HIGHLAND NHS BOARD	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk
MINUTE of MEETING of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMs	**25 February 2021 at 2.00pm**

Present
Alexander Anderson, Chair
Tim Allison, Director of Public Health and Health Policy
Ann Clark, Non-Executive Director, Chair of HHSC Committee
Pam Dudek, Chief Executive
David Garden, Director of Finance
Graham Bell, Non-Executive Director
Philip MacRae, Non-Executive Director
Dr Boyd Peters, Board Medical Director

In Attendance
Louise Bussell, Chief Officer (North Highland)
Ruth Daly, Board Secretary
Adrian Ennis, Improvement Director
Jane Gill, Financial Services Accountant
Mirian Morrison, Clinical Governance Development Manager (Item 8 only)
George Morrison, Head of Finance, Argyll and Bute
David Park, Deputy Chief Executive
Professor Boyd Robertson, NHS Board Chair
Katherine Sutton, Chief Officer, Acute
Elaine Ward, Deputy Director of Finance
Alan Wilson, Director of Estates, Facilities and Capital Planning

1 WELCOME AND APOLOGIES

At the commencement of the meeting the Chair apologised for the late issue of the agenda and associated reports, and advised the meeting would proceed with the agreement of those Non-Executive members present despite the lack of scrutiny in relation to the same. D Garden echoing the apology given, confirmed process arrangements had been established to ensure future timely issue of relevant reports moving forward.

Apologies were received from Sarah Compton-Bishop, Joanna Macdonald and Heidi May.

D Garden took the opportunity to introduce Jane Gill, recently appointed PMO Director and who would shortly take up her new role and who would be reporting to this Committee.

2 DECLARATIONS OF CONFLICT OF INTEREST

There were no formal Declarations of Interest.

3 MINUTE OF THE MEETING HELD ON 30 OCTOBER 2020

The minute of the meeting held on 30 October was **Approved**, subject to the date of the meeting on the top of Page 1 being amended to reflect the actual meeting date.

As a Matter Arising, A Clark sought an update in relation to scheduling of an NHS Board Development Session relating to discussion around the impact of the Performance Recovery Board and ensuring appropriate workstream integration. R Daly confirmed this would be included in relevant NHS Board forward planning arrangements.

The Committee agreed to consider the following Item at this point in the meeting.

4 COST IMPROVEMENT PROGRAMME MONTH 10 REPORT

A Ennis advised, at month 10, the forecasted outturn for the programme was £15.5m, an increase of £0.5m from month 9. The forecasted outturn comprised of £15.3m of schemes on the delivery tracker and the risk adjusted pipeline was valued at £0.2m. The overall £24.1m target remained challenging, and any outstanding gap would be met through unachieved savings in addition to Scottish Government funding support received under the current Covid pandemic funding arrangements. There had been strong savings delivery evidenced by NHS Highland despite the pandemic. He advised much of the work of the PMO during January 2021 had been in relation to planning the Cost Improvement Programme 2021/2022 activity, advance reporting in relation to which would commence from the next meeting. Delivery tracker analysis highlighted that 144 schemes had now been approved, an increase of eight over the previous month, with the full year effect for 2020/2021 reflecting a relatively low level of recurrent savings (38%) having been made and a reluctance to fully commit to future activity given the unknown position at that time. Focus was being provided in relation to ensuring higher levels of recurrent savings. The profile of savings against target was provided, noting a high level of planned activity in February/March 2021. The Cost Improvement analysis of unidentified CIP against target showed a modest level of savings remaining within the Pipeline. In terms of overview and risk, the three key areas related to Prescribing, Pipeline Scheme progress and Diagnostics (Managed Service Contract challenges and scheduling of Radiology reporting), the mitigating actions in relation to which were also outlined.

