

<p style="text-align: center;">HIGHLAND NHS BOARD</p>	<p>Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk</p> 
<p style="text-align: center;">MINUTE of MEETING of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMS</p>	<p style="text-align: center;">6 January 2022 at 2.00pm</p>

Present Alexander Anderson, Chair
Tim Allison, Director of Public Health and Policy (from 10.00am)
Graham Bell, Non-Executive Director
Ann Clark, Non-Executive Director, Chair of HHSC Committee
Heledd Cooper, Director of Finance

In Attendance Louise Bussell, Chief Officer, HSCP
Muriel Cockburn, Non-Executive Director
Sarah Compton-Bishop, Non-Executive Director
Garret Corner, Non-Executive Director
Lorraine Cowie, Head of Strategy & Transformation
Jane Gill, PMO Director
Jo McBain, Deputy Nurse Director
Brian Mitchell, Board Committee Administrator
Gerard O'Brien, Non-Executive Director
David Park, Deputy Chief Executive
Boyd Peters, Board Medical Director (from 2.10pm)
Prof Boyd Robertson, Board Chair (ex officio)
Simon Steer, Director of Adult Social Care
Katherine Sutton, Chief Officer (Acute)
Elaine Ward, Deputy Director of Finance

1 WELCOME AND APOLOGIES

Apologies were received from F Davies, P Dudek, J Gill, K Patience-Quate and A Wilson.

2 DECLARATIONS OF CONFLICT OF INTEREST

There were no formal Declarations of Interest.

3 MINUTE OF THE MEETING HELD ON 20 OCTOBER 2022

The Minute of the Meeting held on 20 October 2022 was **Approved**, subject to the removal of question marks relating to new Risk Register Items (Item 10).

4 FINANCE

4.1 NHS Highland Financial Position 2022/2023 (Month 8), Financial Planning and Budgets

E Ward spoke to the circulated report and presented an outline of the NHS Highland financial position as at end Month 8, advising the Year-to-Date (YTD) Revenue over spend amounted to approximately £23.69m, with a forecasted overspend of £40.51m at 31 March 2023. The YTD position included slippage against the Cost Improvement Programme (CIP) of £11.03m, with slippage of £16.71m being forecast through to financial year end. It was reported the current position had improved by £2.47m from the previous month, reflecting benefit arising from the national Insurance reduction, additional Adult Social Care income, savings within Dental Services and a slightly improved position within Argyll and Bute. Specific financial updates were provided in relation to Acute Services; Highland Health and Social Care Partnership (HHSCP); Support Services; Argyll and Bute Integrated Joint Board; and savings delivery to date. A pay analysis was also provided, indicating £38.49m spend on supplementary staffing to date, highlighting that a sustainable staffing model was critical to achieving financial balance. A subjective analysis illustrated overspends across all areas, highlighting the pressures across all spend categories. A breakdown of the overall forecast position was also provided, as was the detail of the position against the overall £32.59m capital plan.

With regard to the NHS Financial Recovery Plan, it was advised performance remained broadly static, with potential mitigating actions totalling £14.85m, and a best-case scenario overspend of £25.67m, which is £9.4m adrift of Scottish Government expectation of delivery in line with the initial financial plan. Overall risks and issues remained in line with that previously reported. The position being reported across NHS Scotland was broadly indicated, and members were advised as to detail of the recent budget announcement which would see NHS Boards receive a total increase of 5.9% for 2023/2024. This included recurring funding for the 2022/2023 pay award and a baseline uplift of 2%. Specific additional funding could be expected for vaccination activity, Test and Protect, additional PPE requirements and a number of specific Public Health measures. Additional funding would be received in relation to Policy commitments and recovery of Health and Social Care Services in 2023/24, with £95m transferring to local government from the Health and Social Care Portfolio. The capital allocation would be broadly in line with that for 2022/2023, with additional funding for legally committed projects. The overall NHS Initial Allocation for 2023/24 was indicated, noting the next steps would include financial plan submission preparatory work; continued discussion on the pay award funding; discussion with Highland Council on the Adult Social Care element; review of the Local Authority Settlement letter and acceleration of work on the NHS Sustainability & Value Programme. The report proposed the Committee take **Limited Assurance**.

