

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 PERFORMANCE COMMITTEE Board Room, Assynt House and TEAMS	28 August 2020 at 10am	

Present

Alexander Anderson, Chair
 Tim Allison, Director of Public Health and Health Policy (until 11am)
 Ann Clark, Non-Executive Director, Chair of HHSC Committee (until 11am)
 Sarah Compton-Bishop, Non-Executive Director
 David Garden, Director of Finance
 Philip MacRae, Non-Executive Director

In Attendance

Ruth Daly, Board Secretary
 Pam Dudek, Interim Deputy Chief Executive
 Adrian Ennis, Improvement Director
 Mirian Morrison, Clinical Governance Development Manager (Item 8 only)
 Joanna MacDonald, Chief Officer, Argyll and Bute
 Anna McInally, Board Services Assistant
 David Park, Chief Officer, Highland Health and Social Care Partnership
 Katherine Sutton, Chief Officer, Acute
 Elaine Ward, Deputy Director of Finance

1 WELCOME AND APOLOGIES

Apologies were received from committee member, Heidi May.

2 DECLARATIONS OF CONFLICT OF INTEREST

There were no formal Declarations of Interest.

3 MINUTE OF THE MEETING HELD ON 31 JULY 2020

The minute of the meeting held on 31 July 2020 was **approved**.

4 ELECTION OF VICE CHAIR

Philip MacRae accepted the position of vice chair.

It was agreed to take Item 9 at this point of the meeting as Ms Clark would leave the meeting early.

9 TRANSFORMATION AND GOVERNANCE ARRANGEMENTS WITH THE HIGHLAND COUNCIL – ADULT SOCIAL CARE

Pam Dudek advised the Committee of the proposed arrangements between NHS Highland and The Highland Council to establish a Project Management Office (PMO) approach to deliver transformation and efficiencies for Adult Social Care. The Project Board would also be tasked with refreshing the Joint Monitoring Committee (JMC). The paper had been discussed at The Highland Council earlier in the week. It was confirmed the Project Board would report to both the Council and the NHS with the JMC having oversight of the project. Ms Dudek advised further work was required to establish the relationship between the Project Board and the Highland Health and Social Care Committee and the Finance, Resources and Performance Committee.

The membership of the Project Board would consist of four members from The Highland Council and two officers from NHS Highland. NHS Highland was content with having two representatives on the Project Board but noted concerns regarding the political composition of The Highland Council representatives and the potential impact on discussions.

Ms MacDonald advised the proposed arrangements sounded very supportive and would connect the organisation around the joint responsibilities.

Ms Clark expressed thanks to those involved in bringing together the proposal and acknowledged the challenges experienced in establishing collaborative working between the two organisations. Ms Clark highlighted the Terms of Reference now reflected the key issue of addressing the financial gap but expressed concerns about the lack of acceptance by the Council of the financial deficit faced by NHS Highland. Ms Clark highlighted the positive feedback received during a recent Committee meeting regarding the working relationships established between the two bodies during the pandemic.

Mr Park advised progress through the PMO was critical as the Scheme of Integration was due to be approved by the end of the year.

Ms Dudek advised concerns regarding funding were not exclusive to the Lead Agency Model but was evident in Integrated Joint Boards. Mr Garden advised unlike an Integrated Joint Board, the Lead Agency Model does not have a risk sharing agreement. A Risk Sharing Arrangement outlines the financial consequences for both parties. Within the Lead Agency Model, there was a Risk Transfer Arrangement but it was anticipated a Risk Sharing Arrangement would be adopted through the negotiations. Due to the nature of the agreement, an historical deficit had accumulated and it was uncertain how this issue would be resolved. Ms Clark suggested Scottish Government support may be required to resolve the deficit.

Mr Ennis advised the PMO disciplines already adopted for the Cost Improvement Programme had been applied to the governance arrangements with the Highland Council. Moreover, there was an Adult Social Care workstream and efficiencies were actively being pursued.

The Committee Noted the update.

At this point, the meeting returned to the agenda running order.

5 COST IMPROVEMENT PROGRAMME MONTH THREE REPORT

Adrian Ennis provided an overview of the financial recovery programme at month 4. At month 4, the forecasted outturn for the programme was £9m, this was an increase of £2.2m

from month 3. The forecasted outturn of £9m comprised of £6.2m of schemes on the delivery tracker and the risk adjusted pipeline valued at £2.8m. The year to date delivery was £2.2m with an in-month delivery of £1.4m. Against the Annual Operating Plan (AOP), the year to date delivery was £1.42m against the AOP year to date target of £1.44m.

The significant increase in the value of the delivery tracker was a result of a number of schemes moving from the pipeline to the delivery tracker. Concerns regarding the pipeline were highlighted to the Committee. The majority of the schemes on the pipeline were at the ideas stage and were not progressing. A concerted effort was required across the workstreams to review the ideas on the pipeline to establish whether the ideas should be progressed or cleansed from the pipeline.

