

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	7 July 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
 Garret Corner, Non-Executive Director
 Heledd Cooper, Director of Finance
 Richard MacDonald, Deputy Director of Estates, Facilities and Capital Planning
 Gerry O'Brien, Non-Executive Director
 Dr Boyd Peters, Board Medical Director (from 11.00am)

In Attendance

Rhiannon Boydell, Head of Strategy & Transformation
 Lorraine Cowie, Head of Clinical Support and Cancer (from 9.50am)
 Ruth Daly, Board Secretary
 Brian Mitchell, Board Committee Administrator
 David Park, Deputy Chief Executive
 Katherine Sutton, Chief Officer (Acute)
 Elaine Ward, Deputy Director of Finance

1 WELCOME AND APOLOGIES

Apologies were received from M Cockburn, F Davies, P Dudek and A Wilson.

2 DECLARATIONS OF CONFLICT OF INTEREST

There were no formal Declarations of Interest.

3 MINUTE OF THE MEETING HELD ON 5 MAY 2023

The Minute of the Meeting held on 5 May 2023 was **Approved**.

4 FINANCE

4.1 NHS Highland Financial Position as at end May 2023 (M2) Update

Members were reminded NHS Highland had submitted a financial plan to Scottish Government for the 2023/2024 financial year, with an initial budget gap of £98.172m and with a Cost

Improvement Programme of £29.500m proposed. No funding source had been identified to close the associated residual gap of £68.672m. E Ward then spoke to the circulated report and presented an outline of the NHS Highland financial position as at end Month 2, advising the Year-to-Date (YTD) Revenue over spend amounted to approximately £15.565m, with a forecasted overspend of £93.422m as at 31 March 2024, reflecting an assessment of savings achievement to date and recently notified additional Scottish Government funding. Members noted this was a high-level estimate, with detailed forecasting across operational areas to be provided in reporting from Month3. The reported position was £24.750m worse 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 Income and Expenditure.

Specific detailed updates were also provided in relation to the Highland Health and Social Care Partnership area; Acute Services; Argyll and Bute; Support Services; financial sustainability, three horizons activity and savings to date; supplementary staffing; and Capital Spend. Updates had also been provided in relation to the Scottish Government tailored financial support package for 2023/24, the first allocation letter in relation to which was expected in early July 2023. It was expected additional allocations would be made in respect of New Medicines Fund (non-recurrent) and NRAC Parity & Sustainability (recurrent). This allocation could not be treated as additional resource to spend in 2023/2024 but would support reduction of the £68.672m budget gap. Emerging financial risks had been identified as relating to pay inflation; the ability to deliver cost improvement targets; new pressures within Adult Social Care; changes to Service Level Agreement (SLA) costing models; overall inflation and recruitment/continuing reliance on agency and locum staff. The report proposed the Committee take **Limited Assurance**.

4.2 NHS Highland Financial Plan – Scottish Government Tailored Support

H Cooper advised members she had been working with A Gray, a Scottish Government representative on a number of relevant internal and external data sources, from which a slide pack had been received and would be considered by EDG the following week. Mr Gray would attend the meeting to present the slide pack and there would be a focus on aspects relating to the savings plan, business cases and cost pressures. There would be a review of activities with a view to working with Lead Officers to identify those that may be reduced or stopped. This work was required in advance of a meeting with Richard MacCallum, Director of Finance (Scottish Government) and others at end August 2023. It was expected that NHS Highland would be asked to fulfil its financial plan, as submitted, as a minimum request.

4.3 NHS Highland Financial Savings Plan 2023/24

H Cooper then advised an Efficiency and Transformation Governance Group had been established; an associated template developed; and with activity based on the three horizons approach. There had been a meeting the previous day, which had received a presentation on locum and agency spend, providing financial monitoring data and highlighting service sustainability issues to consider. It had been proposed that reporting on financial savings be included within future financial position reports and this had been agreed.

There followed general discussion, with the following points then raised:

- Reporting on PMO Pipeline Progress. Agreed to include this information in future financial updates to Committee.
- Scottish Government Support (Opportunity Areas). Advised many opportunities discussed had already been identified through internal processes. Opportunity areas highlighted included aspects relating to an increasing headcount, administration costs and delayed discharge activity. More detailed discussion would be held in September 2023. Confirmed the associated reporting framework combined financial, performance and benchmarking data and, in some cases, illustrated relatively strong service performance within a poor financial position overall. The horizons approach being taken was welcomed.

