

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 March 2024 at 9.30 am	

Present

Alexander Anderson, Chair
 Tim Allison, Director of Public Health
 Graham Bell, Vice Chair
 Ann Clark, Non-Executive
 Heledd Cooper, Director of Finance
 Garret Corner, Non-Executive
 Fiona Davies, Chief Officer Argyll and Bute HSCP
 Pamela Dudek, Chief Executive
 Richard MacDonald, Director of Estates, Facilities and Capital Planning
 Gerard O'Brien, Non-Executive
 David Park, Deputy Chief Executive
 Boyd Peters, Medical Director (from 9.55 am)

In Attendance

Rhiannon Boydell, District Manager
 Sarah Compton-Bishop, Chair of NHS Highland
 Lorraine Cowie, Head of Strategy and Transformation
 Pamela Cremin, Chief Officer Highland Health and Social Care Partnership (from 10.20 am)
 Julie Gilmore, Associate Nurse Director (until 10.45am)
 Katherine Sutton, Chief Officer for Acute
 Elaine Ward, Deputy Director of Finance
 Nathan Ware, Governance and Corporate Records Manager
 Emily Woolard, Non-Executive

1 STANDING ITEMS

1.1 Welcome and Apologies

Apologies were received from committee member Louise Bussell with Julie Gilmore deputising.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minute of Previous meeting held on Friday, 09 February 2024, Rolling Action Plan and Committee Work Plan

The Minute of the Meeting held on 09 February 2024 was **approved** and the committee **noted** the corresponding Action Plan and Work Plan.

2 FINANCE

2.1 NHS Highland Financial Position 2023/2024 Report (Month 10) and Update on Savings Plans

The Deputy Director of Finance spoke to the circulated report that detailed the NHS Highland financial position as at end Month 10, advising the Year-to-Date (YTD) Revenue over spend amounted to £50.704m, with the forecast overspend set to reduce to £39.055m as of 31 March 2024. The year end forecast is £29.617m better than presented within the financial plan and continued to assume support to balance the Adult Social Care forecast overspend. The relevant key risks and associated mitigations were outlined. The circulated report further outlined the underlying data relating to Summary Funding and Expenditure. Specific detailed updates were also provided for the Highland Health and Social Care Partnership area; Adult Social Care; Acute Services; Support Services; Argyll & Bute; assurance of progress against the Cost Improvement Plan Programme; 3 Horizons/Savings Tracker activity; Supplementary Staffing; subjective analysis; overall forecast position; wider sustainability and value activity; and Capital Spend. The report proposed the Committee take Limited Assurance, for the reasons stated.

The following matters were discussed:

- Reduction in forecasted overspend. Advised review of allocations within the balance sheet, which enabled funding to be released that would not be spent until the end of the year. £11.3m received from Scottish Government had also helped reduce the forecasted overspend.
- Supplementary Staffing. Advised key focus of improvement for the 2024-25 financial year including day-to-day management and reduction. Part of the efficiency and value work to ensure any service redesign or reformations to reduce impact on service delivery and quality.
- Tracked Inflation rate. Advised inflation rates are reducing, but not at the original assumed rate. Noted this had been considered in the 2024-25 Financial Plan.
- Argyll and Bute had noted a break-even position. Advised substantial difference in dynamics in Argyll and Bute, and North Highland regarding supplementary costs and service models that have an impact on finances.
- Community services to help increase capacity sufficiently. Advised it could be commissioned for third sector partners, with flexibility, to deliver some services. Further review would be undertaken to provide a clear strategy and have a proportionate way of managing risk if that was commissioned.
- Adult Social Care plan. Noted support had been offered from the council to give some project support with that expertise in and around what is the future operating model.
- Geographic variability. Advised there was a variability in population and resources across all geographic areas. Some areas are already rebalancing and have less problems. Challenges are found when the workforce is not available, or the demographic area does not include people who want to work in social care.
- NHS agenda for change feedback. Advised external feedback received regarding the upgraded banding had attracted workforce to the NHS.
- Letter had been received for the non-pay element of agenda for change. Analysis would be undertaken as implementation will have an impact on service planning and budgets.

