

<p style="text-align: center;"><b>HIGHLAND NHS BOARD</b></p>	<p>Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 <a href="http://www.nhshighland.scot.nhs.uk">www.nhshighland.scot.nhs.uk</a></p>	
<p style="text-align: center;"><b>MINUTE of MEETING of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMs</b></p>	<p style="text-align: center;"><b>26 August 2021 at 2.00pm</b></p>	

**Present**

Alexander Anderson, Chair  
Tim Allison, Director of Public Health  
Graham Bell, Non-Executive Director  
Ann Clark, Non-Executive Director, Chair of HHSC Committee  
Sarah Compton-Bishop, Non-Executive Director  
Pam Dudek, Chief Executive  
David Garden, Director of Finance  
Graham Hardie, Non-Executive Director

**In Attendance**

Gillian Gunn, Project Lead (from 2.15pm)  
Ruth Lees, Procurement Manager (from 3.05pm)  
Brian Mitchell, Board Committee Administrator  
George Morrison, Head of Finance (Argyll and Bute)(from 2.15pm)  
David Park, Deputy Chief Executive  
Donna Smith, Head of Planning and Performance  
Katherine Sutton, Head of Acute Services (from 3.00pm)  
Elaine Ward, Deputy Director of Finance  
Alan Wilson, Director of Estates, Facilities and Capital Planning

#### **1 WELCOME AND APOLOGIES**

Apologies were received from Ruth Daly, Heidi May and Dr B Peters.

#### **2 DECLARATIONS OF CONFLICT OF INTEREST**

There were no formal Declarations of Interest.

#### **3 MINUTE OF THE MEETING HELD ON 24 JUNE 2021**

The minute of the meeting held on 24 June was **Approved**.

#### **4 CANCER SERVICES UPDATE**

D Smith gave a presentation to members in relation to Cancer Services, providing an update on NHS Highland performance relating to the relevant 31 and 62 day targets, with individual performance areas varying according to respective patient pathways. There were historic issues relating to both complex pathways and Scope activity. A Cancer Recovery Plan had been developed and a Cancer Performance Recovery Board had also been established, with membership including the North Cancer Alliance Manager. A new digital Patient Pathway

Plus system had been introduced allowing easier advanced identification of potential breaches and enabling proactive action to be taken. There had been a focus on Pathways and working to ensure patients were taken through these in a timely manner thereby reducing the number in the system at any one time. It was reported referrals were stabilising at a level much higher than that prior to Covid; the Highland Urology Centre had opened in June 2021; a new Prostate Pathway had been introduced that had brought referral performance back on target; and the backlog of patients was decreasing, with patients clearing the pathway in record time. Members were provided with an illustration of how the new Prostate Pathway operated, with strong performance evidenced to date. The overall risks to continued improvement in Cancer performance were indicated as the continuing impact of Covid and less face to face consultations within Primary Care, and challenges relating to diagnostic services and Oncology activity. Next steps were outlined as being in relation to continued backlog reduction; the introduction of robotic prostatectomy and further work in relation to Brachytherapy challenges. Work continued to address ongoing staffing and capacity issues and initiatives were in place to change referral patterns relating to Colorectal and Dermatology Pathways.

There followed discussion of the following:

- Pre-Covid referral levels. Confirmed as significantly below those currently experienced.
- Primary Care activity. National Screening Programmes (10% of total NHSH referrals) recommenced and will increase early cancer detection. Contract in place for skin cancers and was being taken forward, with associated cost implications. This required more work, led by N Abbott and was being actively considered in the context of the GP Contract. A further update would be provided for members.
- Duty of Candour (Prostate/Urology Performance). Advised this would be for individual clinicians to consider associated levels of harm. Learning points for NHS Board members to reflect upon in terms of wider duty of care.
- Continued Improvement. Current leadership provided by N Abbott key to continued success. Ongoing recruitment issues being further considered. Recovery Board providing increased oversight. Members would continue to receive regular updates on performance and associated improvement activity.
- Performance Data. Confirmed as inclusive of Argyll and Bute activity. Reporting enhanced by use of Patient Pathway Plus.
- Patient location impact on performance. Advised not been formally assessed to date. Acknowledged as a factor that could benefit from further investigation.
- Melanoma/UGI Performance. Work ongoing to better understand deteriorating position. Further update would be provided for members.
- Golden Jubilee Hospital. Confirmed volume based SLA in place, in addition to those SLAs with Grampian and Greater Glasgow and Clyde.

