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 2022 at 2.00pm**

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
Jane Gill, PMO Director
Eric Green, Head of Estates
Mike Hayward, Deputy Chief Officer (Management)
Brian Mitchell, Board Committee Administrator
David Park, Deputy Chief Executive
Elaine Ward, Deputy Director of Finance
Alan Wilson, Director of Estates, Facilities and Capital Planning

1 WELCOME AND APOLOGIES

Apologies were received from Heidi May and Alan Wilson.

The Board Secretary confirmed a replacement for G Hardie on the Committee was being considered and would be reported to the next meeting of the NHS Board.

2 DECLARATIONS OF CONFLICT OF INTEREST

There were no formal Declarations of Interest.

3 MINUTE OF THE MEETING HELD ON 28 APRIL 2022

The Minute of the Meeting held on 28 April 2022 was **Approved**.

4 ASSET MANAGEMENT GROUP MINUTES – 20 April and 26 May 2022

There had been circulated Minutes of the meetings of the Asset Management Group held on 20 April and 26 May 2022. D Garden advised relevant financial allocations had been notified to relevant Groups. Scottish Government had indicated there would be significant slippage

in Capital allocations impacting on NHS Boards in 2022/2023, the implications of which, including Revenue tail affordability aspects, would require to be assessed in further detail.

The following areas were then discussed:

- eHealth. Confirmed specific resource allocations for maintenance backlog, eHealth projects and medical equipment ringfenced at start of financial year. Any additional Capital allocations received were primarily designated to those spend areas, in line with NHS Board Strategy. All managed via Asset Management Group as appropriate.
- Lochaber New Build. Advised large degree of design work still to be completed, including on net zero elements. Not yet in a position for construction to be accelerated.
- Highland Council. Advised unable to take advantage of additional Capital allocations.
- Caithness and Lochaber Net Zero Builds. Advised despite differing build profiles, relevant learning being taken and applied to both projects.

The Committee otherwise Noted the circulated Minute documents.

5 MAJOR PROJECT SUMMARY REPORT

E Green took members through the circulated 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 reported a new completion date had been applied to completion of the National Treatment Centre (NTC) due to sequencing aspects, availability of key components and the need to rebook relevant Commissioning Engineers. The Key Stage Assurance Review process was resource intensive in nature and was likely to have knock-on effect on other projects. The Raigmore Maternity Redesign project business case was on course for submission by end July 2022. Work at Home Farm on Skye was nearing completion, and the Initial Agreement for Lochaber had been agreed and was now in place. It was noted Lochaber and Caithness design activity had been the first to be considered under new Scottish Terms and Conditions Committee (STAC) Guidance on sustainability elements. Work had commenced in Ruthven Ward, New Craigs.

Discussion points were related to the following:

- NTC Delays. Advised meeting scheduled to be held with Cabinet Secretary to account for construction delays to date. The March 2022 target live date remained.
- Key Stage Assurance Review Timescale. Advised relevant Guidance Note/Workbook had indicated a 12-week process however that was soon found to be unrealistic. NHS Scotland Assure also in learning phase of new process.

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

6 WHOLE SYSTEM PERFORMANCE OVERVIEW AND FUTURE DIRECTION

6.1 NHS Highland Performance Overview

L Cowie spoke to the circulated report providing an update on NHS Highland's performance against the Remobilisation Plan (RMP4), a range of national and local measures and included a proposed new format for integrated performance and quality reporting in line with the new Annual Delivery Plan and Strategy. The report would be further developed in year to provide further assurance and help manage the new and evolving national and local priorities for 2022/2023 in line with the Annual Delivery Plan and Strategy. The report contained specific performance information relating to the RMP4 Action Tracker; Accident and

Emergency Performance, Occupancy and Delayed Discharges; People with Covid in NHSH Hospitals; Treatment Time Guarantee; Outpatients; Return Outpatients; Diagnostics; Cancer; CAMHS; NDAS; and Psychological Therapies. It was confirmed the Integrated performance assurance report would be reviewed in line with the Strategy and new key performance metrics on 16 outcomes areas would be identified in line with the Annual Delivery Plan. It was proposed that the Committee take **Limited Assurance**.

