep Dive – the Committee received a presentation of a deep dive into changes made to the Pembrokeshire Model of Healthcare which included a review on the provision of an alternative provision of care and an alternative model of care in the community outside of the District General Hospital. It was noted that the commencement of the review pre-dated the reinforced autoclaved aerated concrete (RAAC)-instigated Internal Major Incident (IMI) and was a clinically-led process. The Committee was informed that improvements to the medical and bed-flow position with improvements to the Frailty Unit and the Frailty Pathway as a result of a focus on admission avoidance and early intervention to avoid long-term hospital stays.</p> <p>The Committee was informed that improvements to the Same-Day Emergency Care model had alleviated pressures in the Emergency Department at Withybush Hospital (WH), led to an improved financial position and resulted in positive feedback supported by Quality and Safety Indicators.</p> <p>The changes to the Pembrokeshire Model have given confidence that lessons can be learned to develop strategies in Carmarthenshire and Ceredigion.</p> <p>Finance Report – the Committee received the Finance Report as of the end of Month 8, 2023/24. Members noted the latest financial information which had shown a general continuation of the Health Board's financial position. The report noted an increase in the number of whole-time equivalent (WTE) hours worked, the additional expenditure of which had been offset by a reduction in nurse agency hours. Concern was highlighted of the high level of medical locum usage, being approximately £3m a month.</p> <p>The Committee were advised that the end-of-year forecasted deficit remains at £72.7m, unchanged from the previous month and the figure contained in the</p> 	

Accountable Office letter to Welsh Government (WG) and the associated £27.9m gap to achieve the WG control total of £44.8m.

The Committee was advised that there was a significant risk to the cash position of the Health Board. Due to the cash consequences of the revenue deficit, there is currently insufficient cash to make payments from February 2024. A request for support has been submitted to WG with a decision not expected until January 2024. The Committee was advised that there was no risk to payroll or payments to local contractors and was reminded of the cash management governance contingency plans should WG not provide support that were presented to the 24 October In-Committee SRC meeting, establishing prioritisation categories for payments such as deferring income tax and National Insurance payments to HMRC for up to 3 months.

The Committee was advised that there was a current focus on reducing nursing agency staff; work regarding medical agency staff was currently at the developmental stage and the issue of high-cost agency and premium locum staff would be addressed in the short-term.

- **Finance Targeted Intervention Actions** – the Committee received the Finance Targeted Interventions (TI) Actions Report. The Committee heard that the Health Board strengthened its approach from exploration through to savings delivery and that the Finance Team had identified several opportunities for the organisation to deliver savings. The Committee was advised that, compared to other Health Boards in Wales, Hywel Dda University Health Board (HDdUHB) had more hospital sites and was spending more servicing these sites and that HDdUHB's maternity services were significantly more expensive on average than other Health Boards in Wales. The Committee was advised that routes to transformation from enquiry to delivery stage provided an opportunity framework to generate a savings plan.
- **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 (FCG) and was advised that both Groups were connected to the Targeted Intervention work to identify opportunities to deliver savings. A focus of both groups has been to eradicate high-cost locum and agency spend and to align with the work done by the Values and Sustainability Board of WG. The Committee was advised that VAT relief on the home oxygen contract should see the Health Board receive £540k in the current financial year and VAT reclamation on Microsoft licencing fees should see the Health Board receive £1.5m in the next financial year.
- **Healthcare Contracting and Commissioning Update** – the Committee received the Healthcare Contracting and Commissioning Update report of the current key commissioning areas and a draft report on commissioning intentions for 2024/25. The Committee also approved a request for formally disestablish the Commissioning Group, a sub-committee of the SRC, and was advised that there was a need to review the Health Board's commissioning arrangements and the partnership approach carried out with A Regional Collaboration for Health (ARCH).

