

<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>20 October 2022 at 2.00pm</b></p>

**Present**

Alexander Anderson, Chair  
Tim Allison, Director of Public Health and Policy  
Graham Bell, Non-Executive Director  
Ann Clark, Non-Executive Director, Chair of HHSC Committee  
Heledd Cooper, Director of Finance  
Pamela Dudek, Chief Executive

**In Attendance**

Louise Bussell, Chief Officer. HSCP  
Garret Corner, Non-Executive Director  
Lorraine Cowie, Head of Strategy & Transformation  
Alasdair Christie, Non-Executive Director  
Jane Gill, PMO Director  
Heidi May, Board Nurse Director  
Brian Mitchell, Board Committee Administrator  
Gerard O'Brien, Non-Executive Director  
David Park, Deputy Chief Executive  
Boyd Peters, Board Medical Director (from 2.10pm)  
Prof Boyd Robertson, Board Chair (ex officio)  
Iain Ross, Head of eHealth (from 3.30pm)  
Andrew Ward, Divisional General Manager (from 2.05pm)  
Elaine Ward, Deputy Director of Finance  
Nathan Ware, Governance and Assurance Coordinator  
Alan Wilson, Director of Estates, Facilities and Capital Planning

## **1 WELCOME AND APOLOGIES**

Apologies were received from Fiona Davies, Bert Donald and Sarah Compton-Bishop.

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

There were no formal Declarations of Interest.

## **3 MINUTE OF THE MEETING HELD ON 25 AUGUST 2022**

The Minute of the Meeting held on 25 August 2022 was **Approved**.

## 4 FINANCE

### 4.1 Cost Improvement Programme Update 2022/2023

J Gill spoke to the circulated report and advised, at Month 5, the forecasted outturn for the programme was £4.74m (£2.3m delivered to date), an increase of £1.19m from Month 4, against the overall target of £26m. It was reported that 34 schemes had been identified and approved, with £12m of unadjusted savings (£8.5m risk adjusted) identified against the overall target. An indication of the cumulative phasing of savings by month was also provided.

There was discussion as to the following areas:

- Projects Expected to Deliver In Year. Advised these mainly related to prescribing, small procurement schemes; Clinical workforce; Estates; Argyll & Bute; Adult Social Care and other associated housekeeping activity.
- Non- Recurrent/Recurrent Split. Advised anticipated to be 60% Non-Recurrent, in line with previous years.
- Programme Management Office. Advised now part of the Strategy and Transformation Team, with an increased focus on transformation activity.
- Impact of Non-Savings Delivery. To be covered by later Recovery Plan discussion.

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

### 4.2 NHS Highland Financial Position 2022/2023 (Month 6) and Financial Recovery Programme

E Ward presented an outline of the NHS Highland financial position as at end Month 6, advising the Year-to-Date (YTD) Revenue over spend amounted to approximately £19.3m, with a forecasted overspend of £39.9m at 31 March 2023. The YTD position included slippage against the Cost Improvement Programme (CIP) of £7.83m, with slippage of £15.31m being forecast through to financial year end. It was reported the current position had deteriorated by £6.32m from the previous month, reflecting a lower savings delivery forecast and a lower than anticipated allocation for Scheduled Care. The overall funding position was outlined, noting confirmation of a number of allocations was awaited, 29 having been confirmed to date and assumptions made that further allocations would be broadly in line with previous years. Members were then taken through the underlying financial data relating to Summary Income and Expenditure. Specific detailed updates were also provided in relation to Acute Services; Highland Health and Social Care Partnership area; Support Services; savings to date; Covid Related Costs; Adult Social Care Resourcing; and Capital Spend.

It was advised the NHS Financial Recovery Plan had been submitted to Scottish Government at end September 2022, which indicated a minimum aim of delivery of the position set out in the NHS Board March 2022/2023 Financial Plan, inclusive of Covid. All NHS Boards not able to deliver financial balance would be required to develop a financial recovery plan to set a path to return to financial balance within three years. NHS had been requested to reduce the forecast overspend, reported at Quarter 1 from £33.45m to £16.27m. The underlying basis for development of the Recovery Plan was outlined including additional cost control measures, relevant potential mitigating actions, and wider associated risks and issues. The report proposed the Committee take **Limited Assurance**.

