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	**21 October 2021 at 2.00pm**

Present
Alexander Anderson, Chair
Tim Allison, Director of Public Health
Graham Bell, Non-Executive Director
Ann Clark, Non-Executive Director, Chair of HHSC Committee
Pam Dudek, Chief Executive
Graham Hardie, Non-Executive Director
Boyd Robertson, NHS Board Chair (Ex Officio)

In Attendance
Lorraine Cowie, Head of Strategy
Ruth Daly, Board Secretary (from 3.15pm)
Diane Forsyth, Project Manager (Estates)
Eric Green, Head of Estates
Jane Gill, PMO Director
Michelle Johnstone, Area Manager (North and West)
Heidi May, Board Nurse Director (from 3.15pm)
Brian Mitchell, Board Committee Administrator
George Morrison, Head of Finance (Argyll and Bute)(from 2.15pm)
David Park, Deputy Chief Executive
Iain Ross, Head of eHealth (from 3.15pm)
Elaine Ward, Deputy Director of Finance
Alan Wilson, Director of Estates, Facilities and Capital Planning

1 WELCOME AND APOLOGIES

Apologies were received from Sarah Compton-Bishop, David Garden, Donna Smith and Katherine Sutton.

2 DECLARATIONS OF CONFLICT OF INTEREST

There were no formal Declarations of Interest.

3 MINUTE OF THE MEETING HELD ON 26 AUGUST 2021

The Minute of the Meeting held on 26 August was **Approved**.

4 ASSET MANAGEMENT GROUP MINUTES – 18 AUGUST 2021

There had been circulated Minutes of the meetings of the Asset Management Group held on 18 August 2021. On the point raised in relation to associated works related to the new CT

scanner, it was advised an alternative location had been identified and work was now proceeding. There were no known issues at this time. E Green confirmed previous issues had now been resolved.

The Committee otherwise Noted the circulated Minute documents.

5 CAITHNESS REDESIGN PROJECT UPDATE

M Johnstone, as Project Director, introduced members of the project Team and advised the extensive suite of documents presented to the Committee were for both consultation and ratification at this stage. The circulated report referenced the Initial Agreement Document (IAD) and associated Appendices, outlining the major service change and option appraisal process undertaken, and sought to demonstrate the strategic case for change. The Initial Agreement represented the first of a three stage business case process, developed in accordance with the Scottish Government Health and Social Care Directorate Capital Investment Manual. This would be presented to the NHS Board for approval prior to formal consideration by the Scottish Government Capital Investment Group on 17 November 2021. Approval there would allow NHS Highland to progress proposals to Outline Business Case. The report went on to outline the key aspects of the proposed redesign, which M Johnstone highlighted involved a move away from physical buildings to a focus on community services, and which would require approximately £76m - £82m capital funding and £2.8m of non-recurring revenue. Additional revenue costs were estimated to be in the region of £0.6m.

There followed discussion, during which the following matters were raised as follows:

- Finance. Confirmed documents represented the strategic case for change, with detailed costings to be developed as part of next stage of process.
- Workforce. Multi-disciplinary team (MDT) approaches expected to draw staff into area to work in revised community service profile. Revised service models to lead to increased local staff development in association with UHI and local colleges. Rapid response posts in particular generating strong interest to date. Further work to be done in association with GPs on skill maintenance, competencies and rotational working etc. Community Network approach welcomed. Acknowledged role played by non-NHS workforce.
- Technology. Confirmed as central aspect to success of Project. Working closely with eHealth on TEC etc. Data sharing agreements will be crucial to overall success.
- Challenges and known barriers to success. Single Point of Contact arrangements need to be expanded. High level service users to be identified and considered in a case management, MDT based approach to ensure proactive care according to identified patient need. About providing care at right time, in right place, by right people.
- Future Activity. Advised local care model intended for roll out across NHS Highland, with culture change required across a range of associated areas to ensure success.
- Process Governance. Highland Health and Social Care Committee (HHSCC) to be kept informed as to progress on formal process. Confirmed governance of IAD is provided by Project Team Board, Asset Management Group, Executive Directors Group and NHS Board. Discussion to be held on wider information sharing to Committees etc.
- Consideration of Service Model. Accepted need for HHSCC to consider and discuss proposed service models as and when these are being developed.