Discussion areas were as follows:

- New Areas of Reporting. Advised aspects relating to Adult Social Care and Mental Health (Live Well) were two areas being considered in greater detail. These would require to be aligned to Strategic Objectives.
- Addressing Areas of Deteriorating Performance. Confirmed performance was being scrutinised, including in relation to comparison with other NHS Boards. Relevant modelling activity was being undertaken. Access to beds had been a significant contributory factor in Highland. For Acute services, the entire map of Raigmore was being considered, including potential for the development and introduction of new patient pathways and ringfencing of Day Surgery activity. The ADP process provided structure to this activity. A range of building constraints and process issues would be involved.
- IPQR Submission to NHS Board. Confirmed submission to July 2022 meeting. Urged to include outcomes from discussion around agreed improvement actions. Noted yet to see relevant benchmarking data, with improvement trajectories known to vary across NHS Boards. Tricky to balance considerations relating to improving 4 Hour Emergency Access and increasing surgical activity, for example in terms of prioritisation.
- Cancer Service Performance. Reported performance recently reviewed by Performance Recovery Board who noted an improving position that was ahead of what being reported. Reminded that a number of NHSH patients reliant on treatment out of area. The 31 Day target being affected by issues relating to Diagnostics. Strong recovery expected.
- CAMHS/NDAS Performance. Questioned level of improvement at this time and suggested inclusion of appropriate narrative when reporting to NHS Board. Confirmed relevant risks and mitigating actions would be articulated within IPQR report. CAMHS Programme Board about to restart activity. Intensive review process has been planned.

After discussion, the Committee:

- **Noted** the position in relation to reported performance areas.
- **Noted the IPQR to** be submitted to the July 2022 NHS Board meeting.
- **Agreed** to take **Limited** Assurance.

6.2 Performance Framework

L Cowie spoke to a circulated report outlining a proposed new NHS Highland Performance Framework, aligned to the Annual Delivery Plan embedding relevant ownership and accountabilities, and seeking approval for its implementation to provide assurance. A copy of the proposed Framework was also circulated. It was confirmed that an associated decision-making framework was also in the process of being developed. D Park stated a very structured approach was being taken and this would take time to become fully embedded. Embedding the Framework would allow the Performance Oversight Board, chaired weekly by the Deputy Chief Executive to discuss performance against key ADP targets and progress in preparing for known reporting to Scottish Government or responding to recommendations. This would also allow escalation from Programme Boards to enable early warning of divergence from anticipated performance so remedial actions may be taken promptly. Most of the relevant detail in relation to identifying lead officers was complete. Success of the Framework would be dependent upon delivery against the Annual delivery Plan. It was proposed that the Committee take **Substantial Assurance**.

The following matters were then discussed:

- Framework Item 4.4. Suggested inclusion of reference to role of, and linkages with, both Argyll and Bute Integrated Joint Board and Highland Health and Social care Committee. Discussion held with Chief Officer for Argyll and Bute HSCP in relation to relevant outcome areas and this would be developed further in association with the Chief Officer (Corporate Services). Diagrammatical reference within the Framework would be updated to reflect those discussions.
- Framework Item 4.9. Suggested inclusion of reference to Health Inequalities. Agreed this be considered further, in addition to inclusion and alignment of Organisation Development activity. From programme management support perspective, PMO Team now within the Strategy and Transformation Team. The PMO would also maintain its current role and remit.
- Programme Boards. Questioned the level of authority to influence wider activity, taking solutions forward. Relevant leadership and management would be key aspects. Members advised the Annual Delivery Plan addressed both the strategic overview and operational delivery elements, and when finalised would help to articulate those points. Framework is new but activity not; consistency and organisational development would be key to success; and empowering staff to take decisions within a defined framework was the aim. Considered to take a year to fully embed such a framework in an organisation.
- Escalation of Performance Variance. Emphasised need to identify where help required and empower teams to suggest and take forward appropriate improvement plan actions. L Cowie also emphasised the need to be able to celebrate successes where appropriate. Need for more visible and formal staff/team recognition was accepted.
- Potential for Resistance to Change. This was recognised. Taking matters forward in a manner, that didn't focus solely on process, can help defuse this. The evidence to date indicated that staff were engaged and actively ready to suggest and take forward improvement actions. Taking activity forward, and ensuring appropriate performance monitoring, together was key. Recognised that resistance to change can provide a useful check and balance to activity. Urged continuation of avoidance of management speak.