The following points were raised in discussion:

- Reduction in Waiting Time/Scheduled Care Resource. Advised £6m spent to date, with £2m remaining available against original plan for £12m resource. Choices to be made in relation to future in-year expenditure. Discussion ongoing with Scottish Government on current priorities. Existing target relating to reducing Outpatient waits to 78 weeks by end December 2022 remained on track. Achieving 52-week Outpatient waits by end March

2023 would be challenging. Advised resource reduced across all NHS Boards, leading to national discussions being held as to conflicting messaging regarding achieving greater capacity efficiency whilst simultaneously improving applicable financial efficiency. Limiting activity to match the £2m resource available would likely result in prioritisation of existing recurrent posts, then Cancer and Urgent Care activity and little else.

- Agency and Locum Expenditure. Advised recruitment challenges remain in addition to ensuring cover for sickness and long-term absence. Geography aspects mean NHSH continues to pay a premium for short term cover arrangements. Position being reviewed at a national level.
- Existing Financial Position/Ability to Recruit High Skilled Practitioners. Advised NHSH not an outlier at this time, with further escalation unlikely across NHS Boards.
- Nurse Agency Position. Advised spend position mirrored across Scotland, raising the suggestion of a need for a national approach to be agreed. Noted agency spend has impact on profile of permanent substantive positions. Local activity underway to better understand underlying issues and what action can be taken to improve position. Local activity welcomed. Stated breakdown of all staff levels requiring agency/locum cover would be beneficial to wider consideration by members. Further stated this highlighted need to proceed with relevant transformation activity.
- Transformation Activity. Questioned what changes were envisaged and what was required to ensure plans were developed and appropriately taken forward. Stated need to maintain focus on here and now, in addition to considering future change. Question as to how best to prioritise all activity, ensure relevant clinical engagement and define what may and may not be possible. PMO and Programme Boards will have key role to play in supporting consideration of these points across the full range of NHS Services. Emphasised internal engagement will be key to any success, with leadership required at all levels in all areas, and clinicians being engaged in relation to the financial impact of the actions they take. Need for honest discussion with general Highland population also highlighted. Agreed an update on the Annual Delivery Plan/Transformation activity be brought to the next meeting.
- Upcoming National Chairs Meeting. Noting Unscheduled Care and Finance on agenda, Chair requested he be furnished with a position statement on the reduced funding impact on Unscheduled Care activity ahead of attending that meeting.
- Clawback of Monies Previously Received and Applied to Reserves. Advised this related to Covid elements only. This was likely to lead to a more targeted allocation of relevant financial resource to NHS Boards, based on evidenced spend profiles etc.

**After discussion, the Committee:**

- **Noted** the reported position.
- **Agree** to share the presentation content with members following the meeting.
- **Agreed** an update on the Annual Delivery Plan/Transformation be brought to next meeting.
- **Agreed** to take **Limited** assurance.

### **4.3 Care Home Activity Update**

On the point being raised, it was stated NHSH was in line to take over a single Care Home at this time, although it was recognised the number of facilities to be considered for such take over may rise in due course. An overarching strategic approach to such action had been considered at an earlier NHS Board Development Session. Any decisions in this area would require to be taken in the context of future requirements, with a Joint Monitoring Committee workshop to consider these points to follow in early course. Noted NHSH not legally obliged to take on responsibility for Care Homes, all statutory obligations relating to associated care provision resting with Highland Council.

**The Committee Noted** the position.

## 5 DRAFT NHS HIGHLAND WINTER READY PLAN

L Cowie gave a presentation to members advising as to the context behind the accelerated planning approach to development of the draft NHS Highland Winter Ready Plan, and the setting of six Key Priorities. The overarching Winter planning checklist for this had been received the previous week and a relevant Task and Finish Group had been established to take this forward in line with the NHS Urgent and Unscheduled Care Plan. Members were then provided with detail as to the overview of the Plan, relevant Key Performance Indicators, associated governance framework and Resilience Plan aspects. Further detail was provided as to the relevant Communications Plan along with an indication of relevant next steps.

