

<b>HIGHLAND NHS BOARD</b>	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 <a href="http://www.nhshighland.scot.nhs.uk">www.nhshighland.scot.nhs.uk</a>	
<b>MINUTE of MEETING of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMS</b>	<b>3 November 2023 at 9.30 am</b>	

**Present**

Alexander Anderson, Non-Executive Director  
 Graham Bell, Non-Executive Director (In the Chair)  
 Tim Allison, Director of Public Health and Policy  
 Louise Bussell, Board Nurse Director  
 Ann Clark, Non-Executive Director  
 Heledd Cooper, Director of Finance  
 G Corner, Non-Executive Director  
 Pamela Dudek, Chief Executive  
 Gerry O'Brien, Non-Executive Director  
 David Park, Deputy Chief Executive  
 Alan Wilson, Director of Estates, Facilities and Capital Planning

**In Attendance**

Lorraine Cowie, Head of Strategy and Transformation  
 Pamela Cremin, Chief Officer, Highland Health and Social Care  
 Brian Mitchell, Board Committee Administrator  
 Becky Myles, Head of Procurement  
 Simon Steer, Director of Adult Social Care  
 Katherine Sutton, Chief Officer (Acute)  
 Lianne Swann, Corporate Records Officer (Observing)  
 E Ward, Deputy Director of Finance

## 1 STANDING ITEMS

### 1.1 Welcome and Apologies

Apologies were received from Dr B Peters, S Compton-Bishop and F Davies.

### 1.2 Declarations of Interest

There were no formal Declarations of Interest.

### 1.3 Minute of Previous Meeting held on 6 October 2023

The Minute of the Meeting held on 6 October 2023 was **Approved**.

## 2 FINANCE

### 2.1 NHS Highland Financial Position – Month 6 2023 and Update on Savings Plans

The Deputy Director of Finance spoke to the circulated report that detailed the NHS Highland financial position as at end Month 6, advising the Year-to-Date (YTD) Revenue over spend

amounted to £38.1m, with the forecast overspend set to increase to £55.975m as at 31 March 2024. The year end forecast was £12.697m better than presented within the financial plan and reflected additional Scottish Government funding relating to Sustainability & NRAC Parity, plus additional New Medicines Funding. This also assumed delivery of the actions contained within the Financial Recovery Plan. The relevant key risks and associated mitigations were outlined. 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 & Bute; progress against the Cost Improvement Plan Programme; 3 Horizons activity; Supplementary Staffing; overall forecast position; Financial Recovery Plan progress; sustainability and value; and Capital Spend. The circulated report proposed the Committee take **Limited Assurance**, for the reasons stated.

The following points were raised:

- Assurance of Progress (Tertiary). Advised this carried a zero figure as original target based on Scottish Government proposal not now being taken forward until 2024/2025. Confident that savings will accrue over 2024/2025. Remain within Plan to encourage action.
- Locum/Agency Use Reduction (Acute). Advised weekly savings governance meetings being held. Agency use had been a key area of focus. There had been successes in relation to recruitment of nurses and a large reduction in agency nurse use within the Medical Division. All medical locum use reviewed, and new processes introduced. Number of medical locums had chosen to take up permanent employment with NHS. Theatres capacity reduced to align with financial plan and agreed with Scottish Government. Improvement activity on Waiting Times slowed. Overall focus continuing.
- Assurance of Progress for 2024/2025. Confirmed reporting starting to come through, with relevant ideas forms issued and transformation programmes in process of being developed etc. Reporting will be in similar format to that for 2023/2024. Stated Horizon 3 activity had commenced, looking at relevant Charters etc. Four principal and two supporting transformation programmes involved at this stage. Will also support with Horizon 2 activity.
- Capital Spend Level. Questioned the impact and risks associated with a reducing allocation, especially around transformation plans. Advised likely approach to provide focus on backlog maintenance for immediate future. Thereafter a focus on Acute service areas. Continued to lobby for whole system approach prior to any formal announcements. Existing three planned major projects in Highland would continue to be taken forward.
- Confidence in Savings Delivery (Operational areas). Stated confidence in achieving forecast position remained high, with degree of flexibility built in. Advised activity also focussed on mitigating increasing activity levels as well as achieving savings.
- Saving Schemes Delivery and Attribution to 2024/2025 Financial Plan. Questioned if added to overall delivery target. Matter to be discussed under Item 2.2 on the agenda.
- Financial Discussions with Highland Council for 2024/2025. £6.2m shortfall referenced. Confirmed formal finance discussions with Highland Council scheduled for later in November 2024, including for Children’s services. Ongoing engagement at this time at Chief Executive level. Further reshaping and change discussions to follow.
- Direct Engagement (Agency). Confirmed this related to VAT recovery aspects.

