

## SUSTAINABLE RESOURCES COMMITTEE UPDATE REPORT

**Date of last meeting:** 25 June 2024

**Quoracy:** Met

**Report by:** Mr Winston Weir, Chair

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### KEY DISCUSSION POINTS AND MATTERS TO BE ESCALATED FROM THE DISCUSSION AT THE MEETING:

#### Alert<sup>1</sup>

The Sustainable Resources Committee wish to **alert** members of the Board that:

- The Committee has concerns regarding the levels of expenditure, identified in the **Finance Report**, through the Unscheduled Care systems and Emergency Departments and spending on Premium Doctor and Medical Agency and concerns over the savings delivery against the savings target of £32.4m.
- Risk 1842 on the **Corporate Risk Register** identifies that the cash consequences of the Health Board's deficit cannot be covered due to the significant level of the deficit without Welsh Government (WG) support, of which there is no current assurance to the Health Board that that support can be provided.
- The **All-Wales Capital Programme 2024/25 Capital Resource Limit and Capital Financial Management Update** highlighted the net recurrent revenue consequences were the Board be minded to approve the Full Business Cases for the capital schemes of Carmarthen Hwb, Pentre Awel development and the Cross Hands Health and Wellbeing Centre. The Board would need to plan to address any revenue consequences and provide a clear benefits realisation assessment of the approval of any of the business cases for the proposed schemes.

#### Advise<sup>2</sup>

The Sustainable Resources Committee wish to **advise** members of the Board that:

- The **Financial Report** identified that there was a reliance on non-recurrent savings with the implications for the Health Board's underlying deficit. Levels of nursing agency usage was considered of sufficient concern, although having shown an improving trend, the Health Board was still spending £12m per year on nursing agency, which was considered as part of the Deep Dive into Nursing Workforce Issues where the Committee scrutinised the work undertaken to reduce the levels of nursing agency usage within the Health Board through recruitment into substantive posts, use of 'Grow Our Own' and Internationally Educated Nurses and through the Stabilisation Work

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<sup>1</sup> There is a lack of confidence that any action in place is sufficient to address the issue satisfactorily and/or within the scope of the operational team or executive to resolve. Engagement, action or intervention required.

<sup>2</sup> There are areas of concern where assurance has been taken on actions in place but requires close monitoring. An early warning of an emerging and potentially serious concern.

Programme and the pilot Enhanced Agency Escalation Process being rolled out in July 2024.

- Having focussed on a Deep Dive into Nursing Workforce Issues, the Committee resolved to undertake a **Deep Dive into the Medical Workforce issues**, which would be considered at a future meeting of the Committee to be determined at the August 2024 agenda setting meeting.
- The **Healthcare Contracting and Commissioning Update** advised that contracts with Swansea Bay University Health Board (SBUHB) for Orthopaedic/Spinal Elective and Day Case Activity and with Velindre Cancer Centre have not been signed ahead of the 30 June 2024 deadline, although both are subject to active negotiations to enable the contracts to be signed to ensure best value for Hywel Dda University Health Board (HDdUHB). An update will be provided to the August 2024 Sustainable Resources Committee.
- The **Information Governance Sub-Committee Update Report** advised that the Health Board had not met the WG target for the '*percentage of episodes clinically coded within one reporting month post-episode discharge end-date*' between November 2023 and February 2024 due to the reduction in the number of trained coders. The Committee were advised that four new clinical coders have been appointed to the vacancies within the Clinical Coding Team, however, the next 12 months are anticipated to be a challenge until the new recruits are fully trained. The Sustainable Resources Committee will continue to monitor performance.

### Assure<sup>3</sup>

The Sustainable Resources Committee wish to assure members of the Board that:

- The Month 2 2024/25 **Financial Report** provided clarity and transparency of the reporting of the Health Board's financial position to date against the Annual Plan.
- The **Deep Dive: Nursing Workforce Issues** provided assurance of the processes that are in place on the scope and scale of analysis being undertaken to inform nursing workforce planning to manage clinical demands affecting the future demands on nursing workforce and development of action plans to address areas of concern.
- Assurance was received from Corporate Risk Report as the actions taken have enabled the Health Board to reduce the risk level relating to the ability to access paper patient records in a timely manner due to existing records management infrastructure. The Committee also received assurance on the unchanged risk relating to cyber-security despite the recent concerns over the aggressive targeting of UK NHS systems.

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<sup>3</sup> There is confidence that actions are robust and will be sufficient to address the issue or generally operating effectively. Routine monitoring.

- The **Healthcare Contracting and Commissioning Update** provided assurance on the processes in place for the commissioning and contracting.

