

HIGHLAND NHS BOARD	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk	 NHS Highland na Gàidhealtachd
MINUTE of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMS	01 November 2024 at 9.30 am	

Present

Alexander Anderson, Chair
 Tim Allison, Director of Public Health
 Graham Bell, Vice Chair
 Louise Bussell, Nurse Director
 Heledd Cooper, Director of Finance
 Garret Corner, Non-Executive Director
 Fiona Davies, Chief Executive
 Richard MacDonald, Director of Estates, Facilities and Capital Planning
 Gerard O'Brien, Non-Executive Director
 David Park, Deputy Chief Executive
 Boyd Peters, Medical Director
 Steve Walsh, Non-Executive Director

In Attendance

Gordon MacLeay, Clinical Advisor (Estates)
 Bryan McKellar, Whole System Transformation Manager
 Brian Mitchell, Committee Administrator
 Tina Monaghan, Service Manager (Acute)
 Becky Myles, Head of Procurement
 Pamela Stott, Chief Officer Community (Highland HSCP)
 Katherine Sutton, Chief Officer Acute
 Elaine Ward, Deputy Director of Finance

1 STANDING ITEMS

1.1 Welcome and Apologies

An Apology was received from Committee member Sarah Compton-Bishop.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minute of Previous meeting held on Friday, 11 October 2024, Rolling Action Plan and Committee Work Plan 2024/2025

The Minute of the Meeting held on 11 October 2024 was **Approved**. The Committee further **Noted** the Committee Work Plan 2024/25 and revised Rolling Action Plan.

2 NHS Highland Financial Position 2024/25 Report (Month 6) and Value and Efficiency Assurance Update

The Deputy Director of Finance spoke to the circulated report detailing the NHS Highland financial position as at end Month 6, advising the Year-to-Date (YTD) Revenue over spend amounted to £42.418m, with the forecast overspend set to increase to £51.98m as at 31 March 2025 assuming those cost reductions/improvements identified through value and efficiency workstreams would be achieved and further action would be taken to deliver a break even position for Adult Social Care. The deterioration in forecast from the previous month was due to a reduced allocation notification for MDT funding. The brokerage limit set by Scottish Government was £28m. The circulated report further outlined planned versus actual financial performance to date as well as the underlying data relating to Summary Funding and Expenditure, noting the relevant Key Risks and Mitigations. It was noted £4.509m of funding had been received in Month 6 and there had been no funding received in relation to the 2024/2025 pay award to date but was anticipated. Specific detailed updates were also provided for the Highland Health and Social Care Partnership area; Adult Social Care; Acute Services; Support Services; Argyll & Bute; the Cost Reduction/Improvement activity position; the position relating to Value and Efficiency activity, including mitigating slippage and associated Dashboard position as of September 2024; Supplementary Staffing; Subjective Analysis; and Capital Spend. The report also provided an indication of the timetable relating to the submission of the NHS Highland Financial Plan for 2025/26-2027/28. The circulated report proposed the Committee take **Limited** Assurance.

There was discussion of the following:

- MDT Funding position. Noted positive ongoing discussion with Scottish Government following notification of a reduced allocation.
- Impact of UK Budget. Communication was received confirming that it is not anticipated to result in additional funding to NHS Boards.
- Value and Efficiency Activity and Impact. Questioned position relating to Adult Social Care delivery position and if incorporated Delayed Discharge resource. Advised as to operational cost pressures, confirmed that the ASC saving included additional in year quantum increase and agreed to prepare a separate detailed reconciliation for members on this aspect.
- Highland HSCP Position. Questioned if key pressure areas were related to prescribing and supplementary staffing elements. Advised similar cost pressures across the system.
- Acute Junior Doctor Rota/Unfunded Services. Questioned if new pressures involved. Advised these were existing pressures.
- Holding Budget Holders to Account. Questioned if monthly meetings still being held. Advised budget holder meetings were continuing alongside a range of associated activity. Challenging area with budget holders questioned where expenditure deviated from planned trajectories. Regular meetings on savings activity. A balance to be struck.
- Savings Pressures. Questioned if Services pushing back on savings targets. Advised savings methodology subject to regular change in light of associated learning. Planning for in year delivery can be a challenge. Some activity can generate savings but not necessarily release financial resource. Difficult to articulate the overall position in this area.

After discussion, the Committee:

- **Examined** and **Considered** the implications of the Financial Position.
- **Agreed** to develop and circulate a detailed slide deck relating to Adult Social Care position.
- **Agreed** to take **Limited** assurance.

3 Financial Escalation Self-assessment

The Director of Finance spoke to the circulated report incorporating the NHS Highland self-assessment required as part of the existing escalation framework for finance. There was an expectation that all NHS Boards in either Level 2 or 3 of the escalation framework completed the relevant self-assessment of the framework and submit this alongside the Quarter2 financial return to Scottish Government. The circulated assessment highlighted the NHS Board would be in Level 2 based purely on the financial data, however this would move to Level 3 by the end of the financial year based on current forecast. NHS Highland submitted the return supporting the Level 3 assessment based on the longevity of the financial position and the lack of plan to move to financial balance.