D Garden went on to state that overall, NHS Highland had demonstrated strong levels of cost improvement delivery activity to date in-year and this had been acknowledged at national government level. A Ennis added that the Financial Recovery Board, meeting earlier that day, had heard the final level of savings for 2020/2021 was likely to be in the region of £15.5m to £16m. A Clark welcomed the updated position, further welcomed the appointment of J Gill to the post of PMO Director and took the opportunity to wish A Ennis well in his future endeavours. The Chair also welcomed the overall position being reported, reflecting on the wide range of areas where savings had been achieved across the wider organisation, and noting the numerous challenges faced over the financial year concerned.

A Ennis then went on to give an update in relation to planning and activity for 2021/2022, advising a number of Workstream Charters had been presented to the Financial Recovery Board on a weekly basis. The associated Pipeline currently included £12.1m (£2.6m of which was Unadjusted), representing a strong starting position from which to move forward. He briefly outlined some of the Opportunities being taken forward, the overall risk adjusted figure for which stood at £2.56m at this early stage of the process. This was similar to the position at this time last financial year. Positively, some 212 schemes had been identified to date, with 127 contributing to the stated Pipeline top-line figure. The Cost Improvement Target for 2021/2022 was £24.6m.

A Clark referenced the Joint Project Board (with Highland Council) savings target of approximately £3m and questioned if this had been factored in to the Plan at this stage and further how this would be reported upon. A Ennis advised this was not included within the NHS internal Cost Improvement Target although this would be appropriately monitored, with a number of high level actions having been identified for further consideration. The PMO would look to support and manage the relevant process for that piece of work. D Garden confirmed there would be reporting in to the Financial Recovery Board and this Committee for assurance purposes.

The Committee otherwise Noted the reported position.

5 INTEGRATED PERFORMANCE AND QUALITY REPORT

D Park introduced the circulated report, advising this was utilised for reporting to the NHS Board (complete), Clinical Governance and Staff Governance Committees. This Committee would provide a focus on Finance and Performance. He emphasised the impact of Covid on the organisation's ability to meet original performance plans which had been developed pre-Covid. A Performance Review Board had been established and continued to be developed, meeting on a weekly basis, providing additional oversight and management controls.

Members were then updated in relation to the following:

Performance – K Sutton provided a summary of performance against the Remobilisation Plan indicators as agreed by Scottish Government for August 2020 to March 2021, advising members that Acute activity had continued throughout the organisation. Relevant activity across Argyll and Bute; Belford, Caithness General and Raigmore Hospitals was subject to relevant weekly performance review meetings. She highlighted ongoing challenges relating to TTG activity, impacting on levels of associated surgical activity. Scoping and Imaging activity remained strong, with a further designated Endoscopy Room due to come online from April 2021. With regard to Radiology, high levels of activity were being maintained although MRI capacity and delivery was subject to fluctuation as a result of Covid and the required associated infection control processes involved. Additional mobile MRI capacity had been received. Outpatient activity remained strong and Emergency Department attendance remained below the levels expected other than within Argyll and Bute, this in turn impacting on overall performance levels. With a view to improving performance, activity such as Enhanced Community models and greater integrated working across all sites were being taken forward. Emergency admissions were comparable to normal years and cancer referrals had increased since the introduction of the associated screening programme. Wider cancer activity continued, a new Performance Recovery Board Sub Group for cancer had been established, with a new Clinical Lead (Cancer) also having been appointed. Additional Urology capacity had been identified in association with Services in Elgin. CAMHS were delivering according to Plan, recognising that capacity required to be increased, transformational activity in relation to which was being led by L Bussell.

L Bussell went on to advise a range of activity was underway across a range of services and areas in relation to Unscheduled Care and the associated impact on Scheduled Care activity with a view to ensuring better patient flow. Communications aspects were a key component, and work in this area was now moving apace. Discharge planning arrangements were being improved, with new approaches being considered and in some cases piloted where appropriate and with initial successes being evidenced. The Flow Navigation Centre had been a success to date and consideration was being given as to how best to further expand the work of that approach on a best practice basis.