### **Review of Risks**

The Committee considered the risk to the Health Board that the cash consequences of the Health Board's deficit cannot be covered due to the significant level of the deficit without Welsh Government (WG) support.

### **Sharing of Learning**

None.

### **Recommendation**

The Board is asked to:

- Respond to the items that they are being alerted to.
- Note the items the Committee is advising them of.
- Be assured on the items that the Committee is providing assurance on.

Agenda, papers and minutes are available on our website: [Sustainable Resources Committee \(SRC\)](#)



**CYFARFOD BWRDD PRIFYSGOL IECHYD  
UNIVERSITY HEALTH BOARD MEETING**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 July 2024
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Procurement Report
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Executive Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Katharine Fletcher, Deputy Head of Procurement

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA**

**SBAR REPORT**

**Sefyllfa / Situation**

The purpose of this report is to inform Members of the commencement of the procurement exercise for Data Centre Storage, Computing and Hypervisor Environment Replacement, the extension of Outsourcing Trauma and Orthopaedics and of the outcome of the following recent procurement exercises for the All-Wales Meat and Poultry Contract which will be or have been undertaken on behalf of Hywel Dda University Health Board (HDdUHB):

1. Data Centre Storage, Computing and Hypervisor environment Replacement – Glangwili General Hospital and Withybush General Hospital
2. All Wales Meat and Poultry Provision
3. Outsourcing Trauma and Orthopaedics Procedures Extension

In line with Welsh Government approval procedures, the Health Board is required to approve the following tenders, as they each have a cumulative contract value in excess of £1 million over the term of the contract.

**Cefndir / Background**

1. Data Centre Storage, Computing and Hypervisor environment Replacement – Glangwili General Hospital and Withybush General Hospital

**Proposed outcome**

<b>Duration of Contract</b>	<b>Proposed Annual Value of New Contract</b>	<b>Proposed Total Value of New Contract</b>
01/10/2024 – 30/09/2029 with extension 01/10/2029 - 30/09/2030	£440,000 exc. VAT	£2,200,000 exc. VAT

## 2. All Wales Meat and Poultry Provision

### Proposed outcome

<b>Duration of Contract</b>	<b>Proposed Supplier (s)</b>	<b>Current Annual Local Contract Value</b>	<b>Proposed Annual Value of New AW Contract</b>	<b>Proposed Total Value of New AW Contract – 4-year term (3+1)</b>
01/07/2024 – 30/06/2027	Castell Howell Foods Ltd	£393,849.90 exc. VAT	£379,646.46 exc. VAT	£1,518,585.84 exc. VAT

## 3. Outsourcing Trauma and Orthopaedics Procedures Extension

### Proposed outcome

<b>Duration of Contract</b>	<b>Proposed Supplier (s)</b>	<b>Current Total Local Contract Value</b>	<b>Proposed Value of Extension</b>	<b>Proposed Total Value of New Contract</b>
01/04/2024 – 31/03/2025	BMI Hospitals and Practice Plus Group (Emerson Green)	£1,794,870.75 exc. VAT	£4,250,000 exc. VAT	£6,044,870.75 exc. VAT

## Asesiad / Assessment

### Tender Process

#### 1. Data Centre Storage, Computing and Hypervisor environment Replacement – Glangwili General Hospital and Withybush General Hospital

The Health Board is seeking to replace the hardware and software at its Data Centres at Glangwili General Hospital and Withybush General Hospital, with the current equipment reaching end of life at the end of the calendar year. Approval is sought to undertake a mini competition via the NPS Framework utilising LOT 5 (Solutions) to award a 5-year contract with a one-year extension option.

#### 2. All Wales Meat and Poultry Provision

The current All Wales Meat and Poultry Contract has expired. The All Wales Provisions team are seeking approval following an open OJEU tender process to award a new Meat and Poultry contract for a three-year term with a one-year extension option.

The contract was broken down into the 5 lots below:

- Lot 1 - Fresh and Frozen Raw Meat
- Lot 2 - Fresh and Frozen Cooked and Raw Poultry
- Lot 3 – Chilled Cooked Meats

- Lot 4 – Bacon and Sausage (North and East)
- Lot 5 – Bacon and Sausage (South and West)

Following the evaluation process, the recommendation is to award to Castell Howell Foods Ltd for all 5 lots.

### 3. Outsourcing Trauma and Orthopaedics Procedures Extension

The contract was initially awarded for a 3-month period to the end of March 2024 with the option to extend for 12 months. After a successful 3 months of procedures, the service would like to utilise the 12-month extension to maintain service provision and further reduce Referral to Treatment Times in line with Welsh Government targets. Should funding be approved, up to an additional 500 procedures can be undertaken to meet Welsh Government targets before 31 March 2025. The extension will be on a zero-commitment basis and assuming that all procedures will be completed.

