

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	8 September 2023 at 9.30am	

Present

Alexander Anderson, Chair
 Tim Allison, Director of Public Health and Policy
 Louise Bussell, Board Nurse Director
 Graham Bell, Non-Executive Director
 Ann Clark, Non-Executive Director, NHS Board Vice Chair
 Sarah Compton-Bishop, NHS Board Chair
 Pamela Dudek, Chief Executive
 Gerry O'Brien, Non-Executive Director
 Dr Boyd Peters, Board Medical Director
 Elaine Ward, Deputy Director of Finance

In Attendance

Rhiannon Boydell, Head of Strategy & Transformation
 Lorraine Cowie, Head of Clinical Support and Cancer
 Pamela Cremin, Chief Officer, Highland Health and Social Care
 Ruth Daly, Board Secretary
 Alan Gray, Scottish Government Sustainability & Value Representative
 Brian Mitchell, Board Committee Administrator
 David Park, Deputy Chief Executive
 Simon Steer, Interim Director of Adult Social Care
 Katherine Sutton, Chief Officer (Acute)
 Nathan Ware, Governance and Corporate Records Manager
 Alan Wilson, Director of Estates, Facilities and Capital Planning

1 WELCOME AND APOLOGIES

The Chair took the opportunity to introduce Mr A Gray, Scottish Government Sustainability & Value Representative and welcome him to the meeting.

Apologies were received from H Cooper, F Davies and P Dudek.

2 DECLARATIONS OF CONFLICT OF INTEREST

There were no formal Declarations of Interest.

3 MINUTE OF THE MEETING HELD ON 7 JULY 2023

The Minute of the Meeting held on 7 July 2023 was **Approved**.

4 FINANCE

4.1 NHS Highland Financial Position as at end July 2023 (M4)

E Ward spoke to the circulated report and 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 £25.519m, with a forecasted overspend of £55.774m as at 31 March 2024, reflecting an improvement on the underlying residual gap due to additional Scottish Government funding allocations in respect of Sustainability & NRAC Parity (£8.03m) and additional New Medicines Funding (£6.59m). The stated forecast assumed full delivery of the savings in Acute, Support Services and the Highland Health and Social Care Partnership (HHSCP), and the significant majority of the Argyll and Bute Integrated Joint Board (IJB) target was also achieved. The reported forecast position was £12.898m better than presented in the financial plan submitted to Scottish Government in March 2023. Members were then taken through the underlying financial data relating to Summary Funding and Expenditure.

Specific detailed updates were also provided in relation to the Highland Health and Social Care Partnership area; Adult Social Care; Acute Services; Support Services; Argyll and Bute; Cost Improvement Programme activity; 3 Horizons activity; focus savings areas (Workforce, Prescribing and drugs, and Digital); supplementary staffing; forecast position; sustainability and value; key risks and associated mitigations; and Capital Spend. The circulated report proposed the Committee take **Limited Assurance**.

In discussion, the following points were referenced:

- Adult Social Care. Advised balanced position dependent on reserves held by Highland Council and applied to 2023/2024 only. Discussions ongoing with Highland Council.
- Winter Pressures. Advised potential reduction in bed numbers not in financial projections.
- Funded Nursing Care. Advised relevant discussions being taken forward.
- OPEL. Advised de-escalation arrangements in place and considered to be operating well.
- Community Capacity. Noted number of associated workstreams underway. One new Care Home provider identified. Collaborating with Independent Care sector on wider resilience activity. Hospital at Home aspects were being taken forward. Effectiveness of Caithness Hub model being assessed.
- Nature of Savings Activity. Advised strict savings plan in place, including quality impact assessment. Agreed to provide breakdown of recurrent versus non-recurrent elements and updates on wider financial control activity. Current focus on recurrent savings.
- Role of Highland Council (Adult Social Care). Cost increase year on year, including NHH taking on additional Care Homes, the financial implications of which require discussion. Highland Council looking at future Care Home funding. Positive discussions to date.
- Delayed Discharge and Patient Flow Activity. Stated patients not receiving the Right Care in the Right Place having an associated financial impact. Aspects relating to clinical models, Flow Navigation Centres, Community Hospitals, Rural General Hospitals, Adult Social Care all in the mix. A number of challenges remain. All at strategic planning stage.
- Validity of Current Forecast. Advised this included all known current factors and risks. Financial impact of additional funding in year being assessed by Scottish Government. In Highland, additional allocations are split between North Highland and Argyll and Bute.