After discussion, the Committee Agreed to Ratify the Initial Agreement Document.

6 LOCHABER SERVICE REDESIGN – INITIAL AGREEMENT

L Bussell spoke to the circulated report and advised the process being undertaken was broadly similar to that for the Caithness Project however as this did not involve major service

change would be less time consuming to complete overall. There had been substantial community engagement undertaken to this point. The report indicated the Initial Agreement was the first stage of a three stage business case process required by the Scottish Capital Investment Manual and focussed on setting out a high level strategic service direction whilst seeking confirmation of funding approval to replace Belford Hospital, Fort William. Work on a detailed service model and building design would take place during the next business case stage, culminating in production of an Outline Business Case in late 2022. The need to consider the wider Lochaber context was emphasised.

There followed discussion on the following matters:

- Joint IAD Submission. Advised no issues associated with submission of both documents at this time as each Project based on own merits, reflecting differing requirements. Work in relation to Caithness Project has informed the Lochaber approach.
- Enhancing Service Sustainability. Appropriate learning will be taken from the Caithness Project and applied, with options to be worked through as part of next stage of process.
- Avoiding Hospital based approaches. Project carries Lochaber as title, helping avoid focus on Belford Hospital. Community will require help to better understand an approach that is not Hospital/fixed building based. Further work would be required on this aspect.
- Outcome Focussed Terminology. Outcome related activity will now be taken forward, through a locally focussed process.

After discussion, the Committee Agreed to Ratify the Initial Agreement for the Lochaber Redesign Programme.

7 MAJOR PROJECT SUMMARY REPORT

A Wilson spoke to the circulated report, providing the Committee with an update on all major Capital construction projects, in relation to both financial and programme management performance. Members were advised additional capital funding had been received in relation to equipment and maintenance backlog activity, in the sum of up to £9m/£10m detail in relation to which would appear in the next report submitted to Committee. There was confidence that all the relevant work would be completed within the 2021/2022 financial year. Delays relating to the National Treatment Centre were related to supply of materials, resulting in the associated work programme being revisited. There were no concerns at this time and any issues arising from increased building material costs would be discussed with the main contractor as and when they arise, in the context of a fixed price contract.

The Committee Noted the progress of the Major Capital Project Plan.

8 INTEGRATED PERFORMANCE REPORT

D Park introduced the circulated report, covering performance relating to both Scheduled and Unscheduled Care, and advised this remained a work in progress in terms of development and submission of the NHSH Remobilisation Plan V4. L Cowie went on to advise Governance Committees were being consulted ahead of the NHS Board meeting on November 2021 to determine which key performance indicators and national targets require to be reported due to risk or milestones not being achieve. Each of the individual reports provided contained data, displaying trends and highlighting key problem areas, was well as information on current issues with corresponding improvement actions. Members were taken through individual performance reports relating to 4 Hour Emergency Access, New Outpatients, Treatment Time Guarantee, Cancer 62 Day Waiting Time, CAMHS, Psychological Therapies and Delayed Discharge activity. Each report also provided narrative relating to associated actions and current oversight arrangements. She drew the attention of members to a recent review of targets for New Outpatients and implementation

of work by the Centre for Sustainable Delivery to support appropriate access; similar discussions to be held in relation to Treatment Time Guarantee; the establishment of a dedicated group to consider Delayed Discharge activity and flow; and a continuing focus on CAMHS. She particularly highlighted the work of the Cancer Recovery Board and the progress made to date in this area.

D Park then advised it was clear that Scheduled Care performance had been impacted by Unscheduled Care activity. This had resulted in the need to discuss issues relating to prioritisation of care, with a group developed to identify what those priority areas should be. It was clear that the national position was extremely challenging and NHS was fully participating in relevant discussions relating to the short, medium and long term.