### Argymhelliad / Recommendation

The Board is requested to:

- **APPROVE** to proceed to commence the tender for the Data Centre Storage, Computing and Hypervisor Environment Replacement to provide services from 1 October 2024 to 30 September 2029 or with extension option to 30 September 2030; noting that there is no requirement for Welsh Government approval, as this is a pre-approved All Wales Framework.
- **RATIFY** the award of the All-Wales Meat and Poultry Provision, 1 July 2024 – 30 June 2027. This contract will have onwards submission to Velindre NHS Trust (as hosts of NHS Wales Shared Services Partnership) Public Board and Welsh Government for approval.
- **APPROVE** to proceed to extend the contract for Outsourcing Trauma and Orthopaedics Procedures Extension to provide services from 1 April 2024 to 31 March 2025; noting that there is no requirement for Welsh Government approval, as this is a pre-approved All Wales Framework.

### Amcanion: (rhaid cwblhau)

### Objectives: (must be completed)

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
Parthau Ansawdd: Domains of Quality <a href="#">Quality and Engagement Act (sharepoint.com)</a>	7. All apply
Galluogwyr Ansawdd: Enablers of Quality: <a href="#">Quality and Engagement Act (sharepoint.com)</a>	6. All Apply
Amcanion Strategol y BIP: UHB Strategic Objectives:	All Strategic Objectives are applicable

Amcanion Cynllunio Planning Objectives	Not Applicable
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2021-2022</a>	9. All HDdUHB Well-being Objectives apply

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	Not Applicable
Rhestr Termau: Glossary of Terms:	NPS – National Procurement Service OJEU – Official Journal of the European Union
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	Sustainable Resources Committee (SRC)

<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Not Applicable
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Not Applicable
<b>Gweithlu: Workforce:</b>	Not Applicable
<b>Risg: Risk:</b>	Not Applicable
<b>Cyfreithiol: Legal:</b>	Not Applicable
<b>Enw Da: Reputational:</b>	Not Applicable
<b>Gyfrinachedd: Privacy:</b>	Not Applicable
<b>Cydraddoldeb: Equality:</b>	Not Applicable

**CYFARFOD BWRDD PRIFYSGOL IECHYD  
UNIVERSITY HEALTH BOARD MEETING**

<b>DYDDIAD Y CYFARFOD: DATE OF MEETING:</b>	25 July 2024
<b>TEITL YR ADRODDIAD: TITLE OF REPORT:</b>	Long-Term Agreements with other Welsh Health Boards
<b>CYFARWYDDWR ARWEINIOL: LEAD DIRECTOR:</b>	Huw Thomas, Executive Director of Finance
<b>SWYDDOG ADRODD: REPORTING OFFICER:</b>	Chris Williams, Senior Value Business Partner Shaun Ayres, Deputy Director of Operational Planning and Commissioning

**Pwrpas yr Adroddiad (dewiswch fel yn addas)**

**Purpose of the Report (select as appropriate)**

Ar Gyfer Penderfyniad/For Decision

**ADRODDIAD SCAA**

**SBAR REPORT**

**Sefyllfa / Situation**

Welsh Health Circular 2019/004 requires all inter-Welsh NHS Long Term Agreements (LTAs) and Service Level Agreements (SLAs) to be approved by the last working day of June each year. Welsh Health Circular 2023/048 set out the allocation of revenue funding to each health board, along with detailed explanation of changes to funding streams and guidance on how these changes had been calculated.

The lead-up to 28 June 2024 – the last working day of June and deadline for agreement of the values within LTAs and SLAs – saw last minute changes to detailed LTAs. It was, therefore, not possible to seek prior Board approval for the costs and activities within the various agreements before the deadline. Accordingly, this report gives information on the agreements entered into and the financial consequences for the Health Board.

**Cefndir / Background**

Within NHS Wales, it is often necessary for health boards to enter into agreements with each other to ensure appropriate clinical services are available for their resident populations to be treated. These agreements specify the services to be provided, with anticipated volumes and estimated costs of provision. Each year, health boards review and update these agreements, which allows for planning of workforce, estate and other assets necessary to provide the care required, along with appropriate changes to the amount reimbursed.

