

<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;">24 February 2022 at 2.00pm</p>	

Present

Alexander Anderson, Chair
Graham Bell, Non-Executive Director
Ann Clark, Non-Executive Director, Chair of HHSC Committee
Pam Dudek, Chief Executive
David Garden, Director of Finance

In Attendance

Louise Bussell, Chief Officer (Corporate Services)
Lorraine Cowie, Head of Strategy
Ruth Daly, Board Secretary
Tara French, Head of Strategy (HHSCC)
Ruth Fry, Head of Communications and Engagement
Jane Gill, PMO Director
Heidi May, Board Nurse Director
Brian Mitchell, Board Committee Administrator
David Park, Deputy Chief Executive
Boyd Peters, Board Medical Director
Iain Ross, Head of eHealth
Ian Rudd, Director of Pharmacy
Katherine Sutton, Deputy Director of Operations (Management)
Elaine Ward, Deputy Director of Finance
Nathan Ware, Governance and Assurance Coordinator
Alan Wilson, Director of Estates, Facilities and Capital Planning

1 WELCOME AND APOLOGIES

Apologies were received from Fiona Davies, Graham Hardie and Prof Boyd Robertson.

2 DECLARATIONS OF CONFLICT OF INTEREST

There were no formal Declarations of Interest.

3 MINUTE OF THE MEETING HELD ON 21 OCTOBER 2021

The Minute of the Meeting held on 21 October 2021 was **Approved**.

4 ASSET MANAGEMENT GROUP MINUTES – 19 JANUARY 2022

There had been circulated Minutes of the meetings of the Asset Management Group held on 19 January 2021.

The Committee otherwise Noted the circulated Minute documents.

5 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 and proposing the Committee take **Moderate Assurance**. The report provided a progress summary, an outline of key risks, an indication of upcoming activities and a cost update. It was noted the revised Initial Agreement relating to Lochaber was expected to be resubmitted in March 2022.

Discussion points were related to the following:

- End of Year Spend Profile/Revenue Implications. Revenue implications had been discussed with Scottish Government. Working with Finance Director and individual teams to identify costs and build into relevant considerations. Mechanism required to ensure appropriate financial planning and governance processes in place. No associated major revenue implications identified for 2022/2023. Overall level of investment welcomed and recognised.
- Project Review Process. Advised Post Project Evaluation for major projects conducted after 12 months and brought to Committee for review and sign-off. Asset Management Group also consider the same for internal projects. Process does include benefits realisation aspects.
- Raigmore Car Park. Confirmed overspill management during resurfacing project will be conducted on area-by-area approach. Majority of work to be conducted over weekends.
- National Treatment Centre. Confirmed programme dates slipped 4-6 weeks. No extra costs incurred. Public messaging needs further consideration. Issues will be discussed with D Jones.

The Committee otherwise:

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

6 INTEGRATED PERFORMANCE REPORT

L Cowie introduced the circulated report, providing a bi-monthly update on the performance based on the latest information available and reported on actions being taken to address any performance issues with progress to date. The report proposed the Committee take **Moderate Assurance**. Existing processes and reporting were being continuously reviewed to ensure the document met the needs and assurances required by the NHS Board along with supporting relevant Governance Committees. The report summarised the key areas, risks and mitigating actions in the action plan, with Executive Leads providing commentary.

L Cowie then provided a presentation to members, in relation to the Scheduled Care Recovery Plan activity, noting this had to be submitted to Scottish Government by 18 March 2022. The current position was outlined, as experienced by the Highland population and the biggest challenges were laid out for members. Current Emergency Department and TTG performances were illustrated, as were associated Waiting List positions by Specialty. NHS Highland performance in relation to patients waiting for their first Outpatient appointment was provided, as was that for Return Outpatient appointments. A brief outline of the progress made in relation to improving cancer management was given as was an update in relation to the level of Theatre activity having been undertaken in 2020/2021. The latter illustrated the

associated impact of Covid waves during the reporting period. L Cowie went on to provide an update on the work being taken forward in relation to development of the Scheduled Care Recovery Plan, the current level of Delayed Discharges in Highland, and an outline of the activity now required to help inform the Integrated Performance and Quality Report moving forward. B Peters took the opportunity to advise that a refresh of the National Clinical Strategy was also underway. A further update report would be provided to the next meeting.