P Dudek took the opportunity to advise the introduction of robotic prostatectomy had initially been expected to take 12-18 months to complete. She advised the lead-in work had only taken 6 months and paid tribute to the skilled and positively motivated staff involved.

**After discussion, the Committee otherwise Noted the Cancer Services Update and further updates to be provided.**

## **5 REVIEW OF COMMITTEE TERMS OF REFERENCE**

There had been circulated a draft revised Committee Terms of Reference document for review by members. There was discussion in relation to those Officers who would be included within the formal Committee membership and it was agreed the Director of Estates, Facilities and Capital Planning should be included. The inclusion of duplicate elements was

also questioned. The Chair cited reference to the regular review of the NHS Highland Business Continuity Plan and it was agreed this required to be undertaken.

**The Committee:**

- **Approved** the circulated draft document subject to the addition of the Director of Estates, Facilities and Capital Planning to the List of Members and a review of duplicate elements.
- **Agreed** to review the NHS Business Continuity Plan at a forthcoming meeting.

## **6 ASSET MANAGEMENT GROUP MINUTES**

There had been circulated Minutes of the meetings of the Asset Management Group held on 16 June and 21 July 2021. The Minute from the most recent meeting held would be submitted to the next Committee meeting. A Wilson provided an update in relation to an improved Business Case process, pushback activity and an associated slowdown on capital spend as a result. He stated the need for liaison with Scottish Government to address the current system of capital allocations being granted to individual Service Directorates, which required improved coordination and oversight from a wider organisational perspective. Overall, Business Case system improvements had been introduced, Sub Groups were taking some of the burden away from the main Asset Management Group, and a smaller Capital Plan had emerged as a result. Members were reminded all Capital expenditure carried with it an associated revenue cost implication. In discussion, the following matters were raised:

- Imaging Slippage (June Meeting). Confirmed the Scanner machine would be installed this financial year but associated building works would require additional funding from Scottish Government. Business Case issues required further consideration.
- Total NHS Highland Asset Base. Confirmed as approximately £397m (Net Book Value).

**The Committee otherwise Noted** the circulated Minute documents.

## **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. A specific update on each of the current major capital schemes was provided during the meeting. It was reported funding discussions in relation to Raigmore Maternity Redesign had been opened with Scottish Government. The Skye facility remained behind schedule, with accommodation issues etc yet to be resolved. The Initial Agreement for Caithness Redesign work was nearing completion ahead of submission in November 2021, the model framework process for which had generated a degree of external interest. Service Redesign, place based reviews were being carried out in Argyll and Bute, with a number of outcomes beginning to emerge. P Dudek advised the next Board Development session would provide a focus on matters relating to ongoing local Infrastructure sharing discussions.

Discussion related to the following:

- Scottish Government Bid Process. Advised where a scheme is out with existing allocated resource bids are submitted to SG Capital Investment Group for consideration. The increased Capital spend within NHS Highland required a restructure of the wider Estates Team and this was being taken forward.
- NHS Response to Central Belt Construction Issues. Confirmed formal response had been provided, with A Wilson the Executive Lead for the associated Action Plan. Much of the required action was already in train. Teams involved in the Aviemore and Skye builds

had been instructed to ensure these were compliant and discussion on relevant Infection Prevention and Control aspects was being taken forward with the Board Nurse Director.