In Hywel Dda, given the nature of our population and the services we provide from our own hospital sites and with our own staffing, we commission a significant amount of specialised care from other providers. Conversely, we also provide services to meet the needs of residents from other health boards, notably those who reside in Powys and Betsi Cadwaladr's areas of responsibility. LTAs therefore comprise two elements – those where Hywel Dda commissions services from others, and those where services are commissioned from Hywel Dda. WHC 2023/48 sets out health board allocations for the 2024/25 financial year. There is an expectation that an increase of 3.67% in LTA values would be made available from each health



board's income allocation. The 3.67% increase is intended to meet pay and non-pay inflation, as well as address the impact of additional demand. There is also an expectation that each health board will deliver an improvement in efficiency of provision of at least 2%. Noting the challenging financial position that most health boards find themselves in, the negotiations over levels of activity and funding of those activities has been more protracted than normal, with differing interpretations by some health boards in how to ensure the spirit of the allocation letter was followed, along with the interaction with other funding streams, notably recovery funding.

The table below sets out the 2024/25 LTA contract values for estimated expenditure from services Hywel Dda has commissioned from other health boards:

### Expenditure LTA Contract Values

Health Board	Description	24/25 £'m	Start Date	End Date
Swansea Bay UHB	Provision of clinical services to Hywel Dda residents in and by SBUHB	£38.722	01-Apr-24	31-Mar-25
Aneurin Bevan UHB	Provision of clinical services provided to HDdUHB residents	£0.302	01-Apr-24	31-Mar-25
Betsi Cadwaladr UHB	Provision of clinical services provided to HDdUHB residents	£0.317	01-Apr-24	31-Mar-25
Cardiff & Vale UHB	Provision of clinical services provided to HDdUHB residents	£6.514	01-Apr-24	31-Mar-25
Cwm Taf Morgannwg UHB	Provision of clinical services provided to HDdUHB residents	£0.525	01-Apr-24	31-Mar-25
Powys Local Health Board	Provision of clinical services provided to HDdUHB residents	£0.216	01-Apr-24	31-Mar-25
Velindre NHS Trust	Provision of clinical services provided to HDdUHB residents	£0.890	01-Apr-24	31-Mar-25
JCC (formerly WHSSC & EASC)	Provision of clinical services provided to HDdUHB residents	£133.317	01-Apr-24	31-Mar-25
Total		£180.804		

### Income LTA Contract Values

Health Board	Description	2024/25 £m	Start Date	End Date
Aneurin Bevan	Provision of clinical services to Aneurin Bevan residents	£0.404	01-Apr-24	31-Mar-24
Betsi Cadwaladr	Provision of clinical services to Betsi Cadwaladr residents	£5.230	01-Apr-24	31-Mar-24
Cardiff & Vale	Provision of clinical services to Cardiff & Vale residents	£0.381	01-Apr-23	31-Mar-24
Cwm Taf Morgannwg	Provision of clinical services to Cwm Taf Morgannwg residents	£0.488	01-Apr-23	31-Mar-24
Powys	Provision of clinical services to Powys residents	£8.525	01-Apr-23	31-Mar-24

Swansea Bay	Provision of clinical services to Swansea Bay residents	£4.822	01-Apr-23	31-Mar-24
WHSSC	Provision of clinical services to UHB residents by Hywel Dda	£2.134	01-Apr-23	31-Mar-24
Total		£21.595		

### Asesiad / Assessment

As noted above, the financial situation facing all health boards in Wales has meant that negotiations and final agreements of LTAs has been more complex and protracted than in previous years. Coupled with a strong desire from Welsh Government to quickly and sustainably reduce the number of people waiting for secondary care and specialised treatment, this has led to a challenging negotiation at both the provider and commissioner level.

Key elements of the revised approach have included the following principles:

- Avoiding the destabilisation of providers or commissioners through significant service change, or with insufficient notice
- Clarity of different funding streams, especially earmarked or ringfenced recovery funding, to eliminate double-funding of activity
- Using 2019/20 outturn activity data as a baseline to guide anticipated levels of activity, especially relating to care for patients with cancer
- Temporarily pausing investment in new treatment technologies, especially those commissioned via the Joint Commissioning Committee, reflecting the unaffordability for all health boards if all proposed new technologies were adopted

Taking into account the impact of increases in anticipated expenditure, and the impact of anticipated income for services we provide on behalf of other health boards, the overall net increase in expenditure is approximately 2.6% from the previous year. Detailed analysis of the changes in expenditure and income is shown at Appendix 1.

The Board is asked to note that the net effect of the expenditure LTAs and the income LTAs results in a net saving of £2.327m in the financial year. Changes to the arrangements made for orthopaedic care in SBUHB– challenging the basis of funding to ensure no “double funding” of activity – has resulted in an anticipated saving of £1.9m. In addition, challenging the basis of payment of drug costs for patients whose care is provided by Velindre NHS Trust has resulted in further anticipated savings of £0.4m.

