

<p style="text-align: center;">HIGHLAND NHS BOARD</p>	<p>Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk</p> 
<p style="text-align: center;">MINUTE of MEETING of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMS</p>	<p style="text-align: center;">25 August 2022 at 2.00pm</p>

Present Alexander Anderson, Chair
Tim Allison, Director of Public Health and Policy
Graham Bell, Non-Executive Director
Ann Clark, Non-Executive Director, Chair of HHSC Committee
Heledd Cooper, Director of Finance

In Attendance Muriel Cockburn, Non-Executive Director
Sarah Compton-Bishop, Non-Executive Director
Lorraine Cowie, Head of Strategy & Transformation
Pamela Cremin, Interim Deputy Chief Officer (Community Services) in place of Louise Bussell
Ruth Daly, Board Secretary
Ruth Fry, Head of Communications and Engagement
Jane Gill, PMO Director
Brian Mitchell, Board Committee Administrator
David Park, Deputy Chief Executive
Boyd Robertson, Board Chair (ex officio)
Katherine Sutton, Chief Officer (Acute Services)
Elaine Ward, Deputy Director of Finance
Nathan Ware, Governance and Assurance Coordinator
Alan Wilson, Director of Estates, Facilities and Capital Planning

1 WELCOME AND APOLOGIES

Apologies were received from Louise Bussell, Pam Dudek and Heidi May.

2 DECLARATIONS OF CONFLICT OF INTEREST

There were no formal Declarations of Interest.

3 MINUTE OF THE MEETING HELD ON 7 JULY 2022

The Minute of the Meeting held on 7 July 2022 was **Approved**.

D Park took the opportunity to advise that future updates relating to the NHS Highland digital Strategy would be provided to the Committee on a four monthly basis. The Committee so **Noted**.

4 REVIEW OF COMMITTEE TERMS OF REFERENCE

There had been circulated existing Committee Terms of Reference document in relation to which the Chair invited comment and suggested revisions. The following amendments were proposed:

- A Wilson and L Cowie be included within the formal membership of the Committee.
- Inclusion of reference to reporting on Environmental Sustainability matters.
- The removal of duplication of reference to the Committee Annual Work Plan.
- Inclusion of reference to attendance by Nominated Deputies.
- Inclusion of reference to review of the Annual Delivery Plan and associated performance.

After discussion, the Committee Agreed the proposed amendments.

5 ASSET MANAGEMENT GROUP MINUTES

There were no minutes circulated in relation to this Item. A Wilson took the opportunity to advise there had been recent discussion by the Group in relation to adoption, in principle, of a water filtration system for laundry activity and on eHealth Capital resource allocation.

The Committee otherwise Noted the update provided.

6 MAJOR PROJECT SUMMARY REPORT

A Wilson took members through the circulated report, providing the Committee with an update on all major Capital construction projects, in relation to both financial and programme management performance. The report provided a progress summary, an outline of key risks, an indication of upcoming activities and a cost update. It was reported the National Treatment Centre (NTC) remained on course to meet the revised completion date. The Raigmore Maternity Redesign Project was progressing through the design phase, with an anticipated planning and building warrant application submission date of September 2022. This would require associated discussion as it was unlikely anticipated spend would be fully realised in 2022/2023. The Lochaber Outline Business Case (OBC) was to be progressed at pace, with relevant clinical models in the process of being considered. There continued to be resource challenges relating to the Caithness Redesign Project. Activity was also being taken forward in relation to an upgrade of accommodation on the Raigmore Hospital site, associated car parking improvements and the potential for establishing a Primary Care Hub within Inverness City Centre. It was proposed the Committee take **Moderate Assurance**.

Discussion points were related to the following:

- Accommodation for Sexual Health and other Services. Advised a number of Services, like Podiatry, in similar position. Primary Care Hub may present a solution by providing a one-stop shop approach that could also incorporate GP and Highland Council Services. Agreed City Centre opportunity should be considered as this was unlikely to arise again. Confirmed Community Premises and Accommodation Groups had been established, with the Sexual Health Service accommodation issue escalated for inclusion in the Risk Register. Advanced discussions were underway on this issue.
- eHealth Resource. Advised external Consultant engaged to help outline impact of lack of resource and plan mitigating actions. Additional resource allocated. Key risks to be defined as an initial step. Successful recruitment a key area in mitigating existing risks.
- Victoria Hospital, Bute. Advised place-based review underway for Rothesay. Current position considered a risk to NHSH, highlighting the need for an Argyll and Bute Capital

Strategy and Annual Plan. Appointment of an individual into a role dealing with Capital Resource was being considered by the IJB.