- New Build Ventilation Design. Confirmed appropriate design criteria met for new builds in Highland. Strong oversight and control processes were in place, with any derogation aspects requiring to be signed-off by the relevant Project Board.
- Construction Material Supply. Advised issue was being proactively managed through advance purchase arrangements etc. Quality of product was being maintained.

#### **The Committee:**

- **Noted** the progress of the Major Capital Project Plan.
- **Noted** updates in relation to Caithness Redesign, and Lochaber (Belford) activity would be brought to the next meeting.

## **8 COST IMPROVEMENT PROGRAMME UPDATE (MONTH 4)**

G Gunn spoke to the circulated report and advised, at Month 4, the forecasted outturn for the programme was £9.8m (£15.7m Unadjusted), an increase of £1.8m from Month 3, against the overall target of £25.1m. It was reported three new work streams had been established, in relation to which relevant savings targets were in the process of being set. Additional PMO resource and capacity had been secured. The Delivery Summary and profile of savings against target was indicated, with the year to date delivery remaining behind Plan. There remained a key focus on idea generation at this time, including with external partner agencies. The Cost Improvement analysis of unidentified CIP against target indicated strong performance relating to the Prescribing, Mental Health and Estates work streams. The Bed Utilisation and Patient Flow work stream would require to be relaunched, with greater focus on service redesign. Challenges existed in relation to the Theatres work stream. The e-Rostering project continued to be rolled out and consideration was being given to making efficiencies in relation to the process for nurse recruitment. Procurement activity was being taken forward, with collaboration from the respective National Team. In terms of overview and risk, a number of high value schemes had been added to the Delivery Tracker. The three key risk areas related to medical locum expenditure, Pipeline Scheme progress and Theatres, the mitigating actions in relation to which were also outlined. An update was also provided in relation to delivery of the Adult Social Care Transformation Programme, where progress was being made, particularly around the Residential/Care Homes work stream. In summary, it was advised savings remained behind Plan; the PMO had secured additional capacity and was actively seeking to make progress, and matters relating to improved communications were being considered.

D Garden added that cross cutting activity continued to progress well, with the underlying position improving and ahead of the position at this point in 2020/2021. Despite the PMO now being fully staffed, providing appropriate support resource, it was unlikely the £25.1m in-year savings target would be met. There would be a first quarter finance review undertaken with Scottish Government later in September 2021. The level of non-recurrent savings remained an area of concern and the overall financial context should be borne in mind when considering relevant Strategy discussions. With regard to Adult Social Care, NHS Highland was leading on Joint Programme Board savings activity and there was confidence relevant savings would be achieved, despite an upcoming election period. Officer to Officer discussions continued. Acknowledging the need to better understand those areas where activity had reduced as a result of Covid, and any associated savings opportunities identified, all agreed the need for continued focus across all savings areas.

**After discussion, the Committee otherwise Noted** the reported position.

## 9 INTEGRATED PERFORMANCE AND QUALITY REPORT

Performance - D Smith spoke to the circulated report providing assurance on NHS Highland performance relating to the Remobilisation Plan agreed with the Scottish Government and the National Performance Standards. The report provided information on agreed Plans with the Scottish Government as part of the Remobilisation Plan and Acute Services performance. Individual reports contained data, indicated trends and highlighted key problem areas, as well as information on current issues with corresponding actions. The circulated Report remained a work in progress. There had also been circulated a further update in relation to the financial information previously provided. The attention of members was drawn to the potential for a change of direction from Scottish Government in relation to A&E 4 Hour targets, in relation to which admission numbers were increasing. Whole system improvements were being sought. New Outpatient performance was being impacted by a series of workforce challenges and process redesign considerations were underway. A fourth Endoscopy room had been opened in June 2021 and a recovery plan had been developed. Emergency admissions continued to be at a level above planned rates, with associated redesign plans in progress. P Dudek advised further as to relevant national level discussions around Unscheduled Care, stating performance in this area had a knock on effect on that for Elective activity. This was a balancing act, with a mixed position across NHS Boards in Scotland.