The following matters were then further discussed:

- CAMHS. Service remained in special measures, with progress to date not as anticipated. Service heavily affected by the impact of Covid. Activity linked to that for wider integrated Children's Mental Health Services, with much work still to be done. An improvement plan had been requested, for both North Highland and Argyll and Bute based on a national service specification. Additional finance would be received however ensuring a successful recruitment position would be challenging. Whole Highland, plus Regional, responses would require to be considered. Focus on outcomes required, with further progress expected within 2/3 weeks. Stakeholder workshops would be held on 9 and 19 November 2021. NHSH Highland remained under national scrutiny in this area.
- Open Letter re Mental Health Services. Advised meetings held with service representatives and actions put in place to provide continuing support. National position challenging. Workforce issues exacerbated by ability of relevant staff to retire at age 55. Ensuring safe services at core of discussion. Board Nurse Director across all activity. Again, successful recruitment likely to continue to be challenging.
- Indicators for HHSCC Integrated agenda. L Cowie agreed to meet with A Clark out with meeting to further discuss. Need to consider actual reporting requirements of all relevant Committees, without overwhelming the business of these. Exception reporting approach.
- Establishment of Flow and Delayed Discharge Group. Small scoping team established to identify risks etc, initially feeding into EDG. Should existing plans relating to Unscheduled Care Programme require to be amended then this would take place.
- Public Health and Health Improvement Measures. Current reporting through Clinical Governance Committee. Open to consideration of new reporting arrangements. Indicators tend to be much more long term in nature, less short term outcome based and more process orientated compared to others being reported.
- 4 Hour Emergency Access. Advised large volume of people attending at Raigmore Hospital in particular affecting performance although recent period has stabilised. Position will always be subject to variation and fluctuation. Trend is monitored daily.

After discussion, the Committee otherwise Noted the Service performance updates.

9 FINANCE

9.1 Cost Improvement Programme Update (Month 6)

J Gill spoke to the circulated report and advised, at Month 6, the forecasted outturn for the programme was £12.5m, an increase of £1.9m from Month 5, against the overall target of £25.1m. Current priorities were indicated as relating to progressing schemes from pipeline to implementation and mitigating risk to 2021/22 planning and delivery. The Delivery Summary and profile of savings against target was indicated, with the year to date delivery remaining behind Plan (£5.7m compared to £8.6m). The Cost Improvement Analysis of unidentified CIP against target was provided. In terms of overview and risk, 19 schemes had moved from

the PMO pipeline tracker to the Finance Delivery Tracker and 3 new work streams had been added to the Cost Improvement Programme relating to Microsoft 365, Endoscopy and Workforce. Key additions to the Delivery Tracker were highlighted and it was stated the PMO were ensuring that the planning process was being maintained, delivery risks were addressed and the pace of implementation was improved where possible. The three key risk areas related to medical agency locum expenditure, Pipeline Scheme progress and Recurrent Cost Base, the mitigating actions in relation to which were also outlined. A specific update was also provided in relation to delivery of the Adult Social Care Transformation Programme. P Dudek added, whilst the high risks outlined were not unexpected in nature, these were challenging areas to address. She advised the Executive Team were to meet to discuss what further actions can be undertaken and what actions need to be undertaken.

The following aspects were raised in discussion:

- Reasons for variance against anticipated delivery. Noted variance can be substantial, and Executive Team would look to better understand underlying reasons.
- Recurrent/Non-Recurrent. Associated split remained consistent with previous reports.

After discussion, the Committee otherwise Noted the reported position.