- KSAR Review Report. Advised this was now overdue despite follow-up request. Chair suggested the NHS Board make appropriate representation to Scottish Government.

Committee members took the opportunity to recognise the work of, and support provided by the Estates, Facilities and Capital Planning Directorate to the wider organisation at this time.

The Committee:

- **Noted** the progress of the Major Capital Project Plan.
- **Noted** the need for an Argyll and Bute Capital Strategy would be raised with F Davies by the Argyll and Bute IJB Chair.

7 INTEGRATED PERFORMANCE REPORT

L Cowie spoke to the circulated report and gave a short presentation providing an update on NHS Highland performance against a subset of key performance indicators (KPIs) used to monitor progress and evidence the effectiveness of services within the NHS Board Integrated Performance and Quality Report as aligned with the “Together We Care, with you, for you” Strategy and associated Annual Delivery Plan. It was stated a greater sense of accountability and ownership was being fostered in relation to the data being presented, with detail provided in relation to relevant KPIs and associated Programme Boards. Specific information was then provided in relation to the associated Objective, Outcome, Priority, national target, performance overview and benchmarking data for individual Indicators. Updates provided were in relation to CAMHS/NDAS and Integrated Children’s Services; Screening and Vaccinations; Urgent and Unscheduled Care; Planned Care; Outpatients; Return Outpatients; Diagnostics; Cancer Care; Delayed Discharges and Psychological Therapies. Data presented would not include Argyll and Bute, except where it was specifically indicated as this was managed within the IJB. It was proposed the Committee take **Limited Assurance**.

Discussion areas were as follows:

- Treatment Target Delivery. Advised September 2022 target would not be met although strenuous efforts were made. Ongoing liaison with Scottish Government had secured priority access to Golden Jubilee Hospital for NHS patients. This level of access would increase from October 2022. Waiting List cleansing process ongoing. Overall, an improving and evolving position. Detailed update on Scheduled Care to be given to next NHS Board Development Session.
- Emergency Department Performance. Questioned if Scottish Ambulance Service data and longer waits information required to give full picture to members.
- Overall Performance. Noted levels being maintained at a time of increasing demand and reducing capacity. In seeking detail of mitigating and improvement actions, suggested a deep dive and overview relating to individual performance areas at each future meeting. Advised metrics and associated Dashboards for Annual Delivery Plan would continue to be developed and monitored to provide relevant context. Recognition that some national Standards would not be met. Focus to remain on internally agreed recovery targets.
- Frontline Awareness of Performance. Advised ADP designed in collaboration with staff. Link to Area Clinical Forum and additional snapshot reporting would help that process.
- Role of Governance Committees. Stated consideration should be given to whether assurance taken was related to process or performance. View expressed there was need for information on mitigation/improvement actions being taken etc in relation to the performance and trend data being presented. Stated ADP would help to provide that level of detail moving forward.

- Face to Face Appointments. Noting figure for Outpatients, view expressed similar data for Return Outpatients would be beneficial for members.
- Pain Management Service. Advised waiting time Improvement Plan in place.
- Consideration and Application of Lessons Learned During and Post Covid. Advised Centre for Sustainable Delivery will be considering relevant issues. Need to work with both clinicians and patients in this area. Individual teams and service areas continually considering relevant aspects both positive and negative with view to making improvements. Reminded that not all Covid restrictions had yet been lifted.

After discussion, the Committee:

- **Noted** the position in relation to reported performance areas.
- **Noted** the KPIs proposed for the next meeting.
- **Noted** an update on the Chronic Pain waiting time improvement plan to be provided to a future meeting along with relevant additional detail for return outpatients and SAS.
- **Agreed** to take **Limited** Assurance.

8 TOGETHER WE CARE AND ANNUAL DELIVERY PLAN

L Cowie spoke to the circulated report and associated Draft Annual Delivery Plan (ADP) document, advising that reporting to national level would be on a quarterly basis once the final plan had been agreed and submitted following appropriate consultation. She then gave a brief presentation to members providing an overview of the ADP and associated Programmes, the associated development process; high level risks; health inequalities; quality aspects; actions, outcomes and KPIs; and key financial or workforce risks. The supporting structure in the process of being embedded was outlined, noting the meeting schedule for the Performance Oversight Board had now been agreed. An outline was provided as to the range of Programme Boards established, these being aligned to Priority Areas and each with a Chair and executive Lead having been appointed. The wider membership and role of these Programme Bords was also further detailed. An example of the approach and action to be taken in relation to individual Outcomes was indicated. It was proposed the Committee take **Moderate Assurance**.