H Cooper then took the opportunity to advise as to technical accounting adjustments still to be finalised for 2022/23, alongside additional financial allocations yet to be received. She advised that in terms of planning for 2023/24, the pay award would be fully funded. It was highlighted that the Annual Delivery Plan, and other high-level plans would be critical to relevant planning activity, with a significant savings challenge expected to remain. NHS Boards had been requested to replicate the national approach to Value and Sustainability and a proactive group would be required to take all relevant activity forward.

The following points were then raised in discussion:

- Technical Reserves. Advised some aspects included within existing Financial Recovery Plan but not all. More work required to define all relevant aspects.
- Savings Plan 2023/2024. Questioned how can staff at all levels could be encouraged, and given the relevant tools and knowledge to give greater consideration to financial aspects when developing service redesign and transformation proposals etc. It was accepted that

more could be done in this regard however it was stated dedicated support resource was being put in place, including mentoring and coaching elements. Stated improved performance monitoring and a savings activity plan approach would be beneficial. Key areas of focus were being identified. Confirmed detail of savings plan and underlying assumptions would be brought to the March 2023 meeting.

- Brokerage Repayment. Confirmed to be repaid in full.
- Performance. Questioned if improved service performance negatively impacting on financial position. Advised the main driver of overspend was related to workforce matters, particularly within Social Care. Overall cost of service delivery was increasing year on year. Noted an increased workforce does not necessarily lead to improved performance.
- Supplementary/Agency/Locum Spend. Realistic impact of any local workforce planning activity on this spend area questioned in context of wider position regarding recruitment. Stated future planning should be based on actual resource, not on desired levels of activity. View expressed supplementary staffing spend could now be considered a fixed cost.

After discussion, the Committee:

- **Noted** the reported position.
- **Agreed** to share the presentation content with members following the meeting.
- **Noted** detail of the 2023/2024 savings plan would be brought to the next meeting.
- **Agreed** to take **Limited** assurance.

4.2 Adult Social Care Finance Plan

E Ward gave a brief presentation to members on the additional costs being faced in relation to Adult Social Care, these being used to inform current discussion with Highland Council. The various categories of spend were outlined, including enhanced rates and additional mileage payments to Care at Home providers and additional support to Care Homes. The existing level of Care Home support was indicated, as were the additional cost elements. The same was outlined in relation to Care at Home Services, Provider Relief Sustainability Payments, Enhanced Responder Service, and Care Response Team. She outlined the relevant 2022/2023 forecast position for Adult Social Care and advised the 2023/2024 projection indicated an adjusted emerging financial gap of approximately £10.5m.

Discussion points included the following:

- Finance and Performance. On point raised, it was confirmed relevant detail had been played into financial planning assumptions, with the additional costs indicated representing the current area of concern. These represented additional cost without additional benefit.
- Health and Social Care Integration. Confirmed active conversations held with Highland Council, recognising limited financial resource and a remote and rural area cost premium. Impact of Delayed Discharge was known, if not fully quantified in terms of financial cost comparison between ASC and Acute Care. Cost did not reflect clinical outcome. Statutory responsibility lay with Highland Council and challenging discussions continued to be held in relation to the overall strategy moving forward.
- Care Home Sector Engagement. Recognised as complex and critical activity area. Engagement taking place in context of National Care Service development, funding issues and in a sector where providers have the live option to simply withdraw from the sector. NHS Highland was at the forefront of such discussion in Scotland, and this was considered a high-risk area for the NHS Board.

After discussion, the Committee otherwise Noted the reported position.

