HIGHLAND NHS BOARD	Assynt House Beechwood Park Inverness IV2 3BW Tel: 01463 717123 Fax: 01463 235189 www.nhshighland.scot.nhs.uk
MINUTE of the FINANCE, RESOURCES AND PEFORMANCE COMMITTEE TEAMs	**16 December 2024 at 10.00 am**

Present	Graham Bell, Non-Executive Director (Vice Chair) Tim Allison, Director of Public Health (from 10.15am) Louise Bussell, Nurse Director Elspeth Caithness, Non-Executive Director Ann Clark, Non-Executive Director Heledd Cooper, Director of Finance Garret Corner, Non-Executive Director Fiona Davies, Chief Executive Richard MacDonald, Director of Estates, Facilities and Capital Planning David Park, Deputy Chief Executive Steve Walsh, Non-Executive Director
In Attendance	Susan Clifton, Accountant (from 10.25am) Ruth Daly, Board Secretary Ruth Fry, Head of Communications and Engagement Kristin Gillies, Interim Head of Strategy and Transformation Derick MacRae, Cancer Service Manager (from 11.00am) Gordon MacLeay, Clinical Advisor (Estates) (from 11.00am) Brian Mitchell, Committee Administrator Tina Monaghan, Service Manager (Acute) (from 11.00am) Becky Myles, Head of Procurement Iain Ross, Head of eHealth (from 11.15am) Pamela Stott, Chief Officer Community (Highland HSCP)(from 10.05am) Katherine Sutton, Chief Officer Acute Elaine Ward, Deputy Director of Finance

1 STANDING ITEMS

1.1 Welcome and Apologies

Apologies were received from Committee members Alex Anderson and Gerry O'Brien.

Apologies were also received from non-Committee members Evan Beswick and Sarah Compton-Bishop.

1.2 Declarations of Interest

There were no formal Declarations of Interest.

1.3 Minute of Previous meeting held on Friday, 01 November 2024, Rolling Action Plan and Committee Work Plan 2024/2025

The Minute of the Meeting held on 1 November 2024 was **Approved.** The Committee further **Noted** the Committee Work Plan 2024/25 and revisions required to the Rolling Action Plan.

2 NHS Highland Financial Position 2024/25 Report (Month 7) 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 7, advising the Year-to-Date (YTD) Revenue over spend amounted to £39.1m, with the forecast overspend set to increase to £49.697m as at 31 March 2025 assuming additional action would be taken to deliver a break even position for Adult Social Care. The forecast position had improved from the previous month due to a reinstated funding allocation for MDT funding. The brokerage limit set by Scottish Government was £28.4m. 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 relevant Key Risks and Mitigations. It was noted overall funding had increased by £31.003m in Month 7, with funding received in relation to the 2024/2025 pay award and new medicines. 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 the associated Dashboard position as of October 2024; Supplementary Staffing; Subjective Analysis; and Capital Spend. The Deputy Director of Finance presented a number of additional slides detailing expenditure patterns across a spread of specific subjective spend areas in 2024/25, showing trends and mean spend analysis. The circulated report proposed the Committee take **Limited** Assurance.

There was discussion of the following:

- Supplementary Staffing. Agreed additional information relating to Bank and Agency elements would be included in future reporting detail. Advised current budget position had not included assumptions relating to winter pressures.
- Adult Social Care. Noted the positive outcome from the recent JMC meeting relating to investment. The position relating to the exiting funding gap, and potentially using the relevant Transformation Fund framework and associated test of change process were discussed. Advised break even position was a continued expectation, with regular meetings being held with Highland Council. Stated that value and efficiency elements were NHS Highland responsibility to identify opportunities. Longer term plan for financial balance being progressed and any use of Transformation Plan required to be in that context, noting a number of associated staffing and capacity aspects required further early consideration. Emphasised both organisations needed to move at a similar rate towards a coordinated and improved position. Noted integrated services implementation plan in development.

After discussion, the Committee:

- **Examined** and **Considered** the implications of the Financial Position.
- **Agreed** detailed information on Bank and Agency spend be provided in future reporting.
- **Agreed** to take **Limited** assurance.

3 Draft Budget Setting Process 2025/26

The Director of Finance provided an update in relation to relevant planning guidance and spoke to the circulated Scottish Government letter advising as to the indicative funding settlement for

NHS Boards in Scotland for 2025/2026. In summary, she advised NHS Highland had received a 3% overall uplift; notification of NRAC parity funding, non-pay reform allocation, national insurance consideration, capital aspect, future brokerage arrangements and other elements. Future reporting requirements were also outlined.