Having welcomed the work to date in this area, the following points were then discussed:

- Assurance. Stated assurance level relating to the Annual Delivery Plan would increase once all relevant metrics had been agreed and were in place. Performance against Plan would require to be considered in the context of multiple years.
- Plan Development. Recognised the challenge of developing an ADP for an organisation as complex as NHS, such as ensuring comparable levels of granularity across all service areas. Agreed the importance of developing robust KPIs in this regard.
- Process for Approval of Plan. Advised Plans would not receive Scottish Government approval in this calendar year although letters would be provided to individual NHS Boards enabling associated publication to happen.
- Health Inequalities. Stated need to focus on how you manage such inequalities rather than merely report on them.
- Detail on Expected Recurring Allocations (Page 90). Requested format of Table provided in Plan be reviewed to ensure all content readily understandable for readers.
- Next Steps. Confirmed draft Plan would shortly be presented to Clinical Governance and Staff Governance Committees prior to NHS Board submission at end September 2022.

The Committee:

- **Noted** the submission of the draft Annual Delivery Plan.
- **Agreed** to take **Moderate** assurance.

9 FINANCE

9.1 NHS Highland Financial Position 2022/2023 as at end July 2022 (Month 4) and Deep Dive Exercise

E Ward presented an outline of the NHS Highland financial position as at end Month 4, advising the Year-to-Date (YTD) Revenue over spend amounted to approximately £13.875m, with a forecasted overspend of £33.6m at 31 March 2023. The YTD position included slippage against the Cost Improvement Programme (CIP) of £7.495m, with slippage of £11.9m being forecast through to financial year end. Work was underway to RAG rate relevant Cost Improvement Programme delivery activity to the end of the financial year. It was reported it was estimated that the residual gap of £16.3m could be mitigated via the flexibility created at the end of the 2021/2022 financial year should these all be available to the NHS Board.

Members were then taken through the underlying financial data relating to Operational area Summary Income and Expenditure, noting increased costs relating to locum and agency usage. Detail relating to the HHSCP position was provided, noting relevant unachieved savings and existing service pressures. Updates were also provided in relation to Acute Services; Support Services; Argyll and Bute; and Capital Spend. It was stated Covid-related expenditure was decreasing over time. Significant financial risks were indicated as relating to continuing Covid costs, CIP target delivery, Greater Glasgow and Clyde SLA arrangements, Adult Social Care, Inflation, potential Agenda for Change and other associated Pay Awards, additional funding for waiting times activity, and recruitment challenges resulting in increased agency and locum costs. Discussion continued with Scottish Government colleagues in relation to planning/scheduling for actual and potential additional allocations. Care Home activity continued to present a financial risk area for both Capital and Revenue, further detail in relation to which would be presented to the next meeting. Overall, NHS Highland remained in a broadly similar financial position to that of other NHS Boards in Scotland, although performance against Plan was behind in some cases. Relative benchmarking activity would be undertaken. The report proposed the Committee take **Limited Assurance**.

H Cooper went on to advise national context conversations had been held, during which the clear message had been given that NHS Boards were expected to deliver on their stated financial plans for 2022/2023, even where overall financial break-even was unrealistic. NHS Highland had been asked to provide a real focus on savings activity to year end and further ensure enhanced collaboration with strategic partners on resource planning. It was stated a focus on non-recurring expenditure would not ease the position for NHS Highland in future years in terms of financial sustainability. Whilst there was a need to highlight the unique factors being faced in Highland, there had been a request for the NHS Board to define and plan for a worst-case financial scenario, including activity areas that could be reduced. On a similar theme, it was stated the implications of additional financial resource allocations for new activity required to be considered over the longer term with regard to service sustainability.

The following points were raised in discussion:

- Scenario Planning Activity. This was welcomed in the context of being able to define all relevant options moving forward in the short, medium, and longer term. Need to manage associated messaging around increasing activity whilst seeking to reduce costs and achieve savings. Agreed the ADP will help to define direction of travel. Clinical engagement will be critical to future success. Early decisions would be required.
- Highland Factors. Agreed need to keep highlighting to Scottish Government the unique factors affecting NHS Highland, including in relation to Care Home provision.
- Non-Delegated Spend. Advised this related to Corporate Covid funding allocation and was indicative only.
- Deviation from Financial Plan. Reported, taking into account slippage in savings activity the deviation from Plan amounted to an additional £5m of a funding gap at this time compared to the original Financial Plan submitted to Scottish Government. The relevant

cost pressures had been outlined in discussion, including increased drugs costs within Acute Services due to increased Unscheduled Care activity.