Committee members discussed the recent correspondence received from Highland Council in relation to Adult Social Care funding. There had been ongoing discussions with Highland Council on funding contributions for Adult Social Care and how to work collaboratively. Assumption of the Adult Social Care funding from Highland Council had been factored into the NHS Highland financial forecast. Progress made in the discussions between NHS Highland and the Highland Council had been highlighted to Scottish Government to keep them updated. Further discussions would occur within NHS Highland over the coming weeks to enable a response to be prepared to the Highland Council. It was noted that there would be further discussion at the NHS Highland Board meeting.

After discussion, the Committee:

- **Examined** and **Considered** the implications of the Financial Position.
- **Agreed** to take **limited** assurance.

3 Update on NHS Highland Change Framework

The Head of Strategy and Transformation explained a clear process had been established for the Strategic Transformation Programmes and Efficiency Workstreams that are aligned to the financial plans for the upcoming years to enable structured decision-making. Five levelled decision-making framework which had been established to ensure appropriate governance and assurance on decision-making. Integrated Service Planning is being rolled-out board wide as part of the annual delivery planning process for 2024/25. Benefits tracking would be included in regular and annual reporting to the Board through the Governance Committee structure. Dedicated sessions of Acute and Partnership SLTs had been arranged to ensure appropriate engagement with senior leadership, with it being set as required for Corporate SLTs. A range of Strategic Transformation Assurance Group and Value and Efficiency (V & E) workstreams have been identified as the key change deliverables for 2024/25.

In discussion, committee members highlighted the organisations efforts to support decision making through channels such as the digital mindset sessions and the higher-level programme for digital leadership.

The Head of Strategy and Transformation advised supporting decision-making through digital mindset is a key element of the 'Transformation and Resilience of Administration' (TARA) that aims to reduce administration burden across the organisation. Acute have an established specific charter to support clinical delivery through digital mindset and the organisation will continue to develop a target operating system for admin that builds on digital throughout the partnership.

Committee Members noted the amount and pace of technology developments and highlighted that the focus on technological improvements should be more deliberate to enable the organisation to work more efficiently.

Regular progress reporting would be provided to the committee. The Head of Strategy and Transformation noted monthly updates on the V & E progress through the financial plan. It was noted that once further progression had been made emergency decisions and choices would be reported to the committee through the financial and annual delivery plan.

After discussion, the Committee:

- **Noted** the processes established to move forward strategic transformation programmes and value efficiency workstreams in 2024/25.
- **Agreed** to take **substantial** assurance.

4 Integrated Performance and Quality Report

The Head of Strategy and Transformation advised the circulated report had provided a summary of the December Integrated Performance and Quality Report, progress updates in completed work and the impact, with steps to be taken to improve by June 2024. This information will be utilised within the integration planning service to formulate the annual delivery plan trajectories once the Annual Delivery Plan and Financial Plan have been agreed. Performance ratings summaries had been provided for Vaccination Performance; Smoking Cessation; CAMHS; Emergency Access; Treatment Time Guarantee; Outpatients; Diagnostics

– Radiology and Endoscopy; 31 Day Cancer Target; 62 Day Cancer Target; Psychological Therapies; and Delayed Discharge.

In discussion, committee members questioned how the national target benchmarks were being reviewed and if they had been adjusted in the light of financial positions across the boards. The Head of Strategy and Transformation noted Scottish Government had published a delivery framework that set out national targets and expectations for Health Boards. It was noted that NHS Highland will include an element of realism when producing the Integrated services plans for 2024-25 to reflect resources available. The Deputy Chief Executive highlighted the organisation must be continually reviewing resource utilisation, work patterns and standards of practice to ensure quality of care is maximised for patients. Committee members highlighted the need to understand the gap between current capabilities and the requirements to achieve national targets.

Committee members noted the IPQR had mainly focused on Covid-19 and Flu performance data. The Director of Public Health noted Vaccination performance in the IPQR had been focused on Covid-19 and Flu. The HSCP had been escalated to level two by the Scottish Government, not due to uptake, but overall quality. Other important vaccinations would include shingles, pneumococcal, and childhood vaccination. It would be complex to include all vaccinations in the IPQR, however, more work would be required to effectively communicate crucial performance elements across governance committees. Childhood vaccinations had seen a national drop-off and delays in vaccination schedules, particularly for children under a year old in the Highland HSCP, which is noted as primary area for focus. Collaborative work had been progressing with Scottish Government and Public Health Scotland to address these issues. The complexity of vaccinations presents challenges on how to present it in the IPQR, but it was emphasised that this would be important as the focus shifts away from Covid-19.