- Delivery of Savings Target. Stated to enable assurance to be given to NHS Board, reporting of progress on horizons activity to this Committee was required in early course. On the point raised, advised target of £29.5m had been based on the 3% minimum target level set by Scottish Government and allocated to Operational areas according to budgetary percentage of overall target level. Adult Social Care budget based on a break-even position at financial year end.
- Supplementary Spend. Questioned if the areas where spend levels had increased had been identified. Advised much of the associated detail was known and highlighted issues relating to the level of staff vacancies and costs associated with patients in the wrong care setting etc. There was a need to identify framework and non-framework spend. Work ongoing in relation to identification of unfunded costs, the associated impact of recruitment activity, and resource required to achieve current performance levels. More detail to follow.
- Delayed Discharge/Wrong Place of Care/Adult Social Care Pay Award. Absence of financial update to last Joint Monitoring Committee noted. Advised discussion generally undertaken as and when pressures emerge, with monitoring against plan in place. On the issue of the associated quantum to be received by NHS Highland, it was emphasised Adult Social Care was the financial responsibility of Highland Council for the North Highland area.
- Assurance Level Considerations. View expressed that the detail in relation to financial recovery, pipeline delivery, transformational direction of travel and future horizons activity was required. Crucial to be able to articulate the range of activity being taken forward at local level. Advised NHS Highland on track to meet the agreed financial plan for 2023/24.
- Performance Versus Costs. Advised performance can be favourable compared to other NHS Boards but still not meet stated targets. Future discussion may be required in relation to pace and scope of agreed recovery plan. Emphasised impact of delayed discharge in Highland greater than in most other geographical areas.

After discussion, the Committee:

- **Noted** the circulated report and verbal updates provided.
- **Agreed** future reports include aspects relating to financial recovery, PMO pipeline delivery, transformational direction of travel and future horizons activity for assurance purposes.
- **Agreed** to take **Limited** assurance regarding delivery of the agreed financial plan 2023/24.

5 EXCEPTION REPORT ON CANCER

L Cowie spoke to the circulated report, providing background information on the risks and mitigating actions relating to 31 and 62 day cancer pathway performance. It was reported NHS Highland was meeting the 31 day target despite a large increase in demand and small clinical teams. The 62 day target was more challenging however the strategic issues being reported were applicable to both standards. An outline of the 62 day pathway and associated escalation protocols was provided, noting this was based on three associated targets relating to referrals seen within 14 days; Diagnostics; and Decision to Treat to First Treatment (performance reviewed weekly). With specific reference to diagnostics, it was advised there were challenges in relation to MRI and PET-CT activity; with the Endoscopy team having risen well to their respective challenges. Improvements had recently been introduced in relation to the Gynaecology service, with successful recruitment activity and changes introduced in relation to the relevant ultrasound and radiology pathways. The position in relation to Colorectal Oncology was outlined, confirming plans were in place with all partner NHS Boards for all patients receiving oncological treatment for colorectal cancer at all stages of their respective journeys. Psychological support was available for both patients and staff. The reliance on other NHS Boards was central to maintaining the reported performance levels. Current 62 day targets for all cancer types were detailed, along with data illustrating NHS Highland performance against the national position. Wider national benchmarking data was also provided, along with an indication of the volume of patients who had breached their target. Breach analysis activity was being undertaken. The report went on to highlight the issues and

agreed actions associated with individual cancer types and provided an outline of those actions being planned and to be taken forward at a strategic level to support the highland population cancer journey, in line with the Effective Framework for Cancer Management. Plans had been accepted by Scottish Government. A Rapid Cancer Diagnostics Group had been established for those patients with cancer of unknown primary. All patients were individually managed through the pathway process. It was reported workforce planning activity was taking place with a view to ensuring the appropriate skill mix and capacity in each tumour type, with this being reported to the Cancer Programme Board. Relevant strategic risks were reported as being in relation to recruitment and retention activity; dependency on other NHS Boards; new treatments and associated patient expectations; finance; prevention resource; and remote and rural practice and provision. The report proposed the Committee take **Moderate Assurance**.