With regard to Mental Health activity, a number of Strategy elements were being considered, with areas such as Psychology and Psychological Services key areas. A CAMHS and

Psychological Therapies Programme Board had been established and had met to consider draft Development Plans for improvement. Final Plans were due to be considered at the next meeting of the relevant Board, scheduled for a couple of weeks after the date of this meeting. Resource aspects would be at the heart of relevant considerations, with recent government funding announcements in this area to be considered in detail in terms of wider associated investment requirements including in relation to Primary Care. It was important to respond to rising referrals numbers by providing appropriate services. There had been a recent successful recruitment drive for North Highland Psychology Services, with staff coming in to post within months.

A Clark, in seeking an overall context position, referenced stated pressures in relation to patient flow, reduced Emergency Department attendance, increased acute bed and Care Home capacity. She sought further detail on what the current critical factors were in terms of impacting patient flow. K Sutton advised that as pressures eased the number of beds set aside for Covid patients would be reduced and this would allow for wider bed capacity to be released back into the general medical bed population. Challenges also existed in relation to real time bed management systems. In terms of flow, L Bussell advised there was a need to avoid reliance on a small number of individuals to ensure appropriate discharge of patients and ensure there are no associated choke points. Increased data provision, such as daily updates in relation to Care Home bed availability would start to help the overall process in that regard. With regard to a recent request from Scottish Government in relation to reporting mechanisms for management and prioritisation of the backlog of patients at this time, K Sutton advised there was enhanced reporting to the Performance Recovery Board in relation to those suffering the longest waits for treatment in all relevant Specialties. A Clinical Prioritisation meeting was held on a weekly basis where Consultant clinicians decide on relevant treatment prioritisation and this had been working well to date. Ensuring appropriate capacity to address those with longest waits was a challenge. Remobilisation Plans were being developed with treatment of those particular patients at the core of relevant considerations. Relevant trigger points had been developed in terms of releasing capacity at the right time and the NHSH Access Policy would be applied. It was noted Scottish Government had been seeking specific updates in relation to waiting times for Orthopaedics, Dermatology and Gastroenterology in relation to which additional funding had been sought.

L Bussell confirmed that, for Psychological Therapies, relevant data was available and the key challenge related to 18 Week waits and longer. It was noted some patients had agreed to wait for access to face to face services post-Covid and this was reflected in the stated waiting times. Development of an online Group Session platform was being taken forward. She took the opportunity to advise, despite the range and level of data available, this remained lacking in terms of providing the same in relation to such aspects as waits for access to Care at Home services etc. She stated that these aspects were important in relation to not only patients flow but overall patient experience.

P Dudek stated, in relation to Planned Care, Scottish Government had recently established an Integrated Programme Board under the Chairmanship of J Connaghan and this would be seeking to consider the overall impact of the previous year. There was recognition that collaborative working across NHS Boards would be required and that the full effect on staff also required to be considered. Unscheduled flow remained an area of concern.

G Hardie, in seeking an update in relation to Psychological Therapies asked for clarity as to how patients would access the services of a Psychologist and was advised this would require a GP referral for Secondary Care services. L Bussell advised there were service delivery models elsewhere that did not require GP referral, for alternative Psychological Therapies, and that consideration of the existing NHSH Primary Care model had led to consideration of how to get such services closer to GP Practice level and thereby enabling easier self-referral access to the same.

The Chair referenced the newly established Outpatient Referrals Group and stated performance should be annotated as Red/Amber and not Green as shown, based on the figures provided. The knock-on effect of this change in relation to overall performance would be marked and this was a concern. He stated there should be inclusion of an appropriate narrative paragraph within Section (b) of the overall assessment statement to explain the impact of Covid surges on wider service provision etc. D Park provided background as to why an area of performance may be annotated as being other than Red, when behind trajectory for example, this being a subjective assessment. On emergence from the impact of Covid, it was likely that subjective assessment would be different and annotations would change as a result. He accepted the overall message balance could be amended to reflect the point made in discussion.