- **Decarbonisation Task Force Group Update Report** – the Committee was advised of the risk of failing to meet the strategic decarbonisation targets by the year 2030, due to the pressures on capital expenditure and the anticipation that the environmentally inefficient Glangwili Hospital (GH) site will still be operational post-2030. It was noted that the Liquid Petroleum Gas project at GH had reduced oil consumption by 70%, reduced carbon emissions by 300 tonnes and delivered a financial benefit to the Health Board of £200k. It was also advised that discussions had been held with the Local Authority in Carmarthenshire to explore the possibility of partnership working to provide HDdUHB staff with access to electric vehicle (EV) charging points away from HDdUHB sites, allowing community-based staff to charge their vehicles without having to attend a Health Board site.
- **Corporate Risk Report** – the Committee was informed that risks that were a certainty to occur were still recorded on the Risk Register to acknowledge that the risk has been considered.
- **Operational Risk Report** – the Committee was advised of the distinction between the Counties and the hospital sites, and it was explained how the hospital sites drive the financial challenges whereas the Counties overall were much closer to remaining within their allocated budget. The Committee was advised that improvements have been made around the recruitment of radiologists and that a review of the risk score would be made after the new radiologists had started in post.
- **Procurement Update** – the Committee approved the Dementia Well-being Connector Tender and a 6-month extension to the Palliative and End of Life third sector commissioning and procurement Service Level Agreements from 1 April 2024 to 1 September 2024 for onward submission to the Board for approval.
- **Financial Procedures** – the Committee approved the following financial procedures:
 - FP976 Project Bank Accounts (updated policy)
 - FP Income Risk Stratification (new policy)
- **Digital Oversight Group Update Report** – the Committee was advised that the Digital Oversight Group has considered two proposals; the first around a managed print service, which is anticipated to deliver savings through the management of the Health Board’s printing and the replacement of stand-alone printers with multi-functional devices, and a second regarding a cyber security asset discovery solution.
- **Information Governance Sub-Committee Update Report** – the Committee was advised of an issue with the corporate medical record storage by an external storage provider not having suitable security measures in place. The establishment of a Task and Finish Group to examine how to progress either the removal of the records from the external supplier and securing them at an in-house storage facility or to ensure that the external supplier put appropriate security in place to meet HDdUHB’s storage security expectations. The Committee was advised that the removal of the records from the external provider and the termination of the contract was considered.

- **Integrated Performance Assurance Report (IPAR)** - The Committee received the Month 8 2023/24 Integrated Performance Assurance Report, which summarised the progress of the Health Board against a range of national and local performance measures.
- **All-Wales Capital Programme 2023/24 Capital Resource Limit and Capital Financial Management Plan** – the Committee received the All-Wales Capital Programme 2023/24 Capital Resource Limit and Capital Financial Management Plan.
- **NWSSP Performance Report** – the Committee received the NHS Wales Shared Services Partnership performance report.
- **Review of Business Partnering Arrangements** – the Committee received a report into a review of the Health Board’s Business Partnership Arrangements.
- **Nurse Staffing Levels (Wales) Act (NSL(W)A) Report** – the Committee received a report in the financial implications of the NSL(W)A for HDdUHB.

**Materion Allweddol a Ystyriwyd gan y Pwyllgor Mewnol:
Key Matters Considered by the In-Committee:**

- **End of Year Financial Position Update** – the In-Committee received an update on the End of Year Financial Position for 2023/24.
- **Cyber Resilience and Security Update** – the In-Committee received an update report on the Health Board’s cyber resilience and security.

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

- To approve the Dementia Well-being Connector Tender as the value of the tender exceeds £1m.
- To approve the extension of the existing third-sector commissioning and procurement Service Level Agreements for Palliative and End of Life Care for 6 months from 1 April 2024 to 1 September 2024.
- To recognise the progress of changes made to the Pembrokeshire Model and to recognise the risk of winter pressures to that progress made in the County.
- To recognise the assurance from the Core Delivery Group and to note the work and activities undertaken by the CDG.
- To raise concern on the in-year cash position of HDdUHB as contained within the Finance Report and the challenges faced in financial delivery and the in-year savings delivery and operational cost pressures and the critical nature of Q4 of 2023/24 in addressing the underlying position ahead of the 2024/25 financial year.

- To receive assurances in the manner in which the Opportunities Framework is being transacted into a process that allows HDdUHB to respond accordingly to the challenges that derive from service delivery.

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

- Risk to cost benefits realised through changes to the Pembrokeshire Model of care reverting to the model pre-configuration changes.
- Risk to financial benefits realised following the re-opening of Wards 7 and 11 at Withybush Hospital from the Emergency Department increasing its capacity to previous levels.
- Significant risk to the in-year cash position should the request to Welsh Government for cash be declined or not fully acceded.
- Risk to meeting the 2030 strategic decarbonisation targets due to the pressures on capital expenditure and the expectation that Glangwili Hospital will still be operational post-2030.
- Significant risk to the security of the storage of corporate medical records by an external storage provider. Consideration given to the termination of the contract and removal of records from the external storage provider and securing them at an in-house storage facility.

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

Adrodd yn y Dyfodol / Future Reporting:

- Value-Based Healthcare Update
- Decarbonisation and Sustainability Deep Dive
- Consultancy Review

Dyddiad y Cyfarfod Nesaf / Date of Next Meeting:

27 February 2024