After discussion, the Committee:

- **Noted** the position in relation to development of the NHSH Performance Framework.
- **Noted** the draft NHSH Performance Framework document.
- **Agreed** to take **Substantial** assurance.

7 ANNUAL DEVELOPMENT PLAN UPDATE

L Cowie gave a presentation to members in relation to development of an NHSH Annual Delivery Plan(s), the relevant Commission for which had been received at end April 2022, and which would in turn be aligned to the Together We Care Strategy. The relevant process was outlined, noting an overall draft Plan had been developed by 30 June 2022. An indication was provided as how relevant aspects were clinically led and more generally supported in terms of assigned, named individual staff members. Relevant Workforce and Finance Plans were due for submission at end July 2022. The current status of the 48 plans was outlined, noting each of the relevant templates had been completed and KPIs identified. Sign-off would be through the Acute and Health and Social Care Partnership Senior Leadership Teams. An example of the relevant documentation, relating to Ambition 1 (Start Well) and outlining associated High-Level Priorities, was provided. Next steps were indicated as relating to developing the Plan through further prioritisation and mapping activity; working with Chief Officers and Deputies on sign-off activity; aligning financial savings and quality/population experience to individual Plans; mapping the 5 year ADP to the 4 year Finance Plan to create a user friendly document for colleagues; creating a robust

reporting dashboard to support performance management at Programme Boards; and ensuring Programme Board launches gained relevant clinical alignment and engagement.

The following points were discussed:

- Process Arrangements. Welcomed involvement by Primary Care colleagues. Noted formal draft would be submitted to Scottish Government after having been considered by relevant governance Committees, Sub Committees and Groups including this Committee and the NHS Board. The same process would be applied to the Workforce Plan. Scottish Government given advance notice the Plan will be aligned to NHSH Strategy, and this had been accepted.
- Plan Content. Suggested when reporting to Committees etc that reference also be made to those aspects not included and that there be clear links to the sequencing etc of wider, future transformational activity being planned.
- Role of Area Clinical Forum. Importance of liaising with Area Clinical Forum, as well as GP Sub Committee, highlighted. Need to consider further how best to commission their engagement and professional advice as part of the Strategy/Annual Delivery Plan development process. Confirmed all relevant Committees were actively engaged in ensuring a clinically led process.
- Use of Lag Indicators. Suggested use of Lead Indicators where possible, recognising these not always the most appropriate method for considering clinical data. Stated would most usefully be considered by individual Programme Boards to help inform relevant Action Plans etc.

The Committee:

- **Noted** the process used to develop the Annual Delivery Plan.
- **Agreed** to provide assurance to the NHS Board there is a clear and consistent process.