Finance

D Garden went on to outline the NHS Highland financial position as at end Month 10, advising the Year to Date Revenue underspend amounted to approximately £3.06m, with a forecasted overspend of £45k as at 31 March 2021 subject to £1.49m underspend in Argyll and Bute being taken in to the IJB reserve to bring the Health Board element back to breakeven. North Highland was expected to bring the small current overspend back to breakeven by financial year end. The position had shown a material change from that reported in relation to Month 9 as a result of confirmation of Scottish Government funding and receipt of additional financial support that had negated the brokerage requirement for 2020/2021. He then took members through the underlying financial data relating to total funding received to date for 2020/2021; Summary Income and Expenditure; detail relating to HHSCP; Acute Services; Support Services; Argyll and Bute; Covid expenditure costs; Summary position by subjective spend and additional data on savings delivery. The underlying Capital position was also outlined for members in relation to which there remained a relatively large gap between total available resource and in year spend to date.

The Chair referenced the Capital position, noting the level of unspent resource and questioned the overall reduction of approximately £10m. It was confirmed this related mainly to associated Major Capital Project Resource being put back in to future financial years to reflect spend profiles affected by Covid. This had been agreed with Scottish Government. The resource would not be lost to NHS Highland. On the point raised by G Hardie, it was advised that the major spend area for NHS Highland related to staffing (70% within Operational Units). It was confirmed that, as an organisation and in line with all NHS boards in Scotland, NHS Highland was not permitted to carry forward a financial reserve.

The Committee otherwise Noted the Service performance and financial updates provided.

6 COVID ALLOCATION

Matters relating to this Item had been discussed under Item 5.

7 FINANCE, RESOURCES AND PERFORMANCE RISK REGISTER

There had been circulated a report providing an update on the progress with embedding the Board Risk Assurance Framework across NHS Highland, and to specifically update in relation to progress with those risks related to finance, resources and performance. It was reported the revised Risk Management Strategy and Policy had been submitted to the Audit Committee for final ratification.

A Clark stated a number of the Risks shown would require to be reviewed in light of the anticipated financial position for 2021/2022 being as previously outlined. She questioned the position in relation to Facilities related Risks and whether these were to be reviewed and consolidated moving forward. A Wilson advised he was actively looking at these Risks, the associated governance of these and on which Risk Register they would most appropriately be included. The Risks would be updated for the next cycle of Governance meetings.

P Dudek took the opportunity to advise that the Risks had initially been reviewed in association with the Board Chair and L Bussell, with two associated Executive Sessions scheduled for March 2021 during which a full review of all these aspects would be undertaken. Visibility of Risk Registers and their respective governance arrangements at Executive level would be key. The Chair welcomed the review being outlined; adding he further welcomed the inclusion of linked risks within the circulated report. He noted that a number of high level Risks and associated Risk targets were the same, indicating an acceptance of the risk involved, and suggested this should be included as part of any relevant review process. There should be trend analysis activity as part of any review.

The Committee otherwise:

- **Noted** the circulated report and Board Risk Assurance Framework.
- **Noted** an Executive level review of Risks would be undertaken in March 2021.

8 OUTSTANDING AUDIT COMMITTEE ACTIONS

There had been circulated a report detailing Management Follow-up activity relating to outstanding actions originating from the Audit Committee, as at February 2021. Actions had been reduced from 30 to 26 since last reported and a number of completion dates for actions had been extended due to Covid impact. Further progress was expected ahead of the next meeting of the Audit Committee. The Chair expressed concern in relation to a number of stated completion dates, requirement for auditor sign-off, and reporting profile.

The Chair then raised the following specific actions:

Item 2.5 Business Continuity Planning – Requested a completion date be identified. D Park advised a number of the associated recommendations/actions required to be evidenced and shown to be effective before Internal Audit would close these down. Primary actions were complete, if not yet signed off by Audit. The point raised however was accepted.