Points raised in discussion were as follows:

- Key Performance Indicators. Advised Planned Date of Discharge (PDDs) not routinely utilised in NHS. This was required for better patient management and further emphasised need for relevant transformation activity to be taken forward across the entire system.
- Scrutiny Arrangements. Advised had been scheduled for discussion at the November 2022 NHS Board meeting. Winter Ready Plan does not require NHS Board sign-off.

**After discussion, the Committee otherwise Noted** the position in relation to development of the NHS Highland Winter Ready Plan.

## 6 INTEGRATED PERFORMANCE REPORT

L Cowie spoke to the circulated report which provided the Committee with a bi-monthly update on NHS performance and quality based on the latest available information, a summary of which would also be provided to the NHS Board. She advised the reporting detail had been suitably aligned to the Local Delivery Plan/associated Dashboards and now included a number of additional Indicators. Further Indicators would be added in due course, aligned to relevant Programme Boards. Members were then provided with specific updates on performance relating to vaccination activity; drug and alcohol waiting times; IVF waiting times; Maternity Services; CAMHS/NDAS/Integrated Children's Services; Urgent and Unscheduled Care; TTG performance; Outpatients; Diagnostics; Cancer Care; Delayed Discharge; Adult Social Care; and Psychological Therapies. It was proposed the Committee take **Limited Assurance**.

Matters raised in discussion were related to the following:

- Vaccination Rates (including staff). Noted reporting had been challenging, with comparison rates having only just been received. NHS Highland figures for Covid booster vaccinations were above the national average for Care Home residents and staff, and below for the national average for over 65s. NHS remained ahead of trajectory.
- Vaccination Programme. Advised number of challenges in providing vaccination coverage, with uptake in remote and rural areas now showing improvement. Noted use of national scheduling tool had been challenging, with Highland issues a mix of local and national matters. Over 100 sites had been established in Highland, with the service continuing to be developed. Effective public communication would be a key aspect moving forward.
- Staff Vaccination Uptake. Advised number of drop-in clinics held in Rural General Hospitals and peer vaccination underway in Raigmore Hospital. Vaccination rate in Argyll and Bute noted as being ahead of North Highland. Issues remained in relation to reaching and vaccinating relevant Care Home and Care at Home staff. 90% of vaccination activity covered both Covid and Influenza in a singular event. Expressed concerns relating to future staffing capacity were recognised. Action to improve uptake was being considered.
- Cancer. Noted 31 Day performance had slipped and recovery plan in place to recover 62 Day performance relating to Breast Surgery, including Diagnostics activity. Downward trends relating to both Indicators were a concern.

**After discussion, the Committee:**

- **Noted** the position in relation to reported performance areas.
- **Agreed** to take **Limited Assurance**.

## **7 ASSET MANAGEMENT GROUP MINUTES**

There had been circulated Minutes of the meetings of the Asset Management Group held on 21 September May 2022. A Wilson advised all relevant financial allocations had been attributed to respective schemes, with approximately £6m total spend to date. Additional allocations had been received relating to backlog activity/equipment and the overall position continued to be monitored by the Group. On the point being raised in relation to organisational ability to spend the available maintenance resource, it was confirmed plans were in place.

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

## **8 MAJOR PROJECT SUMMARY REPORT**

A Wilson 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 the National Treatment Centre (NTC) remained on course to meet the revised completion date. Plans and schedule of works for the Raigmore Maternity Redesign Project had been agreed as had the relevant decant Strategy, the latter still having to be signed off. Activity relating to the Lochaber and Caithness Redesign schemes was being taken forward on a two team, one contractor basis and appointment of a main contractor was expected by end March 2023. Community feedback aspects would require to be managed both appropriately and sensitively. A programme of works had been agreed in relation to the Dementia Friendly upgrade of Ruthven Ward, New Craigs and it was anticipated this work would be complete by financial year end. Representatives from both NHSH and Highland Council had also met with Scottish Government officials in relation to the future levels of Capital funding and in return had been requested to develop a prioritised Capital Plan for the next 10 to 15 years. It was proposed the Committee take **Moderate Assurance**.