It was noted the key risks to the delivery of the programme was the potential of the GP prescribing schemes not achieving the full savings target, lack of capacity to progress pipeline ideas due to competing demands, and the lack of a national procurement workplan in 2020/21 due to the impact of COVID-19 mobilisation. It was confirmed pay grip and control and non-pay grip and control had restarted.

In response to questions raised by Ann Clark regarding a comparison between last year's pipeline and this year's pipeline, it was confirmed the pipelines were very similar. However, unlike last year, most of the schemes on the pipeline were at the idea stage which meant no value had been assigned.

The Committee Noted the Report.

6 INTEGRATED PERFORMANCE REPORT

Ms Dudek provided an overview of the format of the report. It was confirmed performance was reported against two metrics – the national targets and operational performance against the remobilisation plan. Furthermore, due to the remobilisation phase for the NHS in Scotland, the Scottish Government targets were temporarily suspended. It was agreed a development session would be held to fully explore the methodology behind the metrics.

Ms MacDonald advised within Argyll and Bute there has been an increase in the number of presentations to the emergency department which had resulted in a slight dip in performance. The increase in emergency department activity was likely due to the number of tourists in the area. It was highlighted to the Committee, a number of services for Argyll and Bute were provided by NHS Greater Glasgow and Clyde and due to the continuing high levels of the COVID-19 cases, NHS GG&C were unable to remobilise at the same pace as Highland.

The Committee Noted the Report.

7 QUARTER ONE COVID-19 FINANCE RETURN

David Garden provided an overview of the financial position and COVID-19 expenditure at month 4. It was confirmed there was a year to date overspend of £25m which included £23m of COVID-19 related expenditure incurred in the first quarter. It was anticipated the uncertainty regarding COVID-19 funding would be resolved in September when the first allocation of funding would be issued to Boards. The Board was still anticipating the requirement for brokerage of £8.8m.

With regards to the operational units, the Highland Health and Social Care Partnership had a year-to-date underspend of £54,000 despite overspends in Police and Custodial Services and overspends in two drugs due to global shortages. Within the Acute division, there was a year-to-date overspend of £1.8m. It was highlighted to the Committee, within the Acute

division budget, there was £3m of activity funded every year through Waiting List Initiatives monies. The activity was funded non-recurrently but there were associated recurrent commitments. As the Government had not issued Waiting Listing Initiatives allocations to Boards, the Acute division was carrying a £3m cost pressure. With regards to the Rural General Hospitals, the forecast had indicated a significantly increased overspend and further investigation was required to establish the reason for the increased overspend.

It was confirmed there was a year-to-date pay overspend of £5m and an overspend within Adult Social Care of £11m which was due to the independent sector sustainability payments. The forecast also indicated an £8m shortfall in savings delivery which was recorded in the COVID-19 return to Government.

It was confirmed there was associated risk with the COVID-19 calculations because the return consisted of estimates based on the government guidance. The COVID-19 return included costs incurred to date, expenditure expected to be incurred based on assumptions, and the full cost of remobilisation and it did not include the cost of a second wave of COVID-19. The financial relationship with the Highland Council was a significant risk, the forecast included the assumption there would be £9m of funding either from the Council, through the Government or a combination of both.

In response to questions regarding the cost of the flu vaccine programme, it was confirmed the full cost of the flu immunisation programme, including staff time, was included within the return and costs arising from a COVID-19 vaccine were not included.

The Committee Noted the Presentation.

8 FINANCE, RESOURCES AND PERFORMANCE RISK REGISTER

Mirian Morrison advised there had been a recent review of the Board's Assurance Framework and a number of risks had been delegated to the Committee for oversight. A report had been circulated outlining the risks assigned to the Committee.

It was agreed the Risk Register would be fully explored at the Development Session in September.

The Committee Noted the Risk Register.

10 ASSET MANAGEMENT GROUP 22 JULY 2020

The minutes were circulated for information.

The Committee Noted the Minutes.

10.1 ASSET MANAGEMENT GROUP 19 AUGUST 2020

David Garden advised two papers were discussed and approved at the recent meeting of the Asset Management Group – the lease for Colonsay Nurses House and the purchase of a replacement ultrasound machine for the breast unit at Raigmore Hospital.

The Committee Noted the Chair's Update.

11 AOCB

12 FOR INFORMATION

12.1 Major Project Summary Report

The report had been circulated for information. David Garden advised there had been a meeting of the Capital Project Board and there was a discussion regarding the appropriate governance route for capital projects. At present, there was a Capital Project Board which oversees all capital projects across Highland and was reporting to the Asset Management Group and the Finance, Resources and Performance Committee but clarity regarding the types of reports and the reporting structure was required. David Garden and Pam Dudek would map the appropriate governance route to avoid duplication.

The Committee would receive a report outlining the progress of the capital projects.

12.2 Dates of Future Meetings

25 September (Development Session)

30 October

27 November (Development Session)

13 DATE OF NEXT MEETING

The next scheduled meeting of the Committee will be a Development Session held on 25 September 2020 at 10am via Microsoft Teams.

The meeting closed at 12pm