Discussion areas were as follows:

- Maintenance of Performance levels. This was acknowledged and welcomed.
- Addressing Inequalities in Access/Outcomes. Questioned how to reflect this through data provision.
- Self-Management Support Programmes. Number of Executives to meet to discuss how best to take forward further at this time.
- Vaccination Programme. Questioned if planning for next phase complete. Advised K Corbett leading on activity, with an update report being submitted to next EDG meeting.
- Complaints Performance. Questioned if the quality of responses could be quantified and reported. Advised consideration being given to this aspect although setting proxy measures a challenge. Draft Complaints Improvement Framework developed and to be taken to next EDG meeting. Emphasised need for clinicians to be more involved in all aspects of process and to avoid continued over reliance on written communication. Noted patient experience questionnaire being taken forward within Raigmore, the feedback results of which should be fed into the wider reporting discussions.
- Data provision. Confirmed Planning and Performance Team managing level of requests at this time, with overarching and Acute reporting in place. Similar reporting to be developed for Mental Health and Community aspects. The main challenge related to agreeing relevant metrics and reporting format.
- Return to 2019 Activity Level (September 2022). Questioned if this included new activity such as vaccination activity. L Cowie advised this related to TTG and Outpatients activity only. Members were reminded NHSH was already undertaking additional activity at that time and that would be reflected.
- Cancer Management Improvement. Questioned if lessons learned had been shared. Noted team effort at heart of activity and led to provision of increased capacity, including within Diagnostics. Associated learning related to team ownership. Team would be delighted to share work detail in future NHS Board Development Session.
- TTG Activity Performance. Confirmed reported performance did not include P3/4 activity, which was on hold at that time on the direction of Scottish Government. Planning for restoration of all activity would form part of the Scheduled Care Recovery Plan.

After discussion, the Committee:

- **Noted** the Service performance updates.
- **Noted** a detailed update on the Scheduled Care Recovery Plan would be provided to the next meeting.
- **Noted** the Complaints Improvement Framework would be brought to the next meeting.
- **Agreed** to take **Moderate** assurance.

7 NHS HIGHLAND REMOBILISATION PLAN (4)

L Cowie spoke to the circulated report and gave a presentation to members providing an update in relation to progress on development of the next iteration of the NHS Highland Remobilisation Plan. The report proposed the Committee take **Moderate Assurance**. It was reported there had been little change from Scottish Government in relation to the submission made in September 2021 although they had welcomed the one-page overview approach that had been adopted and this was to be shared across NHS Boards. It was reported that NHS

Boards were now required to submit quarterly updates to Scottish Government, with detailed information on progress against milestones contained within the accompanying Delivery Plan document. A number of new deliverables had added. It was then reported NHS Highland had 201 Key Deliverables in total, a small number of which were noted as being at risk as indicated. Those Deliverables subject to delays were indicated as relating to People, Pathways and Progress. All Deliverables were aligned to specific Programme Boards so as to ensure appropriate governance and assurance. Next steps were also outlined, with focus on Quarter 4.

The following was then discussed:

- Outcomes/Targets Data. Asked what barriers existed to data provision. None noted.
- Linking Finance to Deliverables. Further detail on this was requested. Noted this was a work in progress. An update was provided under Item 8 (Annual Operating Plan). Noted 3-year plans being developed but 3-year funding approach not yet confirmed. Financial and Performance Recovery Plans would take on extra significance as NHS Boards looked to emerge from the Covid pandemic impact.
- Women and Children's Health. Requested an Item be included within the Committee Work Plan for 2022/2023.
- Key Deliverables Subject to Delay. Advised many of those listed were close to being designated 'At Risk'. There was work to be done, in association with respective Senior Leadership Teams, to understand the exact position. More detail would be provided to future meetings.

After discussion, the Committee:

- **Noted** the reported position.
- **Agreed** to take **Moderate** assurance.
- **Agreed** to include an Item relating to Women and Children's Health Services within the 2022/2023 Committee Work Plan.