**After discussion, the Committee:**

- **Noted** the circulated report and additional verbal updates provided.
- **Agreed** to take **Limited** assurance regarding the reported financial position.

**2.2 Draft Budget Setting Guidance 2024/2025**

The Director of Finance spoke to the circulated report, presenting Draft Budget Setting Guidance and giving an overview of the expectation of budget setting, the draft timeline involved and process to be undertaken. Members were advised NHS undertook an annual

budget setting process which aligned to the financial planning guidance and should also align to the Annual Delivery Plan. The intention was to triangulate workforce planning with performance and finance through the budget setting process. The Guidance sought to provide information on how the budget setting process was undertaken and the expectations placed on all parties involved in the process. The guidance remained draft form and was presented for initial comment prior to review by the EDG and eventual final presentation at this Committee in December 2023. The circulated report proposed the Committee take **Substantial Assurance**, for the reasons stated.

The following was discussed:

- Definition and Engagement of Budget Holders. Advised includes any employee with a financial delegation. Total number of budget holders to be reviewed. Confirmed circulated documents yet to be subject to wider discussion, including with wider Executive Group. Emphasised much of the guidance involved would not be subject to process consultation. Feedback would be encouraged from wider teams following Executive level scrutiny.
- Planning Future Activity to Match Available Resource. Questioned level of involvement by those delivering services, including clinicians. Noting majority of budget holders were not clinicians, suggestion made all budget holders sign up to expected budget management responsibilities. Stated current levels of spend cannot be sustained, and change required.
- Business Case Process. Referenced and questioned spend reduction requirement of 10% and associated impact. Advised inclusion of a 10% figure in the draft document arose from early discussion with external colleagues and sought to encourage consideration of achieving better outcomes from less financial resource. Clinicians would require to be engaged in any agreed process of this nature. Further discussion would be required.
- Reducing Future Years Budget Spend Position. H Cooper shared a brief presentation in relation to high level planning aspects, highlighting the potential impact of achieving, or not achieving recurring savings requirements. Work would continue on developing three year plans as part of the budget setting process; consideration was being given as to creation of a compliance dashboard (cash/procurement compliance, income and payments, adult social care elements, payroll compliance etc).
- Adult Social Care Cost Figures. Requested cost details be provided to members out with the meeting. Noted costs of Lead Agency Model regularly raised in formal discussions.

**The Committee:**

- **Noted** the circulated report, draft Budget Setting Guidance 2024/25 and draft Timetable.
- **Noted** comments were invited on the circulated draft documents.
- **Noted** the final draft Guidance would be presented to the Committee in December 2023.
- **Agreed** to take **Substantial** assurance.

**3 NHS HIGHLAND WINTER PLAN 2023/2024**

L Cowie spoke to the circulated report, giving a brief presentation to members on NHH Winter Preparedness with regard to developing and implementing an Urgent and Unscheduled Care Target Operating Model (TOM). The model would apply all year round, with relevant services enhanced for the winter period where appropriate to ensure surge capacity etc. An outline was provided as to what was included within the proposed TOM, including a Winter Checklist, submitted to Scottish Government for review. Required actions included finalisation of prioritised actions for winter; confirmation of Operational Leads for winter priorities; and the standing up of Operational Winter Plan meetings. It was also indicated that post-winter there would be need for re-prioritisation of the TOM for Urgent and Unscheduled Care. Relevant Winter Ready Priority Themes, Actions and Outcomes were outlined, as were the associated Communications Plan, Performance Indicators, Governance Framework and Resilience Plan. It was advised the overall Winter Plan for NHS Highland remained in the process of agreement,

with strategic, tactical and operational groups established to examine relevant datasets on a weekly and monthly basis.