The following points were then discussed:

- Equality Issues. Advised working with E Sage on Lung and Upper GI pathways, looking at distance from cancer centre location and associated impact. Work ongoing. Access issues applicable across services. Current focus on lung cancer welcomed. Any move to greater focus on prevention and early diagnosis activity would be further welcomed.
- Impact of Post-Menopausal Bleeding (PMB) Guidelines. Advised a number of referrals had been received. Consideration being given to adoption of Glasgow/Grampian Guidelines by July 2023. Consultation underway with Clinical Directors and GP Sub Committee. Dedicated slots for Ultrasound made available and would reduce overall burden on Gynaecology Service.
- Urology Service Recruitment. Advised Service historically carried a number of vacancies, with 2 of 6 Consultant posts now vacant. A single application had now been received. Different approaches tried over number of years including use of Specialist Nurse roles, changing skill mix and a reduction of the On Call service. Further consideration required, in partnership with other relevant NHS Boards. National Elective Coordination Unit (NECU) sighted on issue and regular discussion held with Scottish Government colleagues.
- Argyll and Bute Referrals. Advised included in Greater Glasgow and Clyde figures.
- Referrals Seen Within 14 Days. Advised referral levels had been relatively steady but were now increasing. Urgent Suspected Cancer (USC) referral numbers were increasing. Rate of referral conversion similar to national position. A rise in referral numbers, for whatever reason, can have significant impact on diagnostic and wider service efficiency.
- AI Diagnostics. Advised pilot schemes would be conducted in relation to MRI (Scottish Government funded) and breast screening activity.
- Laser Treatment for Prostate Cancer. Advised not introduced in Scotland to date.

The Committee:

- **Noted** the reported position.
- **Noted** a Board Development Session on Cancer had been scheduled for September 2023.
- **Agreed** to take **Moderate Assurance**.

L Cowie left the meeting at 11.00am

6 UPDATE ON DRAFT ANNUAL DELIVERY PLAN 2023/2024

R Boydell spoke to the circulated report and associated draft NHS Highland Annual Delivery Plan (ADP1) 2023/24 and advised this had been designed in the same format as the Together We Care Strategy, with programmes of work and governance by way of Programme Boards aligned to the “wells” and plans aimed at delivering the Together We Care (TWC) strategic objectives over 4 years. Government feedback had been received and a revised version would be re-submitted the following week. Programme Boards were accountable for monitoring their plans, managing associated risks, and ensuring arrangements for scrutiny and assurance. The

ADP was reported on a quarterly basis to the Board and Scottish Government, with relevant plans having Board/Committee approval prior to submission to Scottish Government.

It was noted Annual Delivery Plan reports were required by the Scottish Government, and for 2023/24 the relevant commission had been modified to give a focus on recovery and renewal as well as medium-term planning. Over the next 12 to 18 months, the Scottish Government defined Recovery and Renewal phase would prioritise acceleration of the completion of ongoing projects. An early and urgent focus would be placed on actions to boost capacity and sustainability quickly, supporting system performance through 2023/24. NHS Boards had to continue planning work for longer term redesign/renewal and transformation of services. Scottish Government had referred to this as the Medium-Term Plan (MTP) and expected NHS Boards to submit plans from 2023-2026. The TWC Strategy and supporting ADP represented a five-year plan that had been centred on Basics, Build, Better, and Best, and therefore NHSH were able to respond to the Scottish Government commission. Scottish Government had also created 10 recovery drivers covering all of NHS Scotland's activities. NHSH were able respond to the commission on behalf of Scottish Government as these correspond to the TWC "wells". The ADP 2023/24 showed those actions achieved in 2022/23 and also the actions planned in 2023/24 for review. A Workforce Action plan had also been included for the first time. The Medium-Term Plan was required to be submitted to Scottish Government by end July 2023.

There followed points were raised in discussion:

- Scope of ADP1 Document. Advised this covered approximately 75% of all NHSH activity.
- Prioritisation Elements. Advised no activity had been prioritised that would not otherwise have been. Scottish Government feedback had indicated the NHSH Plan represented a strong response to the relevant commission. Further detail had been requested in relation to particular trajectories including for mental health, CAMHS and workforce planning etc.
- Medium Term Plan. Advised existing three horizons financial plan well aligned to both the ADP1 and MTP. Relevant transformation activity also well aligned. Primary focus would be in relation to performance planning activity however alignment activity progressing well.
- Discharge without Delay. View expressed could have been more robust when describing the associated pressures being faced. Agreed to reflect on this point.

After discussion, the Committee:

- **Noted** the Draft NHSH Annual Delivery Plan 2023/24.
- **Noted** a revised draft Plan, based on comments received and including supplementary information, would be re-submitted the following week.
- **Noted** the Medium-Term Plan was to submitted by end July 2023.