After discussion, the Committee:

- **Agreed** the current self-assessment document and concurred with the current Scottish Government assessment of level three escalation for finance.
- **Noted** an update on the 15 Box Grid submission would be provided to the next meeting.

4 Meridian Progress Update – NHS Highland Community Services

The Deputy Chief Executive gave a brief presentation to members providing a project status and overview update regarding NHS Highland Community Services activity being undertaken by Meridian Productivity, following an initial scoping session in May 2024. He advised as to the Program purpose, scope, methodology and relevant key measures. Following the initial 20-week program, NHS Highland would then manage and administer relevant activity in-house. He provided an outline of the current Program status by area team, and individual Service based on standards set by the Service Professional Leads themselves. He then took members through some of data aspects generated to date and outlined some of the considerations involved in seeking increased productivity in relation to releasing time to care, as well as efficiency and equity. It was emphasised there would be a large element of change management activity to be taken forward overall. On the point raised it was confirmed Staffside had been engaged but this engagement would need to continue.

The following was discussed:

- **Driver for Potential Gain.** Advised initial activity had identified opportunities relating to work and activity allocation aspects. Had also highlighted series of aspects relating to variation across teams. Meridian activity was over and above existing day to day activity.
- **Management of Staff Expectations.** Emphasised need to highlight potential benefits of this activity whilst maintaining a fair and equitable approach across all service areas. Staff concerns and feedback needs careful consideration by relevant leaders, with management of communications being a key element.

After discussion, the Committee:

- **Noted** the presentation content.
- **Noted** an update on Program outcomes would be brought to a future meeting.

5 Capital Asset Management Updates

The Director of Estates, Facilities and Capital Planning spoke to the circulated report advising as at Month 6, most of the departmental capital budget had been released to enable spend on approved projects to continue as planned. He highlighted a number of specific elements and advised progress against spend had been monitored on a monthly basis through monthly monitoring reports, monthly one to one meetings with budget holders and through Capital

Asset Management Group (CAMG). Spend would continue to be closely monitored in the second half of the financial year to ensure expenditure followed the anticipated trajectory. As at month six, the year to date spend was £1.720m, with most of the expenditure within Estates. Full details of expenditure were detailed within the circulated Month Six Capital Monitoring Report. The circulated report proposed the Committee take **Moderate** Assurance.

The following matters were discussed:

- EV Chargers. Advised these were available for use by NHS Highland vehicles but not the general public at that time. Over time these may become available for public use. The Papillion charger being piloted at Raigmore was accessible to staff and patients.
- Switchover to Electric Vehicle Fleet. Advised this was being undertaken as and when required on a case-by-case basis and on a phased basis. Aspects relating to fleet consolidation, telemetric data use and utilisation of pool vehicles were all in the mix.
- UK Budget Impact on Capital Resource. Advised initial indications were there would be no additional allocations received in 2024/25 or 2025/26.
- Raigmore Fire Compartmentalisation. Advised activity had been prioritised according to organisational risk, with strong progress being made.
- RAAC Risk. Advised Raigmore element had been assessed as very low risk. Issues relating to New Craigs sat with the PFI provider and were the subject of discussion as part of the facility handover process.

After discussion, the Committee:

- **Noted** the content of the report.
- **Agreed** to take **moderate** assurance.

6 Strategy and Integrated Performance Report (Incl. Deep Dive)

The Whole System Transformation Manager advised that the performance IPQR report included the latest data and ADP deliverables, linking them to the delivery plan and performance metrics. It was highlighted that performance for the 18-week treatment target had slightly improved, but waiting lists were expected to grow. Emergency department performance was good compared to other boards, though the four-hour target was still unmet, with ongoing improvement actions. Cancer treatment times showed mixed results, with 31-day targets improving but 62-day targets decreasing, which highlighted pathway challenges.

In discussion,

- Data measurement. Challenges with data measurement were highlighted, the inclusion of external referrals in board-wide data, and the unexpected addition of patients from other areas to the NHS Highland waiting list.
- Total number of patients. Members highlighted the importance of showing the total number of patients being treated, as increased patient numbers can explain longer waiting times. It was also noted that comparing current performance to the previous year can provide a more accurate assessment of progress, even if targets are not always met.
- Delayed Discharges. Consistency was required when measuring achievement, either against the revised targets set by the Scottish Government or the total performance.

After discussion, the Committee:

- **Noted** the continued and sustained pressures facing both NHS and Commissioned Care.
- **Considered** the level of performance across the system.
- **Agreed** to take **Limited** assurance.

7 Risk Register – Level 1 Risks

The report provided to committee members with an overview extract from the NHS Highland Board risk register that were relevant to the FRP Committee. The paper was provided to give an awareness of risks that are being considered for closure and/or additional risks that needed to be added.

The Director of Finance highlighted the financial risk of not meeting the brokerage cap was nearing certainty unless additional funding was secured, despite a detailed review and stabilised position. Additionally, the new Craig's PFI project progressed towards the handover deadline, with an update to be presented at the next committee meeting after discussion with the Executive Directors Group.