Members were further advised NHS Highland, Highland Health and Social Care Partnership, Scottish Ambulance Service, and other key partners and stakeholders would continue to take a collaborative approach towards preparedness and planning for winter 2023/24 through the NHS Highland Unscheduled Care Board and other key strategic and operational fora. The approach would be similar to the Winter 2022/23 model (Winter Ready Action Plan (WRAP)). For the Argyll & Bute HSCP area a Winter Plan would also be developed and taken through their respective governance structures. It was proposed the Committee take **Limited Assurance**.

There was discussion of the following:

- Reactive vs Proactive Indicators. Advised presently looking to define that at a District level. Further analysis activity would be involved.
- Community OPEL Implementation. Advised systems relating to both Community and Mental Health in process of final testing. Learning taken from Raigmore Hospital experience. Discussions held on ensuring joined up approach adopted. Stated winter planning meetings provide in depth discussion of urgent and unscheduled care matters.
- Future Governance Committee Reporting. Advised this would include reporting on Key Quality Measures. The balance of reporting, including the current Integrated Performance and Quality Report was also under active consideration, noting this included to Scottish Government, NHS Board and Governance Committees. Emphasised monitoring metrics were separate from the performance aspects reported at NHS Board level.

**After discussion, the Committee:**

- **Noted** the circulated report and presentation content.
- **Agreed** to take **Limited** assurance.

**4 NHS HIGHLAND ANNUAL DELIVERY PLAN**

L Cowie gave a presentation to members in relation to development of the NHS Highland Annual Delivery Plan (ADP) for 2023/2024, advising as to the position as at Q2. She provided an overview of progress to date, stating there had been positive progress made with relevant leads reporting being on track for delivery. It was reported winter pressures may impede progress on a number of areas. The integration of Workforce, Finance and Delivery Plan and impact of workforce and funding on outcomes and deliverables was under review. It was stated decision making on key priorities would require review using the strategic planning stage process. Integration of Horizons Ambitions into the ADP would be required. The relevant dashboard for Q2 was presented, providing an overview of the position regarding the 162 actions contained within the ADP and showing 59% of those were on track for delivery. The relevant ADP timetable for 2023/24 was indicated, the relevant Commission for which was expected from Scottish Government later in November 2023.

There was discussion of the following points:

- Competing Priorities. Questioned if the ADP process was where, under which, discussion of reducing or stopping activity should take place. Stated discussion held by Directors of Planning in relation to benchmarking data providing opportunity to look at activity at national, regional, and local level. Local priorities, finance and quality all have to form part of that discussion. The financial plan was required to be finalised so as to inform the ADP.

- Qualitative Strategic Targets. Asked if activity to be increased where appropriate to meet these or maintained at current levels. Stated this was related to Service Planning aspects and would include consideration of service efficiency and workforce issues etc.
- Political Pressures. Stated can impact decision making in relation to setting local priorities.

**After discussion, the Committee otherwise Noted** the progress made on development of the NHS Highland Annual Delivery Plan 2023/2024.

## 5 INTEGRATED PERFORMANCE 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. The relevant performance overview section had been revised to review ADP targets/trajectories as well as the national targets set by Scottish Government. This was more in line with the Blueprint for Good Governance recommendations. Moving forward relevant patient/population feedback would also be incorporated. Members were then provided with specific updates on performance relating to vaccination activity; alcohol brief interventions; smoking cessation; drug and alcohol waiting times; CAMHS; NDAS/Integrated Children's Services; Emergency Department Access; TTG performance; Outpatients; Diagnostics (Radiology and Endoscopy); Cancer Care; Delayed Discharges; and Psychology Waiting Times. Associated trajectory detail had been included for relevant Indicators. It was proposed the Committee take **Moderate Assurance**.

During discussion, inclusion of an Executive Summary was welcomed. On the question as to inclusion of performance ratings over a 24-month reporting period, it was stated this remained an aim however further consideration was required as to which targets, local or national, this would relate. Stated need to consider the data required for management of services against that required for governance purposes. Continued feedback on this area was encouraged.