In response to committee members querying challenges faced in delayed discharge, the Chief Officer for Highland HSCP highlighted the challenges faced due to an increasing number of delayed discharges in the system and the ongoing improvements being made. There had been discussions with GPs that focused on community urgent care response and addressing the complexity of patient needs. A care programme board had been established for greater governance and the use of technology-enabled care. There would be a market facilitation plan developed to engage with care home providers and create a commissioning framework. Collaborative work with the council would continue to create a cost and capacity plan to illustrate what can be delivered within existing resources and workforce constraints.

After discussion, the Committee:

- **Considered** the level of performance across the system.
- **Noted** the continued and sustained pressures facing both the NHS and commissioned care services.
- **Agreed** to take **moderate** assurance.

5 Asset Management Group – Minute of Meeting held on 21 February 2024

The Director of Estates noted the Asset Management Group terms of reference and function will be reviewed to align with the financial position of the Board to ensure capital allocation is prioritised to support risk and enable change. A risk-based prioritisation approach will be taken for backlog maintenance. Monitoring, reporting and change management systems will be reviewed. Financial spend over the year will be planned to support a contingency fund. The Asset Management Group would be aligned with a system infrastructure plan, and it was proposed that a further update would be presented to the committee or the Board through a development session.

In discussion, it was noted the whole system infrastructure plan would include the required 20-to-30-year backlog maintenance plan. The first plan for backlog maintenance is required to be submitted by 31 January 2025, with a further submission required for major capital project plan to be submitted a year later. Health Boards will use the Scottish Asset Management System (SAMS) to ensure a consistent approach will be taken. A backlog maintenance plan with no assumption of replacement being an option and a further plan with the assumption of replacement being an option. This would ensure all options are considered before progressing with capital projects going forward.

The Committee:

- **Noted** the circulated minutes.

6. Major Project Summary Update

The Director of Estates highlighted projects funded through the stage two RIBA are going through a quality assurance check and had been paused whilst further direction is sought from Scottish Government. Work had also been progressing to move major stakeholder led groups to the redesign model.

After discussion, the Committee:

- **Noted** the update.

7. Risk Register Update

The Head of Strategy and Transformation confirmed that an update would come to the next meeting.

8. Finance, Resources and Performance Committee Annual Report 2023/2024

The Vice Chair of the Board suggested the challenges facing Adult Social Care and the Highland Council Partnership should be referenced within the Annual Report.

After discussion, the Committee:

- **Endorsed** the Committee Annual Report 2023/2024 provided detail was added in relation to the challenges being faced within Adult Social Care and the Highland Council Partnership.

9. Finance, Resources and Performance Committee Annual Workplan 2024/2025

The Vice Chair of the Board referenced the annual report which indicated an update from the Digital Health & Care Group should come to committee three times per year; the Deputy Chief Executive agreed and asked for it to be added to the Workplan.

The Vice Chair also suggested that a Board Development Session on the Digital Strategy Enablement may be useful.

The Director of Finance advised it would be worthwhile to remove the Major Projects Summary and replace this with an update from the Strategy and Transformation Assurance Group. In response they Chair suggested that he, the Director of Finance, Head of Strategy and Transformation and the Deputy Chief Executive arrange a meeting to discuss and finalise the 2024-25 Workplan.

After discussion, the Committee:

- **Noted** the proposed 2024-25 Committee Workplan.
- **Agreed** to arrange a separate meeting to finalise the 2024-25 Workplan.

10. Remaining Meeting Schedule for 2024

3 May
14 June
5 July
9 August
6 September
11 October
1 November
13 December

The Committee:

- **Noted** the remaining meeting schedule for 2024.

11. DATE OF NEXT MEETING

Friday 12 April 2024 at 9.30 am.

12. Any other Competent Business

Committee Self-Assessment Survey Results

The Chair noted that this item would be discussed in more detail at the next meeting based on the anonymised results.

The Committee:

- **Agreed** to discuss this item in more detail at the next meeting.

The meeting closed at 11.45am