7 INTEGRATED PERFORMANCE AND QUALITY REPORT

R Boydell spoke to the circulated report which provided the Committee with a bi-monthly update on NHSH 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. IVF Waiting times were to be reported six monthly in line with reporting timescales. 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 screening activity; 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. Relevant trajectory detail had been included for four of the relevant Indicators. It was proposed the Committee take **Moderate Assurance**.

Matters raised in discussion were related to the following:

- Outpatients. Noted number of referrals increasing significantly. Advised USC referrals having an impact. More generally, members of the public and primary care clinicians were increasingly reverting to pre-pandemic patterns of accessing healthcare services. Noted associated length of wait was reducing, as was length of stay. Ongoing and planned transformational activity would look to address a number of current issues and ensure efficient use of available capacity. NHS on track to meet planned recovery plan, with Scottish Government urging that this be taken further.
- CAMHS. Noted improvement progress had slowed. Advised current position being maintained. Increased capacity was being created and a wraparound model of care being discussed with Highland Council. Further discussion was planned.
- MRI/Diagnostics. Position recognised as challenging, with MRI scanners being utilised for a greater variety of activity. How this facility was being utilised, and the prescription being given for its use were being considered. NHS delivered a “Gold Standard” in this area. Discussion ongoing with North Imaging Alliance. Use of mobile services being pursued. An increasing level of demand was expected to continue. Consideration being given to installing a third scanner and/or access to spare capacity likely to be available in Elgin.
- TTG performance. Noted trajectory increase expected in September/October 2023. Advised strong activity plan agreed with Scottish Government and additional resource received. Outpatient referrals were increasing, and improved efficiency was being sought.

After discussion, the Committee:

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

L Bussell, B Peters and K Sutton left the meeting at 11.30am.

8 ENVIRONMENTAL AND SUSTAINABILITY UPDATE

R MacDonald spoke to the circulated report providing an update on how NHS was proposing to move towards Scottish Government Net Carbon Zero targets and demonstrating the progress made in relation to the NHS Environmental and Sustainability agenda. The report included an environmental and sustainability update (Environment & Sustainability Board, National Sustainability Auditing Tool (NSAT) and report submission, Net Carbon Zero Route Map progress, and Internal Audit review activity relating to strategy, communications plan, finance, Board reporting and staffing); a copy of the latest iteration of the Net Carbon Zero route map; and minute of Meeting of the NHS Environment and Sustainability Board Group held on 14 February 2023. It was proposed the Committee take **Moderate Assurance**.

The following points were discussed:

- Scope Three Emissions Elements. Advised had been included within the relevant strategy by virtue of the NSAT. This included Green Theatres activity, active travel and biodiversity.
- Scope of Challenge. Scale of issue recognised as requiring to be nationally driven and applied. Advised working closely with NHS Assure, ensuring consistency of approach. The strategy being applied included investigating external funding sources etc. It was likely external funding would be aligned to Road Maps, with similar approaches applied across NHS Boards.
- Level of Risk Associated with National Strategy. Stated need to be able to define activity required, consider associated risk in terms of what can and cannot be delivered over the short, medium, and longer term and be able to demonstrate progress against Strategy. Noted Audit Scotland will be monitoring progress from a governance standpoint.
- NHS Highland Position. Advised strong progress had been made and challenge was to maintain the level of progress to date. Noted alternative green funding sources were

available, and strong business cases required to be continually developed. A continued focus on large pieces of work would require associated capital resource. Much of the technology required had yet to be fully developed.

The Committee:

- **Noted** the position.
- **Agreed** to take **Moderate** assurance.

S Compton-Bishop left the meeting at 11.50am.

9 ASSET MANAGEMENT GROUP MINUTES

There had been no Minutes circulated for this meeting. It was confirmed there had been discussion at the last meeting in relation to the capital allocation received for 2023/24, and a small number of business cases including that for Ullapool Health Care project. The Minor Capital budget (£260k) had been split and allocated to Argyll and Bute, Community and Acute areas, with a small element held back for contingency purposes.

The Committee so Noted.

10 MAJOR PROJECTS SUMMARY REPORT

There had been circulated a report providing the Committee with updates on the Lochaber and Caithness Redesign Projects. The report provided updates on project status; project programmes, key project deliverables completed and to be completed; key project risks and live project issues/escalations. It was proposed the Committee take **Moderate Assurance**.