**After discussion, the Committee:**

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

## 6 CORPORATE RISK REGISTER (LEVEL 1 RISKS)

L Cowie spoke to the circulated report, providing members with assurance that the risks currently held on the Corporate Risk Register relating to this Committee were being actively managed through the appropriate Executive Leads and Governance Committees within NHS Highland. Further work would be completed with regards to the Risk Register to give assurance and outline relevant mitigations. Members were advised there were no changes proposed to the risks previously presented to the Committee. It was proposed the Committee take **Substantial Assurance**.

**The Committee:**

- **Noted** the reported position.
- **Agreed** to take **Substantial** assurance.

## 7 PROCUREMENT ANNUAL REPORT 2022/2023

B Myles spoke the circulated report, advising as to relevant data sources and outlining concerns raised in relation to the completeness of information received from those sources. It was reported the concerns were being addressed for the 2023/2024 reporting period, including

development of an NHS Board-wide Master Contracts Register, all as more indicated in the report. Members were further advised a number of risks and considerations had been identified that required further action, in relation to lack of data provision and visibility where procurement activity was undertaken in devolved areas and/or through non-central procurement systems; an inability to report board-wide on key compliance metrics for Contract Award routes and desirable outcomes such as Fair Work First, Community Benefits and Supplier Performance. The report proposed the Committee take **Moderate Assurance**.

The following points were raised in discussion:

- Increase in Predicted New Contract Activity Level for 2024/2025. Advised reflected the improvement made to the Combined Master Contract Register. This now included greater level of data and visibility on expiring elements than previously the case. A number of elements would be dependent upon successful bidding activity.
- Level of Associated Community Benefit. Advised benefit levels considered to be above that being reported. Improved reliable data capture was being pursued, in association with relevant partners, for inclusion in future reporting.
- Health and Social Care Tender Waiver. Advised Social Care contracts not included within Master Contract Register. Would look to include reference to these in future reports.
- Impact of Review of Strategy and Policy on Strategic Commissioning. Stated working with Contract Services Team on relevant aspects with view to ensuring both teams work more closely on such matters. View expressed Non-Executive Board members would benefit from improved understanding of all relevant aspects of commissioning and procurement.

**After discussion, the Committee:**

- **Noted** the NHS Highland Annual Procurement Report 2022/2023.
- **Agreed** to take Moderate assurance.

**8 IMPLEMENTING THE BLUEPRINT FOR GOOD GOVERNANCE SELF-ASSESSMENT FINDINGS**

There had been circulated a report, providing an update on the progress of delivery of the four actions contained in the NHS Board’s agreed Blueprint for Good Governance Improvement Plan 2023 of relevance to this Committee. It was reported, in addition to Governance Committee oversight, the Board Secretary would provide a formal six-monthly assurance report to the NHS Board focussing on governance improvements identified in the Blueprint Improvement Plan. The first formal Board-level progress update was scheduled for end January 2024. Assurance ratings would reflect delivery against the agreed improvement actions. The report proposed the Committee take **Moderate Assurance**.

**The Committee:**

- **Noted** the circulated report content and progress updates.
- **Agreed** to take **Moderate** assurance.

**9 REVIEW OF REVISED COMMITTEE WORKPLAN**

There had been circulated the latest iteration of the Committee Work Plan, review of which was to form part of the upcoming Committee Self-Assessment process. Members were reminded as to the move to monthly meetings for the foreseeable future, from December 2023. In this regard it was requested the date of relevant meetings be appropriately considered to enable receipt of the most up to date relevant data, whilst recognising the potential impact on

subsequent submissions to the NHS Board. A Wilson took the opportunity to request consideration of an informed approach to future Environment and Sustainability reporting.

**After discussion, the Committee:**

- **Noted** the Committee Work Plan would be reviewed as part of the upcoming Committee Self-Assessment process.
- **Agreed** further consideration would be given to the future meeting schedule and associated reporting requirements.

**10 AOCB**

There were no matters discussed in relation to this Item.

**12 DATE OF NEXT MEETING**

The date of the next meeting of the Committee on 8 December 2023 at 1.30pm was **Noted**.

**The meeting closed at 11.50am**