The following was raised in discussion:

- Future Brokerage Arrangements. Advised as to national position, noting financial planning requirements remained consistent.
- National Insurance. Advised wider impact, such on the Independent and Third Sectors providers was unknown.

After discussion, the Committee Noted the position.

4 15 Box Grid Submission Update

The Director of Finance spoke to the circulated report providing an assessment of the progress to date against the 15-box grid as at Quarter 2 as submitted and advised as to guidance received. It was noted that the 15-box grid would continue with some review of future content to be considered with NHS Boards.

After discussion, the Committee:

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

5 Capital Asset Management Updates

The Director of Estates, Facilities and Capital Planning spoke to the circulated report providing the position as at Month 7 and provided a brief presentation, advising as to spend against capital formula allocation; funding allocations and potential additional spend possibilities; and total expenditure to date. Progress against spend was being monitored through Capital Asset Management Group. The circulated report proposed the Committee take **Moderate** Assurance.

After discussion, the Committee:

- **Noted** the content of the report.
- **Agreed** to receive a report on possible additional expenditure at the next meeting.
- **Noted** an update in relation to the Lochaber project would be brought to a future meeting.
- **Agreed** to take **Moderate** assurance.

6 Environment and Sustainability Update

The Director of Estates, Facilities and Capital Planning advised the Environmental and Sustainability Committee met this week. They discussed reporting and suggested moving to quarterly reporting instead of bi-monthly, as they are now using the Scottish Government database for energy usage and carbon production data. The committee believed quarterly reports would show more significant trends and provide better value.

The Committee noted the update.

7 Planned Care Submission – Cancer Services Update

The Service Manager highlighted that in November, the NHSH performance against 62-day standard had improved to 74.2 percent, which is above the Scottish average. Over 100 patients were seen per month for the last four months, which was noted as a significant increase. Performance in prostate and breast cancer areas improved, with fewer prostate patients leading to better performance. However, in October, we had 11 breast patients breaching the standard due to a lack of imaging capacity, particularly among radiologists and radiographers.

There had been the introduction of a new staffing model which involved partnering with colleagues from a different health board to provide a "see and treat" service. The model will be rolled out in Raigmore from January 2025. There was an aim to replicate this model in the summer to reduce reliance on our medical workforce. In urology, good performance was maintained in prostate and aimed to improve services in renal and bladder areas. The 31-day performance dipped recently due to breast capacity problems and surgeon shortages.

The Service Manager advised of the aim to achieve an 80 percent performance level by February, despite expected dips in December and January due to winter pressures. Actions, both immediate and long-term, aimed to reach this goal and eventually achieve 95 percent in the coming months.

In discussion,

- Members noted system efficiencies as performance improved whilst treating more patients. They suggested the data presentation be reviewed to highlight the improvements.
- The Service Manager noted referrals had increased compared to pre-pandemic levels and a high level of patients were told they did not have cancer and performance varied by tumour type.
- The Director of Public Health and Policy highlighted that referrals were treated for suspected cancer, not necessarily confirmed cancer. However, more work was needed early in the referral pathway. He noted that the public health report focused on health inequalities, highlighting that breast and prostate cancers were more common in wealthier populations.
- Members noted information provided gave a good understanding of challenges and focus areas. They recognised the significant person dependency in Highland pathways and the need to target efforts better, as increased GP referrals used resources that could be deployed elsewhere.
- Members queried if single-person services were also difficult to recruit for, making short-term staffing cover harder. They also inquired about tracking treatments by postcode and the impact of high-profile cases on referrals. The Service Manager highlighted opportunities existed to look at new staffing models. In oncology, they used technology to manage patients from other areas while treating them locally and noted the high referral rate for prostate cancer.
- The Director of Public Health and Policy highlighted that the annual report that he compiles would have recommendations on inequalities. For prostate cancer, they needed to look at conversion rates and other factors. More actions were needed to get appropriate referrals at the right stage.

After discussion, the Committee:

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

8 Digital Health and Care Strategy Update

The Deputy Chief Executive mentioned that the strategy had been approved by the committee, and this was an update on progress. The Head of E-health noted the limited time and the extensive content in the report, especially in the appendices. He focused on the delivery plan rather than the strategy itself. Appendix one showed the priority areas and resource allocation, with the top priority being system support and resilience.

Priority two involved the electronic patient record (EPR) programme, covering hospitals, community, primary care, and social care records. Major programmes included giving clinicians access to digital records, moving 91 practices to a new system, and replacing the social care system in North Highland and Argyll and Bute. There was also significant background work, such as implementing a new PACS system for X-rays and a new national network (SWAN). Major network upgrades in hospitals were also underway.