5 SCOTTISH GOVERNMENT LETTER ON PLANNING

L Cowie spoke to the circulated letter outlining the Scottish Government approach to planning for the next financial year and beyond. This was to include a clear, high level, population-based priorities for the NHS as a whole; goal setting at national level; continuation of short, medium, and longer-term planning by NHS Boards; and a new commissioning approach to engender greater collaboration to reflect Scotland's population needs as a whole in local, regional and national plans. She advised the Quarter 3 update was due to be submitted to Scottish Government by 27 January 2023, an overview of which would be provided to the next meeting. At a national level, Directors of Planning were looking at how best to plan moving forward, recognising relevant priorities, and looking to the future of healthcare provision. National planning guidance was expected in February 2023. On the point raised, it was confirmed there had been discussion of the implications of the circulated letter with the Chief Officer for the Argyll and Bute Integrated Joint Board who in turn was to raise particular issues relating to overall communication with Scottish Government colleagues. Directors of Planning had also been sighted on this and a range of other associated aspects.

The Committee:

- **Noted** the position in relation to development of the NHS Highland Winter Ready Plan.
- **Noted** an overview of the Q3 submission would be provided to the next meeting.

6 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. It was advised all Local Delivery Plan Standards were included in the report, excluding GP access figures. Content of the Report remained under continual review. Members were then provided with specific updates on performance relating to screening uptake; 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; Cancer Care; Stage 1 Cancer Detection; Delayed Discharges; Adult Social Care; Psychological Therapies; and Dementia and Post-Diagnostic Support. Reporting arrangements for Argyll and Bute IJB remained under discussion. It was proposed the Committee take **Limited Assurance**.

Matters raised in discussion were related to the following:

- Outpatients Improvement Plan and Near Me Activity. Advised equality of access a key consideration although Near Me activity at or near capacity. Effectiveness of Near Me activity being evaluated through patient experience feedback.
- Key Factors in Stage 1 Cancer Detection. Advised current focus on improving early detection pathways through Cancer Board. Stated no simple solutions, intertwined with equality agenda, access to services, screening activity, engagement with Primary Care Services and targeting of relevant groups. Consideration being given to all these aspects.
- Post Dementia Support. Noted clear performance variance between North Highland and Argyll and Bute. Advised Mental Health Programme Board to consider this disparity at their next meeting on 25 January 2023. Alzheimer's Scotland had been commissioned to provide post diagnosis support for a twelve-month period.
- General Performance. Advised had been challenging period of late and was likely to extend into January 2023. Consideration to be given to extending and widening the existing Acute performance escalation framework (OPEL). Highlighted that work on Winter Ready Action Plan had helped build appropriate capacity to ensure improved de-escalation

activity was being applied where and when required. A whole system approach had been key and would continue to be refined. Updates would be provided to future meetings.

- Dental Health. Advised relevant data issues being actively considered.

After discussion, the Committee:

- **Noted** the position in relation to reported performance areas.
- **Agreed** to take **Limited Assurance**.

7 ASSET MANAGEMENT GROUP MINUTES

There had been no Minutes circulated for this meeting.

8 MAJOR PROJECTS

8.1 Summary Report

There had been circulated a report providing the Committee with an update on all major Capital construction projects, in relation to both financial and programme management performance. The report provided a progress summary, an outline of key risks, an indication of upcoming activities and a cost update. It was proposed the Committee take **Moderate Assurance**.

The Committee otherwise:

- **Noted** the progress of the Major Capital Project Plan.
- **Agreed** to take **Moderate** assurance.

8.2 National Treatment Centre Update

There had been circulated a report providing an update in relation to position regarding the National Treatment Centre. The report gave a summary of the position as at 14 November 2022, an update in relation to key risks, an indication of upcoming activities and a cost update.

The Committee Noted the reported progress to date.

9 AOCB

There was no discussion in relation to this Item.

10 FOR INFORMATION

Members took the opportunity to reflect on the overall position in relation to the NHS in Scotland; the continued support given by the general public and the range of extremely positive activity being provided on daily basis by all those working across the sector.

11 2023 MEETING SCHEDULE

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

3 March
5 May

7 July
8 September
3 November
(All meetings to be held from 9.30am to 11.30am)

12 DATE OF NEXT MEETING

The date of the next meeting of the Committee on 3 March 2023 was **Noted**.

The meeting closed at 11.40am