8 DEVELOPMENT OF NHS HIGHLAND ANNUAL OPERATING PLAN

L Cowie gave a presentation to members, advising as to the current position and emphasising the need for greater ownership by relevant services/managers and better integrated workforce planning. The aim was to ensure Integrated Planning on a "Once for NHS Highland" approach. The process for development of the Plan was outlined, as well as the scope to create relevant oversight and assurance through development of an appropriate Balanced Scorecard approach. The existing planning landscape was laid out for members, indicating the extent and number of government plans to be reflected and ultimately met, noting further Strategy development was underway at that level. The next steps were outlined, and it was indicated the final draft Annual Operating Plan (AOP) would be submitted to the NHS Board in July 2022 with support from the PMO to enable performance, quality, and finance to be brought together. The final Plan would be clinically led and managerially enabled, with the relevant service planning framework agreed and in place and the plans for the National Treatment Centre appropriately integrated. Prioritisation would be given to recovery activity and ensuring the correct conditions for change are suitably in place. Centre for Sustainable Delivery considered key to unlocking capacity in a number of areas.

The following matters were discussed:

- Government national requirements. Advised weekly discussion with Government during which there was regular dialogue relating to the additional administrative burdens being placed on Boards. Emphasised Government a conglomerate of separate elements with

differing requirements, and a duty on NHS Boards to prepare for the anticipated level of scrutiny to come. Dialogue with Scottish Government was open and robust.

- Winter Plan. Confirmed will be part of the AOP submission.
- NHS Highland Clinical and Care Strategy delay. Questioned how relevant Objectives are employed in terms of AOP development and emphasised importance of ensuring appropriate clinical engagement from GPs/Primary Care on all Plan aspects. Confirmed Strategy theme analysis underway and would be reflected in the draft submission to the May 2022 NHS Board meeting. L Cowie was to meet with the Area Clinical Forum in March 2022, as well as the GP Sub Committee.
- Ensuring Improved Engagement (Improvement Plans). Suggested this could help inform Staff Experience items at NHS Board level. Confirmed relevant discussions were commencing. Overall, there was an improving position within NHS Highland at a time when Services and Teams continue to experience continued pressures. Increased IPQR usage at Service level was encouraging.

The Committee otherwise Noted the reported position.

9 ANNUAL ACCOUNTS UPDATE – Pharmaceuticals

D Garden and I Rudd spoke to a circulated report relating to an incident whereby high-cost medicines totalling £104k had been lost due to a storage issue within Raigmore Hospital. A series of actions had been recommended to manage/mitigate such risk following appropriate investigation. The level of loss concerned would have a material impact on the Annual Accounts for 2021/2022. The report proposed the Committee take **Substantial Assurance**.

The following areas were discussed:

- Committee Reporting of Material Loss. Advised Assurance Framework directed reporting through this Committee. Issue will be reported to the NHS Board and likely be picked up in the press.
- Support for Employee(s) concerned. Confirmed supportive process applied and specific support offered to individual members of staff concerned where appropriate.
- Product Delivery Manifest. Agreed to investigate potential options for using e-versions.
- Potential Environmental Impact. Confirmed material concerned not toxic in nature. Compactor had been appropriately decontaminated. All relevant protocols applied.

After discussion, the Committee:

- **Noted** the reported position material loss concerned.
- **Agreed** to take **Substantial** assurance.
- **Agreed** the matter be highlighted to the NHS Board at their next meeting.

10 FINANCE

10.1 Cost Improvement Programme Update (Month 9)

J Gill spoke to the circulated report and advised, at Month 9, the forecasted outturn for the programme was £13.4m, against the overall target of £25.1m and represented a £10.3m gap. Current priorities were indicated as relating to progressing schemes from pipeline to implementation. The Delivery Summary and profile of savings against target was indicated, with the year-to-date delivery remaining behind Plan (£9.8m compared to £16m). The Cost Improvement Analysis of unidentified CIP against target was provided. In terms of overview and risk, there were 136 schemes in the M9 delivery tracker, 35 schemes remained on the pipeline tracker for 2021/2022 and planning for 2022/2023 continued through weekly

submission and presentation of planning charters to the Financial Recovery Board. 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 further update was provided in relation to the preparation underway for the 2022/2023 programme (initial target £25.1m). It was advised the PMO were working towards ensuring appropriate alignment with the wider revised NHS Board structure.

The following aspects were raised in discussion:

- Savings Realisation. Noted savings continue to be delivered during challenging period. The level of performance evidenced was acknowledged.
- Non-Delivery of Work Stream Savings. Confirmed FRB sighted on relevant operational aspects impacting savings delivery. Advised use of efficiency gains as a method for delivery not always the most appropriate methodology and where the case there was reversion to cash release/savings approaches.