The following matters were then discussed:

- Factors impacting performance. Advised picture affected by workforce challenges and increased length of patient stays at that time. Late presentation of cancer cases and higher than usual levels of trauma, including falls, was also contributing. It was noted a higher number of non-Highland residents than usual had been presenting. Any increase in Medical bed capacity would be reliant on relevant required staff levels being available.
- Scottish Government changes to Reporting of Plans. Advised Template2 will include monitoring of Consultant-led activity only moving forward. Monitoring of all activity to continue in-house, including by external partners, with the change applying to reporting only. Reporting of activity within the Highland Remobilisation Plan would reduce by up to 40%. Moves away from Consultant-led care in Highland had been acknowledged by Scottish Government, who had provided further direction in this area. Associated data analysis position complex however the NHS Highland Remobilisation Strategy or Plan should not change, only the reporting requirements. Consideration being given to holding a Board Development Session once final detail confirmed with Scottish Government.

Finance (Month 4) – E Ward presented an outline of the NHS Highland financial position as at end Month 4, advising the Year to Date Revenue overspend amounted to approximately £5.86m, with a forecasted overspend of £16.28m as at 31 March 2022. Full funding of Covid related expenditure, but not savings slippage, had been assumed and discussion continued in relation to full funding of the AFC pay award and other operational costs which should legitimately be recognised as a cost associated with Covid. Total anticipated funding for 2021/2022 would be in the region of £993m. 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.

D Garden added there remained a degree of uncertainty in relation to overall funding levels for 2021/2022; there was a requirement to continue to better understand existing cost drivers, and a need for continuing detailed monitoring of Covid related costs as indicated.

**After discussion, the Committee otherwise Noted** the Service performance and financial updates provided.

**K Sutton left the meeting at 4.30pm.**

## 10 AOCB

There were no matters discussed in relation to this Item.

## 11 FOR INFORMATION

### 11.1 Procurement Annual Report 2020/2021

R Lees spoke to the circulated third annual procurement report, which provided an overview of NHS Highland procurement activities in 2020/2021, demonstrated how legislative procurement requirements were being met, and how activity was contributing to the broader Corporate Aims and Objectives. It was advised all contracting authorities with an annual regulated procurement spend of £5m and above were required to produce an annual report. This report was expected to be finalised and shared with Scottish Government; and published by 31 August 2021. R Lees went on to provide additional financial data not included within the circulated report. Key topics covered in the report were regulated contracts entered into by NHS Highland, contracts where a contracting process had not been undertaken, and future procurement requirements. Key points were also highlighted.

The following points were discussed:

Figure 1 (Page 7). Agreed to establish if correct Hospital detail had been provided and update report where required. The requirement to include Care Home data or otherwise would be established.

Future Re-letting Process. Advised competitive process where over £50k, in line with procurement regulations. A number of tender waivers may be required.

**After discussion, the Committee Noted** the circulated Procurement Annual Report 2020/2021 and paid tribute to the work of the relevant teams through a challenging period.

### 11.2 Committee Development Session – 23 September 2021

The Chair advised consideration to be given as to discussion topic areas to be addressed, in addition to the Committee Work Plan for 2022/2023.

### 11.3 Committee Vice Chair

Members **Noted** G Bell had agreed to assume the position of Committee Vice Chair.

## 12 DATES OF FUTURE MEETINGS

The Committee **Noted** the remaining 2021 Committee schedule as follows:

21 October

December date to be confirmed

Meetings would commence at 2pm.

## 13 DATE OF NEXT MEETING

The next scheduled meeting of the Committee will be held on 21 October 2021 at 2pm via Microsoft Teams.

**The meeting closed at 4.45pm**