9.2 NHS Highland Financial Position as at Month 6

E Ward presented an outline of the NHS Highland financial position as at end Month 6, advising the Year to Date Revenue overspend amounted to approximately £9.033m, with a forecasted overspend of £21.272m as at 31 March 2022. The position did not reflect potential slippage on in-year allocations. It was anticipated the application of slippage on allocations would reduce the potential overspend to between £15.472m to £21.272m, with the associated impact on delivery of services recognised. The overall position continued to reflect ongoing uncertainty around additional funding and the link into recruitment required to support delivery of specific initiatives/services. It was reported that work continued in relation to identifying expenditure sitting within Operational areas which should be recognised as a cost associated with Covid, with this being reviewed on a monthly basis. Total anticipated funding for 2021/2022 would be in the region of £1,011.466m. Members were then taken through the underlying financial data relating to Summary Income and Expenditure; detail relating to HHSCP; Acute Services; Support Services; Argyll and Bute; and additional data on savings delivery. The underlying Capital position was also outlined for the information of members. A brief summary was given in relation to the funding required, and allocations received to date, in relation to the NHSH Remobilisation Plan4. Recent national funding announcements were also outlined. It was advised the potential for year-end flexibility would be explored further with Scottish Government colleagues.

Relevant discussion points related to the following:

- Covid Funding in 2022/2023. Anticipated to be far lower than for the current financial year, making effective associated planning a major challenge for the NHS Board.
- Locum agency costs. Positon reflects a number of pressures including rates of pay and the increased number of relevant staff vacancies.
- Highland Council funding to NHSH. Expected figure of £2m built in to forecast. Confirmed there would be implications should that figure not be realised. Position to be confirmed, by P Dudek, with Highland Council. Escalation processes were in place should that ultimately be required.
- General recruitment position. Advised an issue for all NHS Boards at that time, especially for those with a remote and rural element. NHSH could evidence some success areas but this did not apply across all services. Whilst the labour market was challenging, Covid had in fact aided NHSH recruitment in some ways. Increases in student numbers would likely be more beneficial to NHS Boards in the Central Belt.

After discussion, the Committee otherwise Noted the reported position.

10 DIGITAL HEALTH AND CARE UPDATE (October 2021)

I Ross spoke to the circulated report detailing change to NHS Highland eHealth Governance arrangements, including the establishment of a new NHSH Digital Health and Care Group to oversee NHSH Digital Initiatives. The Group also had responsibility for oversight of the digital estate heatmap, which provided a visualisation of where risks exist within the NHS Board digital infrastructure and was used to develop forward investment plans. The Group would report to this Committee on a quarterly basis. He advised there had also been recognition of the need for improved communication in relation to eHealth activity, with work was ongoing with the Communications Team in that regard. It was confirmed the Cyber Resilience Group would report to the Digital Health and Care Group, with the Information Assurance Group reporting to the Clinical Governance Committee. Terms of Reference documents for both the Digital Health and Care Group, and Cyber Resilience Group were also circulated for reference.

The following points were discussed:

- Digital Estate/Backlog Maintenance. Confirmed the Heatmap referenced will provide oversight. Maintenance programme developed. Linkages with Capital Programme Board to be discussed further with E Green.
- Chair of Digital Health and Care Group. Position of Chair remains under discussion at this time.
- FRP Terms of Reference. Confirmed Board Secretary has updated, with revised version to be submitted to Audit Committee in December 2021.
- National Developments. National Strategy in process of being refreshed, outcome of which was awaited. Five Year Strategy expected. NHSH is represented in relevant national level discussions.

After discussion, the Committee otherwise Noted the reported position.

11 AOCB

11.1 Sustainability and Environmental Board

On the point raised by A Wilson there was general agreement the Sustainability and Environmental Board should report in to this Committee.

12 FOR INFORMATION

12.1 Business Continuity Planning

Members **Noted** a report on Business Continuity Planning would be submitted to the next meeting.

The Committee so Noted.

13 2022 MEETING SCHEDULE

The Committee **Agreed** the following meeting schedule for 2022:

24 February
28 April
23 June
25 August
20 October
December 2022 – to be agreed

14 DATE OF NEXT MEETING

The date of the meeting of the Committee in December 2021 was to be determined.

The meeting closed at 4.30pm