8 FINANCE

8.1 NHS Highland Financial Position 2022/2023

E Ward presented an overview of the NHS Highland financial position for 2022/2023, advising a one-year plan had been submitted the Scottish Government that would likely be revisited at end of Quarter 1 once greater clarity had been received in relation to both funding and year end impact. The initial Financial Plan indicated an overall funding gap of £42.272m, a Cost Improvement Target of £26m, and a net funding gap of £16.272m. She advised the key financial risks were related to Covid related costs (potential net additional cost pressure of £2.472m); pay awards in excess of Scottish Public Sector Pay Policy (potential net additional cost pressure of £14.4m); and inflation (potential net additional cost pressure of £6.556m to be reviewed monthly). The associated 2022/2023 Cost Improvement Programme (CIP) totalled £26m, with a focus on achieving recurrent savings. In terms of reducing the overall financial gap, it was reported the national Corporate Finance Network were in the process of reviewing options relating to reducing the Covid cost base, exploring financial flexibility and further exploring technical flexibility around aspects such as depreciation. Confirmed that CIP targets had been allocated to Chief Officers and Corporate Service Leads, with a view to development of clear savings plans including commitments made for each area at all levels. With regard to the work of the Financial Recovery Board, it was advised there had been a series of quick wins from the June 2022 workshop relating to review of Service Level Agreements (SLAs), review of workforce service models/skill mix and job planning activity, and in relation to review of procurement product choice. It was confirmed that formal reporting to this Committee would resume from the next meeting. D Garden took the opportunity to highlight the importance of achieving savings etc in 2022/2023 given the potential impact on the position in 2023/2024 and beyond. He suggested reviewing the year-to-date position at the next Committee Development Session.

It was proposed that the Committee take **Moderate Assurance**.

Relevant discussion points related to the following:

- Potential for Re-introduction of Additional Spend Controls. Advised option remained to introduce additional controls should it prove necessary. Controls would limit the level of wider support resource available and as such a balance was required if adopting this approach. Financial security meetings were scheduled to be held with Operational Units. Emphasised need to be able to encourage positive risk taking while ensuring strong financial management and security is in place at Operational level. Executive Leads and Senior Leadership Teams need to ensure the message is received. Prevention activity had to be at core of activity moving forward. Noted Scottish Government encouraging NHS Boards to implement recovery plans, with no additional resource having been indicated to date. Financial resource for the National treatment centre had yet to be confirmed, for example. Members were reminded NHS Highland remained in Escalation.
- Financial Confidence to Plan for the Long Term. Noting lack of clarity over financial resource, the ability to plan for preventative spend was questioned. Stated this should be protected and undertaken as a priority.

After discussion, the Committee:

- **Noted** the reported position.
- **Agreed** a year-to-date position be provided to the next Committee Development Session.

8.2 Supporting Financial Balance

J Gill spoke gave a brief presentation to members outlining the 2022/23 Cost Improvement Pipeline against target at end June 2022, advising 171 improvement schemes had been identified totalling over £11m of savings (Unadjusted) against the overall target of £26m. Eight schemes had moved to Delivery (£688k) and 28 recurrent schemes had also been identified totalling over £3m. It was stated relevant Pipeline Workstreams had been aligned to the Annual Delivery Plan and associated Programme Boards. In terms of delivery, at Month 2, the forecasted outturn for the Cost Improvement Programme (CIP) was £2.95m, against the overall target of £26m. The Delivery Summary and profile of cumulative phasing by month was indicated, with year-to-date delivery reported as behind Plan. J Gill advised both she and E Ward had been invited and talked to a number of Senior Leadership Teams regarding relevant targets and delivery, indicating an encouraging level of communication and engagement. She went on to advise that a Finance and Transformation Workshop had recently been held, with approximately 40 colleagues attending, and which sought to develop system wide understanding of the financial position and governance required to achieve financial balance through transformation, efficiency and cost reduction and a collaborative understanding of accountabilities and responsibilities. There had been eight key areas of focus, with those relating to Pre-Op and Vaccination activity already well advanced. There was a large programme of activities relating to Procurement to be taken forward. It was confirmed future reporting would be aligned to the Annual Delivery Plan, as indicated.

The following matters were raised in discussion:

- Supporting Resources. Noted concern over resource available to support the range of ideas and opportunities being generated.
- Workforce. Advised transformation activity key to success.
- Prescribing. Emphasised need for a comprehensive collaborative approach, including Primary Care colleagues, to succeed.