The Head of E-health highlighted there was 170 staff covering various functions. He explained the 70/30 resource allocation model between system support and development, noting that other boards might allocate more to system support. The approach allowed flexibility and aimed to catch up with other boards in electronic patient records (EPR). He discussed the need for changes due to technology shifts and national plans, and the importance of a skilled workforce for network provision. He also mentioned the early stages of discussions about the integration agenda and the need to avoid redundant investments.

The Deputy Chief Executive highlighted the importance of having strong digital ambitions despite capital limitations, particularly for network and Wi-Fi capabilities. He noted the need for more capital to fill gaps and enhance their EPR programme.

After discussion, the Committee:

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

9 NTC Post Occupancy Evaluation Report

The Director of Estates, Facilities and Capital Planning advised the report was initially presented at the previous meeting because the Scottish Government requested an early submission for the National Treatment Centre reviews. The Scottish Government and draft forum accepted the report, and it will go through their governance route. The Committee Chair requested the paper to brought to the committee to allow members to review it.

In discussion,

- Members noted the national treatment centre (NTC) model was on the right track and could make a big difference if rolled out as planned. It was noted the NTC had helped reduce waiting lists and meet targets set by the Scottish Government. The need for national engagement was highlighted.
- Members noted the importance of early engagement and funding and highlighted the need to evaluate the impact of the NTC on other areas in future reviews.
- The Director of Estates, Facilities and Capital Planning noted the project was successful and well-managed. He noted good feedback from the Scottish Government and highlighted lessons learned, such as the need for better staff training and recruitment.
- Members praised the project for being completed on time and within budget despite inflationary pressures, seeing it as a reputational success for NHS Highland. They advised the patient numbers were heartening and suggested considering lessons for the senior team.

- The Chief Executive reflected on the model's success, noting the impact on reducing waiting times. She mentioned the need to consider inequalities in access to services and the positive feedback from patients and politicians.

After discussion, the Committee:

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

10 Strategy and Transformation Assurance Group Approach and Programmes

The Interim Head of Strategy and Transformation provided an overview of the ongoing work within the strategy and transformation team and the EDG. The STAG group revised the reporting framework for change and transformation programmes, dividing them into A, B, and C categories. Seven programmes were in the A category, which had been defined over the past six weeks.

The governance for these programmes were being aligned, and they would be linked to the annual delivery plan, with the first submission due on 27th January. The A programmes covered the whole organisation, B programmes were sector-specific, and C programmes were service-specific. The main organisational programmes were overseen by STAG and linked to the "Together We Care" strategy. The A programmes included Highland HSCP transformation, primary care strategic plan, mental health and learning disabilities transformation, frailty, person-centred care models, urgent care service, and prevention and reducing inequalities. The strategic objectives for each programme were being developed.

The Annual Delivery Plan guidance was received last week, with the first submission due on 27th January and the final draft on 17th March. The plan needed to align with workforce and finance considerations. The STAG transformation projects would provide much of the detail for the plan.

In discussion,

- The Deputy Chief Executive highlighted the work plan would be revisited in February to provide more details and programme outlines.
- Members queried whether the Population Health Programme Board is where inequalities and prevention will mainly be discussed and how do the work streams link together. They also queried how align them into the governance structure.
- The Chief Executive clarified that the A and B categories were differentiated by complexity, not importance.
- The Director of Public Health and Policy advised that inequalities and prevention were part of all pieces of work and was not confined to one programme board. The Population Health Programme Board would oversee the areas to ensure they encompassed the wider work of the board.
- The Deputy Chief Executive noted that the re-profiling of programmes was iterative, and that further work was needed to fine-tune the connections between programmes.

The Committee Noted the remaining meeting schedule for 2024.

11 2025/26 and 2026/27 Meeting Schedules

10 January 2025
7 February 2025
14 March 2025
4 April 2025
9 May 2025
6 June 2025
11 July 2025
1 August 2025
12 September 2025
3 October 2025
14 November 2025
5 December 2025
9 January 2026
6 February 2026
13 March 2026
10 April 2026
8 May 2026
5 June 2026
10 July 2026
7 August 2026
11 September 2026
2 October 2026
13 November 2026
4 December 2026
8 January 2027
5 February 2027
12 March 2027

14 DATE OF NEXT MEETING

Friday 10 January 2025 at 9.30 am

The meeting closed at 12.05pm.