After discussion, the Committee:

- **Noted** the circulated report and additional verbal updates provided.
- **Agreed** to provide future breakdown of recurrent/non-recurrent savings.
- **Agreed** to take **Limited** assurance regarding delivery of the agreed financial plan 2023/24.

4.2 NHS Highland Financial Savings Governance

L Cowie gave a brief presentation in relation to financial savings governance activity; advised formal Financial Savings Governance Groups/arrangements had been established within Acute and Community Service areas and were discussed on a weekly basis. These Groups considered and reviewed Delivery Trackers, considered any gap analysis activity, and review associated Business Cases. Support was provided from within the Finance, and Strategy and Transformation Teams. Work was also ongoing in relation to Sustainability and Value Workstreams as well as in relation to prescribing, locum and agency activity, digital considerations, and establishment of a Corporate Short Life Working Group (SLWG). Activity was reported into the Efficiency and Transformation Governance Group; Executive Directors Group (EDG) and this Committee. An outline of the relevant Financial Savings Tracker was provided. E Ward then provided an up-to-date position in relation to progress of savings activity to date (target £29.5m) and advised a savings gap of £12.7m had yet to be identified. Members were advised as to the importance of relevant validation activity, noting this process was more robust than in previous years.

A Gray further provided a short presentation for members on the provision of tailored financial support to NHS Highland in relation to developing an appropriate financial recovery plan, outlining aspects relating to current Diagnosis; Planning; Delivery and Implementation approach activity. There had been an examination of historic trends relating to the recurring deficit faced by NHS Highland, as indicated, noting that locum and agency costs on emerging from the Covid pandemic period had increased significantly and markedly by more than the national average. Consideration was also being given to the decisions taken within NHS Highland in relation to developments around that time carrying an associated cost burden. He stated, based on the projection of current levels of overspend to financial year end, NHS Highland would have a financial deficit of £76.5m; this would be £55.8m should the current financial plan be successful; and would be £25.4m if the wider Scottish average applied. Achievement of the figure provided in the NHS Highland Financial Plan of £55.8m was the minimum expected by Scottish Government. The unique challenges faced in Highland had been acknowledged. In terms of next steps, there was a requirement for assurance on financial governance arrangements; a need to close the existing £12m savings plan gap; ensure actions taken to deliver on the forecast deficit as a minimum; agree and outline the recovery plan for the next five years, identifying key corporate actions for reducing the overall deficit and developing a minimum plan to deliver 3% savings on a recurring basis.

There followed general discussion, with the following points raised:

- Quantification of the Highland Element. Advised focus is on what can be achieved in partnership, including seeking to identify the particular challenges faced by NHS Highland. Consideration of the financial impact of decisions taken will also be key.
- Business Case Process. Members were shown an analysis of the operational location and value of Business Cases approved since 2018/19 (£42.7m) and were advised a significant number of these had been essential in nature. Approximately 13% of Business Cases had been designated as Optional. Appropriate control and review mechanisms were in place and work continued in association with Scottish Government.
- Wider Financial and Savings Culture and Messaging. Advised weekly meetings held with relevant local Community leaders to ensure appropriate data analysis and performance monitoring taking place. Similar position reported in Acute, working with all relevant operational area budget holders to emphasise requirement to respect financial limits. It was stated changes are being considered, agreed and implemented, including in association with relevant Consultant colleagues and wider clinical teams as appropriate. Looking to further enhance the link between budget discussions and associated recruitment activity; and ensure relevant service redesign processes are being progressed. Weekly reviews held in relation to which posts are being released for recruitment activity, with a focus on available staffing budget, and with discussion linked to the wider individual service financial position. Appropriate engagement and momentum was key in all areas.