- Performance Improvement (Patient Outcomes). Advised national work underway in relation to Waiting List elements and considering the impact of increased morbidity on treatment requirements as a result of long waits. A figure of 18 months had been identified as a key indicator for increasing morbidity.
- Prevention Activity Investment. Confirmed, for those on Waiting Lists, digital and technological options were being actively considered in addition to identification of appropriate Third Sector resource etc.
- One Hospital, 4 Sites Approach. Advised number of associated workstreams remain live. Relevant clinicians were being encouraged to develop and bring forward additional ideas and opportunities. Progress was encouraging.

After discussion, the Committee otherwise Noted the reported position.

9 NHS HIGHLAND DIGITAL DELIVERY PLAN 2022/2023

I Ross spoke to the circulated report and gave a presentation to members providing an outline of the context for development of the Digital Plan 2022/2023 including reference to aspects of the NHS Scotland Digital Health and Care Strategy; an understanding of what the Digital Plan would seek to deliver across NHS Highland including a pilot of Federation (system integration for team working) activity; ensure awareness of the Digital Plan itself and wider links to the NHS Highland Digital Strategy; indication of how the Plan would help the journey to a digital health and care record; set the overall vision and indicate the range of activity delivered to date and yet to be taken forward in 2022/23; an outline of the current financial resource position and future quarterly reporting framework on the programme of work; and further provide a look forward to activity beyond 2022/23.

The following areas were then discussed:

- Argyll District Nursing Services. Had been reported access to digital records likely to take 2 years to complete. Advised same applied to some community areas in North Highland, with activity being taken forward in relation to both areas. There was focus on a move to using the Eclipse product in community settings; and enabling associated records from that to be brought into the Care Portal to enable access to those records, including for GP and Social Work activity, across all sectors. Accepted staff needed to be kept informed as to the improvements this will make and the timescale in relation to the same.
- Digital Contribution to Service Improvement/Transformation. Advised discussed by Digital Leads on many occasions at national level. Moves to establishment of a National Digital Platform would be taken forward through NHS Scotland, with strong positive and ambitious discussion to date. Utilisation of Artificial Intelligence and creation of an associated Hub enabling automation of certain tasks was somewhat in the future but was part of ongoing discussions. Any move in that direction would require to be appropriately considered and developed given relevant potential Clinical, Information and Safety Governance aspects and implications. It was expected some formal moves in that direction may be introduced within the coming five years, impacting significantly on the way healthcare is administered and delivered.
- Willingness to Adapt. Recognised the need for both staff and patients to be willing to fully engage with and adopt new technology moving forward if the relevant potential gains were to be achieved. Securing additional financial resource, in line with a planned approach was crucial to local success.
- Rollout of Morse. Advised Business Case to be reviewed. Aim was for an accelerated rollout in community settings and more widely within Secondary Care. If Business Case not accepted rollout would continue but not at the accelerated rate proposed, without impacting other activity.
- In-house vs Contracted Service Support. Advised a mixed approach applied across activity areas, taking advantage of high-level specialist external and third-party skills

where required. Move to a more cloud- based approach would reduce the requirement for in-house specialism.

- Internal Audit on Cloud Services. Would the Digital Plan address the issues raised by the Audit Review. All the relevant issues had been resolved and recommendations actioned. Much of the activity related to migration of data to a cloud-based approach. An associated road map had been developed ahead of anticipated follow-up audit activity.

The Committee:

- **Noted** the position in relation to the NHS Highland Digital Delivery Plan 2022/2023.
- **Noted** the Digital Care Group would submit updates, including on progress against the Digital Plan Programme to the Committee on a quarterly basis from October 2022.

10 AOCB

Members agreed, having heard the updates provided in the meeting, assurance could be taken that despite the range of challenges being faced NHS Highland was demonstrating it was in a strong position to be able to take financial and performance improvement activity forward at this time. The work and dedication of all staff in this regard was acknowledged.

11 FOR INFORMATION

There was no discussion in relation to this Item.

12 2022 MEETING SCHEDULE

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

25 August
20 October
December 2022 – to be agreed

15 DATE OF NEXT MEETING

The date of the next meeting of the Committee on 25 August was **Noted.**

The meeting closed at 4.30pm