**The Committee otherwise:**

- **Noted** the progress of the Major Capital Project Plan.
- **Agreed** to take **Moderate** assurance.

## **9 MATERNITY AND NEONATAL BUSINESS CASE**

L Cowie spoke to the circulated report outlining the work being taken forward to establish clinically safe and sustainable maternity and neonatal pathways for the women and families who reside in NHS Highland, and through this, be able to offer the choice to the women of Moray to deliver their babies in Raigmore Hospital. It was reported the NHS Board had agreed the submission of a Business Case to Scottish Government for the relevant associated Capital costs relating to Raigmore Hospital. The NHS Board had also noted the projected workforce required to establish clinically safe and sustainable services. A final Business Case, outlining the relevant revenue costs would also be presented to the NHS Board prior to financial year end, and would include a clear recruitment and retention plan.

**The Committee otherwise Approved** the circulated Capital Business Case, as previously presented to the NHS Board.

## 10 CORPORATE RISK REGISTER

L Cowie spoke to the circulated report, providing an extract from the Corporate Risk Register insofar as it related to this Committee. The report sought to provide assurance that the risks held on the Register relating to the Committee were being actively managed through the appropriate Executive Leads and Governance Committees and to give an overview of the current status of the individual risks. It was reported that the Corporate Risk Register was being refreshed in line with “Together We Care, with you, for you” to ensure alignment to the direction it sets for NHS Highland. Risk scores and management of these risks would be managed through the Executive Directors Group. A formal report was to be provided to the Audit Committee in December 2022. There were a number of recommendations for either removal or changes to the Risk Register as follows:

- Risk 123 (Performance of the System) – Recommended closure of current Risk in favour of New Risk relating to Transformation.
- Risk 830 (Sustainability of Funding) – Recommended closure of Risk in favour of two new Risks relating to overall financial position and ability to achieve savings.
- Risk ?? (Financial Balance) – Recommended for inclusion in Register.
- Risk ?? (Financial Efficiencies) - Recommended for inclusion in Register.
- Risk ?? (Transformation) - Recommended for inclusion in Register.
- Risk 666 (Cyber Security) – Recommended Risk level be kept as High.
- Risk 712 (Fire Compartmentation Works) – Recommended Risk level be kept as Medium.
- Risk 714 (Backlog Maintenance) – Recommended Risk level be kept as Medium.

The Chair suggested consideration of inclusion of an element relating to organisational reputational risk relating to Care Home issues moving forward. It was stated it would be important to assess both relevant harm and likelihood prior to inclusion although the points highlighted in discussion were recognised. Associated matters were likely to align to existing areas of identified Risk within the current Risk Register.

B Peters took the opportunity to highlight the Risk Register as remaining a dynamic and live document. He stated establishing a parallel issues log should also be considered, reflecting anticipated risks and seeking relevant mitigating actions. Overall, development of the Risk Register was welcomed, and it was noted a Final Corporate Risk Register, aligned to Strategy, would be presented to the NHS Board at their meeting to be held in January 2023. It was proposed the Committee take **Moderate Assurance**.

### **The Committee:**

- **Agreed** to Endorse the relevant Risks to be both Closed and Added.
- **Agreed** to Maintain relevant Risk Levels where indicated.
- **Agreed** to take **Moderate** assurance.

## 11 AOCB

There was no discussion in relation to this Item.

## 12 FOR INFORMATION

The Committee **Noted** the following documents:

- Procurement Annual Report
- Digital Health and Care Group Update and Update on Progress with NHS Highland Digital Delivery Plan 2022/2023

### 13 2023 MEETING SCHEDULE

The Committee **Noted** the meeting schedule for 2023 as follows:

**6 January 2022**

**3 March**

**5 May**

**7 July**

**8 September**

**3 November**

**(All meetings to be held from 9.30am to 11.30am)**

### 14 DATE OF NEXT MEETING

The date of the next meeting of the Committee on 6 January 2023 was **Noted**.

**The meeting closed at 4.10pm**