The Committee otherwise:

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

11 CORPORATE RISK REGISTER UPDATE

R Boydell spoke to the circulated report, providing an extract from the Corporate Risk Register insofar as it related to this Committee. The report sought to provide assurance that the risks held on the Register relating to the Committee were being actively managed through the appropriate Executive Leads and Governance Committees and to give an overview of the current status of the individual risks. It was reported two new risks had been included within the Corporate Risk Register and applying to the work of this Committee in relation to financial performance (Risk 1181 – High Level) and New Craigs site transfer (Risk 1182 – Medium Level proposed). It was proposed the Committee take **Substantial Assurance**.

The following was discussed:

- Risk 666 (Cyber Interruption). Stated remained an ongoing challenge. Work being taken forward at both local and national level. Position reflects wider external environment. Progress continues to be made.
- Risk Assurance. Question raised as to which aspect members take relevant assurance on. Suggested “in light of the previous agenda and on the information presented, the Committee Agreed to take substantial assurance”. Stated members would welcome additional information relating to the relevant management mitigation actions being taken.

After discussion, the Committee:

- **Noted** the addition of two new Risks and associated Risk levels.
- **Agreed** the stated Risk Level for No.1182 as Medium.
- **Noted** the reported position in relation to all relevant Risks.
- **Agreed** to take **Substantial** assurance.

T Allison left the meeting at 12.00pm.

12 NHS HIGHLAND PROPOSED DIGITAL DELIVERY PLAN 2023/24

I Ross spoke to the circulated report and gave a presentation to members, advising NHS Highland had a requirement to agree an NHS Highland Digital Delivery Plan for 2023-24. This Plan detailed the work being delivered during the current financial year and provide clarity on the work being progressed and what work is not. The plan had been aligned with the Annual Delivery Plan and had been discussed and agreed by the Digital Health & Care Group at their meeting in April 2023. It had been based on what was achievable within agreed financial and resource budgets. The Plan had been developed around a new process, as outlined, giving all parties an awareness of where their request was on Plan and enabling alignment of resources to ensure projects were delivered successfully and on time. A summary of the proposed Plan, as agreed by the Digital Health & Care Group was provided. Members were taken through an outline of eHealth Service operation and contingency requirements (including Core Infrastructure Projects and Committed to Programmes), illustrating where ADP Projects sat within the Digital Plan. It was proposed the Committee take **Substantial Assurance**.

The following areas were discussed:

- **Projects Not Included in Plan.** Confirmed projects not initially included were recorded in a Register and then revisited and reviewed on an annual basis.
- **Stage 4 Review and Evaluation.** Advised no reviews carried out to date but will be reported to the Digital Health and Care Group, and then more widely in due course, including to this Committee. The level of evaluation involved was considered a vital organisational aspect that should form part of any initial Business Case process.
- **Contingency Capacity.** Advised 5% represented a typical allocation within NHS IT systems. The key was to ensure an appropriate level of efficiency, utilising private sector expertise where appropriate and maintaining relevant infrastructure requirements. In terms of comparison with other NHS Boards, the results of the Digital Maturity Assessment exercise would allow that to be considered in more detail. Work ongoing in association with Gartner Inc on wider benchmarking activity and the potential financial impact of associated support contracts.
- **Mapping Investment and Benefits to Together We Care Strategy Priorities.** Advised actively being considered and would be taken forward by Head of Programmes. Work ongoing with Strategy and Transformation Team, including relevant reporting processes.
- **Diagnostic AI.** Asked if centrally hosted or at NHS Board level. Advised current AI advances were at an early stage. Systems required to be built on appropriate physical and staffing infrastructure. National PACS system datastore held in Central Belt, for example. Stated relevant network and locality concerns had to be recognised and factored into future activity in this area of activity, especially in Highland.
- **Process Gatekeeper Activity.** Advised to be undertaken by Digital Health & Care Group. Stated consideration should be given to accessing external expertise where appropriate.

After discussion, the Committee:

- **Noted** the reported position.
- **Agreed to Approve** the NHS Highland Digital Delivery Plan for 2023/24.

13 AOCB

There was no discussion in relation to this Item.

14 FOR INFORMATION

There was no discussion in relation to this Item.

15 2023 MEETING SCHEDULE

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

8 September

3 November

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

17 DATE OF NEXT MEETING

The date of the next meeting of the Committee on 8 September 2023 was **Noted**.

The meeting closed at 12.30pm