After discussion, the Committee Noted the reported position and additional verbal updates provided and took assurance on the initiatives being taken forward.

4.3 General Discussion

The Chair suggested, in light of earlier discussion, that future meetings be held on a monthly basis. These meetings would have focussed agendas to enable full discussion of the subjects scheduled for consideration. Agenda items relating to Finance and Transformation would be scheduled for each meeting. Development sessions would also be considered.

The Committee Agreed to schedule monthly meetings moving forward.

5 OVERVIEW OF TRANSFORMATION PROGRAMME AND GOVERNANCE

L Cowie provided a short presentation for members, advising as to the planned three Horizon model approach being taken to developing an NHS Highland Transformation Plan. The aim was to enable strategic change; improve quality; provide cost effective care; provide a learning environment; empower teams to take forward service change; and ensure digital technology was at the heart of all activity. An indication was provided as to the activity planned for delivery in terms of each of the three Horizons (12 months, 2-3 years and 3-5 years), noting these had been categorised as Annual Delivery Plan and Business as Usual; Medium Term Plan and Integrated Service Planning; and Strategic Commissioning Models. Associated priorities and supporting activities were outlined, with relevant system responsibilities and specific priorities for senior Leadership Teams in Horizon 1 detailed further. Support arrangements had been aligned to each of the Senior Leadership Teams as appropriate. She went on to detail the relevant methodology being applied through a strategic and portfolio approach involving strategic commissioning and project management, ensuring good governance and collaborative system leadership.

The following points were then discussed:

- **Communication and Engagement for Success.** Stated Horizon 2 activity can be a challenge for many, with need for focussed discussion on performance, quality and finance elements through tailored messaging. Emphasised public engagement would be crucial to success. Strong links in place to ensure learning from other NHS Boards in Scotland. Joint workshop event to be held in September 2023, where aspects of best practice would be considered.
- **Discovery Data and Social Care Benchmarking.** Emphasised need to ensure any future discussions with Highland Council based on accurate benchmarking and datasets.
- **Public Health Element/Capturing Activity and Benefits Realisation.** Stated this and associated impact assessment activity would form a major component of Horizon 3 activity.
- **Environment/Sustainability Aspects.** Stated strong links to wider activity and informed Capital investment/planning were key elements to ensuring an integrated approach.
- **Culture.** Emphasised ensuring success would involve a number of culture changes. This would not be without associated risk. Staff should be encouraged to embrace change, whilst appropriately managing and mitigating risk.
- **1st Annual Integration Scheme Performance Report.** Advised to be published in early course, including aspects relating to the existing position regarding progress against National Health and Wellbeing outcomes, and associated processes. The Joint Strategic Plan would set the relevant public engagement framework required moving forward.

After discussion, the Committee Noted the presentation content and reported position.

L Bussell and A Clark left the meeting at 11.30am.

6 INTEGRATED PERFORMANCE AND QUALITY REPORT

L Cowie spoke to the circulated report which provided the Committee with a bi-monthly update on NHS performance and quality based on the latest available information, a summary of which would also be provided to the NHS Board. It was advised all Local Delivery Plan Standards were included in the report, excluding GP access figures. Further Indicators continued to be worked on in line with Together We Care and the Annual Delivery Plan. Members were then provided with specific updates on performance relating to vaccination activity; alcohol brief interventions; smoking cessation; drug and alcohol waiting times; Maternity Services; CAMHS; NDAS/Integrated Children's Services; Urgent and Unscheduled Care performance; TTG performance; Outpatients; Diagnostics (Radiology and Endoscopy); Cancer Care; Delayed Discharges; Adult Social Care; and Psychological Therapies. Associated trajectory detail had been included for relevant Indicators. It was proposed the Committee take **Moderate Assurance**.

Matters raised in discussion were related to the following:

- Level of Delayed Discharge. Noted as above pre-pandemic level. Advised position was complex including issues relating to ability to recruit to the care market; level of financial support available to Care Homes; and wider labour market concerns. There was a requirement to focus on those areas where a direct impact could be achieved. Need to capture and communicate associated areas of success, without the mitigation elements of which the position could be of greater concern.
- CAMHS Service. Attention of members drawn to the reduction in ongoing wait levels.