### Argymhelliad / Recommendation

The Board is asked to **RATIFY** the LTAs, which have been signed by the Chief Executive Officer in consultation with the Executive Director of Finance, within the budget allocation approved by the Board in March 2024.

### **Amcanion: (rhaid cwblhau)**

### **Objectives: (must be completed)**

Cyfeirnod Cofrestr Risg Datix a Sgôr Cyfredol: Datix Risk Register Reference and Score:	Not Applicable
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Safon(au) Gofal ac Iechyd: Health and Care Standard(s):	5. Timely Care 7. Staff and Resources
Amcanion Strategol y BIP: UHB Strategic Objectives:	3. Striving to deliver and develop excellent services 6. Sustainable use of resources
Amcanion Cynllunio Planning Objectives	1A NHS Delivery Framework targets
Amcanion Llesiant BIP: UHB Well-being Objectives: <a href="#">Hyperlink to HDdUHB Well-being Objectives Annual Report 2018-2019</a>	10. Not Applicable

<b>Gwybodaeth Ychwanegol: Further Information:</b>	
Ar sail tystiolaeth: Evidence Base:	As outlined in report
Rhestr Termau: Glossary of Terms:	As outlined in report
Partïon / Pwyllgorau â ymgynhorwyd ymlaen llaw y Cyfarfod Bwrdd Iechyd Prifysgol: Parties / Committees consulted prior to University Health Board:	All Wales Directors of Finance Sustainable Resources Committee

<b>Effaith: (rhaid cwblhau) Impact: (must be completed)</b>	
<b>Ariannol / Gwerth am Arian: Financial / Service:</b>	Set out within the Paper
<b>Ansawdd / Gofal Claf: Quality / Patient Care:</b>	Long term agreements ensure sufficient, appropriate and sustainable health care is available to residents of Hywel Dda
<b>Gweithlu: Workforce:</b>	Not Applicable
<b>Risg: Risk:</b>	Not Applicable
<b>Cyfreithiol: Legal:</b>	Not Applicable
<b>Enw Da: Reputational:</b>	Not Applicable
<b>Gyfrinachedd: Privacy:</b>	Not Applicable
<b>Cydraddoldeb: Equality:</b>	Not Applicable

Appendix 1

Detailed LTA values 2024/25

Expenditure LTAs 2024/25

	Expenditure LTA Value 23/24 (£)	Inflation %	Inflation on LTA (£)	Investments (£)	Adjustments	Expenditure LTA Value 24/25 (£)	Comments
JCC (formerly WHSSC)	128,675,755	-	1,608,187	-	3,032,788	133,316,730	JCC adjustments include transfer of activity funded non-currently to health board recurrent funding
Swansea Bay	39,339,496	1.10%	396,478	132,520	-1,146,000	38,722,493	No inflation on HCD reduces impact of inflation; Investment in additional CT Sim in South Wales Cancer Centre
Cardiff & Vale	6,338,069	3.67%	213,210	-	-37,297	6,513,982	Urology Robotic Costs transferred from C&V to SBU - Da Vinci Machine now in SBU
Cwm Taf Morgannwg	519,652	1.10%	5,716	-	-	525,368	
Betsi Cadwaladr	306,149	3.67%	11,236	-	-	317,385	
Aneurin Bevan	291,571	3.67%	10,701	-	-	302,272	
Powys	208,117	3.67%	7,638	-	-	215,755	
Velindre	644,997	-	-		245,031	890,028	Contract rebase, based on 19/20 outturn activity
<b>TOTAL</b>	<b>176,323,806</b>		<b>2,253,166</b>	<b>132,520</b>	<b>2,094,522</b>	<b>180,804,013</b>	<b>Overall percentage increase 2.54%</b>

Income LTAs 2024/25

	Income LTA Value 23/24 (£)	Inflation %	Inflation (£)	Adjustments	Income LTA Value 24/25 (£)	Comments
Swansea Bay	4,951,329	1.10%	54,465	-184,024	4,821,770	NR adjus 24/25 re: Regional Orthopaedics agreement
Cardiff & Vale	367,874	3.67%	13,501		381,375	
Cwm Taf	482,971	1.10%	5,313		488,284	
Betsi Cadwaladr	5,045,260	3.67%	185,161		5,230,421	
Aneurin Bevan	390,604	3.67%	14,335		404,939	
Powys	8,223,232	3.67%	301,793		8,525,025	
WHSCC					2,134,000	
<b>TOTAL</b>	<b>19,461,270</b>		<b>574,567</b>	<b>-184,024</b>	<b>21,985,814</b>	