After discussion, the Committee otherwise Noted the reported position.

10.2 NHS Highland Financial Position as at Month 10

E Ward presented an outline of the NHS Highland financial position as at end Month 10, advising the Year-to-Date Revenue over spend amounted to approximately £10.972m, with a forecasted overspend of £16.294m as at 31 March 2022. It was reported the Scottish Government had confirmed funding package to deliver in-year financial balance for all NHS Boards. With various additional funding tranches having been received throughout the financial year to date, total anticipated funding for 2021/2022 would be in the region of £1,044.597m. 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; Summary Position by Subjective Spend and additional data on savings delivery. The underlying Capital position was also outlined for the information of members, and it was stated the required level of expenditure outlined remained achievable. 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.

E Ward went on to present in relation to the basis for development of the 2022/2023 Financial Plan, assuming a 3% baseline uplift and an additional £3.1m to bring NHS Highland to within 0.8% of NRAC parity. Additional funding would be expected in the event of a higher than anticipated Agenda for Change pay offer. Budget revisions would be made in line with additional allocations received and there was an assumption that funding will be forthcoming in respect of costs associated with the ongoing response to the pandemic and the associated remobilisation of services. The estimated financial gap for 2022/2023 would be in the region of £60m, and this would be addressed by the Cost Improvement Programme (£23.0m), Non-recurring measures including flexibility on the use of Scottish Government allocations (£15.6m), and anticipated brokerage (£21.0m). Delivery of recurrent changes to the existing cost base would be crucial.

The report proposed the Committee take **Moderate Assurance**.

Relevant discussion points related to the following:

- Transformation activity. Acknowledged as central to future financial success, reflecting the national position across NHS Boards in Scotland. A continued focus on internal cost

improvement activity must be maintained. National discussion would be held in relation to findings of the relevant Audit Scotland report. Staffing resource considerations would be crucial to any service delivery transformation activity. Cannot lose focus on quality.

- Continuation of Cost Improvement Activity. Advised NHS Highland had continued the work of the PMO whereas not all other NHS Boards had been able to do so.
- Additional Allocations. Requested consideration be given to defining the various allocations and providing Committee with an update on where opportunities would exist to use that additional resource to effect substantive change. Confirmed a degree of flexibility would be available to NHS Boards in relation to associated spend profiles. The Service Planning Framework would help services plan more effectively in that regard.
- Utilities Costs. Noted based on a national contract, with energy secured and paid for in advance. Whereas funding had always followed expenditure the current and impending energy cost crisis would likely initiate a greater national focus on energy efficiency moving forward. National resource had been set aside for decarbonisation activity.

After discussion, the Committee:

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

11 COMMITTEE ADMINISTRATION

11.1 Committee Annual Report 2021/2022

There had been circulated a draft Finance, Resources and Performance Committee Annual Report 2021/2022. The final report would be submitted to the Audit Committee as part of the overall Governance aspect of the Annual Accounts process for 2021/2022. R Daly requested inclusion of commentary relating to the effectiveness of the Committee in assisting with overall NHS Board assurance. A Clark stated the need to include reference to the Environmental and Business Continuity Planning Sub-Groups.

The Committee Agreed the draft Annual Report for submission to the Audit Committee, subject to the changes agreed in discussion.

11.2 Committee Annual Work Plan 2022/2023

There had been circulated a draft Finance, Resources and Performance Committee Annual Work Plan 2022/2023. The agreed final Work Plan would be submitted to the NHS Board, reflecting discussion and changes recommended during this meeting.

The Committee Agreed the draft Committee Annual Work Plan 2022/2023, subject to the changes agreed in discussion.

11.3 Committee Self-Assessment Review 2021/2022

The Chair advised discussion of the results from the Self-Assessment review had been held in a separate Development meeting, with agreement reached to address the agreed identified gaps over the coming financial year.

The Committee so Noted.

12 AOCB

There was no discussion in relation to this Item.

13 FOR INFORMATION

There was no discussion in relation to this Item.

14 2022 MEETING SCHEDULE

The Committee **Noted** the remaining meeting schedule for 2022 as follows:

28 April

23 June

25 August

20 October

December 2022 – to be agreed

15 DATE OF NEXT MEETING

The date of the next meeting of the Committee on 28 April 2022 was **Noted**.

The meeting closed at 4.30pm