After discussion, the Committee:

- **Noted** the position in relation to reported performance areas.
- **Agreed** to take **Moderate** assurance.

7 ASSET MANAGEMENT GROUP – Minutes of Meetings held on 19 July and 16 August 2023

Due to time constraints, there was no discussion held in relation to this Item.

8 MAJOR PROJECTS SUMMARY REPORT

There had been circulated a report providing the Committee with an update on three major Capital construction projects, relating to the Raigmore Maternity Upgrade; and Lochaber and Caithness Redesign Projects. The updates provided an Executive Summary; project status update; project programme; key project deliverables completed; key project deliverables to be completed in next period; key project risks; live project issues and escalations; and updates on change control and expenditure elements. It was proposed the Committee take **Moderate Assurance**.

The following was discussed:

- Decant Process for Maternity Upgrade. Advised process not ideal but now agreed and in place. A total of nine phases involved, work on which had begun.
- Caithness Redesign. Noted high number of status elements showing as Amber. Advised cautious approach being adopted, with number of elements requiring further work. Developing and agreeing a single system model would be the next stage of activity.

After discussion, the Committee:

- **Noted** the progress of the three Major Capital Projects.
- **Agreed** to take **Moderate** assurance.

9 ENVIRONMENTAL SUSTAINABILITY GROUP – Minute of Meeting held on 1 August 2023

There had been circulated Minute of Meeting of the Environmental Sustainability Group held on 1 August 2023.

The Committee Noted the circulated Minute.

10 CORPORATE RISK REGISTER UPDATE

Due to time constraints, there was no discussion held in relation to this Item.

11 REVIEW OF COMMITTEE TERMS OF REFERENCE

There had been circulated the previously approved Committee Terms of Reference, in relation to which members were invited to suggest amendments where required.

The Committee Noted any proposed changes would be submitted to the next meeting for approval.

11 REVIEW OF COMMITTEE WORKPLAN

Due to time constraints, there was no discussion held in relation to this Item.

12 PATIENT SAFETY ASSURANCE

There had been circulated a letter, from the Cabinet Secretary for NHS Recovery, Health and Social Care to all NHS Board Chairs and Chief Executives seeking assurance that the existing processes and systems for the early identification, reporting and robust timely investigation of patient safety concerns within NHS Scotland are fully effective. NHS Boards were being asked to provide reassurance in several ways, considering multiple sources of information, including data on patient outcomes, alongside concerns that may already have been raised through whistleblowing procedures or escalation from the point of care to senior leaders. Members were advised the formal NHS Highland response was in preparation and that an update to the recent Staff Governance Committee had indicated there would be an iterative approach to the relevant action to be taken forward.

Members were further advised the current position provided an opportunity for NHS Boards to assess and provide assurance in relation to internal formal processes relating to the escalation of concerns and relevant associated monitoring arrangements. It also allowed for consideration of the formal response to concerns raised to NHS Board level where appropriate. It was advised there were an increasing number of escalations to senior level. Consideration of matters relating to potential patient harm was a complex process. The key questions related to whether matters were being appropriately monitored and reported; to where and then what actions were then being taken forward in response. The ability to reassure staff in relation to these elements was also important. These issues were currently being actively discussed by NHS Board Medical Directors at national level.

After discussion, the Committee:

- **Noted** the circulated letter.
- **Agreed** to return to discussion of this mater at a future meeting.

12 MEETING DATES FOR 2024

Members **Noted** and **Approved** the following meeting schedule for 2024:

- **5 January 2024**
- **1 March 2024**
- **May 2024**
- **5 July 2024**
- **6 September 2024**
- **1 November 2024**

(All meetings to be held from 9.30am to 12.00pm)

13 2023 MEETING SCHEDULE

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

3 November
1/8 December (to be confirmed)

14 DATE OF NEXT MEETING

The date of the next meeting of the Committee on 6 October 2023 was **Noted**. There would be a focus on Finance and Transformation, plus Environmental and Sustainability matters.

The meeting closed at 12.05pm