Item 2.8 Payroll and Expenses – D Garden highlighted a staff capacity issue affecting organisational ability to undertake the relevant comparatory work required.

The Chair returned to the subject of actions having been completed but yet to be signed off by a senior manager and in turn closed by Auditors. He suggested the need for greater focus in this area given the stated cut off dates involved. D Garden confirmed that Finance staff members were actively pursuing all outstanding actions with relevant Project Sponsors to ensure this was the case. He added the position was much improved over that being reported one year prior. The need for continued focus was accepted.

The Committee otherwise Noted the Report.

9 NHS HIGHLAND REMOBILISATION PLAN 2021-2022

The Chair introduced the circulated first draft of the NHS Highland Remobilisation Plan and invited an update on the associated changes from that previously seen by members. D Park advised this was an extension of the previous version, in accordance with Scottish Government Guidance in this area, the key principles in relation to which were still applicable. The direction of travel remained, with specifics relating to recovery and performance reflecting the revised position and including assumptions relating to committed funding and activity elements having been updated. Additional Scottish Government guidance had also been received in relation to giving greater focus on Mental Health, Equity and Equality aspects. P Dudek added Strategy elements would overarch and underpin the relevant detail of the Plan.

During discussion, A Clark raised the reference to replacement of the Belford Hospital, Fort William and queried whether this should have been in relation to the Aviemore facility. In general terms, she questioned the ability of Non-Executive Board members to contribute to the development and in depth discussion of the Plan. She questioned the Executive Team members present as to what outcomes were expected from discussion of the Plan both in this Committee and at the NHS Board. She sought guidance on whether the document should be considered in terms of being a bidding document for additional funding allocations, or an exercise in meeting the direction of Scottish Government in this area. She went on to state it was unclear as to whether NHS Highland had sufficient financial resource to deliver the content of the Plan itself and this raised concerns relating to risk to successful delivery. P Dudek accepted the points being raised however stated this reflected the Guidance received from Scottish Government as to relevant format and content. The document itself reflected both a firm Plan and associated aspirations from that perspective. She stated that one key area that required further consideration was the overarching Strategy element. NHS Board members should seek to take assurance that the Plan addresses all the relevant areas of interest from Scottish Government. Performance against the Plan would be measured through the Integrated Performance and Quality Report. D Park took the opportunity to state the document should also be considered in the context of the absence of an Annual Operating Plan and not as providing strategic direction. The Plan remained live and iterative in nature, informing the performance targets for the upcoming year.

The Chair referenced the inclusion of Key Performance Indicators (KPIs) within the circulated document and asked if these could be drawn out into a separate report thereby allowing greater scrutiny of the same in terms of their respective standing in terms of informing the overarching Strategy, and populating the IPQR Report, given that some of these remained aspirational at this time. In response, D Park advised the IPQR report would not include performance data relating to all the KPIs referenced, given the nature of the activity involved and stated that the higher level reporting that would be included would allow members to take assurance that the work below those, and relating to those wider KPIs was in line with relevant plans. There would be in depth scrutiny at Scottish Government level.

The Committee:

- **Noted** the content of the NHS Highland Remobilisation Plan 2021-2022.
- **Agreed** an SBAR document, directing the consideration of members, be included with the report when submitted to the NHS Board.

10 INITIAL FUNDING ALLOCATION TO NHS HIGHLAND 2021/2022

D Garden spoke to the circulated report outlining that NHS Highland would receive a total baseline allocation of £691.9m for 2021/2022, an uplift of 1.5% on the previous year in line

with other NHS Boards. Initial discussion on the financial position had taken place at the NHS Board Strategy Session on 23 February 2021 and work continued with submission of a financial plan due to be made to Scottish Government on 26 February on the basis of a planned balanced budget position at financial year end, recognising the associated risks. Further discussion on the allocation of the NRAC funding split would be required prior to final agreement on the budget position for 2021/2022. It was noted a further Covid return would also require to be submitted to Scottish Government.