- **Increased Financial Management.** Advised financial scrutiny meetings re-established, with an emphasis on delivering redesign activity within agreed cost envelopes. The ability to impact on agency and locum costs will be difficult given pressure to reduce waiting lists. Number of programmes being developed and prioritised including patient flow, virtual capacity, physical establishment, testing at home etc. The roll back of some pandemic innovations may meet with resistance. Programme Boards will have a key role in this area.
- **Reducing Areas of Activity.** Advised discussion ongoing with Scottish Government with regard to priority areas, and the ability of NHS Boards to manage their entire financial resource in-house. This included the way in which financial allocations currently followed activity rather than lead the same. Early discussion was required on priority areas and what activity may be disincentivised or scaled back.
- **Impact on Existing Financial Pressures from Care Home Purchase.** Asked if this will impact any committed future service plans. Advised this may impact on decisions already taken, with no risk-share arrangements in place in terms of Adult Social Care activity.

After discussion, the Committee:

- **Noted** the reported position.
- **Noted** an update on Care Home activity would be brought to the next meeting.
- **Agreed** to take **Limited** assurance.

9.2 Cost Improvement Programme Update 2022/2023

J Gill spoke to the circulated report and advised, at Month 5, the forecasted outturn for the programme was £4.045 (£1.2m delivered to date), an increase of £700k from Month 4, against the overall target of £26m. It was reported that 174 schemes had been identified, with £12.5m of savings identified against the overall target, including 30 recurrent schemes (totalling £4.1m). It was noted 12 schemes had been moved to the delivery phase (£1.9m). An indication of the cumulative phasing of savings by month was also provided.

There was discussion as to the following areas:

- **Areas Where no Progress Indicated.** Advised recent focus had been on ensuring appropriate ownership of activity and had impacted on performance. Renewed focus on activity underway and will take time to realise positive impact. A range of activity was underway that would take time to realise results. A number of large Programmes required wide ranging buy-in and engagement, emphasising need to ensure wide organisational awareness of the NHS ADP and the associated emphasis on cost improvement activity and financial sustainability. That may present an individual project in its own right. Senior Leadership Teams had Finance as a Standing Item on their weekly meetings, as did the weekly corporate meeting, providing clear messaging.
- **Non- Recurrent Cost Improvement Activity.** Recognised the level of non-recurrent activity would make future years even more challenging. Provision of consistent messaging on this aspect was crucial.
- **National Workforce Planning Activity.** Advised Centre for Sustainable Delivery (CSD) working on a series of models such as Enhanced Nursing roles, including Advanced Nurse Practitioners and Consultant Nurses etc. Strong collaborative arrangements were in place between NHS and CSD. Workforce development issues remained a major priority for NHS Board Chairs and Chief Executives at this time.
- **Locum and Agency Costs.** Advised national piece of work looking at this issue, Activity was led by Directors of Nursing. No impact to be realised in current financial year.
- **Risk to Delivery of ADP.** Suggested there needed to be consideration of amending the existing Risk Register to reflect the overall financial position and impact on ADP delivery.

After discussion, the Committee:

- **Noted** the reported position.
- **Agreed** the need to consider updating the Strategic Risk Register to reflect financial position impact on ADP delivery.

9.3 Supporting Financial Balance

Matters relating to this Item had been addressed in earlier conversation.

10 FUTURE FOCUS AREAS – ASSURANCE OVERVIEW

The Chair highlighted the need to continually review the areas of interest the Committee schedules within its Work Plan and consider how best to receive and take assurance in relation to these. One area highlighted in discussion had related to Environmental Sustainability and it was suggested Business Continuity should also be included. There was agreement there should be a focus at the next meeting in relation to the potential impact and consequences of the challenging decisions that may have to be taken moving forward.

The Committee Agreed the areas highlighted in discussion for future consideration.

11 AOCB

There was no discussion in relation to this Item.

12 FOR INFORMATION

There was no discussion in relation to this Item.

13 2022 MEETING SCHEDULE

The Committee **Noted** the remaining meeting schedule for 2022 as follows:

20 October
December 2022 – to be agreed

14 PROPOSED 2023 MEETING SCHEDULE

The Committee **Noted** the proposed meeting schedule for 2023 as follows:

23 February
27 April
6 July
24 August
26 October
21 December

The Chair advised there had been earlier discussion around the scheduling of Committee meetings to ensure timely receipt of relevant data etc. He encouraged members and officers to reflect on this point and provide feedback to him and the Committee Administrator.

15 DATE OF NEXT MEETING

The date of the next meeting of the Committee on 20 October 2022 was **Noted**.

The meeting closed at 4.35pm