The Director of Estates, Facilities, and Capital planning highlighted the backlog maintenance risk would remain on the risk register. Efforts has been made to manage it through privatisation and engagement with the Scottish Government as part of whole system planning. The business continuity investment plan would address these risks and funding needs, with ongoing work to mitigate specific risks and secure additional funding.

After discussion, the Committee:

- **Noted** the content of the report.
- **Agreed** to take **substantial** assurance.

8 Winter Preparedness Checklist

The Chief Officer Community (Highland HSCP) advised the winter preparedness checklist from the Scottish Government had been integrated into the urgent and unscheduled care programme. It was highlighted that focus had been on infection control and prevention, including staff vaccinations and workforce availability. This was to be addressed in the next iteration of our 90-day plan, with regular updates provided to the Executive Directors Group.

After discussion, the Committee:

- **Noted** the content of the report.
- **Agreed** to take **moderate** assurance.

9 Procurement Annual Report

The Head of Procurement explained that an annual Procurement report is required as part of the Procurement Reform Scotland Act. Committee members were asked to take substantial assurance due improvements in data capture and compliance. Devolved procurement activities were consolidated into a single contract database. A significant improvement was noted in the compliance with publishing contract award information on the Scottish Government website.

Members highlighted the significant economic and social impact of NHS spending and the need for the board to improve its procurement practices to enhance these impacts. The Head of Procurement noted the close work with the anchor strategic plan and the upcoming procurement strategy, which includes measures to improve economic performance and community benefits.

After discussion, the Committee:

- **Noted** the content of the report provides confidence of compliance with legislation, policy and Board Objectives.
- **Agreed** to take **substantial** assurance.

10 Digital Health and Care Strategy Update

The Committee agreed to defer this item to the December 2024 meeting.

11 Annual Delivery Plan Quarterly Update

The Whole System Transformation Manager noted the paper provided a quarter two status update of ADP deliverables, including all due by 30th September, with a RAG status assigned to each. This report was required for submission to the Scottish Government, which was expected to provide feedback. The paper described deliverables at risk but noted progress into quarter three. The update aimed to inform the committee about the report submitted to the government for Q2.

In discussion, the deliverables for the ADP are scheduled to be completed by the end of the year, with some already set for earlier quarters. Despite concerns about delays, most commitments are on track to be fulfilled within the planned timeframe.

After discussion, the Committee:

- **Noted** the content of the report.
- **Agreed** to take **moderate** assurance.

12 Any Other Competent Business

12.1 NTC Post Occupancy Evaluation Report

The Director of Estates, Facilities and Capital Planning introduced the circulated Post Occupancy Evaluation Report for the National Treatment Centre (NTC). While this was scheduled to be brought to the December meeting, it had been brought forward on account of Scottish Government bringing forward the deadline for its submission.

G MacLeay advised that the NTC was designed to provide elective orthopaedic and ophthalmology services with 24 inpatient beds and five theatres, serving NHS Highland, NHS Grampian, and NHS Tayside. The post occupancy evaluation, guided by the Scottish Capital Investment Manual (SCIM), aimed to assess the project's delivery in terms of patient care and infrastructure, with evaluations planned for 2026 and 2028. Key lessons included the importance of design review, clinical training post-completion, E-health resourcing, ongoing project objective reviews, data collection improvements, and continuous stakeholder engagement. The project, planned since 2016 and constructed from June 2020 to March 2023, had a construction cost of £35.8 million, excluding equipment.

T Monaghan highlighted the success of the NTC was evident from both data and numerous patient messages. The transition of ophthalmology services from Raigmore to the NTC had been challenging due to equipment training and service delivery issues. The outpatient target of 7,000 was surpassed with 7,360 new appointments, and a total of 16,968 outpatients had been seen. The NTC now had 2.6 operating theatres, with 1.5 hours daily for emergency operations. Ophthalmology exceeded its first-year target of 1,975 procedures by delivering 2,287. Orthopaedics met its targets, with Highland delivering 868 hip and knee procedures against a target of 1,131, Grampian 365 against 457, and Tayside 71 procedures. The NTC reported successes and challenges to the Scottish Government and planned to demonstrate

success through data in future evaluations. The iMatter survey showed a 100% team return rate, emphasising team growth and development.

It was noted that there were some excellent key messages and learning that could be taken from this report and that more time was required to explore them fully. Therefore, the committee decided not to approve the report at this time and, instead, to receive the paper at the December meeting to allow more time for consideration. There was acknowledgement that the report would be sent to Scottish Government without approval, and this would be noted on its submission.

12.2 Travel Expenses

It was noted that there had been a point raised at ACF the previous day around travel expenses not being updated for several years and there being a lack of consistency across all staff levels. This was being looked at elsewhere and was not yet appropriate for Governance Committee discussion.

After discussion, the Committee:

- **Noted** the circulated report.
- **Agreed** to take **substantial** assurance.

13 Remaining Meeting Schedule for 2024

13 December

The Committee Noted the remaining meeting schedule for 2024.

14 DATE OF NEXT MEETING

There was a request to change the date and time of the next meeting of this committee to accommodate the JMC meeting on Friday 13th December. An alternative date would be arranged offline and committee members notified in due course.

The meeting closed at 11.50 am