A Clark referenced a stated underlying Opening Gap deficit of £38.9m, and Initial Gap of £50.6m. D Garden advised the first figure was the underlying deficit as at 1 April 2021 and second figure took into account relevant known funding allocations as well as known additional cost pressures to be addressed during the financial year. The Chair emphasised these figures served to highlight the ongoing need for continued focus on savings activity.

The Committee otherwise Noted the initial funding allocation to NHS Highland for 2021/2022.

11 COMMITTEE FUNCTION AND ADMINISTRATION

11.1 Draft Committee Annual Report 2020/2021

There had been circulated draft Committee Annual Report 2020/2021 which would be submitted to the Audit Committee as part of the Annual Accounts process relating to governance. It was noted a number of associated date details had still to be finalised within the draft report. The report would be completed and submitted by the Committee Administrator.

A Clark suggested Section 5 include a paragraph relating to overall NHS Board performance to supplement the statement relating to financial performance. This was agreed.

The Committee Approved the draft Committee Annual Report 2020/2021 subject to completion of relevant dates and inclusion of detail on overall NHS Board performance.

11.2 Committee Annual Work Plan 2021/2022

There had been circulated a draft Committee Work Plan for 2021/2022 in relation to which comments were invited. It was confirmed there would be consideration of a Winter Plan in 2021/2022. In terms of consideration of an annual Remobilisation Plan, this would likely be requested from NHS Boards, while work would continue in relation to consideration and development of a longer term strategic approach and Plan for NHS Highland.

A Clark suggested, moving forward that agenda Items be rescheduled to give more consideration to specific topic areas at each meeting, such as in relation to Capital activity and Major Projects. The Chair advised such focused discussion, including in relation to associated maintenance Risks etc, would be scheduled for the June 2021 meeting.

The Committee:

- **Noted** the circulated Committee Work Plan 2021/2022.
- **Agreed** there be focussed discussion in relation to Estates and Facilities at the June 2021 meeting.

12 ASSET MANAGEMENT GROUP - 21 JANUARY 2021

The Committee **Noted** the Minute of Meeting held on 21 January 2021.

It was reported the function and operation of the Asset Management Group would be reviewed during the coming year, as capacity allowed.

13 AOCB

A Clark took the opportunity, in the context of late agenda and papers issue, to thank Reporting Officers and wider membership for a productive and positive meeting.

The Chair voiced his thanks to S Compton-Bishop and P MacRae for their commitment to the work of the Committee, this possibly being their last meeting should membership changes be approved by the NHS Board at their next meeting. G Hardie and G Bell were both welcomed as future Committee members in waiting.

14 FOR INFORMATION

14.1 Major Project Summary

The Chair sought an update from the Director of Estates, Facilities and Capital Planning as to whether there were any current areas of concern at the present time. A Wilson advised there were no current concerns and confirmed anticipated year end spend would be met. Work on the construction of National Waiting Time Treatment Centre had commenced and was progressing well, although activity in relation to Aviemore and Skye had been impacted by the impact of both Brexit and Covid, with completion dates now moved back to July and September 2021 respectively. He advised associated contractual implications had yet to be fully worked through in detail at this stage. Relevant payment mechanisms had been previously agreed. The National Treatment Centre had been procured on a fixed cost basis.

The Committee otherwise Noted the updated position.

14.2 Dates of Future Meetings

The Committee **Noted** the remaining 2021 Committee schedule as follows:

29 April
24 June
26 August
21 October
December date to be confirmed

Meeting would commence at 2pm.

13 DATE OF NEXT MEETING

The next scheduled meeting of the Committee will be a Development Session held on 29 April 2020 at 2pm via Microsoft Teams.

The meeting closed at 12.20pm